

Department of Education Guidance on ARRA Highlights Reform and Accountability

The American Recovery and Reinvestment Act (ARRA) funding, particularly the Race to the Top and Invest in What Works and Innovation funds, offer an unprecedented federal investment in education reform. On March 7, 2009, the U.S. Department of Education issued guidance¹ around implementation of the education measures in the ARRA. In these documents, the Department outlines four guiding principles for fund allocation:

1. Spend funds quickly to create and save jobs
2. Improve student achievement through school improvement and reform
3. Ensure transparency, reporting, and accountability
4. Invest one-time ARRA funds thoughtfully to minimize the “funding cliff”

Hope Street Group’s economic opportunity platform includes specific education policy recommendations that are aligned with these guiding principles and with the proposed reforms that accompany ARRA funding. It is critical to note that states *must* develop plans for and make progress on the following education reforms regardless of how they choose to spend their ARRA dollars:

- Increasing teacher effectiveness and addressing inequities in the distribution of highly qualified teachers
- Establishing and using pre-K through college and career data systems to track progress and foster continuous improvement
- Making progress toward rigorous college- and career-ready standards and high-quality assessments
- Supporting targeted, intensive support and effective interventions to turn around schools identified for corrective action and restructuring

The entire education community, from those in the classroom to local and state officials to national policymakers, must take the initiative to ensure this unparalleled investment produces results that will improve the American education system. The implementation of these reforms will continue to inform future discussions around federal education policy, so it is critical that we mark lessons learned and share emerging best practices. Hope Street Group is committed to contributing to this effort by continuing to lead a bipartisan coalition to share what works at the local, state, and national levels.

Timeline for Allocation of Funds

The largest category of education funding included in ARRA is \$53.6B for the State Fiscal Stabilization Fund (SFSF). The Department has provided the following initial timeline for fund allocation:

¹ U.S. Department of Education, *American Recovery and Reinvestment Act of 2009*. Online. Available: <http://www.ed.gov/policy/gen/leg/recovery/index.html>. Accessed: March 8, 2009.

On or before March 31, 2009

- Application information will be posted by which 67% of SFSF dollars will be allocated; the Department is promising a 2-week turn-around time to approve acceptable applications and move money to states

July 1 – September 30, 2009

- The remaining 33% of SFSF dollars will be allocated based on additional information from states, with guidance from the Department forthcoming

Fall 2009

The following SFSF funds will be made available to states and awarded based on competitive grant applications, with guidance from the Department forthcoming:

- Round 1 of \$4.35B in “Race to the Top” funds
- Round 1 of \$650M in “Invest in What Works and Innovation” funds

The following additional ARRA funds will be made available to states and awarded based on applications, with guidance from the Department forthcoming:

- \$200M in Teacher Incentive Funds
- \$100M for Teacher Quality Enhancement
- \$250M for Statewide Data Systems

Spring 2010

The following SFSF funds will be made available to states and awarded based on competitive grant applications, with guidance from the Department forthcoming:

- Round 2 of \$4.35B in “Race to the Top” funds
- Round 2 of \$650M in “Invest in What Works and Innovation” funds

Education and Economic Opportunity

Reform and accountability must accompany sound investments in education in the United States. Hope Street Group’s core values center on the understanding that a strong and vibrant economy is fueled by opportunity, and education is the single most important driver for individual opportunity. We will continue to follow the implementation of education funding in ARRA and encourage stakeholders to keep the focus on improving the education system for all Americans.

Hope Street Group is a bipartisan non-profit organization dedicated to building an Opportunity Economy in America, where anyone who works hard and invests in themselves has the opportunity to succeed, and where our nation prospers as a result. It convenes business, political, and civic leaders online and in person to formulate policy proposals; educates policy makers about the foundations of economic opportunity; builds community and support for its [American Dream Agenda](#); and provides a platform for social entrepreneurs to be heard and to engage on economic opportunity issues.