



Tennessee Department of Education
Frequently Asked Questions: Education Funding
The American Recovery and Reinvestment Act – Spring 2009

Part I – Overview

Q: What is the purpose of the education funding available in the American Recovery and Reinvestment Act (ARRA)?

A: The ARRA is designed to stimulate the economy in the short term and invest in education to ensure the future long-term health of the American Economy.

Q: What are the principles that guide the distribution and use of these funds?

A:

- Spend the funds quickly to save and create jobs;
- Improve student achievement through school improvement and reform;
- Ensure transparency, reporting and accountability; and,
- Invest these one-time funds wisely to minimize long-term financial commitments.

Q: What is the total amount of ARRA funds devoted to education?

A: Kindergarten through post-secondary students will benefit from approximately \$100 billion available education funds. These include substantial funds for Pell Grants, Work Study, Stabilization Funds, as well as large increases in funding for the Individuals with Disabilities Education Act (IDEA) and No Child Left Behind (NCLB).

Q: Where can I find information about ARRA education funds?

A:

The U.S. Department of Education's Web site: <http://www.ed.gov/policy/gen/leg/recovery/index.html>

The Tennessee Department of Education's Web site:

<http://tn.gov/education/recovery.shtml>

Q: What are the new "stabilization" funds available in the ARRA?

A: To help stimulate the economy and to ameliorate the effects of state budget shortfalls on both K-12 and postsecondary education, the ARRA provides a new, separate funding source.

The State Fiscal Stabilization Fund has two major components: \$48.6 Billion that will be awarded to states by formula in exchange for a commitment to advance education reform from early childhood through postsecondary and approximately \$5 Billion that will be awarded to states and districts competitively to support innovative educational programs and practices.

Governors apply for the funds to primarily offset any reductions in spending for K-12 and postsecondary education. In Tennessee, Governor Bredesen is planning to target the majority of these funds to eliminate the revenue shortfall for higher education funds and K-12 BEP dollars.

Q: In what areas should ARRA funds be used?

A: All of the funds available in the education sections of the ARRA are aimed at states' demonstrating four reform efforts previously authorized in the bipartisan Elementary and Secondary Education Act and the America Competes Act of 2007. These reforms are:

- Making progress toward rigorous college- and career-ready standards and high-quality assessments that are valid and reliable for all students, including English language learners and students with disabilities;
- Establishing pre-K to college and career data systems that track progress and foster continuous improvement;
- Making improvements in teacher effectiveness and in the equitable distribution of qualified teachers for all students, particularly students who are most in need; and,
- Providing intensive and effective interventions for the lowest-performing schools.

Part II – No Child Left Behind programs

(Title IA, Title I School Improvement, Title IID Educational Technology, and Title X Homeless Education)

Q: What are the programs under No Child Left Behind (NCLB) that have been funded in the American Recovery and Reinvestment Act (ARRA)?

A: The programs under NCLB that have been funded with additional dollars under ARRA include both formula and discretionary grant opportunities.

Program	National Amount	Tennessee Estimate	Purpose of program	Type of Grant	Available Date
Title IA	\$10 Billion	\$194 Million	Disadvantaged Students	Formula	50% end of March 50% Fall 2009
Title I School Improvement Grants	\$3 Billion	\$50 Million	Title I High Priority Schools	Discretionary	Fall 2009
Title IID	\$650 Million	\$12.3 Million	Education Technology	50% Formula 50% Discretionary	Fall 2009
Title X	\$70 Million	\$670,000	Homeless Children	Formula	End of March

Q: How will my LEA apply for these funds?

A:

- LEAs will apply for the formula funds (Title IA, Title IID formula, and homeless funds) through their FY 10 NCLB Consolidated Application.
- For discretionary grant programs (Title IID discretionary and Title I School Improvement), the LEA will complete and submit an application to the State for approval.

Q: If my LEA wants access to some of the Title I funds before July 1, 2009 when the funds in the FY 10 NCLB Consolidated Application become available, what should my LEA do?

A: For those LEAs that plan to use some of their ARRA Title I funds before July 1, 2009, the State Department will provide an abbreviated and condensed application process to approve the amount of funds that the LEA plans to use for allowable activities before July 1, 2009. To start this process, the LEA should contact its assigned NCLB field service consultant.

