

Recent Education Policy Activities of the Obama Administration and Congress Overview and Summary September 11 2009

This document provides a brief weekly summary of the Birth-20 education activities of the U.S. Department of Education, the White House, Department of Health and Human Services, and Congress. Federal education policy makers are currently focused on four major areas: (1) implementation of the American Recovery and Reinvestment Act; (2) passage of the Fiscal Year 2010 education budget; (3) consideration of the \$87 billion education budget reconciliation package; and longer term (4) reauthorization of the Elementary and Secondary Education Act. In addition to recapping recent developments in these areas, this summary also includes information about the status of federal appointments and other timely Birth-20 policy matters, as well as coverage of important national activities, such as the status of the common state standards initiative. Supplementing the narrative update below, summary tables are included at the end of the document to help illustrate the status of key issues. The latest updates are highlighted in yellow below.

1. AMERICAN RECOVERY AND REINVESTMENT ACT IMPLEMENTATION

BACKGROUND: 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. The ARRA will be implemented by the U.S. Department of Education (USED) in three main stages (outlined below) between now and Fall 2010. These stages are meant to build on each other to promote greatest leverage for education reform while rapidly distributing stimulus funds.

UPDATE: Comments responding to USED's Public Notice proposing to raise state administrative caps for the ARRA's IDEA and Title I investments, in order to help states recover data collection and monitoring costs, must be filed on or before September 16 (next Wednesday).

USED is seeking recommendations for individuals, with expertise in the following areas, to serve as peer reviewers for the Race to the Top competition:

- Education Policy

Policy implementation experience and/or legal expertise

- Education Reform

Deep understanding of teaching and learning, specifically K-12

Broad understanding of each of the four education reform areas (standards and assessments, teachers and school leaders, data systems, school turnaround), and specific expertise in at least one of these areas

Demonstrated experience in implementing or supporting reforms that led to improved student outcomes

Deep understanding of using data to inform continuous improvement at the classroom, school, district, and/or state levels

Understanding of and experience with implementing student-achievement-focused reform plans at scale in order to know what approaches have the greatest likelihood of success at the school, district, and state levels

- Capacity and Scale

Knowledge of effective operational and organizational/management infrastructures at state and district levels (e.g., people, processes, accountability structures, technology systems, program and grant management)

Ability to assess the effectiveness of leadership teams and key contributors

Knowledge of or experience with relationships between states and districts, as well as successful engagement of diverse stakeholders at each level

- Application Review and Evaluation

Experience participating in (as an evaluator) or managing state, federal, and/or philanthropic grant reviews (preferably with experience in applying scoring rubrics and specific criteria to this process)

Experience providing thoughtful, objective, constructive, and timely oral and written feedback to applicants and/or organizations on successes and opportunities for improvement

2. FISCAL YEAR 2010 EDUCATION BUDGET

BACKGROUND: Although final action is not likely until after the beginning of the next fiscal year, the FY 2010 budget process is well underway in the House and is beginning to move forward in the Senate.

UPDATE: The Senate Appropriations Committee approved (29-1) legislation on July 30 proposing to provide \$63.45 billion in discretionary spending authority to the Department of Education for FY10. This action follows approval of similar legislation by the full House (264-153) on July 24, which would provide \$64.16 billion to the Department. During full committee mark-up in the Senate last week, Senator Landrieu offered an amendment to provide an additional \$100M for the Teacher Incentive Fund program. The Landrieu amendment was defeated 16-13, and the committee ultimately approved \$300M for the program for FY10. A list of spending levels for other key accounts follows in Appendix One below. Final action on the bills is not expected until later in the year.

3. EDUCATION BUDGET RECONCILIATION PACKAGE

BACKGROUND: House Education and Labor Committee Chairman George Miller is championing budget reconciliation legislation, the Student Aid and Fiscal Responsibility Act ("SAFRA"), which proposes to eliminate the Federal Family Education Loan Program and instead originate all new Federal student loans through the Direct Loan program. Savings generated from this student lending change would be used to provide mandatory funding (funds not subject to the annual appropriations process) for several new initiatives, including the President's early learning challenge grants proposal and his American Graduation Initiative (additional detail below), while also providing significant new funding for the Pell Grants program. Under the budget reconciliation rules, the legislation could be approved by the Senate by a simple majority (51 votes) as opposed to the 60 votes often needed to move legislation under the body's filibuster rules. Nonetheless, passage of the measure in the Senate will be challenging.

The House Education and Labor Committee approved (30-17) SAFRA on Tuesday, July 21. Republicans Platts (PA) and Petri (WI) joined all committee Democrats in voting for the bill. Subsequent to the committee vote, House Republicans challenged the Congressional Budget Office's scoring of the bill. This effort has led to delays in further action on the bill and the full House did not act on the legislation before adjourning for the August recess (the House reconvenes on September 8).

