



*Great Public Schools for Every Student*

**April 25, 2009**

**CAN EDUCATION FUNDS FROM THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) BE USED TO CREATE AND SAVE EDUCATORS' JOBS?**

**SHORT ANSWER: ABSOLUTELY YES!!**

**President Obama Statements**

- “Almost all of the money that's going to states under the recovery act for education is designed to retain teachers. Almost the lion's share of it. I mean, there's some money for school construction as well. And there's some money for innovation because we can't just put more money into the schools without also reforming the schools and making them better. But a huge -- right now, the biggest chunk is for teacher retention.” March 18, 2009  
<http://www.gpoaccess.gov/presdocs/2009/DCPD-200900169.htm>
- “It will provide funds to train a new generation of math and science teachers, while giving aid to states and school districts to stop teachers from being laid off and education programs from being cut.” February 17, 2009  
<http://edition.cnn.com/2009/POLITICS/02/17/obama.stimulus.remarks/index.html>

**White House Materials**

- **Excerpt from White House Fact Sheet, *American Recovery and Reinvestment Act: The Largest Investment in Education in Our Nation's History – to Prevent Teacher Layoffs, Make Key Education Improvements and Help Make College Affordable* February 17, 2009**  
[http://www.whitehouse.gov/assets/documents/Recovery\\_Act\\_Education\\_2-17.pdf](http://www.whitehouse.gov/assets/documents/Recovery_Act_Education_2-17.pdf)
  - **“Preventing teacher layoffs and education cuts in every state.** A recent study by the University of Washington found that states are likely to cut nearly 15 percent of their education spending over the next three years, which could eliminate 574,000 education jobs. The ARRP will help prevent devastating cuts to education by providing \$53.6 billion to states and school districts to prevent layoffs and cuts in critical education services and \$25 billion in support for educating at risk students and those with special needs.”

- **Governors must certify under Section 1607 of ARRA that funds received “will be used to create jobs”.**  
<http://www.recovery.gov/?q=content/state-certifications>

## Secretary of Education Duncan

- ***Education secretary says stimulus money is preventing layoffs, April 25, 2009***  
<http://www.desmoinesregister.com/article/20090425/NEWS02/904250321/-1/ENT05>
  - U.S. Education Secretary Arne Duncan said the \$100 billion in federal stimulus money targeted for education is preventing massive teacher job cuts. "We are literally staving off what could be an education catastrophe," Duncan told reporters following a speech Friday morning at the University of Northern Iowa's Gallagher Bluedorn Performing Arts Center. Duncan said he is concerned that schools are cutting teachers because of the recession at a time when American children are losing ground to students in other countries.
- ***Duncan to Spend Billions to ‘Transform’ U.S. Schools, April 16, 2009***  
[http://www.bloomberg.com/apps/news?pid=20601103&sid=aXp\\_0tldgo\\_Q&refer=us](http://www.bloomberg.com/apps/news?pid=20601103&sid=aXp_0tldgo_Q&refer=us)
  - Duncan said he is focused now on saving teaching jobs. As many as 600,000 teaching job may be lost because of the recession, Duncan said, citing a study by researchers at the University of Washington. “That would be a teaching catastrophe,” he said. “You don’t want to see classrooms to go up from 25 to 40. I’m convinced we’re going to save hundreds of thousands of teaching jobs. We’re not going to save them all, but we’re going to stave off what would be a total disaster.”
- "Given our difficult economic circumstances, it's very important that targeted communities and at-risk populations benefit immediately from the stimulus program. These investments will create jobs and boost local economies, while also helping raise student achievement." April 13, 2009  
<http://www.ed.gov/news/pressreleases/2009/04/04132009.html>
- “This funding will lay the foundation for a generation of education reform and help save hundreds of thousands of teaching jobs at risk of state and local budget cuts.” April 17, 2009  
<http://www.ed.gov/news/pressreleases/2009/04/04172009.html>
- “Congress passed and the President signed the American Recovery and Reinvestment Act (ARRA) to create jobs in the short run and make needed investments for the long term... That is why this sweeping economic recovery package provides the largest one-time Federal investment in education in our nation’s history, more than \$100 billion to help save and create teaching jobs, preserve needed learning programs, and increase college access.” April 1, 2009  
<http://www.ed.gov/programs/statestabilization/2009-394-cover.pdf>

