



Arizona Education Association

A banner image showing a diverse group of students in a classroom. A girl in the foreground has her hand raised. A girl in the background is wearing a blue graduation cap and gown. The text 'Keeping' is overlaid on the left side of the banner.

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# American Recovery and Reinvestment Act

## Arizona Overview



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# Overall Funding Totals

- Overall package = \$787 billion
- Spending totals = \$575 billion
- Tax cuts = \$212 billion



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# Arizona Funding Totals

■ Tax Relief	?
<hr/>	
■ State and Local Fiscal Relief	\$1.1 B
■ Education Programs	\$442 M
■ Medicare Matching	\$1.7 B
■ Transportation	\$623 M
■ Health Services	\$20 M
■ Commerce	\$112 M
■ DES	\$197 M
■ Other	\$164 M
■ Total	<b>\$4.3 B</b>

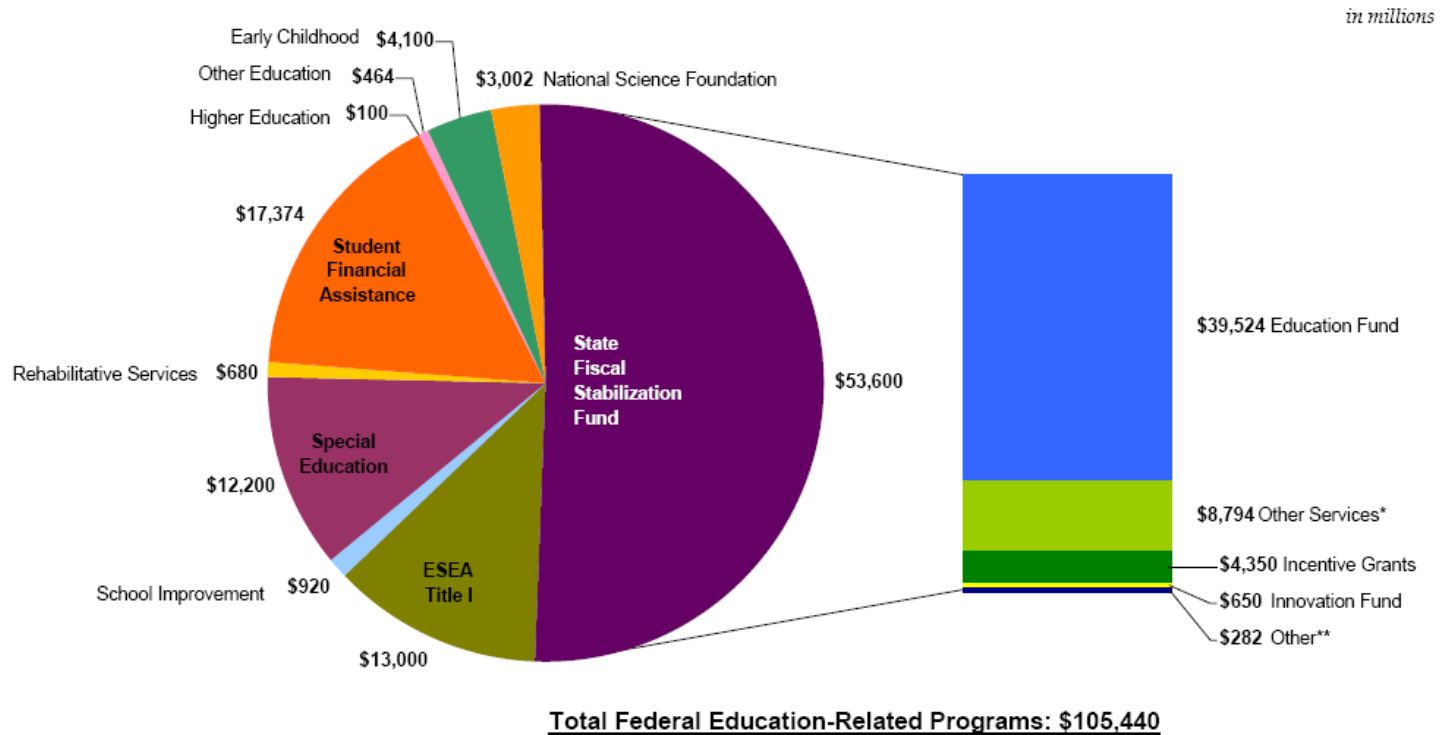


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# American Recovery & Reinvestment Act

## Federal Education-Related Programs



\* Including education services and the modernization, renovation, and repair of elementary, secondary, and postsecondary facilities. \*\* Outlying areas (\$268) and administration and oversight (\$14). For more information, contact Tom Zembar at 202.622.7109 or TZembar@nea.org. February 17, 2009.



