

## Using the Stimulus Funds in Campaigns and Organizing for Systemic Education Reform

presented at  
Communities for Public Education Reform

May 29, 2009

Paul Weckstein  
[pweckstein@cleweb.org](mailto:pweckstein@cleweb.org)  
Center for Law and Education®

Expanded Version

## Key Questions

- How will the money get spent?
- How should reforms connected to the funds be shaped?
- Who gets to decide these things?

## ARRA Principles

as articulated by US Dept of Ed

- Spend funds quickly to save and create jobs
- Improve achievement through school improvement and reform (Act's focus on four reforms)
- Ensure transparency, reporting, and accountability
- Invest one-time ARRA funds thoughtfully to minimize the "funding cliff"

(How compatible are these principles?)

## ARRA Education Provisions

- Title VIII – Increases in appropriations for existing programs
- Title XIV – The State Fiscal Stabilization Fund

## Additional Funds for Existing Programs (Title VIII of ARRA)

- Title I of ESEA (NCLB) - \$13 billion
  - Basic Grants - \$10B
  - School Improvement - \$3B
    - (+ \$400 million from the basic grant)
- IDEA - \$12.2 billion
  - Part B State Grants - \$11.3B
  - Pre-School - \$400M
  - Infants and Toddlers - \$500M
- Other
  - Education Technology - \$650M
  - Teacher/Principal Performance Pay Demonstrations - \$200M
  - Impact Aid Construction - \$100M
  - Education of Homeless Children - \$70M

Note: The one-time increases for Title I and IDEA are roughly equivalent to doubling the funding for a year

## State Fiscal Stabilization Fund (SFSF)

- Education State Grants - \$39.5 billion
- Government Services Grants - \$8.8 billion
- Incentive and Innovation Grants - \$5 billion
  - Innovation (Invest in What Works) – up to \$650 million
  - Incentive (Rise to the Top) – the remainder

## Stabilization: Education State Grants

- 3 *Distinct* Sets of Funding Criteria
  - (A) Criteria for *distributing* the funds to districts
  - (B) Criteria for *using* the funds
  - (C) *Conditions accompanying* the funds

## Stabilization: Education State Grants (A) *Distribution* to the Districts (and higher ed)

- First, fill in any holes in state funding:
  - Holes in the state's primary formula for state funding for 2009, 2010, 2011 to bring it up to the higher of the levels for 2008 or 2009
  - State formula increases and adjustments that were enacted prior to 10/1/08 but not fully funded
- Any remainder distributed based on the Title I formula

## Stabilization: Education State Grants (B) *Use of Funds*

- Districts may use for any activity authorized by:
  - The Elementary and Secondary Education Act (including Title I)
  - IDEA
  - The Adult and Family Literacy Act
  - The Perkins Career and Technology Education Act
  - Facilities modernization, renovation, or repair

## Stabilization: Education State Grants (B) *Use of Funds* (continued)

- U.S. Department of Education says:
  - Other than ensuring compliance with law, states cannot tell districts what to do with their grants
  - Because Impact Aid is part of ESEA, and Impact Aid is essentially general aid with virtually no restrictions, districts can use their *entire* grant as general aid -- even districts that don't receive Impact Aid!

## Stabilization: Education State Grants (C) *Conditions / Objectives*

- 1) Maintenance of Effort
- 2) Achieve Equity in Teacher Distribution
- 3) Improve Collection and Use of Data
- 4) Improve Standards and Assessments
- 5) Support Struggling Schools

Note: These conditions are substantive requirements that must be met (regardless of source of funds), rather than requirements for what the funds must be spent on.