Key Elements of the House Bill:

Higher Education

- Invest \$40 billion to increase the maximum annual Pell Grant scholarship to \$5,550 in 2010 and to \$6,900 by 2019. Starting in 2010, the scholarship will be linked to match rising costs-of-living by indexing it to the Consumer Price Index plus 1 percent;
- Strengthen the Perkins Loan program, a campus-based program that provides low-cost federal loans to students;
- Keep interest rates low on need-based – or subsidized – federal student loans by making the interest rates on these loans variable beginning in 2012. These interest rates are currently set to jump from 3.4 percent to 6.8 percent in 2012;
- Make it easier for families to apply for financial aid by simplifying the FAFSA form;
- Invest \$1.2 billion in Historically Black Colleges and Universities and Minority-Serving Institutions to provide students with the support they need to stay in school and graduate; and more.
- Invest \$10 billion in community college facilities: The administration will provide \$10 billion in loans to renovate and rebuild college classrooms and facilities. Through this fund, schools will be able to borrow at a more affordable rate and build upon funds in the ARRA that are already helping to renovate schools.
- Invest \$3 billion for the President's American Graduation Initiative, which would create the following sub-programs:
 - Community College Challenge Fund: A competitive grant program for community colleges to pursue innovative, results-oriented strategies. The Fund will reform community college program offerings in order to match curricula with skills and competencies identified by employers, as well as link students with businesses looking for potential hires. Additionally, funds would support a new research center to examine effective strategies and identify promising practices and successful community colleges.
 - College Access and Completion Fund: These funds will be used to track student progress in and out of school, learn more about why students are failing to complete their programs, and find solutions in order to increase the college completion rate.

Early Learning

- The Student Aid and Fiscal Responsibility Act (see above) proposes to invest \$8 billion over eight years in Early Learning Challenge Grants for states to build comprehensive, high quality early learning systems for children birth to age 5. The program's goal is to

increase the number of low-income children in high quality early learning settings, thereby ensuring more children enter kindergarten ready to succeed.

- States will need to demonstrate that they can build early learning systems that include: quality early learning standards; evidence-based program quality standards; enhanced program review and monitoring; comprehensive professional development; linkages to health and family support; outreach strategies to promote parent and family involvement and understanding of early learning; data infrastructure for use in improving outcomes and linked with K-12; and an aligned curriculum and assessment system.
- Quality Pathways Grants will be available for high-capacity states that have already demonstrated significant progress in establishing quality early learning pathways, and Developmental Grants will be for states that still need to establish central tenets of a quality early learning system.

UPDATE: The Senate HELP Committee is currently drafting a Senate companion to SAFRA (the initial Senate draft is expected to be completed by Labor Day) and the committee is expected to vote on the legislation on or around September 15. Under the reconciliation instructions provide in the Budget Resolution, the complete reconciliation package (including possible health provisions) must be reported to the full Senate no later than October 15. The full House is expected to consider SAFRA the week of September 14.

4. COMMON STATE STANDARDS INITIATIVE

BACKGROUND: 46 states, the District of Columbia, Puerto Rico and the Virgin Islands have agreed to collaborate to develop a common core of 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. 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.

UPDATE: NGA and CCSSO released a first draft of the end of high school standards on July 20 to chief state school officers and governors for their review and feedback. **Public release of the draft standards is expected on September 14.**

5. REAUTHORIZATION OF THE ELEMENTARY AND SECONDARY EDUCATION ACT

BACKGROUND: Congress is not expected to reauthorize the Elementary and Secondary Education Act until at least 2010. However, the Senate Health, Education, Labor & Pensions Committee and the House Education and Labor Committee have asked stakeholders to submit reauthorization recommendations in September/October. Recovery Act implementation is expected to lay a foundation for reauthorization, including setting the tone for the Administration's reauthorization recommendations.

UPDATE: On September 18, the House Early Childhood, Elementary and Secondary Education Subcommittee (Chairman Kildee, D-Michigan.) will hold a hearing on legislation (The Fast Track to College Act – H.R. 1578) that would encourage programs that allow high school students to enroll in college courses for credit prior to high school graduation. The session will focus on the role such programs play in reducing the number of high school dropouts.

6. SECRETARY DUNCAN'S WEEKLY CALENDAR

Public Schedule of U.S. Secretary of Education Arne Duncan

Sunday, Sept. 6

Secretary Duncan will appear on "Face the Nation" on CBS News. Check your local listing for program times.

Monday, Sept. 7

NO PUBLIC EVENTS

Tuesday, Sept. 8

12 p.m. EDT

Secretary Duncan will join President Obama for a Back-to-School event at Wakefield High School in Arlington, Va. The President will address the nation's students from Wakefield.

Wednesday, Sept. 9

10:30 a.m. EDT

Middle Class Task Force in Syracuse, N.Y.

12:30 p.m. EDT

Secretary Duncan will participate in a National Education Association meeting with Dennis Van Roekel in Syracuse, N.Y.

Thursday, Sept. 10

8:30 a.m. EDT

Secretary Duncan participates in New Schools Turnaround Meeting with the New Schools Venture Fund. Hotel Palomari
2121 P Street, N.W., Washington, D.C.

