



## COLORADO DEPARTMENT OF EDUCATION

201 East Colfax Avenue • Denver, Colorado 80203-1799  
303.866.6600 • [www.cde.state.co.us](http://www.cde.state.co.us)

**Dwight D. Jones**  
Commissioner of Education

**Robert K. Hammond**  
Deputy Commissioner

**Kenneth R. Turner**  
Deputy Commissioner

### MEMORANDUM

Date: February 19, 2009

To: Members of the Joint Education Committee

From: Dwight D. Jones, Commissioner of Education

Re: Summary of PreK-12 Provisions and CDE Priorities in the ARRA of 2009

The ARRA presents a vital opportunity for Colorado to make strategic investments in our educational system that promise to pay dividends in improved student outcomes for years to come.

As you requested, the following is a brief analysis of the PreK-12 provisions in the American Reinvestment and Recovery Act of 2009 (ARRA) prepared by my staff. Please note that the numbers in the document are estimates based on the best available information today.

The Colorado Department of Education and the State Board of Education are committed to taking full advantage of this opportunity and to working closely with the legislature and Governor to maximize the resources brought to Colorado. Specific priorities identified by the Department and the State Board of Education for the stimulus funds, including State Incentive Grants, formula grants, and discretionary grants, include the following:

1. Modernizing data and performance management systems, including teacher identifier, Colorado Growth Model, education technology and broadband connectivity
2. Updating Colorado's standards and assessments, including formative assessment
3. Investing in teacher and leadership quality, including recruitment, training and, retention and career advancement
4. Strengthening school improvement strategies and turnaround support for struggling schools and districts
5. New school development and innovation, including partnerships with nonprofits with proven approaches

As the additional details of ARRA funding unfold, CDE staff will continue to work with the governor's office and you to maximize these resources for Colorado. Associate Commissioner Rich Wenning is monitoring this bill for me. Please direct any comments to him at [wenning\\_r@cde.state.co.us](mailto:wenning_r@cde.state.co.us) or 303-866-6764.

## American Reinvestment and Recovery Act – PreK-12 Summary

On February 17, 2009 in Denver, President Obama signed the Act into law.

**Total new appropriations in Division A of the Act<sup>1</sup>: \$311 billion (est. \$2 billion for Colorado), most of which will be available during school years 2009-10 and 2010-11**

**Total education spending: \$53.6 billion (est. \$900 million for CO)**

**State Stabilization Fund:** \$53,600,000,000 for FY 2010, including \$39.5 billion for Pre K-20 (est. \$760.2 million for CO). Governors apply for these funds and provide assurances. Includes estimated \$611.5 million for CO school districts and public colleges and universities. Purpose is to restore education spending to 2008 or 2009 levels.

**State Incentive Grants for Education:** \$5 billion. Governors apply to Secretary of Education for these funds and provide assurances. Colorado is well-positioned to meet criteria and receive a portion of these funds, given our work with CAP4K, quality data systems and current accountability alignment and teacher identifier legislation. **Possible opportunities for Colorado:** e.g., data and performance management systems, teacher identifier systems, statewide IEP system, standards and assessment, teacher quality, new school development.

**Education Innovation Fund - Achievement Awards:** \$650 million. Provides grants for school districts or partnerships between nonprofit organizations and LEAs or one or more schools. Potential for partnerships related to teacher quality, leadership development, new school development (e.g., math and science academy, relationships with education service providers to scale effective school designs and school networks).

**ESEA Title I formula grants (targeted and incentive):** \$10 billion (est. \$110.9 million for CO)

**ESEA Title I School Improvement Grants:** \$3 billion (est. \$30 million for CO)

- *Opportunity to invest in school improvement and turnaround strategy:* New Title I resources will allow strategic investment in school improvement efforts, including with external partners and potential expansion of Title I resources to secondary schools (given encouragement to use 40% of school improvement allocation for middle and high schools).

**Special Education State Grants:** \$12.2 billion (est. \$148.7 million for CO)

**Part B Grants to States:** 11.3 billion (est. \$148.7 million for CO), **Part B Preschool Grants:** \$400 million (est. \$5.3 million for CO), **Part C Grants for Infants and Families:** \$500 million (est. \$7 million for CO)

**Vocational Rehabilitation State Grants:** \$540 million (est. \$7.3 million for CO)

**Independent Living:** \$140 million for Independent Living (est. \$242,913 for CO)

---

<sup>1</sup> The ARRA includes Division A – Appropriations Provisions and Division B – Tax, Unemployment, Health, State Fiscal Relief, and Other Provisions.

