

Recent Education Activities of the Obama Administration – Overview and Summary June 17, 2009

The purpose of this document is provide a brief overview of recent education activities of the Obama Administration, with a focus on implementation of the American Recovery and Reinvestment Act, along with supplementary information regarding the President's Fiscal Year 2010 budget request, confirmation of U.S. Education Department Officials and reauthorization of the Elementary and Secondary Education Act. **Most recent updates appear in yellow highlighted text.**

1. American Recovery and Reinvestment Act

The American Recovery and Reinvestment Act (ARRA) provides ~ \$130 billion (including tax incentives) in new federal education funds for states and districts to stimulate both economic growth and education reform. The ARRA's education reform priorities include: (1) promoting college- and career-ready standards and improved assessments, (2) strengthening data systems, (3) promoting teacher effectiveness and equitable distribution, and (4) turning around underperforming schools. While most ARRA funds flow to districts, each state must provide "assurances" that it will take action in the policy areas above as a condition of receiving federal funds and must demonstrate action to qualify for additional funds over time. Further, it is expected that these same reform priorities will drive reauthorization of the Elementary and Secondary Education Act (or "No Child Left Behind"), which could occur in 2009-10. The ARRA will be implemented by the U.S. Department of Education (USED) in three main stages (outlined below) between now and spring 2010. These stages are meant to build on each other to promote greatest leverage for education reform while rapidly distributing stimulus funds.

Secretary Duncan announced on June 14 that the Department of Education will commit up to \$350 million of the \$4.35 billion Race to the Top Fund to support states in the creation of rigorous assessments linked to the internationally benchmarked common standards being developed by states.

ARRA Stage	Timeline	Status	Recent Activities
Stage 1. Initial distribution of ARRA formula funds, based on state policy assurances. (~\$43B)	March-June 2009. USED will release initial formula funds to states (and through states to districts), including 2/3 of State Fiscal Stabilization funds (SFS) and 50% of Title I funds, IDEA funds, etc. States (governors) must submit streamlined applications no later than July 1, with policy assurances to receive SFS funds.	As of June 17. 38 states have filed Phase I SFS applications and 33 states and territories have received Phase I SFS funds: CA (\$4B), IL (\$1.4B), and SD (\$85M), UT (\$321M), OR (\$382M), MN (\$547M); ME (\$130M); MS (\$321M), WI (\$587M), FL (\$1.8B), NV (\$266M), GA (\$1B), NY (\$2B), NC (\$1B), TN (\$635M), RI (\$111M), IN (\$765M), ID (\$165M), MA (\$666M), PR (\$434M), VA (\$806M), WA (\$672M), KS (\$301M), IA (\$310M), MD (\$539M), PR (\$435M).	New state recipients of SFSF Funds: MI (\$1B), NJ (\$891M), CT (\$363M), OH (\$1B), CO (\$509M), AZ (\$681M), D.C. (\$60M). OMB guidance regarding state monitoring and reporting obligations may be released as early as this week.

ARRA Stage	Timeline	Status	Recent Activities
		USED established a July 1, 2009 deadline by which governors must submit Phase I Stabilization applications. If a governor fails to submit the State's application by this deadline, the State will not receive any Phase 1 or Phase 2 Stabilization funds.	
<p>Stage 2. Second distribution of ARRA formula funds, based on state plans and metrics tied to policy assurances. (~\$27B)</p>	<p>July-Oct 2009. USED will release remainder formula funds to states (and through states to districts), including 1/3 of SFS funds and 50% of Title I funds, IDEA funds, etc.</p> <p>States (governors) must submit more detailed plans for how they will move on the policy assurances. State plans will be peer reviewed. USED will establish clear metrics regarding state progress on each policy assurance, which states must report over time.</p>		<p>USED is expected to release proposed assurances metrics and related peer review criteria as early as June 18.</p> <p>USED is also working on updated guidance regarding IDEA, Title I and SFS funding, which they may release as soon as late July or early August.</p> <p>USED is expected to open a rulemaking regarding increasing the caps on state administration for Title I and IDEA (for Recovery Act implementation).</p>
<p>Stage 3. Competitive grants (and select other funds) that leverage the policy assurances based on additional state or local applications, including:</p> <ul style="list-style-type: none"> ▪ State Innovation/ "Race to the Top" grants (\$4.35B) ▪ Local Incentive/ "What Works" grants (\$650M) ▪ State Data Systems grants (\$250M) ▪ Teacher Incentive Fund grants (\$200M) ▪ School Improvement grants (\$3B) 	<p>Fall 2009-Spring 2010. USED will administer several competitive grant programs to provide additional grants to states and districts to reward leading states and accelerate movement on the policy assurances.</p> <p>These funds likely provide the greatest leverage points for reform, particularly at the state level.</p> <p>Race to the Top and What Works grants will be made in two rounds – a modest amount in Fall 2009 and the bulk of funds in Spring</p>	<p>USED teams are working on establishing requirements, priorities, criteria, etc., for each of these ARRA grant programs.</p> <p>USED is expected to release draft requirements for Race to the Top and What Works grants by July 2009. And USED may be close to releasing State Data Systems grant information and/or applications.</p> <p>Recent USED comments regarding Race to the Top grants reflect an evolution in thinking. Comments</p>	<p>USED has indicated that a draft Race-to-the-Top RFP will be available for comment in July with the final application likely to be published in October (with an application deadline of December).</p> <p>Secretary Duncan announced this week that states that do not have charter school laws, or that artificially cap the number of charter schools authorized to operate, will be disadvantaged in the RTTT competition.</p> <p>Applications for the Education Technology</p>

