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Erika K. Hoffman, Principal Legislative Advocate
CSBA Governmental Relations Office
925 L Street, Suite 890
Sacramento, CA 95814
916/325-4020
ehoffman@csba.org

U.S. DEPARTMENT OF EDUCATION

RACE TO THE TOP FUND EXECUTIVE SUMMARY

The ARRA provides \$4.35 billion for the Race to the Top (RTTT) Fund, a competitive grant program designed to encourage and reward States that are creating the conditions for education innovation and reform; achieving significant improvement in student outcomes, including making substantial gains in student achievement, closing achievement gaps, improving high school graduation rates, and ensuring student preparation for success in college and careers; and implementing ambitious plans in four core education reform areas:

- Adopting standards and assessments that prepare students to succeed in college and the workplace and to compete in the global economy;
- Building data systems that measure student growth and success, and inform teachers and principals about how they can improve instruction;
- Recruiting, developing, rewarding, and retaining effective teachers and principals, especially where they are needed most; and
- Turning around our lowest-achieving schools.

RTTT will reward States that have demonstrated success in raising student achievement and have the best plans to accelerate their reforms in the future. These States will offer models for others to follow and will spread the best reform ideas across their States, and across the country.

The US Department of Education (USDOE) will make RTTT grants in two phases. States that are ready to apply now may do so in Phase 1; States that need more time may apply in Phase 2. States that apply in Phase 1 but are not awarded grants may reapply for funding in Phase 2, together with States that are applying for the first time in Phase 2. Phase 1 grantees may not apply for additional funding in Phase 2. The deadline for the Phase 1 application is January 19, 2009 and the deadline for Phase 2 is June 1, 2010.

ELIGIBILITY REQUIREMENTS

A State must meet the following requirements in order to be eligible to receive funds under this program:

- The State's applications for funding under Phase 1 and Phase 2 of the State Fiscal Stabilization Fund program must be approved by the USDOE prior to the State being awarded a Race to the Top grant.
- At the time the State submits its application, there must not be any legal, statutory, or regulatory barriers at the State level to linking data on student achievement or student growth to teachers and principals for the purpose of teacher and principal evaluation.

PRIORITIES

Priority 1: Absolute Priority -- Comprehensive Approach to Education Reform

To meet this priority, the State's application must comprehensively and coherently address all of the four education reform areas specified in the ARRA as well as the State Success Factors.

Priority 2: Competitive Preference Priority – Emphasis on Science, Technology, Engineering, and Mathematics (STEM) (15 points, all or nothing)

To meet this priority, the State’s application must have a high-quality plan to address the need to:

- Offer a rigorous course of study in mathematics, the sciences, technology, and engineering;
- Cooperate with industry experts, museums, universities, research centers, or other STEM-capable community partners to prepare and assist teachers in integrating STEM content across grades and disciplines, in promoting effective and relevant instruction, and in offering applied learning opportunities for students; and
- Prepare more students for advanced study and careers in the sciences, technology, engineering, and mathematics, including by addressing the needs of underrepresented groups and of women and girls in the areas of science, technology, engineering, and mathematics.

Priority 3: Invitational Priority – Innovations for Improving Early Learning Outcomes

Secretary Arne Duncan is particularly interested in applications that include practices, strategies, or programs to improve educational outcomes for high-need students who are young children (pre-kindergarten through third grade) by enhancing the quality of preschool programs, including improving school readiness and the transition between preschool and kindergarten.

Priority 4: Invitational Priority – Expansion and Adaptation of Statewide Longitudinal Data Systems

The Secretary is particularly interested in applications in which the State plans to expand statewide longitudinal data systems to include or integrate data from special education programs, English language learner programs, early childhood programs, at-risk and dropout prevention programs, and school climate and culture programs, as well as information on student mobility, human resources (*i.e.*, information on teachers, principals, and other staff), school finance, student health, postsecondary education, and other relevant areas.

Priority 5: Invitational Priority – P-20 Coordination, Vertical and Horizontal Alignment

There is an interest by the Secretary in applications where the State plans to address how early childhood programs, K-12 schools, postsecondary institutions, workforce development organizations, and other State agencies and community partners (*e.g.*, child welfare, juvenile justice, and criminal justice agencies) will coordinate to improve all parts of the education system and create a more seamless preschool-through-graduate school (P-20) route for students, including vertical and horizontal alignment.

Priority 6: Invitational Priority -- School-Level Conditions for Reform, Innovation, and Learning

Finally, Secretary Duncan is particularly interested in applications in which the State’s participating LEAs seek to create the conditions for reform and innovation as well as the conditions for learning by providing schools with flexibility and autonomy in such areas as:

- Selecting staff;
- Implementing new structures and formats for the school day or year that result in increased learning time ;
- Controlling the school’s budget;
- Awarding credit to students based on student performance instead of instructional time;

- Providing comprehensive services to high-need students (*e.g.*, by mentors and other caring adults; through local partnerships with community-based organizations, nonprofit organizations, and other providers);
- Creating school climates and cultures that remove obstacles to, and actively support, student engagement and achievement; and
- Implementing strategies to effectively engage families and communities in supporting the academic success of their students.

SELECTION CRITERIA

A. State Success Factors (125 points)

(A)(1) Articulating State's education reform agenda and LEAs' participation in it (65 points)

The extent to which –

- The State has set forth a comprehensive and coherent reform agenda that clearly articulates its goals for implementing reforms in the four education areas described in the ARRA and improving student outcomes statewide, establishes a clear and credible path to achieving these goals, and is consistent with the specific reform plans that the State has proposed throughout its application; (5 points)
- The participating LEAs are strongly committed to the State's plans and to effective implementation of reform in the four education areas, as evidenced by Memoranda of Understanding (MOUs) or other binding agreements between the State and its participating LEAs that include – (45 points)
 - Terms and conditions that reflect strong commitment by the participating LEAs to the State's plans;
 - Scope-of-work descriptions that require participating LEAs to implement all or significant portions of the State's Race to the Top plans; and
 - Signatures from as many as possible of the LEA superintendent (or equivalent), the president of the local school board (or equivalent, if applicable), and the local teachers' union leader (if applicable) (one signature of which must be from an authorized LEA representative) demonstrating the extent of leadership support within participating LEAs ; and
- The LEAs that are participating in the State's Race to the Top plans will translate into broad statewide impact, allowing the State to reach its ambitious yet achievable goals, overall and by student subgroup, for – (15 points)
 - Increasing student achievement in (at a minimum) reading/language arts and mathematics, as reported by the NAEP and the assessments required under the ESEA;
 - Decreasing achievement gaps between subgroups in reading/language arts and mathematics, as reported by the NAEP and the assessments required under the ESEA;
 - Increasing high school graduation rates; and
 - Increasing college enrollment and increasing the number of students who complete at least a year's worth of college credit that is applicable to a degree within two years of enrollment in an institution of higher education.

(A)(2) Building strong statewide capacity to implement, scale up, and sustain proposed plans (30 points)

The extent to which the State has a high-quality overall plan to –

- Ensure that it has the capacity required to implement its proposed plans by – (20 points)
 - Providing strong leadership and dedicated teams to implement the statewide education reform plans the State has proposed;
 - Supporting participating LEAs in successfully implementing the education reform plans the State has proposed;
 - Providing effective and efficient operations and processes for implementing its RTTT grant in such areas as grant administration and oversight, budget reporting and monitoring, performance measure tracking and reporting, and fund disbursement;
 - Using the funds for this grant to accomplish the State’s plans and meet its targets; and
 - Using the fiscal, political, and human capital resources of the State to continue, after the period of funding has ended, those reforms funded under the grant for which there is evidence of success; and
- Use support from a broad group of stakeholders to better implement its plans, as evidenced by the strength of statements or actions of support from – (10 points)
 - The State’s teachers and principals, which include the State’s teachers’ unions or statewide teacher associations; and
 - Other critical stakeholders, such as the State’s legislative leadership; charter school authorizers and State charter school membership; other State and local leaders; Tribal schools; parent, student, and community organizations; and institutions of higher education.