## Stabilization: Education State Grants (C) *Conditions / Objectives*

- 1) Maintenance of Effort
  - State must maintain its funding level in 2009-2011 at no less than 2006
    - Subject to waiver for precipitous decline in resources
    - Separate from state and local maintenance of effort requirements in other laws, including Title I and IDEA, but these stabilization funds may, with Secretary approval, count as non-federal for purposes of complying with those other laws

## Stabilization: Education State Grants (C) *Conditions / Objectives*

- 2) Achieve Equity in Teacher Distribution
  - Take actions to improve *teacher effectiveness* and comply with Title I section 1111(b)(8)(C) to address inequities in distribution of *highly qualified teachers* between high- and low-poverty schools and to ensure low-income and minority students are not taught at higher rates by *inexperienced, unqualified, or out-of-field teachers*
    - Note distinctions among the terms above

## Stabilization: Education State Grants (C) *Conditions / Objectives*

- 3) Improve Collection and Use of Data
  - Adopt longitudinal data system that includes the elements described in America COMPETES Act, sec. 6401(e)(2)(D)
    - Includes data on both students and teachers, with ways to link the two
    - Will get used, among other things, for Title I purposes

## Stabilization: Education State Grants (C) *Conditions / Objectives*

- 4) Improve Standards and Assessments
  - Improve academic standards consistent with America COMPETES Act, sec. 6401(e)(1)(9)(A)(ii)
    - Includes college-ready standards
    - Will be used for Title I purposes
  - Enhance quality of assessments under Title I sec. 1111(b)(3) through activities such as those described in ESEA sec. 6112(b)(3).
  - Comply with requirements of Title I [Sec. 1111(b)(3)(C)(ix)] and IDEA [Sec. 612(a)(16)] on including students with disabilities and students with limited English proficiency in state assessments, developing valid and reliable assessments, and providing accommodations that enable them to participate

## Stabilization: Education State Grants (C) *Conditions / Objectives*

- 5) Support Struggling Schools
  - Ensure compliance with Title I requirements [sec. 1116(b)(7)(C)(iv) and (8)(B)] for schools subject to corrective action or restructuring

## Stabilization: Education State Grants (C) *Conditions* – How Used in the Law

- Binding assurances in the state application
- Baseline data for each area in state application
  - ED has said:
    - It already has sufficient baseline data from other state reports, but
    - It will require progress data in USED application for remainder of ESG funds
- Annual reports must include progress in:
  - Reducing inequities in distribution of highly qualified teachers
  - Implementing the state longitudinal data system
  - Developing and implementing valid, reliable assessments for students with limited English proficiency and students with disabilities
- Also, tied to incentive funds competition (see below)

## Stabilization Funds – Incentive Grants (Rise to the Top)

- Secretary's Reserve:
  - Up to 1% (~\$43M) for technical assistance to states in meeting ESG objectives 2-5, above
- Remainder competitive to states that have made progress in meeting those objectives
  - Based on information in the application and other criteria determined by the Secretary
- States must distribute at least half to districts based on their shares of Title I funds

## Stabilization Funds – Incentive Grants (Rise to the Top)

(continued)

- Applications – describe:
  - *Progress on each of the 5 key assurances*
  - Achievement and graduation rates as defined in Title I
  - Strategies to help ensure continuous progress toward state standards for all subgroups
  - How grant would be used to improve achievement, including allocation of funds to high-need districts
  - Plan for evaluating state progress in closing achievement gaps
- ED has been sending message that it will be considering other things, not in the law, that it believes are important
  - E.g., state's actions on performance pay and charter schools, or in state cuts in education funding that may be legal but ED views as disproportionate

## Stabilization Funds – Innovation Fund

- Achievement awards for eligible entities that have made significant gains in closing the achievement gap between groups (see below)
- Eligible Entities:
  - Local education agencies (LEAs – districts) or
  - Partnership between a nonprofit and
    - One or more LEAs or
    - A consortium of schools

## Stabilization Funds – Innovation Fund (continued)

### Purpose of Awards -- to:

- Allow the entities to expand their work and serve as models for best practices
- Allow them to work in partnership with the private sector and philanthropic community
- Identify, document, and take to scale best practices

