

Update on the American Recovery and Reinvestment Act of 2009 (ARRA) and Race to the Top Application

**Presented to the
Senate Finance Education Subcommittee**

**Patricia I. Wright
Superintendent of Public Instruction**



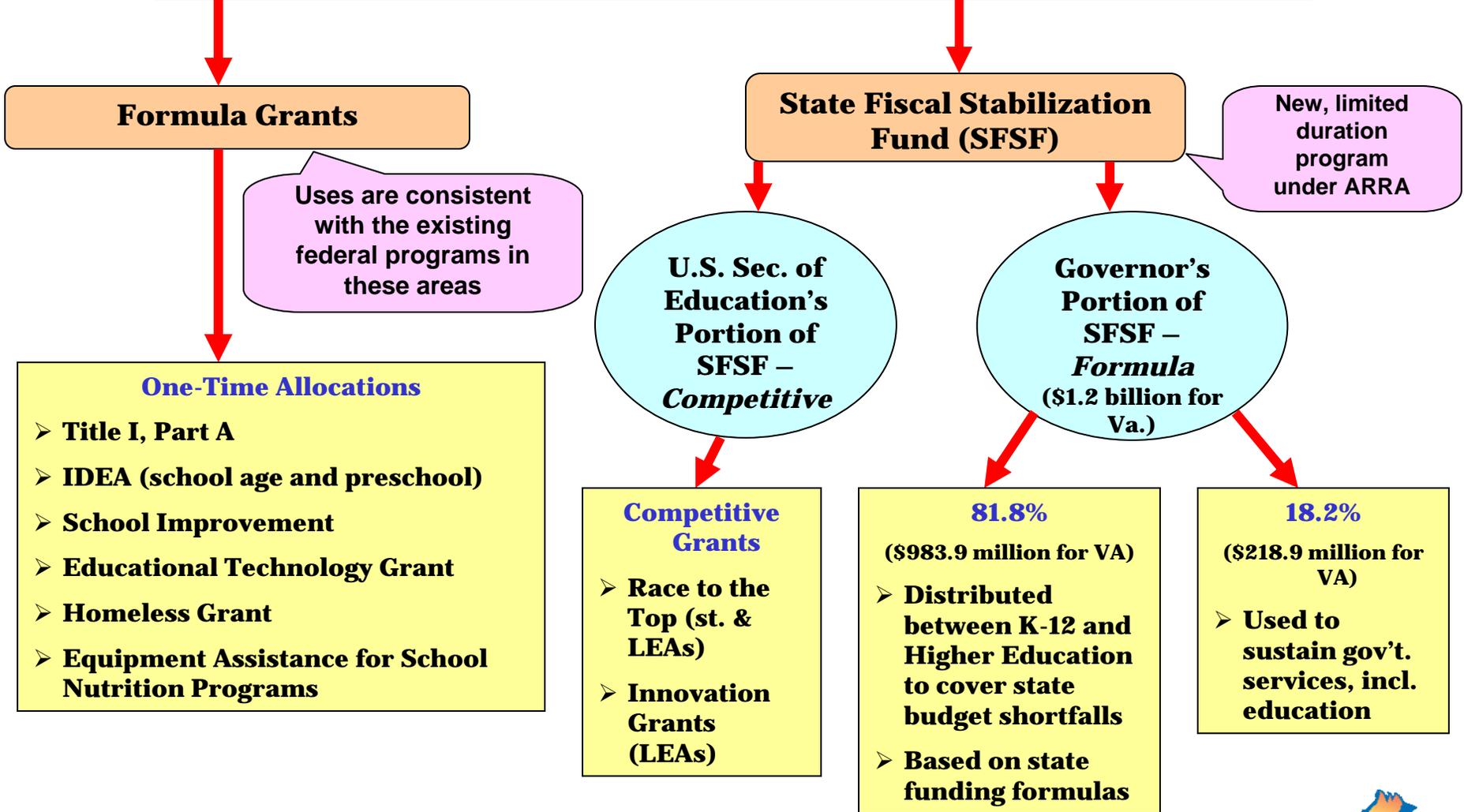
ARRA Overview

- **DOE provided briefing to subcommittee in October on ARRA background.**
- **Overviewed ARRA reform goals and requirements, formula and competitive grants, reporting requirements, and specific information on the State Fiscal Stabilization Fund and Race to the Top programs.**

