Growth in Education Funding

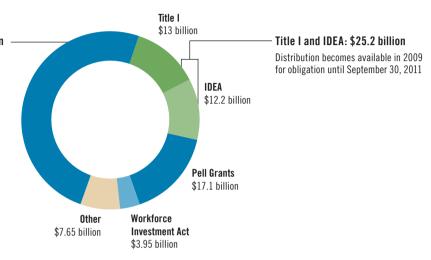
In February 2009, President Obama signed into law a \$787 billion economic stimulus bill, the American Recovery and Reinvestment Act (ARRA), which provides more than \$100 billion in supplemental education appropriations for fiscal years 2009 and 2010 (ending September 2010 and September 2011, respectively). The ARRA includes two types of funding: (1) a one-time \$53.6 billion appropriation known as the State Fiscal Stabilization Fund (SFSF) program (includes \$5 billion for a discretionary competitive fund to be awarded by the U.S. Secretary of Education), and (2) additional grants to the states. The grants to the states provide funds for specific pre-K-12 programs that use instructional materials and diagnostic or formative testing, including \$12.2 billion for IDEA (special education) and \$13 billion for Title I (disadvantaged students). The Act also provides Pell Grant funding for higher education.

American Recovery and Reinvestment Act of 2009

More than \$100 billion in education appropriations

State Fiscal Stabilization Fund: \$53.6 billion

- Formula: \$48.6 billion* to be awarded by formula to state governors
- **Competitive:** \$5 billion to be awarded by U.S. Secretary of Education
 - \$4.35 billion for "Race to the Top"
 - \$650 million for "What Works and Innovation"
- * Funds may be used to restore K-12 and higher education budget cuts, for school modernization and any activity authorized by Elementary and Secondary Education Act (ESEA), Individuals with Disabilities Education Act (IDEA), or Federal Perkins Program



American Recovery and Reinvestment Act (ARRA) Timeline for Education Appropriations

\$44 billion available in April 2009

April 1, 2009

- \$6.1 billion (50% of total) of IDEA, Part B
- \$5.0 billion (50% of total) of Title I, Part A
- Governors can apply for \$32.5 billion (67% of \$48.6 billion formula total) of State Fiscal Stabilization Fund

Additional funds available in 2009/2010

Summer/Fall 2009

- \$6.1 billion (remaining 50%) of IDEA, Part B to be awarded to states
- \$5.0 billion (remaining 50%) of Title I, Part A to be awarded to states
- \$16.1 billion (remaining 33%) of State Fiscal Stabilization Fund to be awarded to states
- \$17.1 billion available for Pell Grants and \$200 million for Work Study for 2009-2010 school year

Fall 2009

\$3 billion for Title I. Part A available for school improvements, conditional on receipt of additional information by U.S. Department of Education

Spring 2010-Fall 2010

\$5 billion released from the competitive Race To the Top/What Works and Innovation funds by the U.S. Secretary of Education

Deadlines for funds

September 30, 2010

Local education agencies must obligate 85% of total FY2009 Title I ARRA funds plus FY2009 Omnibus spending for Department of Education's discretionary programs: \$11.5 billion for IDEA and \$14.5 billion for Title I

September 30, 2011

All remaining IDEA funds to be obligated

Source: U.S. Department of Education