## Stabilization Funds – Innovation Fund (continued)

- **Conditions of eligibility** – the entity must demonstrate that it has:
  - Significantly closed achievement gaps between subgroups recognized in Title I
  - Exceeded the state's annual Title I achievement targets for 2 or more consecutive years or have successfully boosted achievement for all groups through another measure (e.g., the Title I "safe harbor" provision)
  - Made significant improvement in other areas – e.g., graduation rates or recruitment and placement of highly qualified teachers and leaders, *and*
  - Established partnerships with the private sector (which may include philanthropies), which will provide matching funds
- Where the entity includes a non-profit organization, either the organization *or* the LEA(s) or school consortium may meet the first three conditions

## ARRA – Timing of Awards

- **Extra Title I and IDEA funds**
  - 50% made available 4/1/09
  - 50% between 7/1/09 and 9/30/09
- **State Stabilization Grants**
  - Phase I – 2/3 of the funds – applications available 4/1/09, deadline 7/1/09 – funds released on rolling basis within two weeks of application
  - Phase II – Remainder– applications projected to be available ~7/1/09, accepted on a rolling basis through 9/30/09
- **Incentive and Innovation Awards** – projected timing:
  - Draft criteria/application shared for comment late July 2009
  - Final application form available October 2009
  - Round 1 applications due December 2009
  - Round 1 awards made March 2010
  - Round 2 applications due June 2010; awards September 2010
  - Tentative – Innovation Award time line might vary from this

## Frame for Discussion

- **Recall the initial questions:**
  - How will the money get spent?
  - How should reforms connected to the funds be shaped?
  - Who gets to decide these things?
- **Notice we seem to have forgotten to mention anything about how these things get decided, the role of parents, youth, and communities, public notice, etc. That's because Congress forgot to mention them in the Act.**
- **Notice also the relative absence of new mandates**
  - The provisions in Title VIII just add money to existing programs, rather than add program requirements
  - The state stabilization grant funds can largely be used as general aid
  - The conditions that must be met for stabilization grants and incentive grants largely relate to meeting already existing requirements of law
- **So, where are the handles?**
  - For getting to the table?
  - For shaping reform?

## Frame for Discussion (continued)

*So, where are the handles?*

- State and local law and regulation,
  - Such as
    - Open meeting laws
    - State and local law and regulation governing adoption of budgets and other decisions
- Title I, IDEA, civil rights, and other federal law
  - Substantive requirements
  - Parent, youth, and public involvement provisions

## Frame for Discussion (continued)

### The Significance of Title I

1. The major infusion of additional Title I funds (under Title VIII of ARRA) is governed by the same requirements as all other Title I funds for program quality and for parent, student, and public involvement. These requirements, especially the school level provisions, are critical to the right to a quality education, but are largely ignored.
2. The four program conditions that are at the heart of the Stabilization Grants and Incentive Grants also are explicitly about, or linked to, implementing existing Title I requirements (on teachers, data, standards and assessment, and support for struggling schools).
3. State, district, and school plans and decisions regarding implementation of those Title I areas are also subject to the Title I requirements for parent, student, and public involvement requirements. But that connection is at risk of being ignored unless we highlight it.

## Title I

- Each Title I school must provide key elements of a high-quality education to its students, including:
  - Accelerated and enriched curriculum
  - Effective instructional methods, used by highly qualified teachers and supported by intensive, high-quality professional development
  - Timely and effective individual attention whenever a student is having difficulty mastering any standard

## Title I

- *How* the school will provide each of these quality program elements must be spelled out in a school plan:
  - Based on an assessment of the current status of each program element and
  - *Jointly developed* with the parents of the school

## Title I

- *How the school plan will be jointly developed with the parents must in turn be spelled out in the school's parent involvement policy, which itself must:*
  - Be *jointly developed with and approved* by the parents of the school; and
  - Also spell out how various other parent involvement requirements (including training, information, access, and other assistance provisions) will be carried out

## Title I

- Parallel requirements exist at the district level for:
  - A district plan jointly developed with the parents under terms spelled out in:
  - A district parent involvement policy, jointly developed and approved by the parents

## Title I

- Other requirements, though with less specificity, exist for:
  - Secondary school student involvement
  - State-level involvement – by parents, students, and the public

## Title I

States and districts are legally responsible for ensuring that:

- Schools and districts comply with these program quality and involvement requirements
- Schools have the capacity to do so
- The programs are actually operated consistent with the Title I plans and policies developed by the school, district, and state (including the program plans and the parent involvement policies)



## Title I

- Other parts of Title I provide additional, specific requirements concerning or relating to the four conditions, tied to Title I, that are central to receiving the State Stabilization Grants and Incentive Grants (in Title XIV of ARRA):
  - Improving Teacher Quality and Equity
  - Instituting Longitudinal Data Systems
  - Improving Standards and Assessments
  - Supporting Struggling Schools

## IDEA

- IDEA requires State Performance Plans and Annual Performance Reports that include important *measures and targets of quality and effectiveness* of education received by students with disabilities (SwD). They are:
  - Used to identify states and districts in need of enhanced monitoring, technical assistance, and enforcement
  - Required to be developed with broad involvement
- IDEA allows districts to *reduce their maintenance of effort* for special education by 1/2 of increases in federal funds -- including the huge IDEA increases under ARRA -- *but only if they have met their Performance Plan targets.*
  - Despite only 12 states having been determined by US ED to have "met requirements" based on SPPs, states are using same criteria for districts but not holding them to same standard in finding them to have met requirements.
- Other requirements for education of students with disabilities are found in IDEA (regarding learning goals, assessment, teachers, etc.) and must be read in tandem with requirements in Title I and civil rights law to ensure quality and equity

## Civil Rights Laws

- When school and education agency policies and practice have "disparate impact" by race, national origin, disability, or gender, they must be carefully examined and either shown to be necessary or changed. This can apply to both:
  - Policies and practices relevant to school reform (for example in assessment, curriculum, teacher quality)
  - Decisions made about use of stimulus funds or state and local education funds, particularly in tight budget times
- In addition, for students with disabilities and English language learners:
  - There are affirmative obligations to address their needs and remove barriers to their succeeding on the same basis as other students
  - There are also practices intentionally adopted for serving them that may constitute unequal treatment and discrimination (e.g. setting lower learning goals)

## Strategic Opportunities

multiple action at federal, state, district and school-level

- **Title I compliance and implementation**
  - Insisting on the implementation of Title I's core school-level program quality and parent and student involvement requirements and related district and state oversight requirements. Releasing \$1.3 billion of Title I funds in ARRA without ensuring compliance with the basic requirements attached to those funds is totally contrary to the notion of "accountability."
  - Then, collaborating with schools and educators to make these provisions work for reform that fulfills the right to quality education
- **Insisting on full parent, youth, and public involvement in state and local decisions about the four reform areas for Stabilization Grants and Incentive Grants**
  - These are Title I decisions, not just ARRA decisions, and therefore must be governed by the involvement provisions of the former (as well as by any state and local laws and rules on public decision-making)
- **Working to shape the reforms in the four priority areas in ways consistent with CPER groups' vision and agenda**
  - Among the multiple forums for doing this is in developing the state's incentive grant application
  - Shaping the "metrics" through which these four areas (along with others) are assessed
  - Various Title I provisions related to these four areas can be helpful

(continued)

## Strategic Opportunities

multiple action at federal, state, district and school-level

(continued)

- **District decisions about the use of Stabilization funds**
  - Translating ED's emphasis on using one-time funds for advancing reform into putting in place the structure and the information-gathering, communication, and decision-making processes, together with the necessary intensive professional development and parent and student engagement and training to make those structures and processes work – to create a truly collaborative learning community capable, for example, of implementing the school-level program quality, planning, and parent/student involvement provisions of Title I
- **Partnering Innovation Grant proposals**
- **Civil rights compliance**
  - Including obligations to identify and either justify or reduce disparate impacts – as a reform tool
  - Section 504 and IDEA lens as well as race and national origin lens
- **Other programmatic and fiscal issues (under fiscal requirements of ARRA and other law)**
- **Monitoring, reporting on, and where necessary complaining about, state and local ARRA actions**
  - Including where efforts to get involved on the front end are unsuccessful or too late