(A)(3) Demonstrating significant progress in raising achievement and closing gaps (30 points)

The extent to which the State has demonstrated its ability to –

- Make progress over the past several years in each of the four education reform areas, and used its ARRA and other Federal and State funding to pursue such reforms; (5 points)
- Improve student outcomes overall and by student subgroup since at least 2003, and explain the connections between the data and the actions that have contributed to – (25 points)
 - Increasing student achievement in reading/language arts and mathematics, both on the NAEP and on the assessments required under the ESEA;
 - Decreasing achievement gaps between subgroups in reading/language arts and mathematics, both on the NAEP and on the assessments required under the ESEA; and
 - Increasing high school graduation rates.

B. Standards and Assessments (70 points)

State Reform Conditions Criteria

(B)(1) Developing and adopting common standards (40 points)

The extent to which the State has demonstrated its commitment to adopting a common set of high-quality standards, evidenced by –

- The State’s participation in a consortium of States that – (20 points)

- Is working toward jointly developing and adopting a common set of K-12 standards that are supported by evidence that they are internationally benchmarked and build toward college and career readiness by the time of high school graduation; and
- Includes a significant number of States; and
- (20 points)
 - For Phase 1 applications, the State’s high-quality plan demonstrating its commitment to and progress toward adopting a common set of K-12 standards by August 2, 2010, or, at a minimum, by a later date in 2010 specified by the State, and to implementing the standards thereafter in a well-planned way; or
 - For Phase 2 applications, the State’s adoption of a common set of K-12 standards by August 2, 2010, or, at a minimum, by a later date in 2010 specified by the State in a high-quality plan toward which the State has made significant progress, and its commitment to implementing the standards thereafter in a well-planned way.

(B)(2) Developing and implementing common, high-quality assessments (10 points)

The extent to which the State has demonstrated its commitment to improving the quality of its assessments, evidenced by the State’s participation in a consortium of States that –

- Is working toward jointly developing and implementing common, high-quality assessments aligned with the consortium’s common set of K-12 standards ; and
- Includes a significant number of States.

Reform Plan Criteria

(B)(3) Supporting the transition to enhanced standards and high-quality assessments (20 points)

The extent to which the State, in collaboration with its participating LEAs, has a high-quality plan for supporting a statewide transition to and implementation of internationally benchmarked K-12 standards that build toward college and career readiness by the time of high school graduation, and high-quality assessments tied to these standards.

C. Data Systems to Support Instruction (47 points)

State Reform Conditions Criteria

(C)(1) Fully implementing a statewide longitudinal data system (24 points)

The extent to which the State has a statewide longitudinal data system that includes all of the America COMPETES Act elements.

Reform Plan Criteria

(C)(2) Accessing and using State data (5 points)

The extent to which the State has a high-quality plan to ensure that data from the State’s statewide longitudinal data system are accessible to, and used to inform and engage, as appropriate, key stakeholders; and that the data support decision-makers in the continuous improvement of efforts in such areas as policy, instruction, operations, management, resource allocation, and overall effectiveness.

(C)(3) Using data to improve instruction (18 points)

The extent to which the State, in collaboration with its participating LEAs, has a high-quality plan to –

- Increase the acquisition, adoption, and use of local instructional improvement systems that provide teachers, principals, and administrators with the information and resources they need to inform and improve their instructional practices, decision-making, and overall effectiveness;
- Support participating LEAs and schools that are using instructional improvement systems in providing effective professional development to teachers, principals, and administrators on how to use these systems and the resulting data to support continuous instructional improvement; and
- Make the data from instructional improvement systems, together with statewide longitudinal data system data, available and accessible to researchers so that they have detailed information with which to evaluate the effectiveness of instructional materials, strategies, and approaches for educating different types of students.

D. Great Teachers and Leaders (138 points)

State Reform Conditions Criteria

(D)(1) Providing high-quality pathways for aspiring teachers and principals (21 points)

The extent to which the State has –

- Legal, statutory, or regulatory provisions that allow alternative routes to certification for teachers and principals, particularly routes that allow for providers in addition to institutions of higher education;
- Alternative routes to certification that are in use; and
- A process for monitoring, evaluating, and identifying areas of teacher and principal shortage and for preparing teachers and principals to fill these areas of shortage.

Reform Plan Criteria

(D)(2) Improving teacher and principal effectiveness based on performance (58 points)

The extent to which the State, in collaboration with its participating LEAs, has a high-quality plan and ambitious yet achievable annual targets to ensure that participating LEAs –

- Establish clear approaches to measuring student growth and measure it for each individual student; (5 points)
- Design and implement rigorous, transparent, and fair evaluation systems for teachers and principals that (a) differentiate effectiveness using multiple rating categories that take into account data on student growth as a significant factor, and (b) are designed and developed with teacher and principal involvement; (15 points)
- Conduct annual evaluations of teachers and principals that include timely and constructive feedback; as part of such evaluations, provide teachers and principals with data on student growth for their students, classes, and schools; and (10 points)
- Use these evaluations, at a minimum, to inform decisions regarding – (28 points)
 - Developing teachers and principals, including by providing relevant coaching, induction support, and/or professional development;
 - Compensating, promoting, and retaining teachers and principals, including by providing opportunities for highly effective teachers and principals to obtain additional compensation and be given additional responsibilities;

- Whether to grant tenure and/or full certification (where applicable) to teachers and principals using rigorous standards and streamlined, transparent, and fair procedures; and
- Removing ineffective tenured and untenured teachers and principals after they have had ample opportunities to improve, and ensuring that such decisions are made using rigorous standards and streamlined, transparent, and fair procedures.

(D)(3) Ensuring equitable distribution of effective teachers and principals *(25 points)*

The extent to which the State, in collaboration with its participating LEAs, has a high-quality plan and ambitious yet achievable annual targets to –

- Ensure the equitable distribution of teachers and principals by developing a plan, informed by reviews of prior actions and data, to ensure that students in high-poverty and/or high-minority schools have equitable access to highly effective teachers and principals and are not served by ineffective teachers and principals at higher rates than other students; and *(15 points)*
- Increase the number and percentage of effective teachers teaching hard-to-staff subjects and specialty areas including mathematics, science, and special education; teaching in language instruction educational programs (as defined under Title III of the ESEA); and teaching in other areas as identified by the State or LEA. *(10 points)*

(D)(4) Improving the effectiveness of teacher and principal preparation programs *(14 points)*

The extent to which the State has a high-quality plan and ambitious yet achievable annual targets to –

- Link student achievement and student growth data to the students' teachers and principals, to link this information to the in-State programs where those teachers and principals were prepared for credentialing, and to publicly report the data for each credentialing program in the State; and
- Expand preparation and credentialing options and programs that are successful at producing effective teachers and principals.