3:25 p.m. EDT

Secretary Duncan joins University of Chicago's Board of Trustees Retreat Mellon Auditorium, 1301 Constitution Avenue, N.W., Washington, D.C.

7 p.m. EDT

Secretary Duncan participates in a Back-to-School Safety Town Hall Meeting at Glasgow Middle School, 4101 Fairfax Parkway, Alexandria, Va.

Saturday, Sept. 12

12:30 p.m. EDT

Secretary Duncan attends 2009 National Council of Negro Women's Annual Black Family Reunion Event on the National Mall in Washington, D.C.

Appendix One
Fiscal Year 2010 Education Budget – Snapshot of Key Accounts

Program	FY09 Final	FY10 Request	House Appropriations Committee FY10	Senate Appropriations Committee FY10
Title I-A	\$14.4 billion	\$12.9 billion	\$14.5 billion	\$13.8 billion
School Improvement (ESEA §1003(g))	\$545 million	\$1.5 billion	\$545 million	\$545million
IDEA State Grants	\$12.3 billion	\$12.3 billion	\$12.3 billion	\$12.6 billion
Statewide Data Systems	\$65 million	\$65 million	\$65 million (\$10M/set-aside)	\$65 million (\$10M/set-aside)
Workforce /Educ. Data Coordination (DoL)	----	\$15 million	\$15 million	\$12.5 million
Teacher Incentive Fund	\$97 million	\$517 million	\$446 million	\$300 million
What Works Innovation Fund	---	\$100 million	---	---
State Assessments	\$410 million	\$410 million	\$410 million	\$410 million
College Access and Completion	---	\$1.2 billion	See House Budget Reconciliation Bill	---
High School Graduation Initiative	---	\$50 million	\$50 million	\$50 million
Charter Schools Grants	\$216 million	\$268 million	\$316 million	\$256 million
Early Learning Challenge Grants	---	\$300 million	See House Budget Reconciliation Bill	---
Head Start/Early Head Start	\$7.1 billion	\$7.2 billion	\$7.2 billion	\$7.2 billion
CCDBG	\$2.1 billion	\$2.1 billion	\$2.1 billion	\$2.1 billion
GEAR UP	\$313 million	\$313 million	\$333 million	\$313 million
School Renovation Initiative	---	---	---	\$700 million

Appendix Two
Recovery Act – Timeline and Summary Table

ARRA Stage	Timeline	Status	Recent Activities
Stage 1. Initial distribution of ARRA formula funds, based on state policy assurances. (~\$43B)	<p>March-July 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.</p> <p>USED established a July 1, 2009 deadline by which governors had to submit Phase I Stabilization applications. If a governor failed to submit the State's application by this deadline, the State will not receive any Phase 1 or Phase 2 Stabilization funds (we are not aware of any states that filed to make the deadline).</p>	<p>As of August 26. 51 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), MI (\$1B), NJ (\$891M), CT (\$363M), OH (\$1B), CO (\$509M), AZ (\$681M), D.C. (\$60M), NM (\$213M), NH (\$134M), ND (\$70M), NE (\$191M), AK (\$76M), AL (\$656M), AR (\$297M), SC (\$625M), WV (\$178M), OK (\$317M), MT (\$81M), LA (\$388M), MO (\$505M), WY (\$45M), KY (\$357M), DE (\$74M), VT \$52M).</p>	<p>SFS Phase II public notice comment window closes August 28.</p>
Stage 2. Second distribution of ARRA formula funds, based on state plans and metrics tied to policy assurances. (~\$27B)	<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>Remaining 50% of IDEA and Title I funds to be released the first week in September.</p>	<p>USED released new guidance regarding IDEA, Title I on September 1 along with the release of the remaining 50% of these funds.</p>

ARRA Stage	Timeline	Status	Recent Activities
	<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 propose metrics regarding state progress on each policy assurance, which states must report over time.</p>		<p>USED opened a rulemaking regarding increasing the caps on state administration for Title I and IDEA (for Recovery Act implementation) on August 17.</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) ▪ Investing in Education (\$650M) ▪ State Data Systems grants (\$250M) ▪ Teacher Incentive Fund grants (\$200M) ▪ School Improvement grants (\$3B) ▪ Education Technology grants (\$650M) 	<p>July 2009-Fall 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 – Spring and Summer 2010. Draft applications, and in some cases notices, for the State Data Systems, Teacher Incentive Fund, School Improvement, and Education Technology grants are currently slated to begin rolling out in August.</p>	<p>RTTT and SFS Fund Phase II rulemaking windows close on August 28.</p> <p>The Department may open a rulemaking soon proposing a new framework for the TIF program.</p>	<p>USED has indicated the Investing in Education program will feature three tiers of grants ranging from \$5 to \$50 million. The Public Notice announcing the draft program framework is expected for release in September.</p> <p>USED opened a rulemaking on the School Improvement formula grant program on August 26.</p>

If you have questions about any of the issues covered by this summary, please contact **Scott Palmer** at scott.palmer@educationcounsel.com or (202) 545-2916; or **Reg Leichy** at reg.leichy@educationcounsel.com or (202) 545-2918.