ARRA Overview

- **In addition to the goals of creating jobs and transparency/accountability, ARRA contains four core educational reform areas:**
 - ✓ **rigorous college- and career-ready standards and high quality assessments;**
 - ✓ **longitudinal student and teacher data systems that meet federal requirements;**
 - ✓ **improving teacher quality and equitable distribution of effective teachers across schools; and**
 - ✓ **providing intensive support and interventions for low-performing schools.**

**American Recovery and Reinvestment Act (ARRA)
“Stimulus Funds”**



- One-Time Allocations**
- Title I, Part A
 - IDEA (school age and preschool)
 - School Improvement
 - Educational Technology Grant
 - Homeless Grant
 - Equipment Assistance for School Nutrition Programs

- Competitive Grants**
- Race to the Top (st. & LEAs)
 - Innovation Grants (LEAs)

- 81.8%**
(\$983.9 million for VA)
- Distributed between K-12 and Higher Education to cover state budget shortfalls
 - Based on state funding formulas

- 18.2%**
(\$218.9 million for VA)
- Used to sustain gov't. services, incl. education

ARRA Updates Since Oct. 2009

- **Two recent ARRA applications were filed with U.S. Dept. of Education:**
 1. **State Fiscal Stabilization Fund (SFSF) Phase II application filed on January 8, 2010:**
 - ✓ to obtain remaining SFSF funding allocated to Va. (\$324.7M);
 - ✓ required assurances in implementing four key reform areas and current implementation status;
 - ✓ required implementation plan and timeline for full implementation by September 2011 where assurances, data collection, and reporting requirements not fully met;
 - ✓ approval decision expected from U.S. Dept. of Education by March 2010.
 2. **Race to the Top competitive grant application filed on January 15, 2010:**
 - ✓ state awards are allocated 50% to state-level activities and 50% to “participating” divisions that sign MOUs with VDOE;
 - ✓ amount applied for in Va. application is \$350M (\$175M state; \$175M divisions);
 - ✓ approval decision expected by April 2010.

ARRA Updates Since Oct. 2009

- **ARRA funds managed by VDOE expended to date:**
 - ✓ **total expended = \$216.9M (for division reimbursements and Comp. Board payment in FY09);**
 - ✓ **of the \$216.9M total expended, \$177.0M is from SFSF Education and Gov't. Services funds; the rest from K-12 grants (Title I, IDEA, etc.).**

ARRA Updates Since Oct. 2009

- **ARRA school renovation/construction tax credit bonds:**
 - ✓ **Qualified School Construction Bonds (QSCBs):**
 - \$54.5M provided for 7 Literary Fund projects in fall 2009
 - Exec. Order 110 authorizes another \$92.1M for 13 LF projects (\$39.0M) and 120 competitively selected projects (\$53.1M) across 23 localities;
 - ✓ \$37.8M in 2009 QSCB allocation remaining and \$191.1M available for 2010;
 - ✓ **Qualified Zone Academy Bonds (QZABs):** \$26.0M in 2009 bond allocation awarded to 17 divisions for school renovation projects.

ARRA Updates Since Oct. 2009

- **Latest ARRA jobs estimates across eight ARRA education grants (jobs created/saved):**
 - ✓ 1st quarter (July-Sept. 2009): 4,592 jobs created/saved statewide;
 - ✓ Preliminary 2nd quarter (Oct.-Dec. 2009): 4,163 jobs created/saved statewide (15 divs. pending).

- **More streamlined jobs reporting methodology implemented by federal OMB in the 2nd quarter:**
 - ✓ job totals now reported in quarterly increments, not cumulatively;
 - ✓ defines jobs created or retained as those actually funded during the quarter by ARRA funds;
 - ✓ estimates based on the total available time in the quarterly reporting period.

ARRA Updates Since Oct. 2009

- **Budget actions impacting SFSF funds in SB 29 (FY10) and SB 30 (2010-2012) as introduced:**
 - ✓ uses \$219.0M in SFSF funds to fund a portion of the state share of Basic Aid in FY10;
 - ✓ uses \$126.4M in SFSF funds to fund a portion of the state share of Basic Aid in FY11;
 - ✓ second half of SFSF Gov't. Services funds (\$109.5M) allocated to sheriffs/regional jails in FY10.