(D)(5) Providing effective support to teachers and principals *(20 points)*

The extent to which the State, in collaboration with its participating LEAs, has a high-quality plan for its participating LEAs to –

- Provide effective, data-informed professional development, coaching, induction, and common planning and collaboration time to teachers and principals that are, where appropriate, ongoing and job-embedded.
- Measure, evaluate, and continuously improve the effectiveness of those supports in order to improve student achievement.

E. Turning Around the Lowest-Achieving Schools *(50 points)*

State Reform Conditions Criteria

(E)(1) Intervening in the lowest-achieving schools and LEAs *(10 points)*

The extent to which the State has the legal, statutory, or regulatory authority to intervene directly in the State's persistently lowest-achieving schools and in LEAs that are in improvement or corrective action status.

Reform Plan Criteria

(E)(2) Turning around the lowest-achieving schools (40 points)

The extent to which the State has a high-quality plan and ambitious yet achievable annual targets to –

- Identify the persistently lowest-achieving schools and, at its discretion, any non-Title I eligible secondary schools that would be considered persistently lowest-achieving schools if they were eligible to receive Title I funds; and (5 points)
- Support its LEAs in turning around these schools by implementing one of the four school intervention models: turnaround model, restart model, school closure, or transformation model (provided that an LEA with more than nine persistently lowest-achieving schools may not use the transformation model for more than 50 percent of its schools). (35 points)

F. General (55 points)

State Reform Conditions Criteria

(F)(1) Making education funding a priority (10 points)

The extent to which –

- The percentage of the total revenues available to the State that were used to support elementary, secondary, and public higher education for FY 2009 was greater than or equal to the percentage of the total revenues available to the State that were used to support elementary, secondary, and public higher education for FY 2008; and
- The State's policies lead to equitable funding (a) between high-need LEAs and other LEAs, and (b) within LEAs, between high-poverty schools and other schools.

(F)(2) Ensuring successful conditions for high-performing charter schools and other innovative schools (40 points)

The extent to which –

- The State has a charter school law that does not prohibit or effectively inhibit increasing the number of high-performing charter schools in the State;
- The State has laws, statutes, regulations, or guidelines regarding how charter school authorizers approve, monitor, hold accountable, reauthorize, and close charter schools; in particular, whether authorizers require that student achievement be one significant factor, among others, in authorization or renewal; encourage charter schools that serve student populations that are similar to local district student populations, especially relative to high-need students; and have closed or not renewed ineffective charter schools;
- The State's charter schools receive equitable funding compared to traditional public schools, and a commensurate share of local, State, and Federal revenues;
- The State provides charter schools with funding for facilities, assistance with facilities acquisition, access to public facilities, the ability to share in bonds and mill levies, or other supports; and the extent to which the State does not impose any facility-related requirements on charter schools that are stricter than those applied to traditional public schools; and
- The State enables LEAs to operate innovative, autonomous public schools other than charter schools.

(F)(3) Demonstrating other significant reform conditions (5 points)

DEFINITIONS

Alternative routes to certification means pathways to certification that are authorized under the State's laws or regulations, that allow the establishment and operation of teacher and administrator preparation programs in the State, and that have the following characteristics (in addition to standard features such as demonstration of subject-matter mastery, and high-quality instruction in pedagogy and in addressing the needs of all students in the classroom including English language learners and student with disabilities): (a) can be provided by various types of qualified providers, including both institutions of higher education and other providers operating independently from institutions of higher education; (b) are selective in accepting candidates; (c) provide supervised, school-based experiences and ongoing support such as effective mentoring and coaching; (d) significantly limit the amount of coursework required or have options to test out of courses; and (e) upon completion, award the same level of certification that traditional preparation programs award upon completion.

College enrollment refers to the enrollment of students who graduate from high school consistent with 34 CFR 200.19(b)(1) and who enroll in an institution of higher education (as defined in section 101 of the Higher Education Act, P.L. 105-244, 20 U.S.C. 1001) within 16 months of graduation.

Common set of K-12 standards means a set of content standards that define what students must know and be able to do and that are substantially identical across all States in a consortium. A State may supplement the common standards with additional standards, provided that the additional standards do not exceed 15 percent of the state's total standards for that content area.

Effective principal means a principal whose students, overall and for each subgroup, achieve acceptable rates (*e.g.*, at least one grade level in an academic year) of student growth. States, LEAs, or schools must include multiple measures, provided that principal effectiveness is evaluated, in significant part, by student growth.

Effective teacher means a teacher whose students achieve acceptable rates (*e.g.*, at least one grade level in an academic year) of student growth. States, LEAs, or schools must include multiple measures, provided that teacher effectiveness is evaluated, in significant part, by student growth.

Formative assessment means assessment questions, tools, and processes that are embedded in instruction and are used by teachers and students to provide timely feedback for purposes of adjusting instruction to improve learning.

Graduation rate means the four-year or extended-year adjusted cohort graduation rate as defined by 34 CFR 200.19(b) (1).

Highly effective principal means a principal whose students, overall and for each subgroup, achieve high rates (*e.g.*, one and one-half grade levels in an academic year) of student growth. States, LEAs, or schools must include multiple measures, provided that principal effectiveness is evaluated, in significant part, by student growth.

Highly effective teacher means a teacher whose students achieve high rates (*e.g.*, one and one-half grade levels in an academic year) of student growth. States, LEAs, or schools must include multiple measures, provided that teacher effectiveness is evaluated, in significant part, by student growth.

High-minority school is defined by the state in a manner consistent with its Teacher Equity Plan. The State should provide, in its Race to the Top application, the definition used.

High-need LEA means an LEA (a) that serves not fewer than 10,000 children from families with incomes below the poverty line; or (b) for which not less than 20 percent of the children served by the LEA are from families with incomes below the poverty line.

High-need students means students at risk of educational failure or otherwise in need of special assistance and support, such as students who are living in poverty, who attend high-minority schools, who are far below grade level, who have left school before receiving a regular high school diploma, who are at risk of not graduating with a diploma on time, who are homeless, who are in foster care, who have been incarcerated, who have disabilities, or who are English language learners.

High-performing charter school means a charter school that has been in operation for at least three consecutive years and has demonstrated overall success, including (a) substantial progress in improving student achievement; and (b) the management and leadership necessary to overcome initial start-up problems and establish a thriving, financially viable charter school.

High-poverty school means, consistent with section 1111(h)(1)(C)(viii) of the ESEA, a school in the highest quartile of schools in the State with respect to poverty level, using a measure of poverty determined by the State.

High-quality assessment means an assessment designed to measure a student's knowledge, understanding of, and ability to apply, critical concepts through the use of a variety of item types and formats (*e.g.*, open-ended responses, performance-based tasks). Such assessments should enable measurement of student achievement and student growth; be of high technical quality (*e.g.*, be valid, reliable, fair, and aligned to standards); incorporate technology where appropriate; include the assessment of students with disabilities and English language learners; and to the extent feasible, use universal design principles (as defined in section 3 of the Assistive Technology Act of 1998, as amended, 29 U.S.C. 3002) in development and administration.

Increased learning time means using a longer school day, week, or year schedule to significantly increase the total number of school hours to include additional time for (a) instruction in core academic subjects, including English; reading or language arts; mathematics; science; foreign languages; civics and government; economics; arts; history; and geography; (b) instruction in other subjects and enrichment activities that contribute to a well-rounded education, including, for example, physical education, service learning, and experiential and work-based learning opportunities that are provided by partnering, as appropriate, with other organizations; and (c) teachers to collaborate, plan, and engage in professional development within and across grades and subjects.

