

March 16 e-mail from VaDOE to school superintendents regarding additional information on ARRA education funds

This communication is intended to provide you with additional information regarding education funding under the federal American Recovery and Reinvestment Act of 2009 (ARRA). On Tuesday, March 10, 2009, the chief state school officers met with President Obama, Secretary of Education Arne Duncan, and their staff to discuss ARRA funds for education. During this meeting, we sought clarification from Secretary Duncan and his staff on the initial guidance documents released by the U.S. Department of Education (USED) on March 6, 2009. (See SUPTS E-MAIL, March 9, 2009.) At this meeting, USED officials indicated that additional information on appropriate uses of funds and waiver requests would be issued later this month.

In an ongoing effort to respond to your questions, the Virginia Department of Education has prepared a summary of key elements in the USED guidance documents that may assist school divisions in developing effective plans to spend the federal stimulus funds consistent with the principles of the American Recovery and Reinvestment Act (ARRA).

The ARRA includes three primary funding sources for public education: State Fiscal Stabilization Funds; Title I, Part A; and Individuals with Disabilities Education Act (IDEA). It is important to note that states will be required to submit to USED a two-phase application, where upon approval of each section, USED will provide funding for each of these funding sources. ARRA funds are federal funds and will be disbursed to LEAs on a reimbursement basis.

State Fiscal Stabilization Funds (SFSF)

The USED anticipates providing a template by the end of March 2009 for Governors to begin the application process for the SFSF. Virginia plans to submit the application for phase one funding as soon as it receives the template, compiles the data, and receives approval from the Governor.

USED will release 67 percent of the SFSF to the state within two weeks of receiving a completed application. The remainder of the SFSF will be provided to states on a rolling basis during the period July 1 to September 30, 2009, as the state applications are approved. SFSF are available for obligation at the state and local levels through September 30, 2011.

Uses of State Fiscal Stabilization Funds

The State Fiscal Stabilization Fund (SFSF) is a new program authorized under the ARRA; however, the funding provided is of a limited duration. Priority should be given to spending the funds quickly to save and create jobs; to improve student achievement and help close the achievement gap; and in ways that do not result in unsustainable continuing commitments after the funding expires in two or three years. LEAs should also be prepared for additional rigorous reporting requirements. ***The USED guidance expressly states that LEAs may use SFSF to pay salaries to avoid having to lay off teachers and other school employees.*** Funds may also be used for modernization, renovation, or repair, and the guidance encourages such improvement of facilities to support early childhood education, the community, and "green" buildings. Further, SFSF education funds may be used for any activity authorized under the Elementary and Secondary Education Act (ESEA), the Individuals with Disabilities Education Act (IDEA), the Adult Education and Family Literacy Act, or the Carl D. Perkins Career and Technical Education Act. The Virginia Department of Education is currently working on a technical assistance document that provides an overview of the kinds of activities permitted under these four acts.

Title I, Part A, and IDEA, Part B, Funding

By late March 2009, USED plans to release to state agencies 50 percent of ARRA funds under Title I, Part A, and IDEA, Part B (both grants to states and preschool), based on state applications that have already been submitted and approved by USED. The remainder of the funds will be awarded between July 1 and October 1, 2009, based on amendments the state will be required to

make to its Consolidated State application and its application for IDEA, Part B, funds. For planning purposes, attached are spreadsheets that provide **preliminary estimated** ARRA allocations by locality. ***It is important to note that allowable uses of the Title I and IDEA funds that are being made available through ARRA are the same as in the main programs.***

Title I, Part A

Federal Fiscal Year 2009 (FFY09) Title I, Part A, awards will be sizeable, as they will be composed of:

- Phase I (50%) of the Title I, Part A, ARRA award
- Phase II (50%) of the Title I, Part A, ARRA award
- The regular funds (July 1) for FFY09 Title I, Part A
- The regular funds (October 1) for FFY09 Title I, Part A.

Absent a waiver for the ARRA portion of the funds, 85 percent of these four funding streams must be obligated by September 30, 2010, and the remaining funds must be obligated by September 30, 2011.

