

The American Recovery and Reinvestment Act

Saving and Creating Jobs and Reforming Education

Mitchell Chester, Commissioner
March 30, 2009

An Historic Opportunity



- *More than \$1.3 billion for Massachusetts to stimulate the economy and improve education*
- *Successful use of the funds depends on our effective leadership, judgment, coordination and communication*

Guiding Principles

Remember: this funding is for FY10 and FY11

1. Spend funds quickly to save and create jobs
2. Ensure transparency and accountability
3. Thoughtfully invest one-time funds to avoid the “funding cliff”
4. Advance effective reforms

Core Reforms: Assurances

1. College/career ready standards and high quality assessments
2. PK-college/career data systems
3. Teacher development and equitable distribution of highly effective teachers
4. Intensive support and effective interventions for our lowest performing schools

General Guidance for Use of ARRA Funds

- Invest at least 50% of ARRA funds in strategic investments that will yield:
 - Improved educational outcomes
 - Long-term cost savings and/or cost avoidance
 - Increased capacity to deliver needed services in the future
 - Other enduring benefits
- Coordinate the use of ARRA funds with regular annual IDEA, Title I, and Title IID grants. Coordinate across funding sources
- Collaborate with other districts in the spending of ARRA funds through regional and collaborative approaches to achieve efficiencies and greater impact

ARRA Grants for MA

- Early Education and Care
 - Child Care \$24.0 M
 - Pre-school special education \$10.1 M
- Elementary and Secondary
 - IDEA \$280.5 M
 - Title I \$163.4 M
 - Title II \$10.5 M
 - School Improvement \$40 M
 - McKinney-Vento Homeless \$1.0 M
 - National School Lunch \$1.4 M
 - Emergency Food Assistance \$2.14 M
- ESE and Department of Higher Education
 - Stabilization \$813.3 M*
 - Governor intends to use \$168M of stabilization funds and House I to ensure all districts reach foundation

*Total allocation is \$994.4 M, 18.2% is for public safety and other services which may include school building modernization, renovation and repair.

Proposed Use of Stabilization

- Contingent on Chapter 70 (level state funding) adoption by legislature
- Stabilization used to get all districts to foundation level -- DOES NOT CHANGE FOUNDATION LEVEL TARGET FOR EACH DISTRICT
- Incorporates continued implementation of multi-year tax equity effort

- Examples

per-pupil Chap 70 funding

- Wellesley	\$1,568
- Boston	\$3,643
- Randolph	\$3,796
- Ludlow	\$4,602
- Montague	\$6,507
- Gardner	\$7,290
- Fall River	\$8,761
- North Adams	\$8,968



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Other Education-Related Funds

- School Construction Bonds
 - Expansion of QZAB program
 - Qualified school construction bonds
 - Build America bonds
- Broadband Technology Opportunities Program
- Pell and Work Study Grants
- Higher Education Teacher Quality Enhancement Program

National Competitive Grants

- Teacher Incentive Funds \$200 M
- Longitudinal Data Systems \$250 M
- State Incentive Grants (Race to the top) \$5 B
- Innovation Fund \$650 M

Stabilization Funds

- Governor intends to use \$168 M for FY10
- Supplements Chapter 70 allocations
- Distributed by ESE in the form of a grant
- Governor reserving a portion of the funds for higher ed and for FY11
- Use for instruction (2000) and tuition (9000) expenditures
- Can be used to satisfy state/local maintenance of effort requirements
- Pension contributions - TBD

*How were the stabilization allocations
calculated?*

ABC's of Chapter 70 (with apologies to Dave Tobin)

$$A - B = C$$

A = Foundation budget

B = Required local contribution

C = Chapter 70 aid

A tale of two cities

	Methuen	Boston
Foundation budget	71.8	708.8
Required local contribution	30.1	510.8
Chapter 70 aid should be	41.7	198.8
Chapter 70 aid level funded	37.4	222.4
Shortfall	4.3	0
Stabilization allocation	4.3	0

ARRA: IDEA Funds

- Initial allocations for FY10 have been posted
- Applications available by April 30*; awards starting July 1
- Preschool grants administered by the EEC
- 2nd allocations announced this fall, will be slightly less than initial allocations
- Expect small increase in *regular* FY10 IDEA allotment
- Use for any eligible special education expenditures
- May use portion of IDEA ARRA funds to meet maintenance of effort requirements (details to be announced soon)
- Regular FY10 IDEA Funds: Allocations early April, applications available early May, awards starting September 1

* Current best estimate

ARRA: Title I Funds

- Only for districts eligible for Targeted Grants and Education Finance Incentive Grants (EFIG)
- Initial allocations will be posted in April
- Applications available by April 30*; awards by July 1
- 2nd allocations announced this fall
- Supplement not supplant and comparability requirements still apply
 - Guidance on the above will be out soon
- Regular FY10 Title I Funds: Allocations April, applications available early May, awards starting September 1

* Current best estimate

Application Process for IDEA & Title I ARRA Grants

ESE and districts must process and track ARRA expenditures separately from the annual entitlement funds for IDEA and Title I, requiring separate fund codes and applications for ARRA grant programs.

