

San Francisco

Schools and the Stimulus

President Obama signed the American Recovery and Reinvestment Act into law February 17th including approximately \$53 billion worth of investments in education.

The five major areas of education aid are described below:

Title I – The primary federal program for improving educational opportunities for under-served students, these funds will go to districts based on existing formulas by state. There are no provisions in this funding to allow for supplanting of existing programs. Aspects of the existing law (i.e. 10% set aside for supplemental educational services, etc.) do apply to these funds but districts may be able to apply for waivers to use funds differently. \$3 billion of these funds are for “school improvement” which may require separate applications at the state level.

Individuals with Disabilities Education Act – The federal program that provides funds for students with disabilities can be used to provide additional services to the identified students. *Up to 50% of a district’s allocation of IDEA stimulus funds can be used to supplant prior year contributions from the District’s general fund spending.* \$900 million of these funds will be dedicated to infant/ toddler programs and early childhood programs.

Secretary’s Bonus / State Incentive Funds/ Race to the Top Fund – This is a new funding source to be used at the discretion of the Secretary of Education for states that have made progress in school reform based on criteria possibly including, but not limited to, the equitable distribution of teachers, improved state-level data systems, and improved state assessments. In states receiving these grants, \$2.5 billion will be distributed to districts based on the Title I funding formula.

Bonding Authority for School Construction Bonds – These funds will be used to provide tax subsidized bonding for school construction. Interest will be subsidized to the bond holders as a tax credit to save interest payments for school districts. These funds can be used for new construction, modernization and renovation as well as land acquisition. Prevailing wage provisions will be applicable to these bonds. 40% of the bonding authority will go to the 100 largest school districts in the US and 25 school districts selected by the Secretary of Education. The remaining 60% will be sent to states for distribution proportionate to Title I allocations.

State Fiscal Stabilization Fund – This \$54 billion fund includes \$40 billion in education funding with the requirement to maintain education spending at the 2006 level and recommendation to “backfill” cuts to the 2008 level. The funds will be distributed proportionately according to cuts to K-12 and higher education. Nationally, the fund will be distributed according to per capita

children and young adults. These funds can be used for any activity that is fundable in the Elementary and Secondary Education Act, IDEA, Perkins or for school modernization and repair. New construction is not permitted with these funds. The distribution of these funds will vary from state to state.

The legislation included other programs that could also impact SFUSD.

Education Technology – The stimulus bill includes \$650 million for education technology of which \$325 million will be distributed based on Title I. More details are to come on the remaining dollars.

State Data Grants – \$250 million of the bill has been set aside for State Data Systems which could support the development of CALTIDES and CALPADS in California.

Teacher Incentive Fund Grants – This competitive grant program has been provided an additional \$200 million for the next two fiscal years which could increase the probability of funding for more applicant districts.

McKinney Vento Homeless Program – \$70 million will be added to this grant to serve homeless students. SFUSD currently receives about \$120k in McKinney Vento funds.

Estimates for SFUSD Stimulus Package Allocations

Program	Total Allocation	SFUSD Estimate
Title I	\$10 billion (Part A) \$3 billion (school improvement)	\$10,966,000
IDEA	\$11.3 billion \$ 0.9 billion for early childhood & infant toddler	\$11,984,000
Ed Technology	\$ 650 million \$325 million will be distributed based on Title I	\$355,929
Bonding Authority	\$22 billion	?
Teacher Incentive Fund	\$200 million	Competitive
McKinney Vento	\$70 million	?
Secretary's Bonus / Incentive Fund	\$5 billion Of which \$2.5b is will be distributed on basis of Title I allocations in states that receive incentive grants	?
Subtotal – Education	\$53 billion	At least 23,305,929
State Fiscal Stabilization	\$54 billion (\$40 billion for education)	?