Innovative, autonomous public schools means open enrollment public schools that, in return for increased accountability for student achievement, have the flexibility and authority to define their instructional models and associated curriculum; select and replace staff; implement new structures and formats for the school day or year; and control their budgets.

Instructional improvement systems means technology-based tools and other strategies that provide teachers, principals, and administrators with meaningful support and actionable data to systemically manage continuous instructional improvement, including such activities as: instructional planning; gathering information (*e.g.*, through formative assessments, interim assessments, summative assessments, and looking at student work and other student data); analyzing information with the support of rapid-time reporting; using this information to inform decisions on appropriate next instructional steps; and evaluating the effectiveness of the actions taken. Such systems promote collaborative problem-solving and action planning; they may also integrate instructional data with student-level data such as attendance, discipline, grades, credit accumulation, and student survey results to provide early warning indicators of a student's risk of educational failure.

Interim assessment means an assessment that is given at regular and specified intervals throughout the school year, is designed to evaluate students' knowledge and skills relative to a specific set of academic standards, and produces results that can be aggregated (*e.g.*, by course, grade level, school, or LEA) in order to inform teachers and administrators at the student, classroom, school, and LEA levels.

Involved LEAs means LEAs that choose to work with the State to implement those specific portions of the State's plan that necessitate full or nearly-full statewide implementation, such as transitioning to a common set of K-12 standards. Involved LEAs do not receive a share of the 50 percent of a State's grant award that it must subgrant to LEAs in accordance with section 14006(c) of the ARRA, but States may provide other funding to involved LEAs under the State's Race to the Top grant in a manner that is consistent with the State's application.

Low-minority school is defined by the State in a manner consistent with its Teacher Equity Plan. The State should provide, in its Race to the Top application, the definition used.

Low-poverty school means, consistent with section 1111(h)(1)(C)(viii) of the ESEA, a school in the lowest quartile of schools in the State with respect to poverty level, using a measure of poverty determined by the State.

Participating LEAs means LEAs that choose to work with the state to implement all or significant portions of the State's Race to the Top plan, as specified in each LEA's agreement with the State. Each participating LEA that receives funding under Title I, Part A will receive a share of the 50 percent of a State's grant award that the state must subgrant to LEAs, based on the LEA's relative share of Title I, Part A allocations in the most recent year, in accordance with section 14006(c) of the ARRA. Any participating LEA that does not receive funding under Title I, Part A (as well as one that does) may receive funding from the State's other 50 percent of the grant award, in accordance with the state's plan.

Persistently lowest-achieving schools means, as determined by the State: (i) Any Title I school in improvement, corrective action, or restructuring that (a) Is among the lowest-achieving five percent of Title I schools in improvement, corrective action, or restructuring or the lowest-achieving five Title I schools in improvement, corrective action, or restructuring in the State, whichever number of schools is greater; or (b) Is a high school that has had a graduation rate as defined in 34 CFR 200.19(b) that is less than 60 percent over a number of years; and (ii) Any secondary school that is eligible for, but does not receive, Title I funds that (a) Is among the lowest-achieving five percent of secondary schools or the lowest-achieving five secondary schools in the State that are eligible for, but do not receive, Title I funds, whichever number of schools is greater; or (b) Is a high school that has had a graduation rate as defined in 34 CFR 200.19(b) that is less than 60 percent over a number of years.

To identify the lowest-achieving schools, a State must take into account both (i) The academic achievement of the —all students|| group in a school in terms of proficiency on the State’s assessments under section 1111(b) (3) of the ESEA in reading/language arts and mathematics combined; and (ii) The school’s lack of progress on those assessments over a number of years in the “all students” group.

Rapid-time, in reference to reporting and availability of locally-collected school- and LEA-level data, means that data are available quickly enough to inform current lessons, instruction, and related supports.

Student achievement means –

- For tested grades and subjects: (1) a student’s score on the State’s assessments under the ESEA; and, as appropriate, (2) other measures of student learning, such as those described in paragraph (b) of this definition, provided they are rigorous and comparable across classrooms.
- For non-tested grades and subjects: alternative measures of student learning and performance such as student scores on pre-tests and end-of-course tests; student performance on English language proficiency assessments; and other measures of student achievement that are rigorous and comparable across classrooms.

Student growth means the change in student achievement for an individual student between two or more points in time. A State may also include other measures that are rigorous and comparable across classrooms.

Total revenues available to the State means either (a) projected or actual total State revenues for education and other purposes for the relevant year; or (b) projected or actual total State appropriations for education and other purposes for the relevant year.

America COMPETES Act elements means (as specified in section 6401(e) (2) (D) of that Act):

1. A unique statewide student identifier that does not permit a student to be individually identified by users of the system;
2. Student-level enrollment, demographic, and program participation information;
3. Student-level information about the points at which students exit, transfer in, transfer out, drop out, or complete P–16 education programs;

4. The capacity to communicate with higher education data systems;
5. A State data audit system assessing data quality, validity, and reliability;
6. Yearly test records of individual students with respect to assessments;
7. Information on students not tested by grade and subject;
8. A teacher identifier system with the ability to match teachers to students;
9. Student-level transcript information, including information on courses completed and grades earned;
10. Student-level college readiness test scores;
11. Information regarding the extent to which students transition successfully from secondary school to postsecondary education, including whether students enroll in remedial coursework; and
12. Other information determined necessary to address alignment and adequate preparation for success in postsecondary education.

MAJOR CHANGES

The Notice of Proposed Priorities (NPP) for RTTT that were published earlier this year prompted an outpouring of public comments. Some 1,161 commenters submitted thousands of unique comments, ranging from one paragraph to 67 pages. Parents submitted comments, as did professional associations. From the statehouse to the schoolhouse, scores of public officials and educators, governors, chief state school officers, teachers, and principals weighed in with suggestions and critiques. All told, individuals from all 50 states and the District of Columbia, including over 550 individuals and 200 organizations, commented on the NPP.

The extensive and thoughtful public commentary on the NPP has been invaluable in helping the Department revise, improve, and clarify the priorities, requirements, definitions, and selection criteria for the Race to the Top program. A discussion of the most significant changes follows.

Major Changes in the Selection Criteria, Priorities, Requirements, and Definitions

State Success Factors

Many of the commenters expressed concern that the NPP's encouragement of comprehensive and coherent statewide reform was undercut by the need for state applicants to organize their plans around each of the four reform assurances, one at a time. In response to this concern, the USDOE has reorganized a number of the criteria, moving key criteria from the Overall section to a new section at the beginning of the selection criteria called State Success Factors. This new section provides states with the opportunity to start their proposals with clear statements of their coherent, coordinated, statewide reform agendas.

As several commenters noted, states face at least three overarching issues critical to their success in implementing their Race to the Top plans – the need for a coherent reform agenda, the capacity to lead LEAs, and the ability to improve outcomes. In this notice, these three issues are reflected in the State Success Factors as follows: criterion (A)(1) pertains to a State's ability to articulate a comprehensive and coherent education reform agenda, and to engage its local educational agencies (LEAs) in strongly committing to and participating in that agenda; criterion (A)(2) relates to a State's capacity to implement its proposed plans through strong leadership,

successfully supporting its LEAs in improving student outcomes, administering a grant of this magnitude efficiently, and organizing its financial resources to optimize impact; and finally, criterion (A)(3) asks States to demonstrate their ability to significantly improve education outcomes for students across the State.

