ARRA Spending on Education in Arkansas

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The U.S. Department of Education (US DOE) recently issued guidance to the state departments of education regarding how to appropriately spend the $102 billion set aside for education in the American Recovery and Reinvestment Act (ARRA). The first payments of these funds were sent out to states in March 2009.

U.S. Secretary of Education Arne Duncan has publicly stated that he hopes the ARRA money goes out quickly and that states spend the money wisely. As such, the U.S. DOE has listed guiding principles for ARRA expenditures which were disseminated to state departments of education once the ARRA was signed into law.

Four Principles for Spending ARRA Funds

1. Spend funds quickly to save and create jobs.
2. Improve student achievement through school improvement and reform.
3. Ensure transparency, reporting and accountability.
4. Invest one-time ARRA funds thoughtfully and invest in ways that do not result in unsustainable continuing commitments after the funding expires.

In early April 2009, Arkansas Commissioner of Education, Ken James, met with employees from over 1000 school districts to discuss the U.S. DOE guidance for spending ARRA funds. The Arkansas Department of Education (ADE) issued a News Release[1] highlighting the meeting and listing the four principles set forth by the US DOE regarding how to spend the ARRA funds.

ARRA Funding for K-12 Education in Arkansas

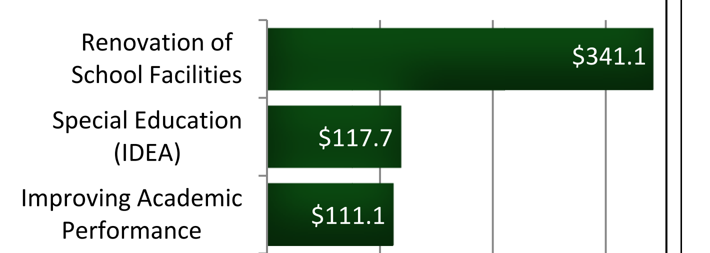
The 245 school districts in Arkansas will be receiving up to **$569.9 million** over the next six months in ARRA funding. Estimates of allocations to individual school districts are scheduled to be released by the Arkansas Department of Education in the coming weeks. According to James, the funding amounts will be based on enrollment and will range from hundreds of thousands of dollars to several million dollars.

Of the $569.9 million, approximately **$111.1 million** will be available for schools to improve academic performance and further close achievement gaps under Title I, Part A, of the No Child Left Behind (NCLB) Act. Fifty percent of these funds will be available during the spring and summer and the remaining fifty percent will be released in the fall. Examples of authorized Title 1 activities in Arkansas include high-quality academic assessments, teacher preparation, and aligning curriculum, and instructional materials state academic standards and expectations for student academic achievement. A full list of authorized activities under Title I, Part A can be found in the ADE's ACSIP Handbook.[2]

Approximately **$117.7 million** will be available to fund special education and services to students with disabilities under the Individuals with Disabilities Act (IDEA). Services under the IDEA include Individual Education Plans (IEPs) as well as assessment accommodations for students with disabilities. Again, half of this money will be available for the spring and summer and the residual will be available in the fall.

The remaining **$341.1 million** will be allocated for the renovation of school facilities and construction, which is now permitted due to a change in the spending rules by the U.S. Department of Education; however, any new construction would need to be completed by the end of 2011. A breakdown of ARRA funds for education is listed below.

Allocation of ARRA Funds in Arkansas for Education (in millions)



Source http://recovery.arkansas.gov/index.html

School officials also questioned whether funds could be used for teacher bonuses. James responded that it was allowable as long as the bonuses were tied to student achievement.

In the early stages of ARRA funding disbursement, the ADE continues to finalize district ARRA appropriations. A final list of disbursement amounts by district is expected to be released in the coming weeks.

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[1] Arkansas Department of Education News Release, April 10, 2009. http://www.arkansased.org/communications/pdf/arra_release_041009.pdf

[2] ADE ACSIP Handbook: http://acsip.state.ar.us/acsip_handbook_march2008.6.3.pdf