



The American Reinvestment and Recovery Act:



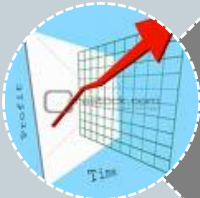
**SAVING AND CREATING JOBS AND
ADVANCING EDUCATION REFORMS**



Guiding Principles



Spend Quickly to Save and Create Jobs



Ensure Transparency and Accountability



Thoughtfully Invest One-time Funds



Advance Effective Reforms



\$44 billion Available In 30 - 45 Days



- State Stabilization - \$32.5 billion (67%)
- IDEA, Parts B & C - \$6.1 billion (50%)
- Title I, Part A - \$5 billion (50%)
- Vocational Rehab - \$270 million (50%)
- Homeless youth - \$70 million (100%)
- Independent Living - \$52.5 million (100% of formula monies; \$87.5 million in competitive grants to follow)
- Impact Aid - \$40 million (100% of formula monies; \$60 million in competitive grants to follow)



Additional \$49 billion Available In 6 Months



- Pell & Work Study - \$17.3 billion (100%)
- State Stabilization - \$16.1 billion (33%)
- IDEA , Parts B & C - \$6.1 billion (50%)
- Title I, Part A - \$5 billion (50%)
- School Improvement - \$3 billion (100%)
- Vocational Rehab - \$650 million (50%)
- Statewide Data Systems - \$250 million (100%)
- Teacher Incentive Fund - \$200 million (100%)
- Teacher Quality Enhancement - \$100 million (100%)



\$5 billion More Fall '09 and Spring '10



- **“Race to the Top” - \$4.35 billion competitive grants to states making most progress toward the assurances**
- **“Investing in What Works and Innovation” - \$650 million competitive grants to districts and non-profits that have made significant gains in closing achievement gaps to be models of best practices**
- **2010 grant awards will be made in two rounds - late Fall 2009, Summer 2010**



Advancing Effective Reforms

College and career-ready standards and high quality, valid, and reliable assessments for all students including ELLs and students with disabilities

Pre-K to higher education data systems that meet the ten principles in the America Competes Act

Teacher effectiveness and equitable distribution of effective teachers

Intensive support and effective interventions for lowest-performing schools



State Fiscal Stabilization Fund



- Streamlined, user-friendly State application available by the end of March
- FAQs also by end of March:
 - Eligible Entities
 - Restoring State Support Levels
 - Uses of Funds by LEAs and IHEs
 - LEA and IHE Application Requirements
 - Uses of Government Services Funds
 - Maintenance of Effort and Waivers
 - Transparency, Accountability and Reporting
- Governors, Chiefs and Superintendents are strongly encouraged to coordinate efforts and investments



Title I, Part A



- **ED will consider requests for waivers for:**
 - Set aside requirements that apply to the use of funds by LEAs
 - Per-pupil amount for Supplemental Education Services (SES)
 - Carryover limitation
- **ED may not waive supplement not supplant requirement**
- **ED will consider request to count SFSF funds as non-federal for purposes of MOE**
- **States must reserve 4% for school improvement of which at least 95% must be allocated to LEAs**



IDEA, Part B



- Under certain circumstances, the LEA may reduce the level of State and local expenditures by up to 50% of the amount of the increase, as long as the LEA uses those freed-up funds for activities that could be supported under ESEA
- Under certain circumstances, the LEA may use up to 15% of its total Part B grant for early intervening services for children who are currently not identified as children with disabilities
- ED will consider request for waivers:
 - To State MOE requirements for exceptional circumstances
 - To count SFSF as non-federal for MOE



Reporting and Transparency



- **All ARRA funds must be tracked separately**
 - Description of use of funds
 - Quarterly reports on both financial information and program outcomes/results
 - Estimated number of jobs created
 - Subcontracts and sub-grants required to comply with the Federal Funding Accountability and Transparency Act
- **Reporting template being developed for use by States to capture required information**
- **Regulations likely to allow reasonable adjustments to the limitations on State administration expenditures to defray ARRA data collection costs for Title I and IDEA**



Accountability & Risk Management



- **Root cause of most failures – lack of effective design or implementation of proper internal controls**
- **Typical issues/risks based on IG findings**
 - Personnel Costs Not Allocable to the Grant
 - Non-Personnel Costs Unnecessary (or Unreasonable) to Carry Out the Grant or Not for Program Purposes
 - Unallowable Costs Resulting from Contracts with Missing Required Elements, Lack of Approval, or Expenditures that Exceeded the Contract Amount
 - Poor Internal Controls Over Purchase Cards and Gift Cards
 - Unsupported Adjusting Journal Entries
 - Time and Effort Certifications were Missing, Incomplete, Inaccurate, or Untimely



More Information



- www.ed.gov and www.recovery.gov
 - FAQs, Hot Topics, etc.
- Preliminary information about each state's IDEA allocation:
<http://www.ed.gov/about/overview/budget/statetables/recovery.html>
- Preliminary estimates of Title I, Part A recovery allocations to each State and LEA are available at:
<http://www.ed.gov/about/overview/budget/news.html#ARRA>
- E-mail state.fiscal.fund@ed.gov
- E-mail IDEArecoverycomments@ed.gov
- OIG Hotline 1-800 -MISUSED



Ongoing Outreach



Webinars

Conference
calls

Meetings and
conferences

“List serves”
by each
program office

Online forums