American Recovery and Reinvestment Act of 2009

Authorization

Title XIV of Division A of the American Recovery and Reinvestment Act of 2009 (ARRA)[1].

ARRA Supplement

Under the *Bridge to Excellence in Public Schools Act of 2002* (or BTE), the State of Maryland established the master planning process to ensure excellence in student performance. As part of this process, local planning teams are required to develop comprehensive master plans and plan updates which link strategies that school systems put in place to improve student achievement with the budgets that they have to accomplish the improvements. Through this process, local school systems may consider their master plans as living documents that need to be updated based on changing conditions. This includes the integration of any new funds received that are critical to school system operations.

Overarching Principles

On February 17th, 2009, the American Recovery and Reinvestment Act of 2009[2] (ARRA, or the Recovery Act) was signed into law. This legislation is intended to stimulate the U.S. economy in the short term and invest in education and other essential public services to ensure the long-term economic health of the nation. Under this law, unprecedented funding is going into local school systems over a limited period of time. Four principles guide the distribution and use of these funds:

- **Spend funds quickly to save and create jobs.** ARRA funds are intended to avert layoffs and create jobs. For this reason, local school systems are urged to move rapidly to develop plans for using funds, consistent with the law's reporting and accountability requirements.

- **Improve student achievement through school improvement and reform.** ARRA funds should be used to improve student achievement and help close the achievement gap.

- **Ensure transparency, reporting and accountability.** To support the most effective uses of ARRA funds and accurately measure and track results, school systems must publicly report on how funds are used.

- **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.

---

[1] Public Law 111-5 (Recovery Act) was signed into law on February 13, 2009. The provisions of the ARRA are available on the USDE website at http://www.ed.gov/policy/gen/leg/recovery/index.html.

[2] American Recovery and Reinvestment act of 2009 (ARRA) (Pub. L. 111-5), February 17, 2009.

State Fiscal Stabilization Program

To access the State Fiscal Stabilization (SFS) funds, four assurances were required of governors. Similar assurances were required of Maryland local school systems to receive the SFS funds. The SFS program provides funds to close the achievement gap, help students from all backgrounds achieve high standards, and address four specific reform areas that are authorized under education legislation – including the Elementary and Secondary Education Act and the America Competes Act of 2007:

- Increasing teacher effectiveness and addressing inequities in the distribution of highly qualified teachers (Recruiting, developing, and retaining effective teachers and principals);

- Establishing and using a pre-K-through-college-and-career data system to track progress and foster continuous improvement (Building data systems that measure student success and inform teachers and principals how they can improve their practices);

- Making progress towards rigorous college- and career-ready standards and high-quality assessments that are valid and reliable for all students, including limited English proficient students and students with disabilities (Adopting internationally benchmarked standards and assessments that prepare students for success in college and the workplace); and

- Providing targeted, intensive support and effective interventions to turn around schools identified for corrective action and restructuring (Turning around the lowest performing schools).

<u>SFS Fund Program Requirements – Phase I:</u>

In the SFS Phase I applications, States were required to take action and make progress in the four areas of education reform identified in the previous paragraph. Two reform areas are more strongly focused at a district level (recruiting, developing, and retaining effective teachers and principals; and turning around the lowest performing schools), and the other two reform areas are primarily addressed at the State level (building data systems that measure student success and inform teachers and principals how they can improve their practices; and adopting internationally benchmarked standards and assessments that prepare students for success in college and the workplace).

<u>Proposed SFS Fund Program Requirements—Phase II:</u>

In the Phase II applications, governors would be required to provide data in each of these four areas of reform. The data would be made available to educators and the public, for the purpose of enabling them to identify needs and influence reform. These proposed requirements for States receiving funds under Phase 2 of the State Fiscal Stabilization Fund (SFS) program were published in the Federal Register on July 29, 2009; see http://www.ed.gov/legislation/FedRegister/proprule/2009-3/072909e.html.

States must ensure that the information is in place so that stakeholders know where schools and students stand. If Maryland is not able to provide the data, it would be required to submit a plan for ensuring this information will be publicly reported as soon as possible, but no later than September 30, 2011.