Q: Are there separate requirements for the use of these funds from the legislative language and regulations that currently apply to these programs?

A: All of these programs are still covered by the current legislation and regulations of existing NCLB programs. There are some differences, however:

- All LEAs receiving Title IA ARRA funds shall report a school-by-school listing of per-pupil educational expenditures from state and local expenditures.
- All LEAs receiving any of the ARRA funds will be subject to further reporting requirements that will be provided in forthcoming federal guidance.
- States and LEAs receiving ARRA funds will be required to report on how the funds were spent at www.recovery.gov.
- States and LEAs must account for ARRA funds in separate budget categories from the same FY 10 NCLB funds.

Q: What is the period of availability for these funds?

A: The period of availability for these funds will be the date the State approves an LEA's application for some or all the funds until September 30, 2010. Then, consistent with regular Title I funds, the LEA will have an additional 12 months of availability under the Tydings amendment to use remaining funds for carryover. Therefore, LEAs must obligate all of these funds by September 30, 2011.

Q: Will the same NCLB requirements as the regular programs be applied to these funds or will there be some flexibility in these requirements?

In general, the same statutory and regulatory language will apply to these funds as to the regular NCLB program funds. However, the U.S. Department of Education has indicated in its guidance that it will invite waivers on some of the provisions of the Title I funds. These include approving waivers that:

- Eliminate or limit the set-aside requirements, such as the 20% requirement for public school choice and supplemental educational services;
- Calculate the per-pupil amount for supplemental educational services based on an LEA's FY 2009 Title I A allocation without regard to the Title I ARRA funds; and,
- Allow the State to issue an LEA a waiver on the 15% carryover limitation more than once every three years.

The State intends to apply for waivers for the above three examples.

Q: Which Title I requirements will still apply to the Title IA ARRA funds?

The same Title I requirements that apply to the regular Title IA program apply to these funds unless the Secretary of Education grants waivers on either statutory or regulatory requirements. Some of these requirements include:

- Comparability;
- Maintenance of Effort;
- Supplement not supplant;
- Equitable Participation for Private School Students; and,
- Allowable use of funds.

Q: Does the U.S. Department of Education have any advice on the use of these funds?

A: The U.S. Department of Education realizes that this large increase of NCLB funds will likely not be available at the same level beyond September 30, 2011. So it encourages schools and districts to use this unique opportunity to improve teaching and learning by focusing these funds on short-term investments with the potential for long-term benefits and avoid making ongoing commitments that they might not be able to sustain after the ARRA funds are expended.

Some examples for the use of Title I funds might be:

- Establishing and expanding fiscally sustainable extended learning opportunities in Title I schools (such as extended day and extended year programs);
- Strengthening and expanding pre-K programs;
- Identifying more schools for Title I to increase the number of students who benefit from the program;
- Establishing intensive, year-long teacher training for Title I schools;
- Establishing a coaching programs to help teachers become more effective in their teaching;
- Increasing the capacity of secondary schools to use high-quality, online courses; and,
- Providing intensive parent training to help parents support their children in meeting the challenges of Tennessee's new, more rigorous standards.

Q: If a district wants to identify new schools to be served by Title I, what steps should the district and school begin to take now?

A: When a district decides to identify a school as Title I, the district and school need to decide which of the two Title I models they would like to implement at the newly identified school: targeted assistance or schoolwide. Targeted assistance schools design and implement specific "targeted" programs which target certain students based on specific criteria for special Title I supplemental services.

In Tennessee, most Title I schools use a much more flexible Title I model known as a schoolwide program. In this model, Title I resources are used in coordination with other resources to upgrade the entire school program for all of the students in the school. To be eligible for this model, a school must have a minimum of 40% of its students eligible for the free or reduced lunch program.

Information on both models and their requirements is available on the Department's Web site at <http://www.tennessee.gov/education/fedprog/fptitle1.shtml> . Your district's assigned NCLB field service consultant can provide the district and the school technical assistance on choosing and implementing either the targeted assistance or schoolwide model.

Q: How does the State plan to allocate the additional ARRA funds for the homeless education (Title X) and the educational technology (Title IID) programs?

The State will allocate the ARRA homeless education funds based on a formula derived from the homeless student count that all LEAs provide to the State on an annual basis. LEAs may release their allocations if the funds are not needed. LEAs that want to retain their ARRA homeless education allocations will apply for these funds as a component of their FY10 NCLB Consolidated Application.