ARRA Stage	Timeline	Status	Recent Activities
<ul style="list-style-type: none"> Education Technology grants (\$650M) 	<p>2010.</p> <p>Applications for the State Data Systems, Teacher Incentive Fund, School Improvement, and Education Technology grants are currently slated to begin rolling out beginning mid-to-late summer.</p>	<p>indicate that significant grants will be made to a small number of leadings states, and that USED is leaning toward single state applications across all policy assurances as opposed to multistate applications on a single policy assurance, with an openness to multistate applications in key areas, such as assessments aligned to the common core.</p>	<p>State Grants program are expected to be released in July.</p> <p>The Department may open a rulemaking soon proposing a new framework for the TIF program.</p> <p>The data systems grant application is currently in the final stages of approval and is expected to be published soon.</p>

2. The President's Fiscal Year 2010 Budget Request

The House and Senate Labor, HHS, Education Appropriations subcommittees invited Secretary Duncan to testify on Wednesday June 3 about the President's FY2010 education budget request.. Senator Harkin and Rep. Obey opened their respective subcommittees by praising the administration's Recovery Act work and the proposals set forth in the FY 2010 budget, yet both also expressed concerns for programs that were either cut or eliminated. A key focus of the Secretary's testimony, as well as the primary focus of both House and Senate subcommittee members, was on school turnaround and dropout prevention programs, innovation, and teacher and leader quality. Committee members expressed some concern over the significant expansion of TIF, and spent a lot of time talking about scaling up programs that work in turning around low performing schools such as charters, dual enrollment, and early colleges.

The President's Fiscal Year 2010 budget was released by the White House on May 7. The request largely flat funds education by reducing funding (in light of stimulus investments) for key programs such as Title I, while seeking targeted increases tied to the President's agenda. Overall, the President is seeking \$46.7 billion (an increase of \$1.3 billion) for the U.S. Department of Education's discretionary programs. The budget request seeks funding for several new initiatives, including \$50 million for a high school graduation initiative and an additional \$100 million for the "What Works" innovation fund established by the Recovery Act. The budget request also seeks an \$1.5 billion for school improvement programs and \$517 million for the Teacher Incentive Fund. The President's budget request also calls for \$15 million to establish a new workforce data quality initiative (designed to integrate workforce and education data) at the U.S. Department of Labor. For early education, the President has requested \$300 million for a new early learning challenge grant initiative. For higher education, the budget proposes that, beginning July 1, 2010, all Stafford, PLUS, and Consolidation loans would instead be made as Federal Direct Loans. Some key funding levels follow below.

Program	Recovery Act	FY09 Final	FY10 Request
Title I-A	\$10 billion	\$14.4 billion	\$12.9 billion

Program	Recovery Act	FY09 Final	FY10 Request
School Improvement (ESEA §1003(g))	\$3 billion	\$545 million	\$1.5 billion
IDEA State Grants	\$12.2 billion	\$12.3 billion	\$12.3 billion
Statewide Data Systems	\$250 million	\$65 million	\$65 million
Teacher Incentive Fund	\$200 million	\$97 million	\$517 million
What Works Innovation Fund	\$650 million	---	\$100 million
State Assessments	----	\$410 million	\$410 million
High School Graduation Initiative	---	---	\$50 million
Charter Schools Grants	---	\$216 million	\$268 million
Early Learning Challenge Grants	---	---	\$300 million

3. Recent U.S. Department of Education Confirmations and Appointments

U.S. Department of Education Secretary Arne Duncan on May 19 announced the following nine appointments to his senior staff:

