



AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009
TITLE I, PART A RECOVERY FUNDS FOR GRANTS TO
LOCAL EDUCATION AGENCIES

The *American Recovery and Reinvestment Act of 2009 (ARRA)* provides significant new funding for programs under Title I, Part A of the *Elementary and Secondary Education Act of 1965* (Title I). Specifically, the *ARRA* provides \$10 billion in additional fiscal year (FY) 2009 Title I, Part A funds to local education agencies (LEAs) for schools that have high concentrations of students from families that live in poverty in order to help improve teaching and learning for students most at risk of failing to meet state academic achievement standards. These funds create an unprecedented opportunity for educators to implement innovative strategies in Title I schools that improve education for at-risk students and close the achievement gaps while also stimulating the economy. The additional resources will enable LEAs to serve more students beyond the approximately 18 million currently served and boost the quality of teaching and learning. 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>.

This document provides states and LEAs with basic information regarding how and when Title I, Part A recovery funds will be awarded by the U.S. Department of Education. In the coming weeks, the Department will provide more guidance regarding these funds, including how they should be used, the submission of waiver requests, and the reporting requirements. It also will provide information about Title I School Improvement grants, for which a \$3 billion appropriation will be made available beginning fall 2009. Additional information and documents will be posted on www.ed.gov.

Title I, Part A recovery funds are a key element of the *ARRA* principles as described below.

Overview of *ARRA*

Principles: The overall goals of the *ARRA* are to stimulate the economy in the short term and invest in education and other essential public services to ensure the long-term economic health of our nation. The success of the education part of the *ARRA* will depend on the shared commitment and responsibility of students, parents, teachers, principals, superintendents, education boards, college presidents, state school chiefs, governors, local officials, and federal officials. Collectively, we must advance *ARRA*'s short-term economic goals by investing quickly, and we must support *ARRA*'s long-term economic goals by investing wisely, using these funds to strengthen education, drive reforms, and improve results for students from early learning through college. Four principles guide the distribution and use of *ARRA* funds:

- a. **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

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reporting and accountability requirements, and to promptly begin spending funds to help drive the nation's economic recovery.

- b. **Improve student achievement through school improvement and reform.** *ARRA* funds should be used to improve student achievement, and help close the achievement gap. In addition, the SFSF requires progress on four reforms previously authorized under the bipartisan Elementary and Secondary Education Act and the America Competes Act of 2007:
1. Making 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;
 2. Establishing pre-K-to college and career data systems that track progress and foster continuous improvement;
 3. Making improvements in teacher effectiveness and in the equitable distribution of qualified teachers for all students, particularly students who are most in need;
 4. Providing intensive support and effective interventions for the lowest-performing schools.
- c. **Ensure transparency, reporting and accountability.** To prevent fraud and abuse, support the most effective uses of *ARRA* funds, and accurately measure and track results, recipients must publicly report on how funds are used. Due to the unprecedented scope and importance of this investment, *ARRA* funds are subject to additional and more rigorous reporting requirements than normally apply to grant recipients.
- d. **Invest one-time *ARRA* funds thoughtfully to minimize the “funding cliff.”** *ARRA* represents a historic infusion of funds that is expected to be temporary. Depending on the program, these funds are available for only two to three years. These funds should be invested in ways that do not result in unsustainable continuing commitments after the funding expires.

Awarding Title I, Part A Recovery Funds

- The Department plans to award 50 percent of each state's Title I, Part A recovery funds by the end of March 2009. These funds will be awarded under each state's existing approved *Elementary and Secondary Education Act of 1965 (ESEA)* Consolidated State Application. No new or amended application will be required to receive this portion of the funds. However, in order to receive the remaining Title I, Part A recovery funds, a state must submit, for review and approval by the Department, an amendment to its Consolidated Application that addresses how it will meet the recordkeeping and reporting requirements of the *ARRA*.
- The Title I, Part A *ARRA* awards will be in addition to the regular FY 2009 Title I, Part A grant awards that the Department plans to make on July 1 and Oct. 1, 2009. Together, these four grant awards (i.e., the two phases of the Title I, Part A recovery funds, and the

two phases of the regular FY 2009 Title I, Part A funds) will constitute a state's total FY 2009 Title I, Part A allocation.

- The fact that Title I, Part A recovery funds are FY 2009 funds does not preclude a state from awarding some or all of these funds to an LEA on the basis of existing, approved LEA applications.
- In accordance with the goals of the *ARRA*, the Department encourages states to award Title I, Part A recovery funds to their LEAs as quickly as possible, consistent with prudent management, so that LEAs can begin using the funds. Similarly, an LEA should use its Title I, Part A recovery funds expeditiously but sensibly. Note that, in the absence of a waiver, an LEA must obligate at least 85 percent of its total FY 2009 Title I, Part A funds (including *ARRA* funds) by Sept. 30, 2010. Any remaining FY 2009 Title I, Part A funds will be available for obligation until Sept. 30, 2011.

LEA Eligibility for Title I, Part A Recovery Funds

- An LEA is eligible to receive Title I, Part A recovery funds if it is eligible under the statutory eligibility criteria established in sections 1125(a)(1) and 1125A(c) of the *ESEA* for the Targeted and Education Finance Incentive Grant formulas of Title I, Part A.