For the IID Education Technology program, 50% of the funds will be allocated through formula and 50% will be competitive. LEAs will apply for the formula funds in their FY10 NCLB Consolidated Application. Information about the IID competitive application will be available later.

Q: What are some examples of the use of homeless education funds to provide services to homeless students?

Local educational agencies receiving ARRA Homeless Education funds may use program funds to carry out these and other activities that promote the purpose of the program. LEAs may also use sub-grant funds or ARRA Stimulus funds to enter into contracts with other agencies or organizations to provide services for homeless children and youth.

- **Educational Services**

- Tutoring, supplemental instruction and other educational services that help homeless children and youth reach the same challenging State content and State student performance standards to which all children and youth are held.
- Before- and after- school programs, mentoring, and summer programs for homeless children and youth. Qualified personnel may provide homework assistance, tutoring, and supervision of other educational instruction in carrying out these activities.
- Developmentally appropriate early childhood education programs for homeless children of preschool age that are not provided through other federal, state, or local funds.
- Expedited evaluations of homeless children and youth to measure their strengths and needs. These evaluations should be done promptly in order to avoid a gap in the provision of necessary services to such children and youth. Evaluations may also determine a homeless child's or youth's eligibility for other programs for gifted and talented students, vocational education programs, and school lunch programs.
- Educational and training programs for parents of homeless children and youth regarding the rights their children have as homeless individuals and the educational and other resources available to their children.

- **Professional Development**

- Programs and other activities designed to raise awareness among educators and pupil services personnel of the rights of homeless children and youth under the Act, and the

special needs such children and youth have as a result of their homelessness.

- **Coordination of Services**

- Programs coordinating services provided by schools and other agencies to homeless children and youth to expand and enhance such services. Coordination with programs funded under the *Runaway and Homeless Youth Act* should be included in this effort.

- **Comprehensive Services**

- Referrals of homeless children and youth to medical, dental, mental, and other health services.
- Pupil services programs providing violence prevention counseling and referrals to such counseling.
- Programs addressing the particular needs of homeless children and youth that may arise from domestic violence.

- **Transportation**

- Paying the excess cost of transportation not otherwise provided through federal, state, or local funds, to enable homeless children and youth to attend schools selected under Section 722(g)(3) of the Act.

- **School Records**

- Paying fees and costs associated with locating, obtaining, and transferring records necessary for the enrollment of homeless children and youth in school. The records may include birth certificates, guardianship records, immunization records, academic records, and evaluations of homeless children and youth determining eligibility for other programs and services.

- **School Supplies**

- Providing supplies to non-school facilities serving homeless children and youth and adapting these facilities to enable them to provide services.
- Providing school supplies to homeless children and youth at shelters, temporary housing facilities, and other locations as appropriate.

- **Extraordinary or Emergency Assistance**

- Providing extraordinary or emergency services to homeless children and youth as necessary to enroll and retain such children and youth in school. Example of extraordinary services – a homeless student may want to participate in the school band or team sport. This is allowable as long as the activity can be linked to an academic subject.

To find out more information about the State's Homeless Education program, visit the Department's website at <http://www.tennessee.gov/education/fedprog/fphomeless.shtml> or

contact Tennessee's Homeless Education Director, Karen Munn, at Karen.Munn@state.tn.us or (615) 532-6309.

Q: Tennessee will receive over \$50 million of ARRA Title I school improvement funds. What district and schools are eligible for those funds?

A: Title I school improvement funds can only be allocated to districts with Title I High Priority schools. These funds must be used to either increase the district capacity to provide support to its struggling Title I High Priority schools or to provide resources to those schools to fundamentally improve the school so that the school can make adequate yearly progress (AYP). Districts that are eligible for these funds submit separate applications for these funds for state approval. More information on the State's Title I school improvement funding program is available on the Department's Web site at <http://www.tennessee.gov/education/fedprog/fpschlimprove.shtml> .

Part III – Individuals with Disabilities Education Act

(IDEA, Part B and Preschool)

Q: What are the programs under the Individuals with Disabilities Education Act (IDEA) that have been funded in the American Recovery and Reinvestment Act (ARRA)?