- “The American Recovery and Reinvestment Act provides swift aid to states that they can use to avoid teacher layoffs and other education program cuts, modernize school buildings, and provide programs that protect the needs of special education and disadvantaged students... As you know, the primary goal of the stimulus is to save jobs...” March 20, 2009  
<http://www.ed.gov/news/speeches/2009/03/03202009.html>
- “The first round of funding will help avert hundreds of thousands of estimated teacher layoffs in schools and school districts while driving crucial education improvements, reforms, and results for students... These investments will save and create jobs in the short term...” March 7, 2009  
<http://www.ed.gov/news/pressreleases/2009/03/03072009.html>
- "States are hurting, and schools across America are facing catastrophic cuts. We need to invest this money quickly, thoughtfully and transparently to protect kids, create jobs and drive reforms," Duncan said. He added that the money—a two-year, one-time boost—will be released as quickly as possible to insure that states can help districts minimize layoffs. February 19, 2009  
<http://www.ed.gov/news/pressreleases/2009/02/02192009.html>
- Education Secretary Arne Duncan today called the American Recovery and Reinvestment Act of 2009 (ARRA) a "historic opportunity to create jobs and advance education reform." Duncan emphasized the urgency of distributing the funds to states on an aggressive timetable in order to avert layoffs. February 18, 2009  
<http://www.ed.gov/news/pressreleases/2009/02/02182009.html>

## **U.S. Department of Education Materials**

- **Nearly \$1.4 Billion in Recovery Funds Now Available for Illinois to Save Teaching Jobs and Drive Education Reform, April 20, 2009**  
<http://www.ed.gov/news/pressreleases/2009/04/04202009a.html>
  - “Illinois is also required by the U.S. Department of Education to report the number of jobs saved through Recovery Act funding,”
- **\$44 Billion in Stimulus Funds Available to Drive Education Reforms and Save Teaching Jobs, April 1, 2009**  
<http://www.ed.gov/news/pressreleases/2009/04/04012009.html>
  - “This funding will lay the foundation for a generation of education reform and help save hundreds of thousands of teaching jobs at risk of state and local budget cuts... This includes \$26.6 billion to save jobs.”
- **Excerpt from Secretary Duncan letter to Governors, April 1, 2009**  
<http://www.ed.gov/programs/statestabilization/2009-394-cover.pdf>

- “If your state can show in its initial application that phase one Stabilization funds are insufficient to prevent substantial immediate layoffs or service reductions in school districts, public institutions of higher education, or state or local agencies, ED can award up to 90 percent of total Stabilization dollars in phase one.”
  - “In addition, for each year of the Stabilization program, states must report to ED on, among other things: (1) the use of funds provided under the program; (2) the estimated number of jobs created or saved with program funds; (3) estimated tax increases that were averted as a result of program funds; and (4) standing with respect to fulfilling the application assurances described above.”
- **Excerpt from the *Application for Initial Funding under the State Fiscal Stabilization Fund Program, April 1, 2009***  
<http://www.ed.gov/programs/statestabilization/2009-394.pdf>
- “For each year of the program, the State will submit a report to the Secretary, at such time and in such manner as the Secretary may require, that describes:
    - the uses of funds within the State;
    - how the State distributed the funds it received;
    - the number of jobs that the Governor estimates were saved or created with the funds;”
- **Excerpt from the *Guidance on the State Fiscal Stabilization Fund Program, April 1, 2009***  
<http://www.ed.gov/programs/statestabilization/guidance.pdf>
- **“I-4. What overarching principles guide the distribution and use of all ARRA funds that the Department administers?**  
 The overall goals of the ARRA are to stimulate the economy in the short term and to invest in education and other essential public services to ensure the long-term economic health of our nation. Four principles guide the distribution and use of ARRA funds:
    - 1. *Spend funds quickly to save and create jobs.* The Department is distributing ARRA funds quickly to avert layoffs and create jobs.”
  - “The Department does, however, strongly encourage Governors to make timely awards in order to minimize the impact of any reduction in State education spending and maximize the ability of these funds to save and create jobs.”
  - “Among other things, the Education Stabilization funds may be used for activities such as: paying the salaries of administrators, teachers, and support staff;”
  - “For example, an IHE might use Education Stabilization funds to provide:
    - Support for salaries related to classroom and laboratory instruction and instructional technology;”