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# Arizona's ARRA Education Funding

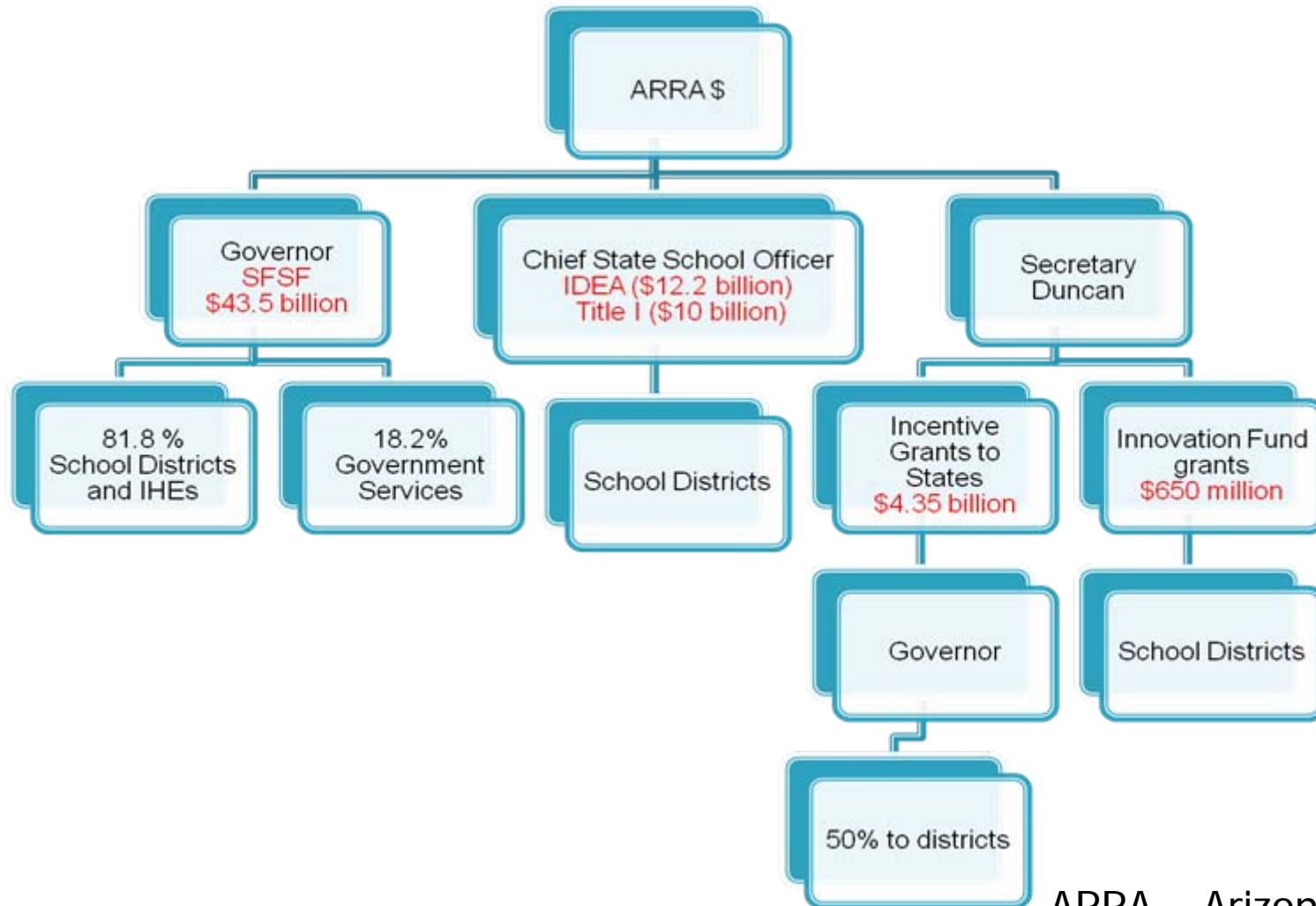
- Total -- **\$2.3 billion**
  - Fiscal Stabilization Fund **\$1.017 billion**
  - K-12 Federal Programs **\$444.2 million**
  - Higher Education **\$726.3 million**
  - Early Childhood **\$95.5 million**
  - Adult Education **\$14.1 million**