A: IDEA, Part B and Preschool grants have been funded with additional dollars under ARRA.

Program	National Amount	Tennessee Estimate	Purpose of program	Type of Grant	Available Date to State
Part B, 611	\$ 11.3 Billion	\$ 229,613,400	6-21 Students with disabilities	Formula	50% end of March 50% Fall 2009
Part B, 619 Preschool	\$ 400 Million	\$ 7,345,900	3-5 Children with disabilities	Formula	50% end of March 50% Fall 2009

Q: If my LEA wants access to some of the IDEA funds before July 1, 2009 when the funds in the FY 10 IDEA Comprehensive Application become available, what should my LEA do?

A: LEA eligibility for the first 50 percent of the IDEA recovery funds is based on eligibility established by the LEA FY'09 *IDEA Comprehensive Application*; therefore, for those LEAs that plan to use some of their ARRA IDEA funds before July 1, 2009, the State Department will provide an abbreviated and condensed application process to approve the amount of funds that the LEA plans to use for allowable activities before July 1, 2009. This application would be comprised of the signature page, assurances, *Permissive Use of Funds* worksheets and the applicable state budget pages with justifications.

Q: How will my LEA apply for these funds?

A: For the 2010 SY, LEAs will apply for the Part B and Preschool recovery funds at the same time as they apply for their FY '10 IDEA Comprehensive Application.

Q: Are there separate requirements for the use of these funds from the legislative language and regulations that currently apply to these programs?

A: All of the IDEA recovery funds are still covered by the current IDEA, Part B, statutory and regulatory requirements. It should be remembered that an LEA must use IDEA recovery funds only for the excess

costs of providing special education and related services to children with disabilities, except where the IDEA specifically provides otherwise. There are some additional guidelines, however.

- All LEAs receiving any of the ARRA funds will be subject to further reporting requirements that will be provided in forthcoming federal guidance.
- All LEAs receiving any of the ARRA funds will be monitored for compliance of these funds.
- States and LEAs receiving ARRA funds will be required to report on how the funds were spent at www.recovery.gov.
- States and LEAs must account for ARRA funds in separate budget categories from the same FY 10 IDEA funds.

Q: What is the period of availability of these funds?

A: The period of availability for these funds will be the date the State approves each LEAs Comprehensive Application for some or all of the funds until September 30, 2011. LEAs must obligate these funds by September 30, 2011.

Q: Will IDEA requirements still apply to the IDEA ARRA funds?

A: Yes, the requirements under IDEA are still applicable. LEAs/districts will still be responsible for:

- Assurances,
- Comparability;
- Maintenance of Effort, and
- Supplement, not supplant provisions.

Q: Does the U.S. Department of Education have any advice on the use of these funds?

A: The U.S. Department of Education realizes that this large increase of IDEA funds will likely not be available at the same level beyond September 30, 2011. So they are encouraging schools and districts to use this unique opportunity to improve teaching and learning by focusing these funds on short-term investments with the potential for long-term benefits and avoid making ongoing commitments that they might not be able to sustain after the recovery funds are expended.

Some examples for the use of IDEA funds might be:

- Provide intensive district-wide professional development for special education teachers and regular education teachers that focus on scaling-up, through replication, proven and innovative evidence-based school-wide strategies in reading, math writing and science, and positive behavioral supports to improve outcomes for students with disabilities.
- Develop or expand the capacity to collect and use data to improve teaching and learning.
- Expand the availability and range of inclusive placements for SWD in the general education classrooms, and
- Improve overall student achievement.

Part IV – Pre-K

Q: Can we expect the same level of state funding next year for Voluntary and Expansion Pre-K classes?

A: Governor Bredesen has proposed an inflationary increase of \$490,000 for the existing 934 Pre-K classrooms in the TN Voluntary Pre-K program for 2009-2010.

Q: Can the ARRA funds be used to open a new Pre-K class? Sustainability?

The ARRA funds may be used to open new Pre-K classes as an allowable use of funds under Title 1. However, there is no guarantee that the funds will be available beyond the two year time period.

All new Pre-K classrooms must be in compliance with state and federal legislation and requirements, which include the TN State Board of Education Early Childhood Rules and Regulations Chapter 0520-1-3-.05 (5), and mandated monitoring for health and safety per the TN Child Care Rules and Regulations. All classrooms must be inspected prior to occupancy.