- **Excerpt from the *State Fiscal Stabilization Fund Fact Sheet, April 1, 2009***  
<http://www.ed.gov/policy/gen/leg/recovery/factsheet/stabilization-fund.html>
  - “The program will help ensure that local educational agencies (LEAs) and public institutions of higher education (IHEs) have the resources to avert cuts and retain teachers and professors.”
  - “LEAs and IHEs should use funds consistent with the intent and overall goals of *ARRA*: to create and save jobs and to advance the education reforms set forth in the assurances section so as to produce lasting results for students from early learning to college.”
  - “LEAs may use SFSF to pay salaries to avoid having to lay off teachers and other school employees.”
  
- **Excerpt from *American Recovery and Reinvestment Act of 2009: Title I, Part A Funds for Grants to Local Education Agencies, April 1, 2009***  
<http://www.ed.gov/policy/gen/leg/recovery/factsheet/title-i.html>
  - **“Uses of Title I, Part A ARRA Funds:**
    - “LEAs must use their Title I, Part A ARRA funds consistent with the Title I, Part A statutory and regulatory requirements... Uses should be aligned with the core goals of the ARRA to save and create jobs and to advance reforms consistent with the requirements of Title I.”
  
- **Excerpt from *Guidance: Funds under Title I, Part A of the Elementary and Secondary Education Act of 1965, April 1, 2009***  
<http://www.ed.gov/policy/gen/leg/recovery/guidance/title-i.pdf>
  - “Four principles guide the distribution and use of ED’s ARRA funds, including the Title I, Part A funds: (1) spend funds quickly to save and create jobs;”
  - “At a minimum, section 1512(c) of the ARRA requires a State to report the total amounts of Title I, Part A ARRA funds received and expended or obligated; the project’s or activity’s name, description, and evaluation of its completion status on which Title I, Part ARRA funds are used; and an estimate of the number of jobs that were saved or created with those funds.”
  
- **Saving Jobs, Education Reform Focus of Tuesday TV Show**  
 Department's Monthly TV Program to Examine Stimulus Package's Impact on Education, March 16, 2009  
<http://www.ed.gov/news/pressreleases/2009/03/03162009.html>
  - The U.S. Department of Education will devote a special edition of its monthly TV show, "Education News Parents Can Use," to examining how the recently enacted stimulus package can help save or create jobs and promote education reform.

- **Excerpts from the USED Fact Sheet, *The American Recovery and Reinvestment Act of 2009: Saving and Creating Jobs and Reforming Education*, March 7, 2009**  
<http://www.ed.gov/policy/gen/leg/recovery/implementation.html>
  - “[ARRA] provides approximately \$100 billion for education, creating a historic opportunity to save hundreds of thousands of jobs...”
  - The first of four principles that “guide the distribution and use of *ARRA* funds” is “Spend funds quickly to save and create jobs.”
  - “*ARRA* funds will be distributed quickly to states, local educational agencies and other entities in order to avert layoffs, create and save jobs...”
  