**Impact Aid:** \$100 million. Note: the conferees modified current law to allow for greater participation of school districts impacted by both students whose parents are with military and residing on tribal lands, and to allow funding to be better targeted to districts that have "shovel ready" facility projects.

**Education for Homeless Children and Youth:** \$70 million with state grants proportionate to number of homeless students identified during 2007-2008 school year.

**Enhancing Education through Technology (ESEA Title II Part D-1):** \$650 million (est. \$7 million for CO)

**Teacher Incentive Fund (ESEA Title V, Part D Subpart 1):** \$200 million (competitive grant)

**Statewide Data Systems:** \$250 million (competitive grant). CDE should be well positioned to apply for this and leverage State Incentive Grants in this area as well.

**School Modernization and Repair:** Part of Stabilization Fund.

#### **Assurances, Requirements, and Other Items of Interest**

**State Fiscal Stabilization Fund:** Governors must provide assurances that the State will: in each of fiscal years 2009, 2010, 2011, maintain State support for elementary, secondary, and public postsecondary education at least at levels for 2006, and address 4 key areas: (1) achieve equity in teacher distribution, (2) establish a longitudinal data system that includes the elements in the America Competes Act, (3) enhance the quality of academic standards and assessments, and (4) ensure compliance with corrective actions for low-performing schools.

**State Incentive Grants:** Each state receiving an Incentive Grant shall use at least 50% of its grant to provide subgrants based on their most recent relative Title I allocations.

**LEA requirements:** Each school district that receives funding shall report to its SEA, a school-by-school listing of per pupil expenditures, from State and local services, during the 2008-2009 academic year, no later than December 1, 2009. States shall compile and submit this information to the Secretary of Education no later than March 1, 2010.

**Sec. 1554. Special Contracting Provisions.** (Subtitle D – Additional Accountability and Transparency Requirements). The conference report includes a modification of a provision proposed by the House specifying that to the maximum extent feasible, contracts using funds in this Act shall be awarded as fixed-price contracts through competitive procedures.

**Sec. 1552. Set-Aside for State and Local Government Reporting and Recordkeeping** (Subtitle D – Additional Accountability and Transparency Requirements). The conference agreement includes new language allowing agencies to reasonably adjust limits on administrative expenditures for federal grants to help recipients defray costs of data collection requirements under this ACT.

**Elements Required by the America Competes Act for Statewide P-16 Education Data Systems**

- (1) For preschool through grade 12 and postsecondary education:
  - a. A unique statewide student identifier that does not permit a student to be individually identified by users of the system;
  - b. Student-level enrollment, demographic and program participation information;
  - c. Student-level information about the points at which students exit, transfer in, transfer out, drop out, or complete P-16 education programs;
  - d. The capacity to communicate with higher education data systems; and
  - e. A State data audit system assessing data quality, validity, and reliability.
- (2) For preschool through grade 12:
  - a. Yearly test records of individual students with respect to Title I statewide assessments;
  - b. Information on students not tested by grade and subject;
  - c. A teacher identifier system with the ability to match teachers to students;
  - d. Student-level transcript information, including information on courses completed and grades earned; and
  - e. Student-level college readiness test scores.
- (3) For postsecondary education:
  - a. Information regarding the extent to which students transition successfully from secondary school to postsecondary education, including whether students enroll in remedial coursework; and
  - b. Other information determined necessary to address alignment and adequate preparation for success in postsecondary education.

March 12, 2009

## ***CDE Recovery Act Alert #1***

---

**Dwight D. Jones, Commissioner**

On Friday March 6, the U.S. Department of Education (USDE) issued initial guidance on funding under the Recovery Act. In an effort to assist you, CDE has summarized the most up-to-date information and will continue to provide updates as additional guidance becomes available. We know you are eager for more detail; so are we.

USDE provided initial guidance outlining broad purposes of the law, key principles for its implementation, and general timelines for applications and grants, as well as fact sheets on each of the following:

1. State Fiscal Stabilization Fund (SFSF);
2. Title I Part A funds; and
3. Individuals with Disabilities Education Act (IDEA) Part B funds.

The fact sheets are available on the CDE Web site at this link:  
<http://www.cde.state.co.us/scripts/federalstimulus/index.asp>.)