Timeline

- Materials online by April 30
- Rolling submission (in by June 1 for July 1 start)

Materials

- Separate budget workbooks for IDEA/Title I
- Other application materials under development to promote coordinated use of funds

Examples of Strategic Investments (see handout)

Strategic Investment, Example 1

The problem: District A has identified that the K-3 teachers in the Pleasant Street School need intensive professional development in expository writing. The school has a schoolwide Title I program, and students with disabilities in each of the eight classrooms.

The solution: The district can use ARRA IDEA and ARRA Title I funds for this training initiative. Three teachers who were laid off can be rehired as full-time permanent substitutes, to teach class on days when classroom teachers participate in writing training, and co-teach on other days.

Core Reform/Assurance: Teacher effectiveness

Investment: Increased capacity to deliver needed services in the future.

Strategic Investment, Example 2

The problem: Districts A and B have been spending large amounts of money to translate special education documents into the languages of the families in their districts.

The solution: They can work together and with other districts to contribute funds to an educational collaborative to have the translations produced centrally.

Investment: Efficiency through collaborative approach

Next Steps for ESE

- Conduct meetings for district teams in May
- Develop and disseminate guidance on grant application process, and additional ARRA reporting requirements
- Scale up highly needed, “shovel ready” professional development and assistance offerings

Next Steps for Superintendents

- Work with your Title I and SPED directors to identify investments to benefit students eligible for Title I services and students with disabilities
- Remember that these grants represent an opportunity to consider investments that will have a long term impact and serve a large population of students

Additional Information

www.doe.mass.edu/arra

specialeducation@doe.mass.edu / 781-338-3375

title1@doe.mass.edu / 781-338-6230

“Breaking News”

- On Tuesday, March 31, the U.S. Department of Education will release a number of documents on the American Recovery and Reinvestment Act (ARRA), including:
 - State Fiscal Stabilization Fund application, guidance, and letter on metrics;
 - Title I, Part A guidance;
 - IDEA, Part B guidance;
 - IDEA, Part C fact sheet and guidance;
 - Vocational Rehabilitation State Grants fact sheet and guidance;
 - and Independent Living Programs fact sheet and guidance.

All of these items will be posted on the Department's Recovery web site at <http://www.ed.gov/recovery/> <<http://www.ed.gov/recovery/>> by 9:00 a.m. ET that day.

IDEA & Title I ARRA Grants

Which districts will receive funds?

IDEA	Title I
All districts	Districts eligible for FY10 Title I Targeted and Education Finance Incentive Grants (EFIG)*

* Final list of eligible Title I districts expected in early April, and will be accessible via www.doe.mass.edu/arra.

Accountability Requirements

- New fund codes will be established for each ARRA grant
- For all funds, LEAs must separately account for and report on how ARRA funds were spent *and* the results of the expenditures
- USED has indicated they will require quarterly collections of data, all of which will be posted on the government website

Grant Allocations/Application Schedule Spring-Fall 2009

Portion	Grant	Allocation Amount	Application
First	IDEA ARRA Title I ARRA	As of 3/20/09 Early April *	April 30 *
Second	IDEA ARRA & Title I ARRA	Early fall *	Early fall * (amendment to initial application)
--	IDEA Regular FY10 Grant	Early April *	Early May *
--	Title I Regular FY10 Grant	May ~ June *	

* Current best estimate

Spending Terms: ARRA, Regular IDEA & Title I Grants

Grant	From	Until
IDEA ARRA	July 1, 2009	August 31, 2011 *
Title I ARRA		
IDEA Regular FY10 Grant	September 1, 2009	August 31, 2010 *
Title I Regular FY10 Grant		

* Details regarding carryover limitations, if any, expected later this spring

Example of a District's Total FY10 ARRA and Regular IDEA and Title I Awards

(3,000 Students, 20% Low Income, 15% SPED)

Grant	Allocation	Grant Length*	Uses
IDEA Regular FY10	\$600,000	1 year	Instructional personnel & contracted specialists across district
Title I Regular FY10	\$400,000	1 year	Instructional personnel & PD (math; 3 schools)
Subtotal	\$1,000,000		
IDEA ARRA	\$730,000	2 years	
Title I ARRA	\$250,000	2 years	
Subtotal	\$980,000		
Total	\$1,980,000		

* Details regarding carryover limitations, if any, expected later this spring