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ARRA – Arizona Overview



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# Arizona's ARRA Funding Federal Programs

- K-12 Total -- \$444.2 Million
  - \$178.5 million - IDEA Part B
  - \$194.9 million - ESEA Title I, Part A
  - \$56.4 - million - ESEA School Improvement Grants
  - \$12.4 million - Educational Technology State Grants
  - \$2.0 million - Homeless Children and Youths



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# Arizona's ARRA Funding Federal Programs Schedule

## ■ ESEA & IDEA

- The Department will release 50 percent of the funds before the end of March 2009 without requiring new state applications.
  - \$5 billion in Title I
  - \$5.85 billion in IDEA
- The Department expects to make available the remainder of the funds during the period July 1 to September 30, 2009, conditioned on states providing additional information.



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# State Fiscal Stabilization Fund

- \$53.6 billion - flexible funding through existing state education formulas
  - **\$39.5 billion Education Stabilization Fund (ESF)** for general fiscal relief for public school districts and public institutions of higher education
  - **\$8.8 billion - Government Services Fund (GSF)** for public safety and other government services, which may include assistance for elementary and secondary education and public institutions of higher education and for modernization, renovation, or repair of public school facilities and institutions of higher education facilities
  - \$4.35 billion for State Incentive Grants



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# State Fiscal Stabilization Fund Maintenance of Effort

- State must maintain education spending at least at FY 06 level for each of Fiscal Years 2009, 2010, and 2011
- Secretary of Education may waive or modify requirement for each of those years
- Funds used to bring funding level to FY 2008 or FY2009 state support level (higher of the two)



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# Arizona's ARRA Funding Stabilization Fund

- \$1.017 billion allocated to Arizona
- 8.2%, \$185.5 million – Government Services Fund.
- 81.8%, \$831.5 million – Education Stabilization Fund
  - K-12 and Higher Education to cover budget shortfalls for FY09, FY10, and/or FY11.



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# State Fiscal Stabilization Fund US Dept. of Ed. Guidance

- Spend funds quickly to save and create jobs.
  - “Pick up pink slips”
- Improve student achievement through school improvement and reform.
- Ensure transparency, reporting and accountability.
- Invest one-time ARRA funds thoughtfully to minimize the “funding cliff.”



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# State Fiscal Stabilization Fund

## US Dept. of Ed. Guidance

- Funds received by LEAs can be spent for any purpose allowable under:
  - ESEA,
  - IDEA
  - Adult and Family Literacy Act
  - Perkins Career and Technical Education Act,
  - or for modernization, renovation or repair of public school facilities



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# State Fiscal Stabilization Fund Schedule of Funding

## ■ Phase One:

- ED will provide 67% of state's total stabilization allocation (67% of both its ELF allocation and its GAFF allocation) **within two weeks of receipt of an approvable application.**
- ED anticipates states will be readily able to provide information required, **current burden estimate is 17 hours** required to complete application.



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# State Fiscal Stabilization Fund Schedule of Funding

## ■ Phase Two:

- ED will provide remaining 33% of state's stabilization allocation (or remaining 10% if state received 90% in Phase One)
- The Department expects to make available the remainder of the funds during the period July 1 to September 30, 2009 conditioned on states providing additional information.



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# State Fiscal Stabilization Fund Schedule of Funding

- If a State has funds remaining after fully restoring State support for elementary, secondary, and postsecondary education in each of fiscal years 2009, 2010, and 2011, it must allocate the remaining funds from the Education Stabilization Fund to LEAs based on their relative shares under Part A of Title I.



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A background image showing a diverse group of students in a classroom. A girl in the foreground is raising her hand. A girl in a blue graduation cap and gown is smiling. Other students are visible in the background, some looking at the camera and others looking towards the front of the room.

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# State Fiscal Stabilization Fund Schedule of Funding

- A State must first use its Education Stabilization Fund allocation to restore fully the level of State support for elementary and secondary education in FY 2009 and the level of State support for public IHEs in FY 2009 before it may allocate any funds from the Education Fund to restore that support in FY 2010..