State Board of Ed Rules: <http://state.tn.us/sos/rules/0520/0520-01/0520-01-03.20081028.pdf>

TN Child Care Rules: <http://tn.gov/sos/rules/0520/0520-12/0520-12-01.pdf>

Q: Could the amount of ARRA money be the same as what the state provides per classroom?

A: The funding amount for a Pre-K class would be determined by the local LEA. However, if an LEA elects to open a new Pre-K classroom, it would be prudent to fund the class at the same amount as the state funded classrooms to ensure equity and parity.

Q: If there is a reduction in state Pre-K funding, may we supplement with stimulus money in Title 1 and/or IDEA?

A: The ARRA funds may be used to replace the loss of program funds. Collaborative partnerships are an integral part of the TN Voluntary Pre-K program and are encouraged. The blending and braiding of funds to support a Pre-K classroom must follow all federal regulations for Title 1 and IDEA funds and the Voluntary Pre-K state law for the use of state funds.

Q: We opened one locally funded Pre-K classroom this year. Funding was approved by our school board for one year only. In the absence of additional state funding, would this classroom be eligible for ARRA funding? Is this funding available for only two years?

A: The ARRA funds may be used to open new Pre-K classes or replace the loss of funding for Pre-K classes as an allowable use of funds under Title 1. However, there is no guarantee that the funds will be available beyond the two year time period.

Q: Can the stimulus money be spent on technology and/or transportation?

A: The use of ARRA funds must be in compliance with all federal legislation and regulations governing the use of NCLB and IDEA funds.

Q: Can the stimulus money be spent on playground repairs and upkeep?

A: This is an allowable expense with the state Pre-K funds. However, it is not an allowable expense with Title 1 funds.

Q: Can the LEA use Title 1, IDEA or State Pre-K funds to collaborate with Head Start for Pre-K classes?

A: The LEA may blend or braid funds from any of the aforementioned funding sources to collaborate with Head Start for Pre-K classes. However, the use of ARRA funds must be in compliance with all federal legislation and regulations governing the use of NCLB and IDEA funds.

Part V – Competitive Grants

Q: What grants will be available to states and districts under ARRA?

A: The State Department of Education has already announced the availability of grant dollars for lunchroom equipment under the National School Lunch Program. Details of that grant are here:

<http://tn.gov/education/recovery.shtml>

Below you will find brief descriptions of several large grant categories that the USDOE will begin to make available later this year. Most of these grants must be applied for by the TNDOE and not individual LEAs. This list is not exhaustive- please visit this information regularly for changes and updated information.

- State Incentive Fund (\$5 billion federal)
 - Funding must be prioritized for high-need schools.
 - At least 50% of award must be distributed to LEAs based on Title I share.
 - <http://www.ed.gov/policy/gen/leg/recovery/implementation.html>
- Teacher Incentive Fund (\$200 million federal)
 - Funding used to develop and implement principal and teacher compensation models to support recruitment and retention efforts in high-need schools and subjects.
 - <http://www.ed.gov/programs/teacherincentive/index.html>
- Teacher Quality Enhancement, State Grants (\$100 million federal)
 - Funding used for improvements in the quality of the teacher workforce, including reforms to alternative routes to teacher certification, preparation, and licensing.
 - <http://www.ed.gov/programs/teatqp/index.html>
- Statewide Data Systems (\$250 million federal)
 - Funding used to develop longitudinal student data systems that include postsecondary and workforce information.
 - <http://www.ed.gov/programs/slds/index.html>
- Early Head Start (\$1.1 billion)
 - Grant to individual Head Start Sites from the US Department of Human Services.
 - Early Head Start is a program for low-income families with pregnant women, infants, and toddlers (birth through 36 months).
 - www.eclkc.ohs.acf.hhs.gov
- Impact Aid Discretionary Construction Program (\$60 million)
 - LEAs that were eligible to receive funds under section 8002 (Payments for Federal Property) or 8003 (Basic Support Payments) of the Impact Aid program for fiscal year (FY) 2008. In addition, these school districts must have a total taxable assessed value of less

than \$100 million or have an average assessed value per pupil that is less than the State average.

- <http://www.grants.gov/search/search.do?mode=VIEW&flag2006=false&oppld=45885>