Standards and Assessments

In response to comments indicating that some states would have difficulty meeting a June 2010 deadline for adopting a new set of common, kindergarten-to-grade-12 (K-12) standards, this notice extends the deadline for adopting standards as far as possible, while still allowing the USDOE to comply with the statutory requirement to obligate all Race to the Top funds by September 30, 2010. As set forth in criterion (B)(1)(ii), the new deadline for adopting a set of common K-12 standards is August 2, 2010.

States that cannot adopt a common set of K-12 standards by this date will be evaluated based on the extent to which they demonstrate commitment and progress toward adoption of such standards by a later date in 2010 (see criterion (B)(1) and Appendix B). Evidence supporting the State's adoption claims will include a description of the legal process in the State for adopting standards, and the State's plan, current progress against that plan, and timeframe for adoption.

Data Systems to Support Instruction

The data systems selection criteria in the Race to the Top competition involve two types of data systems – statewide longitudinal data systems and instructional improvement systems. While numerous comments addressed the USDOE's emphasis on statewide longitudinal data systems in the NPP, the Department intends to give equal priority in this program to using instructional data as a critical tool for teachers, principals, and administrators to identify student needs, fill curriculum gaps, and target professional development. The final selection criteria, therefore, place significant emphasis on using data to inform professional development and fostering a culture of continuous improvement in schools and LEAs.

More specifically, the final notice contains new language in criterion (C)(3)(i) (proposed (B)(3)(i)) that clarifies that this criterion concerns local instructional improvement systems, not statewide longitudinal data systems, and further clarifies the LEA's role in the acquisition, adoption, and use of local instructional improvement systems.

Great Teachers and Leaders

The teachers and leaders criteria are built on two core principles that remain consistent with the NPP – that teacher and principal quality matters, and that effective teachers and principals are those whose students grow academically. Thus, this notice continues to include criteria directed at improving teacher and principal effectiveness and at ensuring that highly effective teachers and principals are serving in the high-poverty, high-minority schools where their talents are needed the most. In addition, this notice continues to define effective teachers and principals as those whose students make significant academic growth. While the final notice reaffirms these core principles, it also includes a number of changes to the criteria and related definitions based on public input.

USDOE received over 400 comments in this reform area, many of which provided helpful suggestions that informed their revisions. One commenter suggested that the greatest contribution that the Race to the Top program could make would be to encourage the development of outstanding models for teacher and principal evaluation systems, now widely described as flawed and superficial. Based on this and similar comments, the Department has revised criterion (D)(2), now titled Improving Teacher and Principal Effectiveness Based on Performance, to encourage the design of high-quality evaluation systems, and to promote their use for feedback, professional improvement, and decision-making.

The Department concurs with the many commenters who cautioned that teacher and principal “effectiveness” should not be based solely on student test scores. In this notice, “effectiveness” is defined as based on input from multiple measures, provided that student growth is a significant factor. In addition, this notice re-emphasizes that it is student growth – not raw student achievement data or proficiency levels – that is the “significant factor” to be considered in evaluating effectiveness.

Turning Around the Lowest-Achieving Schools

The Department of Education made three noteworthy changes to the selection criteria on turning around the persistently lowest-achieving schools. First, they removed the restriction, proposed in the NPP, which permitted the “transformation” model to be used solely as a last resort. Instead, it simply specifies that an LEA with more than nine persistently lowest-achieving schools may not use the transformation model for more than 50 percent of its schools.

Second, USDOE has fully aligned the school intervention requirements and definitions across Race to the Top, the State Fiscal Stabilization Fund, and the forthcoming Title I School Improvement Grants final notice. Their intention is to make it easier for states to develop consistent and coherent plans across these three programs.

Third, the public comments suggested that there was confusion about the role of charter schools in the USDOE reform agenda. Some commenters concluded that by placing the charter school criterion in the school turnaround section, it was advancing charter schools as the chief remedy for addressing the needs of the persistently lowest-achieving schools. While the USDOE believes that charter schools can be strong partners in school turnaround work, it does not believe that charter schools are the only or preferred solution to turning around struggling schools. In fact, it is the USDOE’s belief that turning around the persistently lowest-achieving schools is a core competency that every district needs to develop, and that closing bad schools and opening good ones is the job of school district leaders.

Notwithstanding research showing that charter schools on average perform similarly to traditional public schools, a growing body of evidence suggests that high-quality charter schools can be powerful forces for increasing student achievement, closing achievement gaps, and spurring educational innovation. As a consequence, the selection criterion pertaining to charter schools (criterion (F)(2), proposed (D)(2)) has been shifted from the Turning Around the Lowest-Achieving Schools section to the General section, where it more appropriately reflects charter schools’ broader role as a tool for school innovation and reform.

General

The General section includes a number of other key reform conditions or plans. First, criterion (F)(1) concerns education funding across the state and addresses the efforts to maintain education funding between FY 2008 and FY 2009. New criterion (F)(1)(ii) has been added to reward States whose policies lead to equitable funding between high-need LEAs and other LEAs, and within LEAs, between high-poverty schools and other schools.

As noted above, criterion (F)(2) regarding charter schools has been moved to the General section from the Turning Around the Lowest-Achieving Schools section, where it was proposed criterion (D)(2). In this notice, the Department maintains its focus on high-quality charter schools as important tools for school reform.

As was the case with the NPP, the final charter school criteria presented under (F)(2) encourage both unrestrictive charter school growth laws and strong charter school accountability. In support of charter school growth, the criteria also provide for the evaluation of States based on the extent to which they provide equitable funding for charter schools and offer them access to facilities. Criterion (F)(2)(ii) has also been revised to urge authorizers to encourage charter schools that serve student populations that are similar to local district student populations, especially relative to high-need students.

In their comments, a number of states argued that they had laws – other than charter school laws – that spurred school innovation. In response to these comments, the USDOE has added a new criterion, (F)(2)(v), which invites states to describe the extent to which they enable LEAs to operate innovative, autonomous public schools other than charter schools.

It is the Department's hope that the Race to the Top competition gives states ample opportunity to explain and implement proven and promising ideas for bolstering student learning and educational attainment, and to do this in ways that work best in their local contexts. To ensure that the application reflects a broad range of effective state and local solutions, criterion (F)(3) (proposed criterion (E)(1)(iii)) asks states to describe laws, regulations, or policies (other than those asked about in other selection criteria) that have created conditions in the State that are conducive to education reform and improved student outcomes.

Priorities

Many commenters offered suggestions about the proposed priorities, in particular the invitational and competitive preference priorities. A number of commenters urged the USDOE to increase the importance of each invitational priority by making it a competitive or absolute priority, while others wanted to add new priorities. Because of the Department of Education's desire to give states latitude and flexibility in developing focused plans to best meet their students' needs, it did not change any of the priorities from invitational to competitive or absolute. We did, however, add a new invitational priority and make some changes to the proposed priorities.

Regarding the proposed absolute priority, which stated that states' applications must comprehensively and coherently address all of the four education reform areas specified in the ARRA, the USDOE has added the requirement that states must comprehensively and coherently address the new State Success Factors criteria as well.

The final notice adds a new Invitational Priority 3, *Innovations for Improving Early Learning Outcomes*, expressing the Secretary's interest in applications that will improve early learning outcomes for high-need students who are young children.

In Invitational Priority 4, *Expansion and Adaptation of Statewide Longitudinal Data Systems*, programs such as at-risk and dropout prevention programs, school climate and culture programs, and early learning programs have been added to the list of programs that a State may choose to integrate with its statewide longitudinal data system.

In invitational priority 5, *P-20 Coordination, Vertical and Horizontal Alignment*, horizontal coordination of services was added as a critical component for supporting high-need students.

