

Making Sense of the Federal Stimulus Package

Agenda

- **Charles A. Szuberla, Jr.**, Coordinator of Operations and Management Services, NYS Education Department
- **Cole H. Hickland**, Director, Division of Local Government and School Accountability, Office of the State Comptroller
- **Scott Spicer**, Government Accountability Office
- **Mary Kusler**, Assistant Director, Advocacy and Policy, American Association of School Administrators

Charles A. Szuberla, Jr.
Coordinator of Operations and
Management Services,
NYS Education Department

American Recovery and Reinvestment Act of 2009

There Are Still Many Unanswered Questions

- Collaboration with the Governor's office, Office of State Comptroller, Division of the Budget, and others
- Regular, expeditious communications with the U.S. Department of Education
- We will seek your input into the best way to meet the reporting requirements of ARRA
- FAQ to respond to your questions

ARRA Funds for New York

- **Funding over two years:**
 - 2009-10 school year
 - 2010-11 school year
- **Categorical Funding: \$2.04 Billion**
- **Fiscal Stabilization: \$3.05 Billion**
- In addition, the Secretary of Education will make competitive grants to States and School Districts from a \$5 billion fund.

2009-10 ARRA Appropriations

One Year Amounts

Additional Funding for Existing Programs

- Title I Part A \$ 455 million
- IDEA \$ 398 million
- Title I School Improvement Grants \$ 127 million
- Education Technology Grants \$ 28 million
- Teacher Incentive Fund \$ 20 million
- Statewide Data Systems \$ 10 million
- National School Lunch Programs
- Equipment Assistance \$ 6 million
- McKinney Vento Homeless Assistance \$ 4.5 million
- Independent Living Centers \$ 0.9 million

2009-10 ARRA Appropriations One Year Amounts

- State Fiscal Stabilization Fund - Education
 - Elementary and Secondary Education
\$1.1966 billion
 - Higher Education \$38.4 Million
(community college restoration)

2009-10 ARRA Appropriations

One Year Amounts

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2009-10 ARRA Appropriations

One Year Amounts

- **State Fiscal Stabilization Fund - Education**
 - Elementary and Secondary Education \$ 1.196 billion
 - Higher Education (community college restoration) \$ 38.4 million
- **State Fiscal Stabilization Fund – Other Government Services Pre K - 12**
 - Preschool Special Education \$ 132.8 million
 - Teacher Centers \$ 40 million
 - Academic Improvement Grant - Roosevelt \$ 6 million
 - Cultural Education – Educational Radio and TV \$ 5.587 million
 - Teacher Mentor Intern Program \$ 2 million
 - Math and Science / Early College High Schools \$ 1.382 million
 - Say Yes to Education

Tracking Funds

- All ARRA funds must be tracked separately.
- Working with the Comptroller to decide how stabilization funds will be tracked.
- Title I, IDEA and other federal categorical funds will be reported in the special aid fund.

Allowable Uses

Stabilization Fund

- Spend quickly to save and create jobs.
 - Teachers, administrators, support staff
- Save receipts.
- Can be used for any ESEA or IDEA purpose.
- Cannot be used for stadiums or building maintenance.
- Cannot be used for a “rainy day fund.”

ARRA Funds

- Separate budgets required for regular IDEA and ARRA dollars.
- All proportionate share and possible MOE reduction calculations must be based on the total federal 2009-2010 allocation.

Title I: Opportunities and Limitations

- Maintain fiscal effort with state and local funds (greater or equal to 90% of previous year).
- Provide comparable services in Title I schools with State and local funds that are at least comparable to non-Title I school.
- Use Part A funds to supplement and not supplant core education services.
- For schools in accountability status, a portion of funds must be set aside for supplemental educational services and transportation for school choice.