### **1. State Fiscal Stabilization Fund**

This funding is intended to restore state support of primary, secondary and higher education through 2011 to either 2008 or 2009 levels (whichever year was higher). The funding is also intended to follow existing formula increases for elementary and secondary fiscal support for 2010 and 2011.

By late March, USDE will provide governors with a streamlined application. Within two weeks of the governor's submission of an "approvable" state application, 67 percent of the state's SFSF allocation will be released. The remainder of SFSF allocations will be provided to states on a rolling basis between July 1 and Sept. 30, 2009, based on the state's submission of a state plan detailing the its strategies for addressing the education reform objectives described in the required assurances for the state's initial application.

These education reform objectives include:

1. Developing standards and high-quality assessments.

**March 12, 2009**

2. Establishing pre-K to postsecondary data systems.
3. Improving teacher effectiveness and the equitable distribution of highly qualified teachers.
4. Providing intensive support and effective intervention for the lowest-performing schools.

The state plan also must describe how the state and its LEAs will use the SFSF allocation and other funding in a fiscally prudent way that substantially improves teaching and learning.

Districts may use their SFSF allocation "to pay salaries to avoid having to lay off teachers and other school employees." However, the guidance reinforces the statutory requirement that districts use SFSF for allowable activities under IDEA, Adult Education and Family Literacy Act, the Carl D. Perkins Career and Technical Education Act of 2006 and the Elementary and Secondary Education Act (ESEA) (including the modernization, renovation or repair of public school facilities).

Gov. Ritter's office is awaiting federal guidance on SFSF allocations and is anticipating answers to a variety of questions that are unique to Colorado. It is important to note that USDE has not yet clarified what it means for a state to restore funding in 2009, 2010 and 2011 "to the level of support provided through the state's primary elementary and secondary funding formulae" to the greater of state fiscal year 2008 or 2009.

## **2. Title I, Part A Recovery Funds**

These funds are to be used for services to students that go above and beyond existing Title I, Part A activities. Fifty percent of these funds will be released to states by the end of March under each state's existing ESEA consolidated application. **CDE will provide future guidance on a grant award process that will allow the department to ensure that funds are used prudently and in accordance with the law.**

In order to receive the remaining 50 percent of Title I, Part A recovery funds, a state must submit an amendment to its consolidated application. In turn, districts will submit amended applications for the remainder of funds. In the coming weeks, USDE will provide additional guidance regarding the use of funds, submission of waiver requests and reporting requirements.

**March 12, 2009**

Fiscal Requirements:

- **Supplement, Not Supplant:** USDE is not permitted to waive the requirement that Title I funds only supplement or increase the level of funds that would otherwise be provided from non-federal sources.
- **Comparability:** USDE is not permitted to waive the requirement that, in order to receive Title I funds, schools are providing services with non-federal funds that are at least comparable to services provided in non-Title I schools.
- **Maintenance of Effort:** When determining whether the maintenance of effort requirements for Title I, Part A have been met, districts may count SFSF funds as non-federal funds.
- **Waivers:** A district may seek a waiver to carryover from FY 2009 more than 15 percent of the district's combined Title I funds. The secretary also will consider a request for a waiver of the NCLB set-asides requirement, including for supplemental services.

Suggested Uses of These Funds:

USDE has provided suggested uses of Title I, Part A recovery funds that are consistent with allowable activities under ESEA and with the Recovery Act principle of **using funds to improve student achievement in ways that result in sustainable continuing commitments after the funding expires**. Congress encourages the use of funds for early childhood education. Additionally, USDE has suggested that districts consider efforts to improve outcomes for students in secondary schools, including strategies to re-engage students at risk for dropping out. **CDE will work with districts in developing plans for the use of funds**. Clarification on how this process will work is forthcoming.

Possible Uses of These Funds:

- Establishing a system for identifying and training highly effective teachers to serve as instructional leaders in Title I school-wide programs and modifying the school schedule to allow for collaboration among the instructional staff.
- Establishing intensive, year-long teacher training for all teachers and the principal in a Title I elementary school in corrective action or restructuring status. The training would use a new reading curriculum that aggressively works on improving oral language skills and vocabulary or, in some way builds teachers' capacity to address academic achievement problems. (CDE is extending a literacy program based on the Reading First model for schools that choose to apply their funds to this program.)