In Invitational Priority 6, *School-level Conditions for Reform, Innovation, and Learning*, new paragraph (vi) adds school climate and culture, and new paragraph (vii) adds family and community engagement to the list of school conditions conducive to reform and innovation.

Requirements

The first eligibility requirement, requirement (a), has been changed to provide that a state must have both phases of its State Fiscal Stabilization Fund application approved by the Department prior to being awarded a Race to the Top grant. In the NPP, we proposed that a State would have to receive approval of its Stabilization Fund applications prior to December 31, 2009 (for Race to the Top Phase 1 applicants) or prior to submitting a Race to the Top application (for Race to the Top Phase 2 applicants).

The second eligibility requirement, requirement (b), was revised to clarify that the state must not have any legal, statutory, or regulatory barriers at the State level to linking data on student achievement or student growth to teachers and principals for the purpose of teacher and principal evaluation.

In addition, several changes were made to the application requirements. USDOE removed two proposed application requirements, application requirements (c) and (d), which would have required states to provide information about making education funding a priority and about stakeholder support. Note that the final notice retains the selection criteria that request this same information.

Application requirement (c)(2) provides additional clarity about how to calculate the relative shares of the Race to the Top grant that participating LEAs will be eligible to receive.





USDOE has added a new application requirement, requirement (g), to clarify specific issues related to the term "subgroup," to NAEP, and to the assessments required under the ESEA. In addition to requiring states to include, at a minimum, the listed student subgroups when reporting past outcomes and setting future targets, this application requirement includes statutory references. This addition eliminates the need for statutory references that define subgroups elsewhere in the notice, and they therefore have been removed.

The program requirements have also changed. First, the USDOE has indicated its final approach to evaluation. The Institute of Education Sciences will conduct a series of national evaluations of Race to the Top State grantees as part of its evaluation of programs funded under the ARRA. States that are awarded Race to the Top grants will be required to participate in these evaluations and are welcome, but not required, to conduct their own independent, statewide evaluations as well.

Finally, the program requirements have clarified that funds awarded under this competition may not be used to pay for costs related to statewide summative assessments.

FOR ADDITIONAL INFORMATION AND GUIDANCE

Additional information and more specific guidance regarding Race to the Top may be found at the following locations:

- Federal RTTT website: (<http://www.ed.gov/programs/racetothetop/index.html>)
 - The [Press Release](#) announcing the final application
 - The Race to the Top Application  [MSWord](#) (1.0M)
 - The key policy details, summarized in the Executive Summary  [PDF](#) (471K)
 - A Summary of the Major Changes we made based on the comments we received  [PDF](#) (376K)
 - More details for applicants in the Notice Inviting Application (Federal Register Notice)  [PDF](#) (4.5M)
 - The full details on Race to the Top, including our responses to comments, in the Notice of Final Priorities  [PDF](#) (5.1M)
- California Department of Education: (<http://www.cde.ca.gov/ar/>)
- California School Boards Association: (www.csba.org)
- National School Boards Association (www.nsba.org)

The chart below shows the maximum number of points that may be assigned to each criterion.

Selection Criteria	Points	Percent
A. State Success Factors	125	25%
(A)(1) Articulating State's education reform agenda and LEAs' participation in it	65	
(i) Articulating comprehensive, coherent reform agenda	5	
(ii) Securing LEA commitment	45	
(iii) Translating LEA participation into statewide impact	15	
(A)(2) Building strong statewide capacity to implement, scale up, and sustain proposed plans	30	
(i) Ensuring the capacity to implement	20	
(ii) Using broad stakeholder support	10	
(A)(3) Demonstrating significant progress in raising achievement and closing gaps	30	
(i) Making progress in each reform area	5	
(ii) Improving student outcomes	25	
B. Standards and Assessments	70	14%
(B)(1) Developing and adopting common standards	40	
(i) Participating in consortium developing high-quality standards	20	
(ii) Adopting standards	20	
(B)(2) Developing and implementing common, high-quality assessments	10	
(B)(3) Supporting the transition to enhanced standards and high-quality assessments	20	
C. Data Systems to Support Instruction	47	9%
(C)(1) Fully implementing a statewide longitudinal data system	24	
(C)(2) Accessing and using State data	5	
(C)(3) Using data to improve instruction	18	
D. Great Teachers and Leaders	138	28%
Eligibility Requirement (b)	eligibility	
(D)(1) Providing high-quality pathways for aspiring teachers and principals	21	
(D)(2) Improving teacher and principal effectiveness based on performance	58	
(i) Measuring student growth	5	
(ii) Developing evaluation systems	15	
(iii) Conducting annual evaluations	10	
(iv) Using evaluations to inform key decisions	28	
(D)(3) Ensuring equitable distribution of effective teachers and principals	25	
(i) Ensuring equitable distribution in high-poverty or high-minority schools	15	
(ii) Ensuring equitable distribution in hard-to-staff subjects and specialty areas	10	
(D)(4) Improving the effectiveness of teacher and principal preparation programs	14	
(D)(5) Providing effective support to teachers and principals	20	
E. Turning Around the Lowest-Achieving Schools	50	10%
(E)(1) Intervening in the lowest-achieving schools and LEAs	10	
(E)(2) Turning around the lowest-achieving schools	40	
(i) Identifying the persistently lowest-achieving schools	5	
(ii) Turning around the persistently lowest-achieving schools	35	
F. General	55	11%
Eligibility Requirement (a)	eligibility	
(F)(1) Making education funding a priority	10	
(F)(2) Ensuring successful conditions for high-performing charter schools and other innovative s	40	
(F)(3) Demonstrating other significant reform conditions	5	
Competitive Preference Priority 2: Emphasis on STEM	15	3%
TOTAL	500	100%
Subtotal: Accomplishments	260	52%
Subtotal: Plans	240	48%

The chart is from the **Federal Register**, page 59834 –
The final regulations for Race to the Top, published November 18, 2009

Investing in Innovation Fund

Summary

The ARRA provides \$98.2 billion to the U.S. Department of Education (USDOE) for direct expenditures on education. Within this amount, \$650 million was authorized and appropriated for the Investing in Innovation Fund (i3), for a competitive grant program to enable local education agencies (LEAs) and nonprofit organizations with a record of improving kindergarten through grade 12 (K-12) student achievement to:

- Expand their work
- Identify, document and share best practices, and
- Take successful practices to scale

Education Reform Areas

One of the overall goals of the ARRA is to improve student achievement through school improvement and reform. Within the context of the ARRA, the i3 Fund focuses on four key assurances, or education reform areas, that will help achieve this goal:

- Improvements in teacher effectiveness and ensuring that all schools have effective teachers
- Gathering information to improve student learning, teacher performance, and college and career readiness through enhanced data systems
- Progress toward college- and career-ready standards and rigorous assessments
- Improving achievement in low-performing schools through intensive support and effective interventions

i3 will also be used to accelerate the creation of an education sector that supports the rapid development and adoption of effective solutions.

Proposed Program Requirements:

LEAs (including charter schools), nonprofit organizations working in collaboration with LEAs, and consortia of schools are eligible to compete for i3 funding. To be eligible for an award, an applicant must be located within one of the 50 States, the District of Columbia, or Puerto Rico, and must:

- Have significantly closed the achievement gaps between groups of students;
- Have demonstrated success in significantly increasing student academic achievement for all groups of students;
- Have made significant improvement in other areas (graduation rates, high-quality teachers and school leaders);
- Demonstrate that they have partnerships with the private sector that will provide matching funds.

