



American Recovery and Reinvestment Act of 2009

Summary of Provisions Related to Education, National Service, and Child Care

Background

President Obama signed the American Recovery and Reinvestment Act (ARRA) of 2009 on February 17th after Congress passed the bill the previous week. This \$787 billion economic stimulus package includes the largest ever one-time federal investment in education. It also proposes increased funding for the expansion of national service. Provisions of the Act of interest to the Citizen Schools' community include:

EDUCATION

For FY 2009-2010, the Act allocates a total of \$130.24 billion for federal education-related programs (for a complete list of education funding provided in the ARRA, including state and district level estimates, please visit the Department of Education's website at <http://www.ed.gov/about/overview/budget/news.html#FY2009action>.) Of particular note:

K-12

Thirteen billion dollars will be allocated through Title I of the Elementary and Secondary Education Act, providing funding for schools with high percentages of children living in poverty to raise achievement levels. Some of these funds may be used to support afterschool programs. The Title I funds break down as follows:

- **\$10 billion in Grants to Local Education Agencies (LEAs).**
- **\$3 billion in School Improvement Grants** (40percent of these funds are to go to middle and high schools). For schools that enter corrective action on the No Child Left Behind timeline (failing to make AYP for a 4th consecutive year), a step they may take can include extending the school day and/or year.

See how Title I funding will flow to LEAs in states¹ served by Citizen Schools:

CA: <http://www.ed.gov/about/overview/budget/titlei/fy09recovery/california.xls>

MA: <http://www.ed.gov/about/overview/budget/titlei/fy09recovery/massachusetts.xls>

NC: <http://www.ed.gov/about/overview/budget/titlei/fy09recovery/northcarolina.xls>

NJ: <http://www.ed.gov/about/overview/budget/titlei/fy09recovery/newjersey.xls>

NM: <http://www.ed.gov/about/overview/budget/titlei/fy09recovery/newmexico.xls>

NY: <http://www.ed.gov/about/overview/budget/titlei/fy09recovery/newyork.xls>

TX: <http://www.ed.gov/about/overview/budget/titlei/fy09recovery/texas.xls>

¹ Actual amounts received by LEAs will be smaller than shown on these tables due to state-level adjustments to Federal Title I allocations.

State Fiscal Stabilization Fund

The U.S. Department of Education will administer a **\$53.6 billion State Stabilization Fund**. The stabilization fund is primarily targeted toward helping states avoid cuts in education, and also includes some funds to reward progress in helping students achieve and to foster innovation. States must apply for the funds to the Secretary of Education by describing their situation, providing data on their status, and explaining how they will use the funds. The fund is divided as follows:

- **\$39.5 billion** (81.8% of the state allocation) **for elementary, secondary, and postsecondary education**.
 - Most of this funding will be used to “restore state support for education” through the state’s primary elementary and secondary funding formulae.
 - The Governor shall use the remaining funds from the 81.8% allocation for subgrants to “improve basic programs” operated by LEAs. Subgrants are made to LEAs based on Elementary and Secondary Education Act (ESEA) funding shares. LEAs may use the funds for any activity authorized under ESEA, the Individuals with Disabilities Education Act (IDEA) and Perkins (career and technical education).
- **\$8.8 billion** (18.2% of the state allocation) may be used **for public safety and other government services** (including education services and K-12 and higher education modernization, renovation, and repair).
- Click here for an estimate of state allocations under the stabilization fund:
<http://www.afterschoolalliance.org/documents/Policy%20and%20Action/StateStableFund.pdf>.
- An additional **\$5 billion for State Incentive Grants** will be awarded to states in FY 2010 for making progress in ensuring that high-need students are making progress toward state academic achievement standards, targeting high-need schools and LEAs, and making progress in closing achievement gaps.
 - States also have to apply for these funds and describe existing progress in and strategies for helping high need students make progress; how they would use incentive grant funds, including a description of how they would target funds towards high-need LEAs and students; and a plan for evaluating their progress.
 - Fifty percent of a state’s grant shall go to LEAs based on ESEA formulas.
- Of this \$5 billion, the Secretary may reserve up to **\$650 million to establish an Innovation Fund** to recognize LEAs, schools, and nonprofit organizations that make gains in closing the achievement gap to expand their work, work with private and philanthropic entities, and serve as best practices. *Nonprofit organizations, in partnership with one or more LEAs or a consortium of schools, are eligible to apply for funds.* To be eligible, entities must have:
 - Significantly closed achievement gaps
 - Exceeded the State’s annual measurable objectives for two or more consecutive years or have demonstrated success in significantly increasing student academic achievement for all groups of students through another measure
 - Made significant improvement in other areas, such as graduation rates, as demonstrated with meaningful data
 - Established partnerships with the private sector, which may include philanthropic organizations, and the private sector will provide matching funds in order to help bring results to scale

NATIONAL SERVICE

The ARRA allocates a total of **\$201 million to expand and improve national service** programs. It is divided as follows:

- **\$89 million for AmeriCorps State and National to make additional awards to existing grantees. Up to 20% of the available funds may be used for national direct grants.**
- \$65 million for AmeriCorps VISTA.
- \$40 million for the National Service Trust to support additional members and offset any losses incurred as a result of declining interest rates.
- \$6 million to the Corporation for National and Community Service (CNCS) for information technology upgrades.
- \$1 million for the Inspector General.

To learn more about the National Corporation for National Service's developing plans for these funds, please visit <http://www.nationalservice.gov/about/recovery/index.asp>.

CHILD CARE

The ARRA allocates **\$2 billion to the Child Care and Development Block Grant (CCDBG)**. Administered federally by the Department of Health and Human Services, CCDBG subsidizes child care costs. According to the Afterschool Alliance, about one-third will be used to be used to support children in afterschool programs. For a detailed analysis of how your state is currently using CCDBG funds for afterschool (as well as other sources of afterschool funding), click on your state here: <http://nccic.acf.hhs.gov/afterschool/statep.html>. For a detailed estimate of how state funding would be allocated overall under the Act, visit http://clasp.org/publications/aara_childcarestatealloc.pdf.

Our colleagues at the Afterschool Alliance have prepared a **comprehensive website** with more information and tools for state and local programs to make the case for providing resources to afterschool programs via the various funding streams in the economic recovery act. Please visit <http://www.afterschoolalliance.org/policyEconRecovery.cfm> for more information.

* * * * *

Citizen Schools is a leading national education initiative that mobilizes thousands of adult volunteers to help improve student achievement by teaching skills-building apprenticeships after school. These programs blend real-world learning projects with rigorous academic and leadership development activities, preparing students in the middle grades for success in high school, college, the workforce, and civic life.

For more information, contact Christin M. Driscoll, Executive Director of Policy and Communications, at christindriscoll@citizenschools.org or (703) 524-2552 or Tasha Patusky, National Public Policy Manager at tashapatusky@citizenschools.org or (617) 894-8585.