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**\$44 BILLION IN STIMULUS FUNDS AVAILABLE TO DRIVE  
EDUCATION REFORMS AND SAVE TEACHING JOBS  
Applications and Guidelines Available Today**

CAPITOL HEIGHTS, Md. -- Secretary of Education Arne Duncan today announced that \$44 billion for states and schools is now available under the American Recovery and Reinvestment Act (ARRA) of 2009. This funding will lay the foundation for a generation of education reform and help save hundreds of thousands of teaching jobs at risk of state and local budget cuts.

“Given our economic circumstances, it’s critical that money go out quickly but it’s even more important that it be spent wisely,” said Duncan. “The first step toward real and lasting reform that will ensure our student’s competitiveness begins with absolute transparency and accountability in how we invest our dollars, educate our children, evaluate our teachers, and measure our success. We must be much more open and honest about what works in the classroom and what doesn’t.”

Duncan made his announcement at Doswell Brooks Elementary School in Capitol Heights, Md. He was joined by Maryland Governor Martin O’Malley, Congresswoman Donna Edwards (D-Md.), Maryland State School Superintendent Nancy Grasmick, Interim Superintendent of Prince George’s County Public Schools, William Hite, Jr, County Executive Jack B. Johnson, Maryland State Teacher’s Association President Clara Floyd and Prince George’s County Education Association President Donald Briscoe.

The Prince George’s County School District is facing a \$155 million budget gap for next year. School officials estimate the district will receive at least \$142 million from the stimulus package over the next two years.

Governor O’Malley saluted the administration for the reform elements of the package saying, “President Obama and Secretary Duncan have put a bold education reform plan in place that will invest in our schools, our students and our teachers. But each State must play their part to show how these dollars will be spent, and to move forward on a path to progress in our schools.”

Today’s announcement includes applications and guidelines for \$32.6 billion under the State Stabilization Fund, representing two-thirds of the total dollars in the Fund. This includes \$26.6 billion to save jobs and improve K-12 and higher education and a separate \$6 billion in a Government Services Fund to pay for education, public safety or other government services.

Funds in the first round will be released within two weeks of an application’s approval. A second round of stabilization funds will be released later in the year. A third round of funding, the Race to the Top competitive grant program will reward states that have made the most progress on reforms.

The guidelines released today promote comprehensive education reform by receiving commitments from states that they will collect, publish, analyze and act on basic information regarding the quality of classroom teachers, annual student improvements, college readiness, the effectiveness of state standards and assessments, progress on removing charter caps, and interventions in turning around underperforming schools. Specifically, the law requires states to show:

- Improvements in teacher effectiveness and ensuring that all schools have highly qualified teachers;
- Progress toward college and career-ready standards and rigorous assessments that will improve both teaching and learning;
- Improvements in achievement in low-performing schools, by providing intensive support and effective interventions in those schools.
- That they can gather information to improve student learning, teacher performance, and college and career-readiness through enhanced data systems that track progress.

In a letter to governors (attached), Secretary Duncan outlines a set of proposed measurements that states would report on their progress toward the education reforms spelled out in the law. The Department will release these metrics for public comment in the Federal Register in April and then issue a final version.

The guidelines also require states to report the number of jobs saved through Recovery Act funding, the amount of state and local tax increases averted, and how funds are used. It further requires that the bulk of the federal dollars be spent on education.

Part 2 of the State Stabilization Fund Application, available later this year, will allow states to apply for the last third of the stabilization funds, which includes \$13.1 billion for education and \$2.9 billion designated for the Government Services Fund. Guidelines for Part 2 require states to submit the required data or provide an explanation of why the data is currently unavailable and a plan for collecting the data by 2011.

Finally, \$5 billion in competitive grants, the “Race to the Top” fund, will be awarded to states that are most aggressively pursuing reforms. In order to ensure that Recovery Act funds are driving classroom improvements, states competing for Race to the Top funds will be judged on how well they are using the first round of stabilization and Title I funds to advance education reforms.

“Every dollar we spend must advance reforms and improve learning. We are putting real money on the line to challenge every state to push harder and do more for its children,” Duncan said.

In addition to the stabilization funds, \$11.4 billion is available immediately under the Title I, IDEA, Vocational Rehabilitation and Independent Living programs. Title I programs serve schools with large concentrations of low-income students. IDEA funds serve students with disabilities. A second round of Title I and IDEA funds will be available later in the year.

To receive State Stabilization Funds, states must also meet maintenance-of-effort (MOE) requirements of the law by showing that 2009 state education budgets at least meet 2006 state education budget levels. If they cannot meet the maintenance of effort requirements, states can

receive a waiver if they can show that their education budgets are not being disproportionately reduced.

“Under the law passed by Congress, the top priority for these dollars is to do right by our schools and our kids. If states play games with these funds, the second round of stabilization funds could be in jeopardy and they could eliminate their state from competitive grant money. This money must be spent in the best interests of children,” Duncan said.

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