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# State Fiscal Stabilization Fund Schedule of Funding

- A State must restore State support for *both* elementary and secondary education and public IHEs. It may not choose to restore support for only elementary and secondary education or for only postsecondary education.
- A State would repeat this process to restore support in FY 2010 and FY 2011 to the extent it has remaining funds.



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# Application SFSF

- Available as of April 1 - <http://www.ed.gov/policy/gen/leg/recovery/index.html>
- 67% within 2 weeks (90% if applicable)
- 300 pages of guidance to review.



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# Application Assurances

1. Assurances that the State is committed to advancing education reform in four specific areas;
2. Baseline data that demonstrate the State's current status in each of the four education reform areas;
3. Maintenance-of-effort (MOE) information; and
4. A description of how the State intends to use its Stabilization allocation.



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# Four Policy Assurances

1. Increase teacher effectiveness and address inequities in the distribution of highly qualified teachers;
2. Establish and use a pre-K-through-college-and-career data system to track progress and foster continuous improvement;



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## Four Policy Assurances

3. Make progress towards rigorous college- and career-ready standards and high-quality assessments that are valid and reliable for all students, including limited English proficient students and students with disabilities; and
4. Provide targeted, intensive support and effective interventions to turn around schools identified for corrective action and restructuring.



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# Priority for Spending

- **Spend funds quickly to save and create jobs.** *ARRA* funds will be distributed quickly to states, LEAs and other entities in order to avert layoffs and create jobs. States and LEAs in turn are urged to move rapidly to develop plans for using funds, consistent with the law's reporting and accountability requirements, and to promptly begin spending funds to help drive the nation's economic recovery.



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# Invest in What Works & Innovation Fund

- An additional \$650 million will be set aside in the "Invest in What Works and Innovation" fund and be available through a competition to districts and non-profit groups. Guidelines and applications for the competitive funds will be posted expeditiously.



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# Race to the Top Fund (State Incentive Grants)

- National competition among states for a \$4.35 billion state incentive “Race to the Top” fund.
- Guidelines and applications for the competitive funds will be posted expeditiously. Race to the Top grants will be made in two rounds -- fall 2009 (30 percent to be awarded by the end of December) and spring 2010 (70 percent during the period May 1 to July 31, 2010).



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# Health Related Funding

- Increased federal share of Medicaid spending = \$86.6 billion.
  - Available immediately and through 12/31/2010.
- COBRA: new 65% federal subsidy for health insurance premiums--up to nine months for workers and their families laid off between Sept. 1, 2008 and Dec. 31, 2009 (\$24.7 billion)



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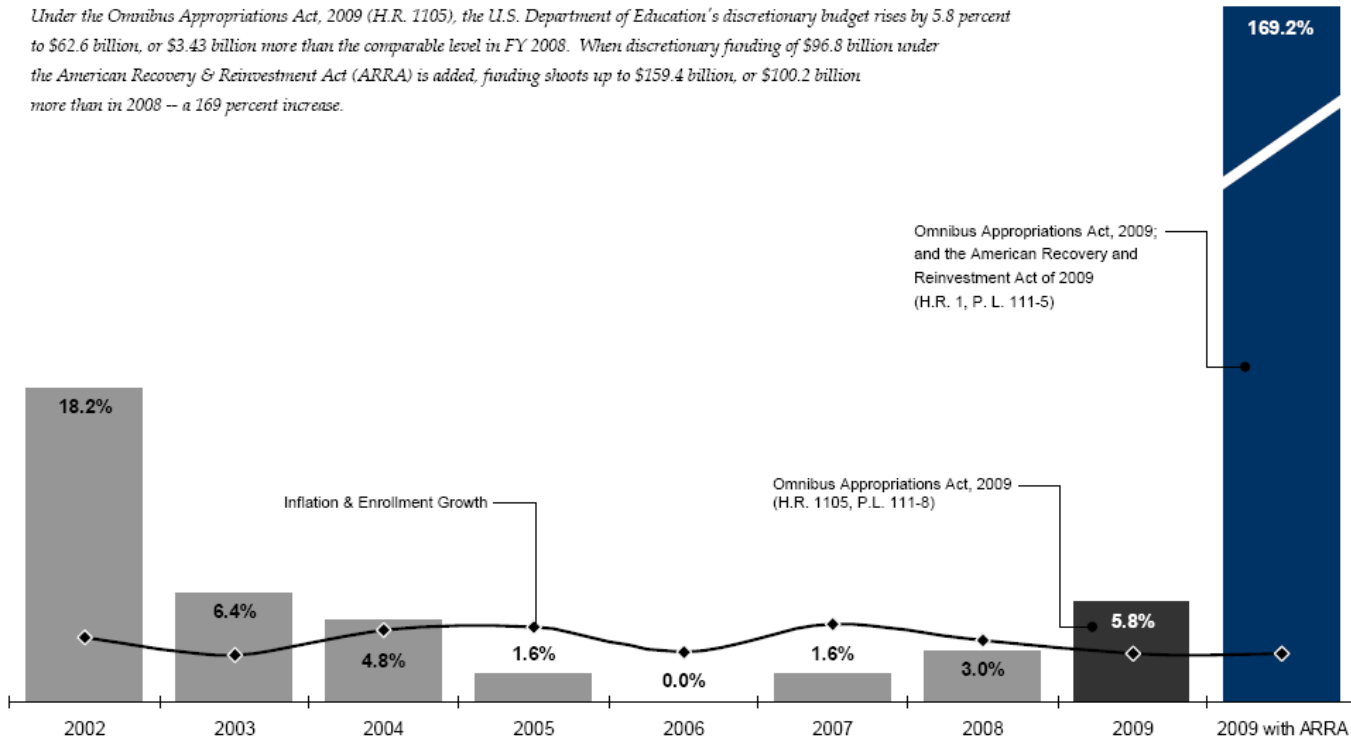