**March 12, 2009**

- Strengthening and expanding early childhood education by providing resources to align a district-wide Title I pre-K program with state early learning standards and state content standards for grades K-3. In addition, if there is a plan for sustainability beyond 2010-11, expand high-quality Title I pre-K programs to larger numbers of young children.
- Providing new opportunities for Title I school-wide programs for secondary school students to use high-quality, online courses as supplemental learning materials for meeting mathematics and science requirements. (CDE could assist districts in identifying available online courses.)
- Using longitudinal data systems to drive continuous improvement efforts focused on improving achievement in Title I schools. (CDE could support districts in identifying data systems and leveraging price agreements in conjunction with other districts.)
- Providing professional development to teachers in Title I assistance programs on the use of data to inform and improve instruction for Title I-eligible students. (CDE could assist schools in identifying professional development opportunities.)
- Using reading or mathematics coaches to provide professional development to teachers in Title I targeted assistance programs.
- Establishing or expanding fiscally sustainable extended learning opportunities for Title I-eligible students in targeted assistance programs, including activities provided before school, after school, during the summer or over an extended school year.

### **3. Individuals With Disabilities Education Act (IDEA), Part B**

USDE plans to award 50 percent of IDEA, Part B grants to states by the end of March 2009, under each state's existing application. The other 50 percent will be awarded by Oct. 1, 2009, based on an amendment to the state's FY 2009 application to address the recordkeeping and reporting requirements under the Recovery Act. **Again, CDE will provide future guidance on a grant award process that will allow us to ensure that funds are used prudently and in accordance with the law.**

Fiscal Requirements:

- **Maintenance of Effort:** The IDEA fact sheet indicates that districts may be able to reduce the level of state and local expenditures otherwise mandated by the IDEA maintenance of effort requirements for districts. Generally,



**March 12, 2009**

under existing law, in any year that an LEA's IDEA allocation exceeds the amount the LEA received in the previous year, the LEA may reduce the level of state and local expenditures by up to 50 percent of the amount of the increase. CDE recommends that districts proceed with caution until additional guidance becomes available.

- **Excess Costs:** The requirements of providing excess costs of special education and related services apply to IDEA recovery funds.

#### Suggested Uses of These Funds:

USDE has provided suggested uses of IDEA, Part B funds that are consistent with allowable activities under IDEA, and take into account that funds should be used for short-term investments that have the potential for long-term benefits, rather than expenditures that may not be sustained once recovery funds expire.

#### Possible Uses of These Funds:

- Obtain state-of-the-art assistive technology devices and provide training in their uses to enhance access to the general curriculum for students with disabilities.
- Provide intensive district-wide professional development for special education and regular education teachers that focuses 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. (CDE could provide assistance in identifying school-wide strategies.)
- Develop or expand the capacity to collect and use data to improve teaching and learning.
- Expand the availability and range of inclusive placement options for preschoolers with disabilities by developing the capacity of public and private preschool programs to serve these children.
- Hire transition coordinators to work with employers in the community to develop job placements for youth with disabilities.

#### **Other Education Program Funding**

USDE also provided a rough timeline for the distribution of other education programs. (See "*Initial Guidance from U.S. Department of Education*" link at <http://www.cde.state.co.us/scripts/federalstimulus/index.asp>)

---

March 12, 2009

### **Financial Accounting**

In keeping with the president and secretary's commitment to transparency and accountability, LEAs that receive Recovery Act funds should expect to separately account for and report on, at the school level, how Recovery Act funds are spent and the results of those expenditures. **While funding will need to be accounted for separately, funds ideally will be used in a coordinated way that leverages one source with another to maximize impact.** Again, CDE cautions against the use of funds that result in unsustainable continuing commitments after Recovery Act funding expires.

A Financial Policies and Procedures committee meeting has been scheduled for March 20, 2009. The committee will discuss the requirements for segregated accounting of ARRA funds and reporting of school-by-school per pupil expenditures. Actions taken by the committee will be communicated swiftly to all districts.

For more information, visit  
<http://www.cde.state.co.us/scripts/federalstimulus/index.asp>

Please send any questions you have to Richard Wenning, associate commissioner ([wenning\\_r@cde.state.co.us](mailto:wenning_r@cde.state.co.us)) or Jeanette Cornier, assistant commissioner ([cornier\\_j@cde.state.co.us](mailto:cornier_j@cde.state.co.us)).