

*The American Recovery
and Reinvestment Act
(ARRA): Implications for
Montgomery County Public
Schools*

Summary of Key Provisions of the
ARRA Act

Summary and Purposes of ARRA

- Approved in February 2009
- Total of \$787 billion over 2 years, including \$141 billion for education
- Over \$50 million for each of 2 years expected for MCPS

Purposes

- To stimulate the economy in the short term
- To invest in education and other essential public services to ensure the long-term economic health of the nation

Principles Guiding Education Funding

- **Spend quickly to save and create jobs**
- **Ensure transparency and accountability**
- **Invest one-time ARRA funds thoughtfully to minimize the "funding cliff"**
- **Improve student achievement by advancing effective reforms**

Essential Areas of Reform

- Teacher effectiveness and equitable distribution of highly qualified teachers
- College and career-ready standards and high quality, valid, and reliable assessments for all students including ELLs and SWDs
- Pre-K to higher education data systems to track student performance
- Intensive support and effective interventions for lowest performing schools

Transparency and Accountability

- ARRA funds are subject to additional and more rigorous reporting requirements than normally apply to grant recipients.
- Separate project numbers will be used of all elements of ARRA programs to permit local districts to report use of ARRA funds
- Reporting requirements—
 - financial
 - number of jobs created
 - How funds are used to help reform
 - Master Plan supplement

The “Funding Cliff”

- Federal ARRA funds all appropriated in FFY 09
- ARRA funds available to local districts through states in SFY 09-11
- Most funds must be obligated by September 30, 2011
- Funds must be used in ways that do not result in unsustainable commitments after the funding expires
- Maximize short-term investments aligned with core reform goals

County Cooperation

County agencies are cooperating to maximize available funding through competitive grants

- Many grant opportunities involve several agencies and departments
- Steering Committee and Interagency working groups established
- Support from Implementation Team and Accountability Team

Fiscal Stabilization Funding (Formula)

- State Fiscal Stabilization Funds (SFSF) help states avoid reductions in state aid for education (82%) and other services.
- MCPS will receive \$26.5 million next year from SFSF.
- Governor O'Malley used this to preserve GCEI funding (\$21m for MCPS), special education (\$5 m), and teacher retirement (\$25 m).
- Use of SFSF funds is nearly unrestricted, but must be reported as grants.

Fiscal Stabilization Funding (Competitive)

- Part of SFSF will be awarded competitively to promote education reform goals
- SFSF Incentive Grants (\$4.35 billion) “Race to the Top” will help states drive significant improvement in student achievement, including data systems (half of grants must go to local districts)
- SFSF Innovation Grants (\$650 million) “Investing in What Works” will reward districts and non-profits that are closing achievement gaps

Title I

- ARRA includes \$10 billion in Title I funding to be used over 2 years
- MCPS will receive \$6 million annually, enabling us to increase number of Title I schools, full-day Head Start, and per pupil allocation
- “Title I is Title I”

Individuals with Disabilities Education Act (IDEA) Funding for Special Education

- ARRA include \$12 billion for IDEA pass-through funding over 2 years
- Funds to be used for same purposes as under current law
- MCPS will receive \$17 million each year under IDEA, including restoration of cuts, hours-based staffing, technology, and training
- Funding also for Pre-school (Part B) and Infants and Toddlers (Part C)
- Disproportionality 15% required
- Issues of ongoing funding for special education

School Lunch Equipment

- ARRA includes \$100 million for National School Lunch Program Assistance for cafeteria equipment in schools with high numbers of FARMS eligible students
- Funds must be spent by September 2009
- MCPS has applied for \$300 k of cafeteria equipment with award expected in June

Other Formula Grants

- Head Start - \$300,000
- Technology – Title II D
- Medicaid - Federal share increased

Other Competitive Grants

- McKinney-Vento Homeless Assistance - \$75,000 additional for MCPS
- Teacher Incentive Fund – innovative compensation programs
- School Improvement Grants
- Broadband expansion to underserved areas
- Green Energy facilities upgrades
- National Clean Diesel Funding Assistance – MCPS has applied for \$156,000

More Information on ARRA

- More information arriving almost daily
- MCPS Web Site –
[departments/budget/fy2010/recovery](#)
- U.S. information - [Recovery.Gov](#)
- Maryland information at
[StateStat.Maryland.gov/recovery](#)