- **Excerpts from the USED Fact Sheet, *State Fiscal Stabilization Fund*, March 7, 2009**  
<http://www.ed.gov/policy/gen/leg/recovery/factsheet/stabilization-fund.html>
  - “The program will help ensure that local educational agencies (LEAs) and public institutions of higher education (IHEs) have the resources to avert cuts and retain teachers and professors.”
  - “If a state demonstrates that the amount of funds it will receive in phase one (67 percent of its total stabilization allocation) is insufficient to prevent the immediate layoff of personnel by LEAs, state educational agencies, or public institutions of higher education, the Department will award the state up to 90 percent of its SFSF allocation in phase one.”
  - “LEAs and IHEs should use funds consistent with the intent and overall goals of *ARRA*: to create and save jobs ...”
  - “LEAs may use SFSF to pay salaries to avoid having to lay off teachers and other school employees.”
  - “...states must report to the Department on, among other things: ... the estimated number of jobs created or saved with program funds...”
  - “...LEAs may use their share of 81.8% of the SFSF education funds for any activity authorized under the *Elementary and Secondary Education Act of 1965 (ESEA)* (which includes the modernization, renovation, or repair of public school facilities), the *Individuals with Disabilities Education Act (IDEA)*, the *Adult Education and Family Literacy Act (Adult Education Act)*, or the *Carl D. Perkins Career and Technical Education Act of 2006 (Perkins Act)*.”
  - One such activity authorized under ESEA is the Impact Aid program. According to USED:
    - “...districts may use [Impact Aid] funds in whatever manner they choose in accordance with their local and State requirements.”
    - “School districts use Impact Aid for a wide variety of expenses, including the salaries of teachers and teacher aides; purchasing textbooks, computers, and other equipment; after-school programs and remedial tutoring; advanced placement classes; and special enrichment programs.”



specific program identity and may be used for any costs of a schoolwide program.” Obviously “any costs” includes hiring teachers and paraprofessionals.

[www.ed.gov/about/offices/list/oig/auditreports/a06e0012.doc](http://www.ed.gov/about/offices/list/oig/auditreports/a06e0012.doc)

- “For Title I purposes, an individual is considered to be an employee of the school district and working in a program supported by Title I funds, when a school district hires the person to provide instruction or instructional support in a Title I targeted assistance school and the person's salary is paid, in whole or in part, with Title I funds. An individual is considered to be an employee of the school district if the person is hired by the school district to provide instruction or instructional support in a Title I schoolwide program school, without regard to the source of funding for that person's salary. This is because in a schoolwide program, Title I funds are used to upgrade the curriculum of the entire school--all staff are considered to be Title I staff and all students are Title I students.  
<http://www.ed.gov/policy/elsec/guid/stateletters/pava2.html>

○ **IDEA funds may be and are spent on salaries.**

- “All *IDEA* recovery funds must be used consistent with the current *IDEA*, Part B statutory and regulatory requirements and applicable requirements in the General Education Provisions Act (GEPA) and the Education Department General Administrative Regulations (EDGAR).”  
<http://www.ed.gov/policy/gen/leg/recovery/factsheet/idea.html>
- According to USED’s description of IDEA Grants to States for Education of Children With Disabilities, Part B, Sec. 611, “Permitted expenditures include the salaries of special education teachers and costs associated with related services personnel, such as speech therapists and psychologists.”  
<http://www.ed.gov/programs/osepgts/index.html>

○ **In addition, under the *Education Department General Administrative Regulations (EDGAR)*, recipients of federal education grants, including IDEA and Title I, may use a portion of such funds for “contributions of the grantee to fringe benefits and similar costs, but only those associated with salaries and wages that are charged as indirect costs, including--**

- (a) Retirement, including State, county, or local retirement funds, Social Security, and pension payments;
- (b) Unemployment compensation payments; and
- (c) Property, employee, health, and liability insurance.”

<http://www.ed.gov/policy/fund/reg/edgarReg/edgar.html>

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