Reservation of Title I, Part A Recovery Funds

- A state must reserve 4 percent of its Title I, Part A recovery funds for school improvement activities under section 1003(a) of the *ESEA*. Of this 4 percent of funds, at least 95 percent must be allocated directly to LEAs for school improvement activities.
- Except as noted above concerning the 4 percent reservation, a state would need a waiver to reserve any portion of its Title I, Part A recovery funds for state administration, because section 1004(b) of the *ESEA* limits the amount that a state may reserve for the administration of Title I. As it did last year, the Department will provide a table showing the base each state should use in determining the amount it may reserve for state administration.

Uses of Title I, Part A Recovery Funds

- LEAs may use their Title I, Part A recovery funds consistent with the Title I, Part A statutory and regulatory requirements, including the requirements to provide equitable services to eligible private school students. Uses should be aligned with the core goals of *ARRA* to save and create jobs and to advance reforms.
- Because the recovery funds constitute a large increase in Title I, Part A funding that will likely not be available at the same level beyond Sept. 30, 2011, schools and LEAs will have a unique opportunity to improve teaching and learning and should focus these funds on short-term investments with the potential for long-term benefits, rather than make ongoing commitments that they might not be able to sustain once recovery funds are expended.
- Congress in its *ARRA* conference report indicated its intent that grantees use some of their Title I funds for early childhood programs and activities. The Administration is committed over the long term to expanding early childhood educational opportunities and

creating a more seamless web of high-quality services for parents and children. In coming weeks, the Department will provide additional guidance on opportunities to use ARRA funds to expand high-quality early childhood educational services.

- Examples of potential uses of the Title I, Part A recovery funds that are allowable under Title I and consistent with ARRA principles:
 - Establishing a system for identifying and training highly effective teachers to serve as instructional leaders in Title I schoolwide programs and modifying the school schedule to allow for collaboration among the instructional staff;
 - Establishing intensive, year-long teacher training for all teachers and the principal in a Title I elementary school in corrective action or restructuring status in order to train teachers to use a new reading curriculum that aggressively works on improving students' oral language skills and vocabulary or, in some other way, builds teachers' capacity to address academic achievement problems;
 - Strengthen and expand early childhood education by providing resources to align a district-wide Title I pre-K program with state early learning standards and state content standards for grades K–3 and, if there is a plan for sustainability beyond 2010–11, expanding high-quality Title I pre-K programs to larger numbers of young children;
 - Providing new opportunities for Title I schoolwide programs for secondary school students to use high-quality, online courseware as supplemental learning materials for meeting mathematics and science requirements;
 - Using longitudinal data systems to drive continuous improvement efforts focused on improving achievement in Title I schools;
 - Providing professional development to teachers in Title I targeted assistance programs on the use of data to inform and improve instruction for Title I-eligible students;
 - Using reading or mathematics coaches to provide professional development to teachers in Title I targeted assistance programs; and
 - Establishing or expanding fiscally sustainable extended learning opportunities for Title I-eligible students in targeted assistance programs, including activities provided before school, after school, during the summer, or over an extended school year.

Invitation for Waivers

- The secretary of education will consider a request for a waiver with regard to the use of ARRA Title I funds:
 - of one or more of the “set-aside” requirements in Title I, Part A that apply to the use of funds by LEAs;
 - to calculate the per-pupil amount (PPA) for supplemental educational services (SES) based on an LEA's FY 2009 Title I, Part A allocation without regard to some or all of the recovery funds;
 - to allow a state to grant its LEAs a waiver of the carryover limitation in section 1127 of Title I, Part A more than once every three years; or
 - of the Title I, Part A maintenance-of-effort requirement (see below).

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- The secretary intends to issue regulations to allow reasonable adjustments to the limitation on state administration expenditures to help states defray the costs of ARRA data collection requirements.

Fiscal Issues

- Maintenance of effort: With prior approval from the secretary of education, a state or LEA may count expenditures of SFSF used for elementary or secondary education as non-federal funds for purposes of determining whether the state or LEA has met the Title I, Part A maintenance of effort requirement. This may reduce the incidence of LEAs failing to maintain fiscal effort and the need to seek a waiver from the Department.
- Supplement, not supplant: the Department may not waive the Title I, Part A “supplement, not supplant” requirement. Note, however, that in certain circumstances, including cases of severe budget shortfalls, an LEA may be able to establish compliance with the “supplement, not supplant” requirement, even if it uses Title I, Part A funds to pay for allowable costs that were previously paid for with state or local funds. (For additional information, see Title I Fiscal Issues Non-Regulatory Guidance, available at: <http://www.ed.gov/programs/titleiparta/fiscalguid.pdf>.)
- Comparability: the Department may not waive the Title I, Part A comparability requirement.

Accountability Principles

- Each state and LEA is responsible for ensuring that Title I recovery funds are used prudently and in accordance with the law.
- Each LEA receiving Title I Part A recovery funds shall report a school-by-school listing of per-pupil educational expenditures from state and local sources. Further information will be provided in forthcoming department guidance.
- The President and the Secretary are committed to ensuring that *ARRA* dollars are spent with an unprecedented level of transparency and accountability. Therefore, each state and LEA that receives Title I, Part A recovery funds must report on how those funds were spent at www.recovery.gov.

Additional Information

- The Department will provide regular updates as additional information regarding the Title I, Part A recovery funds becomes available.
- The Department will provide information on the government-wide data collection and reporting requirements under the *ARRA* as this information becomes available.