The American Recovery and Reinvestment Act
Briefing / Talking Points

What is the American Recovery and Reinvestment Act?

The American Recovery and Reinvestment Act (ARRA) was passed on February 13, 2009. The goals of the program are to stimulate the economy in the short-term, invest in education and other essential public services, and ensure the long-term economic health of the nation. The principles of ARRA are to:

- Spend funds quickly to save and create jobs
- Improve student achievement through school improvement and reform
- Ensure transparency, reporting and accountability
- Invest one time ARRA funds thoughtfully to minimize the "funding cliff"

How much money is Iowa getting?

The ARRA includes the State Fiscal Stabilization Fund (SFSF). This is a one-time appropriation awarded to states to help stabilize state and local budgets and to minimize and avoid reductions in education and other essential services. Iowa will receive $472 million in stabilization fund dollars -- $386 million to support public elementary, secondary and higher education, and $86 million for government services. In addition to state stabilization funding, Iowa will receive stimulus dollars to support IDEA (Individuals with Disabilities Act), Title I (a poverty-based federal grants program), educational technology, and school lunch equipment.

State Stabilization – Education	$386,374,000 (broken out below)
State Stabilization – Government Services	$ 85,966,000

IDEA Part B	$122,095,134
IDEA Part B Preschool	$ 4,141,398

Title I	$ 51,638,795
Title I, School Improvement	$ 15, 688,000

Education Technology	$ 3,376,407

School Lunch Equipment	$ 823,633

The allocation of the State Fiscal Stabilization Funds for both education and government services is determined by the legislature through their appropriation process. Although not all of the $386 million in education stabilization funds have been allocated, the amounts obligated for education so far break down in the following way:

FY09

- $ 40,000,000 K-12 State Aid

FY10

- $202,546,705 K-12 State Aid
- $ 13,103,950 Instructional Support Levy
- $ 80,280,000 Regents
- $ 23,100,000 Community Colleges
- $ 2,000,000 Professional Development – Core Curriculum

Stabilization funds for education will be distributed to schools through regular distribution mechanisms such as state aid payments to school districts and community colleges and most of the other ARRA funds will be distributed through regular federal formula payments. However, separate accounting for these funds will be required.

How can the money be used?

Examples of uses for the State Fiscal Stabilization Funds for education include:

- Prevent layoffs of educators
- Preserve student support programs
- Establish instructional leaders or coaches
- Allow more collaboration among instructional staff
- Extend time for learning, including extended contracts
- Extend time for learning with before and after school programs, summer programs, or extended school year
- Provide intensive, year-long teacher training
- Align district's curriculum to the Iowa Core Curriculum
- Activities authorized under the Elementary and Secondary Education Act (ESEA)
- Activities authorized under the Individuals with Disabilities Education Act (IDEA)
- Activities authorized under the Adult Education and Family Literacy Act (AEFLA)
- Activities authorized under the Carl D. Perkins and Technical Education Act

The stabilization funds for government services will be used to support some administrative activities and areas such as social services and corrections.

What kind of reporting and accountability will be required?

In order to apply for these funds, both the state and school districts must assure through an application process that they will:

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

- Make progress toward rigorous college and career-ready standards and high quality assessments that are valid and reliable for all students, including English Language Learners and students with disabilities
- Provide targeted, intensive support and effective interventions to turn around schools identified for corrective action and restructuring

Each school district or college must report to the Iowa Department of Education (Department) quarterly on progress toward meeting the assurances and must provide data on the jobs created, jobs saved, use of funds, and amount of funds expended. In order to facilitate this process, the Department is developing a common reporting system that will be web-based. The Department will then compile this information and must report it to the USDE within 10 days.

Conclusion and Resources

This funding is being provided not only to avert layoffs, create and save jobs and continue services to students, but also to strengthen education, drive reforms and innovation, and improve results for students. Spending this money wisely to achieve these goals will only occur through the shared commitment of state officials as well as local superintendents, principals, presidents, board members and trustees, teachers, parents and students.

ARRA updates are posted on the Department website at www.iowa.gov/educate.

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