Applicants will submit proposals to one of three categories: "Scale-up", "Validation"; or "Development." The level of evidence supporting the idea will determine which category is most appropriate.

Overview of the Investing in Innovation Fund

The USDOE intends to use the i3 Fund to support the overarching ARRA goal of improving student achievement by aligning four of the priorities proposed in this notice directly with the four ARRA reform areas. In this notice, the Department proposes four additional priorities that are aligned with other reform goals in the areas of early learning, college access, students with disabilities and limited English proficient students, and rural LEAs. Finally, all funded projects will be required to provide educational or other services to support high-need students.

The Department proposes to award three types of grants within i3: "Scale-up" grants, "Validation" grants, and "Development" grants.

Projects funded under each of the three types of grants will provide services to high-need students and are to focus on priorities directly tied to the reform areas of the ARRA. Applicants can also choose to meet the additional priority areas. Among the three grant types, there are differences in terms of the evidence that an applicant would be required to submit in support of its proposed project; the expectations for scaling up successful projects during or after the grant period, either directly or through partners; and the funding that a successful applicant would receive.

The intent of these requirements is to ensure that program funds are used to expand and take to scale the most promising practices, strategies, and programs. Definitions and criteria will be provided and used to evaluate the available evidence supporting a proposed project in terms of the strength of the research, the significance of the effect, and the magnitude of the effect for each type of grant.

The Department believes that an important aspect of evaluating applications under the i3 Fund is assessing the extent to which a proposal is feasible and can be brought to scale in a cost-effective manner. So that the cost-effectiveness of a proposed project can be determined, applicants shall provide estimated start-up and operating costs per student (including indirect costs) for reaching the total number of students proposed to be served by the project and for scaling the project to meet the needs of additional students.

The following is an overview of the three types of grants that will be awarded:

- **Scale-up grants** will provide funding to scale up practices, strategies, or programs for which there is strong evidence that the proposed practice, strategy, or program will have a statistically significant effect on improving student achievement or student growth, closing achievement gaps, decreasing dropout rates, or increasing high school graduation rates. Also that the effect of implementing the proposed practice, strategy, or program will be substantial and important. An applicant for a Scale-up grant can demonstrate

success through an intermediate variable directly correlated with these outcomes, such as teacher or school leader effectiveness or improvements in school climate.

Further, applicants for a Scale-up grant must estimate the number of students to be reached by the proposed project and provide evidence of its capacity to reach the proposed number of students during the course of the grant. In addition, the applicant will also provide evidence of its capacity (e.g., in terms of qualified personnel, financial resources, management capacity) to scale up to a state, regional, or national level, working directly or through partners, either during or following the end of the grant period. USDOE recognizes that LEAs are not typically responsible for taking to scale their practices, strategies, or programs to other LEAs and states. Applicants can and should partner with others (e.g., service centers, State educational agencies, institutions of higher education) to disseminate and take to scale their effective practices, strategies, and programs.

Successful applicants for Scale-up grants would receive larger levels of funding than successful applicants for Validation or Development grants.

- **Validation grants** will provide funding to support practices, strategies, or programs that show promise, but for which there is currently only moderate evidence that the proposed practice, strategy, or program will have a statistically significant effect on improving student achievement or student growth, closing achievement gaps, decreasing dropout rates, or increasing high school graduation rates, and that with further study the effect of implementing the proposed practice, strategy, or program may prove to be substantial and important. Thus, proposals for Validation grants will not need to have the same level of research evidence to support the proposed project that would be required for Scale-up grants. Applicants could also demonstrate success through an intermediate variable directly correlated with these outcomes, such as teacher or school leader effectiveness or improvements in school climate.

Applicants for a Validation grant would have to estimate the number of students to be reached by the proposed project and provide evidence of its capacity to reach the proposed number of students during the course of the grant. In addition, an applicant for a Validation grant must provide evidence of its capacity (e.g., in terms of qualified personnel, financial resources, management capacity) to scale up to a state or regional level either during or following the end of the grant period. As noted earlier, USDOE recognizes that LEAs are not typically responsible for taking to scale their practices, strategies, or programs to other LEAs and States. Applicants can and should partner with others to disseminate and take to scale their effective practices, strategies, and programs.

Successful applicants for Validation grants would receive more funding than successful applicants for Development grants.

- **Development grants** will provide funding to support new, high-potential, and relatively untested practices, strategies, or programs whose efficacy should be systematically studied. An applicant would have to provide evidence that the proposed practice,

strategy, or program, or one similar to it, has been attempted previously, albeit on a limited scale or in a limited setting, and yielded promising results that suggest that more formal and systematic study is warranted. An applicant must provide a rationale for the proposed practice, strategy, or program that is based on research findings or reasonable hypotheses, including related research or theories in education and other sectors.

Thus, proposals for Development grants would not need to provide the same level of evidence to support the proposed project that would be required for Validation or Scale-up grants.

To summarize, in terms of the evidence required to support the proposed practice, strategy, or program, the major differences between Scale-up, Validation, and Development grants are: (1) the strength of the research; (2) the significance of the effect; and (3) the magnitude of the effect.

Timing of the Applications and Awards:

The U.S. Department of Education anticipates accepting applications in early 2010, with all applications due in early spring of 2010. The department will obligate all i3 funding by September 30, 2010.

Information:

Further information on the i3 Fund can be found at:

<http://www.ed.gov/news/pressreleases/2009/10/10062009a.html>

American Recovery and Reinvestment Act Summary

On Tuesday, February 17, 2009, President Barack Obama signed into law the American Recovery and Reinvestment Act of 2009 (HR 1, Public Law No: 111-5). This legislation provides \$787 billion in funding and tax cuts to stimulate the national economy and create jobs by investing the funds over the next two years in critical sectors of the economy such as energy, health care, infrastructure and education.

The American Recovery and Reinvestment Act (ARRA) will provide approximately \$115 billion for public education to help school districts avoid layoffs and program cuts, increase funding for special education programs and the Elementary and Secondary Education Act (ESEA), and provide potential funding for school facilities repair and modernization projects.

Direct Funding for Education – Schools and districts will receive funding under these provisions through current federal funding formularies, unless otherwise specified as grants:

- \$13 billion for Title 1 of the Elementary and Secondary Education Act (ESEA) to help close the achievement gap and enable disadvantaged students to reach their potential. This includes \$10 billion for main Title 1 programs and \$3 billion for School Improvement Grants. California's share of this funding will be approximately \$1.2 billion and \$377 million respectively.

Local education agencies (LEAs) that receive these funds are required to submit 2008-09 site-level pupil educational expenditures from state and local sources to the State Education Agency (SEA) by December 2009. The SEA must then compile the information and submit it to the Secretary of Education by March 2010. It is not yet known when this funding will flow to states and then to LEAs.

- \$12 billion for Parts B and C of the Individuals with Disabilities Education Act (IDEA) to improve educational outcomes for disabled children. This level of funding will increase the Federal share of special education services to its highest level ever and will aid in preventing the mandatory costs of special education from forcing states to cut other areas of education.

The funding for IDEA is to be utilized as follows: \$11.7 billion for Part B which includes \$11.3 billion for pupils ages 6-21 and \$400 million for children Ages 3-5. \$500 million is to serve children with disabilities age 2 and younger (Part C). California's share of IDEA funding will be approximately \$1.28 billion for Part B and Part C funding.