USED has posted to its Web site budget tables showing preliminary ARRA allocations to the state and by locality; ***however, the Web site also explains that actual amounts received by LEAs will be smaller than shown due to state-level adjustments to Title I allocations.*** The Virginia Department of Education will release these funds to LEAs as quickly as possible after they have been awarded to the state. The Department plans to streamline the procedure by which LEAs can receive their initial portion of the ARRA Title I, Part A, funds that are to be made available by April 2009 by requesting an intent-to-apply form. The detailed information regarding how the ARRA funds and the regular Title I, Part A, funds will be used to meet the intent of the law will be requested through the FFY09 application for Title I, Part A, funds due on July 1, 2009. Adjustments for inclusion of the ARRA funds will be made to the FFY09 applications.

The USED guidance also notes that the U.S. Secretary of Education will consider requests for waivers relating to the use of Title I ARRA funds concerning set-asides in Title I; per pupil amounts for supplemental services; the limit on how often a state may grant a waiver of the carryover limit; and the maintenance of effort requirements. Virginia will make every effort to seek waivers that benefit school divisions in using these funds in an effective and expedient manner.

Uses of ARRA Title I, Part A, Funds

The USED guidance notes the congressional intent that some of the Title I, Part A, funds be used for early childhood education programs and indicates that additional guidance will be provided on these opportunities. The guidance also encourages LEAs to focus use of funds on short-term investments with the potential for long-term benefit rather than making unsustainable, ongoing commitments.

Examples of allowable uses of AARA Title I funds include establishing a system for identifying and training highly effective teachers to serve as instructional leaders in Title I schoolwide programs and modifying the school schedule to facilitate collaboration among instructional staff; yearlong training for all teachers and the principal in a Title I school in corrective action or restructuring focused on an intensive academic instructional program or building teachers' capacity to address academic achievement problems that caused the school to be identified; providing resources to align early childhood education with elementary school standards and, subject to a plan for sustainability, expanding Title I early childhood education programs; developing core infrastructure in technology in Title I schoolwide programs, including obtaining software and equipment and providing teacher training in the use of technology; providing opportunities for Title I secondary school programs to use high quality on-line coursework as supplemental learning materials for meeting math and science curriculum requirements; using longitudinal data systems to drive continuous improvement efforts focused on achievement in Title I schools and

training teachers in Title I schools on the use of data to inform and improve instruction for Title I eligible students; using reading or math coaches to provide professional development for teachers in Title I schools; and establishing or expanding extended learning activities for Title I eligible students, including before or after school, summer, and extended school years, with consideration of how to sustain these activities beyond the two years of ARRA funding.

ARRA IDEA, Part B

USED has indicated that the first 50 percent of IDEA, Part B, funds under ARRA should be awarded by the end of April 2009, and the total award will remain available for obligation at the state and local levels through September 30, 2011.

Uses of ARRA IDEA, Part B, Funds

The USED guidance document provides examples of ways that IDEA, Part B, funds may be spent, including hiring transition coordinators, obtaining assistive technologies, enhancing access of students with disabilities to the general curriculum, providing professional development, and improving capacity for collecting and using data.

Examples of allowable uses of AARA IDEA, Part B, funds include hiring transition coordinators to work with employers to develop job placements for youth with disabilities; obtaining state-of-the-art assistive technology devices, and training in their use, to enhance access of students with disabilities to the general curriculum; intensive district-wide professional development for special education and regular education teachers that focuses on scaling up, through replication, innovative, evidence-based strategies in academic subjects and behavioral supports to improve outcomes for students with disabilities; improving capacity for collecting and using data to improve teaching and learning; and expanding inclusive placement options for preschool children with disabilities by developing the capacity of public and private preschool programs to serve them.

School-by-School Per-Pupil Expenditure Reporting

As noted in the USED guidance documents, each LEA receiving ARRA Title I, Part A, funds shall report a school-by-school listing of per-pupil educational expenditures from state and local sources for the 2008-2009 school year. The Virginia Department of Education is planning to collect this information as part of the September 30 Fall Membership data collection. Those divisions not receiving any supplemental Title I Part A funds from ARRA are not required to report per-pupil expenditures, but may do so if they choose.

We will keep you apprised as we receive additional guidance on the ARRA.

The U.S. Department of Education has indicated that it will continue to provide updated information at its ARRA Web site:

<http://www.ed.gov/policy/gen/leg/recovery/index.html>

The March 6, 2009, guidance document can be accessed at the above Web site.

The White House's ARRA Web site can be accessed at:

<http://www.recovery.gov/>

You may find state-level ARRA information on the Governor's Web site:

<http://www.stimulus.virginia.gov/>