- Margot Rogers, Chief of Staff
- Juan Sepulveda, Director of the White House Initiative on the Educational Excellence for Hispanic Americans
- Judy Wurtzel, Deputy Assistant Secretary, Office of Planning, Evaluation and Policy Development
- David Hoff, Deputy Assistant Secretary for Communication Development
- John White, Press Secretary
- Kevin Jennings, Assistant Deputy Secretary, Office of Safe & Drug Free Schools
- Stacey Jordan, Director of Intergovernmental Affairs
- Dianne Piche, Deputy Assistant Secretary for Enforcement, Office of Civil Rights
- Julius Lloyd Horwich, Deputy Assistant Secretary, Office of Legislation and Congressional Affairs

On April 30, the Senate confirmed the nominations of the following people to serve in senior positions at the U.S. Department of Education (these individuals were the first U.S. Ed nominees confirmed since Sec. Duncan):

- Russlynn Ali to be Assistant Secretary for Civil Rights;
- Peter Cunningham to be Assistant Secretary for Communications and Outreach;
- Gabriella Gomez to be Assistant Secretary for Legislation and Congressional Affairs;
- Carmel Martin to be Assistant Secretary for Planning, Evaluation, and Policy Development; and
- Charles Rose to be General Counsel

In addition, the President announced his intent to nominate Tony Miller as Deputy Secretary of Education and Secretary Duncan named Stacey Jordan as the Department's Director of Intergovernmental Affairs.

4. Reauthorization of the Elementary and Secondary Education Act ("No Child Left Behind")

Secretary Duncan will continue his ESEA reauthorization listening tour" this week with a visit to Illinois on June 19.

The House Education and Labor Committee will hold a hearing on June 16 to examine "how technology and innovative education tools are transforming and improving education in America."

The House Education and Labor Committee held a hearing on Thursday, June 4 examining how charter schools can help "build an innovative, world-class American school system that educates all students to high levels." The Committee invited leading charter organizations and practitioners to testify on what works and how charter schools can best be supported, scaled up and sustained. Individuals that testified included Jim Shelton, Assistant Deputy Secretary, U.S. Department of Education, Office of Innovation and Improvement, Lt. Governor Barbara O'Brien (CO), Steve Barr, Founder and Chairman of the Green Dot Public Schools, John King, Managing Director, Uncommon Schools, Jim Goenner, Central Michigan University, and David Dunn, Director, Texas Charter School Association.

In addition, congressional staff are beginning conversations with key stakeholders about the reauthorization process, which may begin more formally (with hearings etc.) later this year. Despite these important developments, we do not expect the law to be approved by Congress until at least 2010. In recent comments, House staff have left open the possibility of pursuing stand-alone education legislation in some areas prior to ESEA depending on the reauthorization timeline.

Early Education

Federal policy makers are beginning discussions about the President's early learning challenge grants proposal. Members of the Senate Labor H Appropriations Subcommittee asked Secretary Duncan at a June 3 FY10 education budget hearing whether states with existing preschool programs, would be eligible for the President's proposed Early Learning Challenge Fund. Secretary Duncan stated that these states would be able to use stimulus and Title I funds as the match to receive Early Learning Challenge Fund dollars. Additionally, the Secretary expressed support for using funds from the President's proposed High School Graduation Initiative a range of activities including investing in early learning, remarking that early interventions early on in order to reduce the dropout rate.

Higher Education

Some opposition is beginning to emerge to the President's proposal to make the Pell Grants program a mandatory spending initiative. During the House Labor H Appropriations Subcommittee hearing on

Wednesday, Chairman Obey expressed concern over shifting the Pell grant program to a mandatory entitlement program, a sentiment that was later echoed by other members of the subcommittee.

Consistent State Standards Initiative

46 states, the District of Columbia, Puerto Rico and the Virgin Islands have agreed to collaborate to develop a common core of consistent state standards that are fewer, clearer, higher; internationally benchmarked; and aligned with college and work. The National Governors Association Center for Best Practices and the Council of Chief State School Officers on June 1 released the names of the states and territories that have joined the initiative: Alabama; Arizona; Arkansas; California; Colorado; Connecticut; Delaware; District of Columbia; Florida; Georgia; Hawaii; Idaho; Illinois; Indiana; Iowa; Kansas; Kentucky; Louisiana; Maine; Maryland; Massachusetts; Michigan; Minnesota; Mississippi; Montana; Nebraska; Nevada; New Hampshire; New Jersey; New Mexico; New York; North Carolina; North Dakota; Ohio; Oklahoma; Oregon; Pennsylvania; Puerto Rico; Rhode Island; South Dakota; Tennessee; Utah; Vermont; Virgin Islands; Virginia; Washington; West Virginia; Wisconsin; and Wyoming. NGA and CCSSO expect to release a first draft of the end of high school standards in July followed by grade by grade standards in December 2009 or January 2010.