# Federal Education Funding

Percentage Change in Education Department Discretionary Funds, FY 2002-09



Under the Omnibus Appropriations Act, 2009 (H.R. 1105), the U.S. Department of Education's discretionary budget rises by 5.8 percent to \$62.6 billion, or \$3.43 billion more than the comparable level in FY 2008. When discretionary funding of \$96.8 billion under the American Recovery & Reinvestment Act (ARRA) is added, funding shoots up to \$159.4 billion, or \$100.2 billion more than in 2008 -- a 169 percent increase.



Source: U.S. Department of Education. Inflation is based on the percentage change (fourth quarter over fourth quarter) in the Consumer Price Index for all urban consumers, Budget of the United States Government, Office of Management & Budget. Enrollment growth is calculated from Projections of Education Statistics to 2017, National Center for Education Statistics. For more information, contact Tom Zembar at 202.822.7109 or TZembar@nea.org. Updated March 10, 2009.

# Key Resources

- **White House Website:**  
<http://www.recovery.gov>
- **USED ARRA webpage:**  
<http://www.ed.gov/policy/gen/leg/recovery/index.html>
- **Council of State Governments:**  
<http://www.staterecovery.org/>
- **JLBC ARRA Title I Estimates:**  
<http://www.azleg.gov/jlbc/arrasummary031809.pdf>

# President Van Roekel Video

- **Share Your Stories!**

[www.nea.org/economystories](http://www.nea.org/economystories)

- **Includes a video from Dennis Van Roekel asking members to share their stories**



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# Key Issues

1. JOBS -- JOBS -- JOBS
2. Cut then Backfill or Backfill and Grow Budget
3. The Cliff!
4. NEA Makes a Difference in our Lives
5. Local Funds



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A photograph of a diverse group of students in a classroom. A girl in the foreground has her hand raised. A girl in the background is wearing a blue graduation cap and gown. The scene is brightly lit and shows students engaged in learning.

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# Thank You



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# Key Questions

1. Has your Governor submitted a certification that he/she will request ARRA funds?
2. Who is in charge in your state: Governor, a recovery "czar", state legislature?
3. Has state calculated its shortfall in "state support" for K-12 and higher ed?
4. Is state planning to use SFSF money to supplant planned education funding?



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## Key Questions

5. Are stabilization funds enough to cover total state level education shortfall?
6. Will state ask for 90% of funds in phase 1?
7. Has state made preliminary allocations to school districts and public institutions of higher education?
8. Who will decide how to spend the 18.2% in flexible funds – will any be spent on education? Higher education? School modernization?



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## Key Questions

14. Are there plans on what to do once ARRA \$ is gone?
15. Will your state apply for Race to the Top?
16. Will your district apply for Innovation fund \$?
17. How will ARRA \$ impact collective bargaining agreements?
18. What is the role of your state and local association in all of the above?