- \$5 billion for Early Childhood programs, including \$1 billion for Head Start, \$1.1 billion for the expansion of early Head Starts programs, and \$2 billion for childcare block grants to supplement, not supplant, state funding for child care assistance for low-income

families. California should receive approximately \$220 million for the childcare block grant.

- \$2 billion for other educational programs, including funding for the expansion and improvements of longitudinal data systems, grants for teacher quality investments, technology grants, vocational rehabilitation, work study and impact aid.

State Stabilization Fund – This fund will provide \$53.6 billion which is being administered by the Department of Education. After funding set-aside for outlying areas, \$14 million for administration/oversight costs and \$5 billion for incentive grants, the Secretary of Education shall make grants to the Governors of each state. The state allocations are to be used as follows:

- 81.8 percent of a State's allocation shall be for the support of elementary, secondary and postsecondary education and, as applicable, early childhood programs. These funds are intended to restore state program support in the 2009, 2010, and 2011 fiscal years to the level of state program support that was the greater of the 2008 or 2009 fiscal years. California is scheduled to receive \$3.165 billion to be distributed to school districts.
- 18.2 percent of the State's allocation shall be used for public safety and other government services, which may include assistance for elementary, secondary and postsecondary education, and for the modernization, renovation or repair of public school facilities. The funding for this provision is estimated at \$8.8 billion of which California should receive approximately \$800 million, based on a 10 percent average that the state normally receives.
- Local education agencies (LEAs) that receive these funds may use them for any activity authorized by ESEA, IDEA, the Adult and Family Literacy Act, the Carl Perkins Career and Technical Education Act or to modernize, renovate or repair school facilities.
- Incentive Grants - \$5 billion is set-aside in the Stabilization fund for incentive grants that will be distributed on a competitive basis to states that are aggressively pursuing higher standards, quality assessments, robust data systems and teacher quality initiatives. This includes \$650 million to fund schools and non-profit organizations with strong track records of improving student achievement.

Medicaid Regulations: Extends the current moratoria on Medicaid regulations for targeted case management, provider taxes, and school-based administration and transportation services through June 30, 2009.

Construction Funding: In addition to the repair and modernization funding provided in the State Stabilization Fund, ARRA provides the following:

- Qualified School Construction Bonds – This is a new category of tax credit bonds for the construction, rehabilitation, repair of public school facilities, or for the acquisition of land on which a public school facility will be constructed. There is a national limitation on the amount of qualified school construction bonds that may be issued by State and local

governments of \$22 billion (\$11 billion allocated initially in 2009 and the remainder allocated in 2010). There is also a national limitation on the amount of qualified school construction bonds that may be issued by Indian tribal governments of \$400 million (\$200 million allocated initially in 2009 and the remainder allocated in 2010).

- Qualified Zone Academy Bonds (QZABs) – Increased bond allocations for the existing QZAB program, from \$400 million annually to \$1.4 billion for FY 2009 and \$1.4 billion for FY2010. QZABs can be used to finance school renovations, equipment purchases, developing course material, and training teachers and personnel at a qualified zone academy. In general, a qualified zone academy is any public school (or academic program within a school) below college level that is located in a federally designated empowerment zone or enterprise community, and is designed to cooperate with businesses to enhance the academic curriculum and increase graduation and employment rates. QZABs are a form of tax credit bonds which offer the holder a Federal tax credit instead of interest.

For more information about where ARRA money is going and how it is being used go to www.recovery.ed. There will be a number of ways to search for information – by federal agency, by state, by congressional district and by federal contractor.

Other Resources and Information on ARRA:

- Data impact information regarding ARRA (www.whitehouse.gov/blog/)
- Accountability and Transparency (www.recovery.gov)
- US Department of Education (www.ed.gov)
- US Department of Education ARRA information: (<http://www.ed.gov/policy/gen/leg/recovery/index.html>)
- US Department of Education ARRA funding levels by state and program: (<http://www.ed.gov/about/overview/budget/statetables/09arrastatetables.pdf>)

American Recovery and Reinvestment Act (ARRA) Funding as of June 30, 2009

PreK-12 Programs

As of June 30, 2009, over \$3 billion of ARRA funding has been released to California's public education system.

Purpose /Program Description	Award to California	Anticipated Additional Award	Total	Disbursed to LEAs and Other Grantees/Awardees	Additional Information Available*
State Fiscal Stabilization Funds (SFSF)	\$2,565,000,000	\$600,000,000 ¹	\$3,165,000,000	\$2,483,000,000 ²	http://www2.cde.ca.gov/recoverysfsfsearch/allocationsearch.aspx
Title I Local Grants	\$562,460,238	\$562,460,237	\$1,124,920,475	\$450,284,592	http://www.cde.ca.gov/fg/aa/ca/documents/title1pa09arrapre.xls
Special Ed (IDEA) Part B	\$613,472,026	\$613,472,026	\$1,226,944,052	\$230,578,886	http://www.cde.ca.gov/fg/fo/r18/documents/arralocass09result.xls
Special Ed (IDEA) Part B-Preschool	\$20,514,110	\$20,514,109	\$41,028,219	\$14,805,925	http://www.cde.ca.gov/fg/fo/r18/documents/arrapresch09result.xls
Child Care Development Block Grant	\$220,273,864	\$0	\$220,273,864	\$0	http://www.cde.ca.gov/sp/cd/re/stateplan.asp
National School Lunch (equipment)	\$12,864,683	\$0	\$12,864,683	\$0	http://www.cde.ca.gov/fg/fo/r9/documents/arraeg08result.xls
McKinney-Vento (Homeless Youth)	\$13,795,989	\$0	\$13,795,989	\$0	http://www.cde.ca.gov/fg/fo/r16/homelessarra08.asp
School Improvement Grant	\$0	\$351,762,637	\$351,762,637	\$0	http://www.ed.gov/policy/gen/leg/recovery/programs.html
Enhancing Education Through Technology	\$0	\$71,578,424	\$71,578,424	\$0	http://www.ed.gov/policy/gen/leg/recovery/programs.html
Head Start**		\$82,495,000	\$82,495,000	\$0	http://www.acf.hhs.gov/grants/open/HHS-2009-ACF-OHS-SH-0089.html
Impact Aid**	Competitive				http://www.ed.gov/policy/gen/leg/recovery/guidance/impactaid.pdf
Statewide Data Systems	Competitive				http://www.ed.gov/policy/gen/leg/recovery/programs.html
Teacher Incentive Fund	Competitive				http://www.ed.gov/policy/gen/leg/recovery/programs.html
Teacher Quality Enhancement**	Competitive				http://www.ed.gov/programs/heatqp/index.html
Race to the Top	Competitive				http://www.ed.gov/policy/gen/leg/recovery/programs.html
Innovation Grants**	Competitive				http://www.ed.gov/policy/gen/leg/recovery/programs.html
Qualified Zone Academy Bond Tax Credits	\$200,000,000	\$0	\$200,000,000		http://www.cde.ca.gov/ls/fa/qz/index.asp
Qualified School Construction Bond Tax Credits	\$1,350,000,000	\$1,350,000,000	\$2,700,000,000		http://www.cde.ca.gov/nr/ne/yr09/yr09rel101.asp

*The corresponding links provide the amounts allocated to each LEA, Special Education Local Planning Agency (SELPA), or other recipient entity.

**These funds are not administered by CDE.

¹ \$600,000,000 is the additional amount of SFSF provided for K-12 LEAs pursuant to ABX4 1, Section 408, amending Budget Act of 2009.

² This is the amount disbursed by July 10, 2009.