Title I: Distribution and Uses

- **Distribution mirrors existing distribution of funds which allocates approximately 70 percent to New York City, 8 percent to the Big 4 and 22 percent to the rest of the State**
- **Allowable Uses**
 - Supplemental instructional staff salaries and fringe benefits
 - Professional development
 - Supplies and materials
 - AIS services to eligible non-public school students
 - Parent involvement
 - Equipment and contractual services
 - Using longitudinal data systems to drive continuous improvement
 - Reading or math coaches
 - Extended learning opportunities

Individuals with Disabilities Education Act

- Grants to support the excess costs of students with disabilities that exceed the average expenditure for a general education student.
- Funds must be used in a manner consistent with the supplement and not supplant and local maintenance of effort requirements of the IDEA.
- Some school districts may use up to 50% of the total increase in 2009 IDEA funds to reduce local effort in special education, provided the freed-up local funds are used for ESEA activities and the district does not meet the federal exclusion criteria.
- 15% of funds may, and in some cases must, be used for “comprehensive early intervening services” (CEIS) for general education students at risk of referral to special education.

Suggested Uses of IDEA Part B Recovery Funds

- Assistive technology devices and training.
- Intensive professional development on evidence based school-wide strategies (e.g., Rtl, PBIS).
- Collection and use of data to improve teaching and learning.
- Expand inclusive preschool placements.
- Hire transition coordinators to work with employers and develop job placements.

Accountability and Reporting

- Quarterly Reports
- Information will be posted on US Education Department web site
- Reports will include:
 - Jobs saved
 - Jobs created
 - Programs delivered
 - Taxes averted
- US ED will be putting out reporting forms

Resources and Next Steps

- **Resources:**

- ✓ usny.nysed.gov/arra/
- ✓ www.ed.gov/recovery/
- ✓ www.ed.gov/policy/gen/leg/recovery/index.html
- ✓ IDEArecovercomments@ed.gov
- ✓ Oese@ed.gov

- **Email your questions to:**

- ✓ arra@mail.nysed.gov

- **FAQ under development**

Cole H. Hickland

**Director, Division of Local
Government and School
Accountability,
Office of the State Comptroller**



Reporting

- Annual ST-3 won't work
- Quarterly financial reporting
 - Account codes to provides means to report by quarter
- Other reporting
 - Data management staff meeting with SED to determine who/how we should facilitate this reporting

How is the revenue going to be tracked?

- New types of aid or more of existing form of aid
- Passed thru state agencies
- Paid directly to Schools or Local Governments

How will expenditures be tracked?

- New Types of aid
- Existing types of aid
- Building level expenditures

How will we audit?

- Current round of school audits based on legal mandate
 - But area within the audits based on risk
- Typically audits are based on risk
 - Units to be audited
 - Areas to be audited at those units

Where will there be the greatest risk?

- We have a group of auditors looking at this issue
- GAO audit work and state agency oversight will reduce risk
- First reaction
 - Existing programs with enhanced funding are low risk
 - New programs managed by state agencies are medium risk
 - New programs or grants direct to school/municipality are high risk

OSC audit strategy

- My take on how we will approach
 - Units with potential fraud waste or abuse
 - Units with direct grants
 - Types of grants or aid with poor controls
 - Program results audits rather than compliance

Approval process

- Expedited approval for contracts
- Expedited approval for new or extended water and sewer districts

Mary Kusler

Assistant Director,

Advocacy and Policy

**American Association of School
Administrators**

General Funds overview: 3 segments

- Direct Funding to School Districts
- Funding to Support States and Cover Shortfalls
- Tax Credit Bonds to Support School Construction

Precautions with the Funding

- Despite Earlier Promises there is no Guarantee that the Title I and IDEA \$\$ will continue
- Spend it carefully: Are you comfortable with it on the front page of the newspaper
- Accounting requirements make things complicated

Highlights from Last Week's Guidance

- **Maximum Flexibility within Supplement Supplant Provisions of Title I**
- **Proactive Steps Required to Utilize the 50% Reduction in local MOE**
- **Strong Message sent to urge Governor's Not to Play Games with the Money**

Thank You