- **Budget actions in SB 29 and SB 30 and SFSF restoration/MOE rules affect K-12/higher ed. SFSF distributions. DPB to provide more information.**

Race to the Top (RTTT)

- **November 12, 2009 – USED released the ARRA competitive RTTT application.**
- **Intended to “reward states that have raised student performance in the past and have the capacity to accelerate achievement gains with innovative reforms.”**

Race to the Top (RTTT)

- **Application required states to document their past success and outline their plans to extend their reforms in four areas by:**
 - ✓ **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.**

Race to the Top Funding

- **\$4 billion to be awarded in 2 phases: April and September 2010.**
- **Estimated range of awards: \$20 - \$700 million.**
- **Nonbinding budget range estimated for Virginia's award: \$150-\$250 million.**
- **50% of a state's award must be awarded to its "participating" LEAs.**
- **An LEA's award is based on its share (percentage) of the state's Title I, Part A, allocation for FFY 09 (Regular Title I + ARRA Title I).**

Race to the Top Funding

- **“Participating” LEAs must sign a Memorandum of Understanding with the state to implement significant aspects of the state’s plan.**
- **Only “participating” LEAs will receive a share of the 50% of RTTT funding reserved for LEAs.**
- **Funding that would have gone to LEAs that do not participate will be redistributed among the “participating” LEAs.**
- **At the state’s discretion, “involved” LEAs may receive a portion of the SEA’s 50% of funding to implement parts of the state’s plan.**

Status of Virginia's RTTT Application

- **Virginia was one of 40 states to submit a letter of intent to apply in Phase I.**
- **Va.'s application was submitted on January 15, 2010.**
- **Of Va.'s 132 school divisions:**
 - ✓ **117 signed a MOU to “participate”;**
 - ✓ **7 elected to be “involved”;**
 - ✓ **7 opted not to participate at all; and,**
 - ✓ **1 anticipates joining as a “participating” LEA following action by its school board in January.**
- **Total funding request: \$350 million (\$175 million for the state, \$175 million for LEAs).**

Federal Review Timeline

- **August 31, 2009 – USED issued a call for applications from potential peer reviewers , with the intent of selected 75-100 reviewers.**
- **November 12, 2009 – Final RTTT application released.**
- **January 19, 2010 – Phase I applications were due to USED.**
- **Applications reviewed in a two-tier process:**
 - ✓ **Initial review based on the written application;**
 - ✓ **Around March 1 – Phase I applicants invited to participate in Tier 2 will be notified;**
 - ✓ **Week of March 15 – Invited state teams present their proposals to USED.**
- **April 2010 – Phase I winners announced; feedback provided to applicants not awarded grants.**
- **June 1, 2010 – RTTT Phase II applications due.**
- **September 2010 – Phase II winners announced.**
- **September 30, 2010 – All RTTT funds must be awarded.**

Highlights of Virginia's RTTT Application

- **Commitment to Virginia's Standards of Learning adopted by the Board of Education through the 2010 calendar year while leaving open the possibility of joining an assessment consortium in the future to get specific items or item types that are aligned with Virginia's Standards of Learning;**
- **Use of Virginia's revised Standards of Learning to implement a college-ready initiative that defines the content, skills, and associated achievement that students require to be prepared for postsecondary education;**

Highlights of Virginia's RTTT Application

- **Expansion of Virginia's Quality Rating and Improvement System (QRIS), which supports children's increased readiness for school by enabling communities to improve the quality of early care and education programs;**
- **Initiatives that put more technology-based resources in the hands of classroom teachers and students while providing critical professional development required to maximize their instructional value;**
- **Completing Virginia's statewide longitudinal data system and developing an efficient, automated, and user-friendly Web portal that permits access to publically available data;**

Highlights of Virginia's RTTT Application

- **Providing support to school divisions to develop and implement rigorous, transparent, and fair teacher and principal performance evaluations;**
- **Providing incentives for developing and implementing performance pay models based on rigorous, transparent, and fair teacher and principal performance evaluations;**
- **Providing incentives for charter school start-up in lowest achieving schools;**

Highlights of Virginia's RTTT Application

- **Expanding the number of Governor's STEM Academies to 18, which will double the number of such academies in Virginia that directly support economic development; and**
- **Piloting one U-Teach program in a university to increase the pool of mathematics and science teachers in the Commonwealth.**