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State Superintendent of Schools

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TO: Members of the State Board of Education
FROM: Nancy S. Grasmick *Nancy*
DATE: February 24, 2009
RE: Federal Update

PURPOSE

The purpose of this agenda item is to update the State Board of Education on federal legislation affecting education, child care, libraries and vocational rehabilitation.

BACKGROUND

The first Session of the 111th Congress convened on January 6, 2009. Since that time, most focus has been on the *American Recovery and Reinvestment Act of 2009 (ARRA)*, more commonly referred to as the Stimulus Package. The House passed its version of the ARRA on January 28th. The Senate passed its version on February 6th. The Conference Committee reached agreement today, February 12, 2009. However, the Conference report has not yet been released. The Bill must go back to the House and the Senate for final approval before it is signed into law by the President. A summary of the final version of the provisions of the Bill and the expected budget increases related to education programs will be provided to you as soon as we receive the final Conference report and have had an opportunity to analyze it.

Attached is a chart illustrating the estimated budget allocations based on the House and Senate approved Bills. However, these are not the final numbers agreed to by the Conference Committee.

ACTION

For Information Only

Attachment

**Maryland State Department of Education
Analysis: American Recovery and Reinvestment Act of 2009**

	National	National	Estimated MD Allocation	Estimated MD Allocation	Senate Compromise	Estimated MD Allocation of Senate Compromise
Program	H.R.1	S.336	H.R.1	S.336		
Title I-A Grants to States	\$11 billion	\$11 billion (LEAs must spend at least 15% for early childhood education)	\$152,594,000 ¹ (FY2009-\$76,297,000) (FY2010-\$76,297,000)	\$152,470,000 ¹ (FY 2009-\$152,470,000)	\$11 billion	\$152,470,000 ⁴
Title I-A School Improvement Grants	\$2 billion	\$2 billion (encourage 40% used for middle and high schools)	\$27,102,000 ¹ (FY2009-\$13,551,000) (FY2010-\$13,551,000)	\$27,102,000 ¹ (FY2009-\$27,102,000)	\$1.4 billion	\$18,971,400 ⁴
IDEA (Part B)	\$13 billion	\$13 billion (LEAs must spend not less than 15% on early childhood education)	\$230,174,000 ¹ (FY2009-\$107,215,000) (FY2010-\$122,959,000)	\$229,791,000 ¹ (FY2009-\$229,791,000)	\$13 billion	\$229,791,000 ⁴¹
IDEA (Part C)	\$500 million	\$500 million	\$3,000,000 ⁴ (FY2009-\$1,500,000) (FY2010-\$1,500,000)	\$3,000,000 ⁴ (FY2009-\$3,000,000)	\$500 million	\$3,000,000 ⁴
State Data Systems (IES Grants)	\$250 million	-0-	competitive	-0-	-0-	
Education Technology State Grants	\$1 billion	\$1 billion (50% to LEAs via formula based on share of Title IA funds; 50% competitive grants)	\$13,066,000 ¹ (FY 2009-\$6,533,000) (FY 2010-\$6,533,000)	\$13,066,000 ¹ (FY 2009-\$13,066,000)	\$1 billion	\$13,066,000 ⁴

**Maryland State Department of Education
Analysis: American Recovery and Reinvestment Act of 2009**

Program	National	National	Estimated MD Allocation	Estimated MD Allocation	Senate Compromise	Estimated MD Allocation of Senate Compromise
Homeless Children/Youth	\$66 million	\$70 million (Allocated to states in proportion to % of homeless children in State in 2007-2008 school year compared to number nationally)	\$888,000 ¹ (FY 2009-\$444,000) (FY 2010-\$444,000)	\$961,000 ¹ (FY 2009-\$961,000)	\$70 million	\$961,000 ⁴
Impact Aid Construction	\$100 million	-0-	-0-	-0-	-0-	
Credit Enhancement for Charter Schools	\$25 million	-0-	competitive	-0-	-0-	
Teacher Incentive Fund	\$200 million	-0-	competitive	-0-	-0-	
Teacher Quality Partnerships (HEA IIA)	\$100 million	\$100 million	Higher Ed	Higher Ed	Higher Ed	
State Fiscal Stabilization Fund	\$79 billion (\$63.58b to states allocated: 61% based on population aged 5	\$79 billion (\$63.58b to states allocated: 61% based on population aged 5	\$1,164,104,000 ^{1,2} (FY2009-\$582,052,000) (FY2010-\$582,052,000) Note:	\$1,164,104,000 ^{1,2} (FY2009-\$1,164,104,000) Note:	\$39 billion (\$31.28b to states allocated: 61% based on population aged 5 to 24; 39% based on	572,714,267 ⁴

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Program	H.R.1	S.336	H.R.1	S.336			
K-12 Facilities Modernization, Renovation and Repair	to 24; 39% based on total population) Gov. must use at least 61% for education) (\$15b to states for competitive innovation/ incentive grants)	to 24; 39% based on total population) Gov. must use at least 61% for education) (\$15b to states for competitive innovation/ incentive grants)	Education: \$582,052,000*61%= \$355,051,720 General Purpose: \$582,052,000*39%= \$227,000,280	Education: \$1,164,104,000*61%= \$710,103,440 General Purpose: \$1,164,104,000*39%= \$454,000,560	total population)		
	\$14 billion	\$16 billion (allocated to states based on share of FY2008 Title I allocations; allocated to LEAs- to the 100 LEAs in nation with the most poor children- by formula; on the basis of the LEA's share of its State's Title I allocation; rest of the funding- will be awarded to LEAs on a	\$194,786,000 ¹ (FY 2009-\$194,786,000) (FY 2010-\$0)	\$211,997,000 ¹ (FY 2009-\$211,997,000)	-0-	-0-	

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	H.R.1	S.336	H.R.1	S.336		
	National	National	Estimated MD Allocation	Estimated MD Allocation	Senate Compromise	Estimated MD Allocation of Senate Compromise
Child Care Development Block Grant	\$2 billion	\$2 billion	\$24,040,000 ³ (FY 2009-\$12,020,000) (FY 2010-\$12,020,000)	\$24,040,405 ⁵ (FY 2009-\$24,040,405)	\$2 billion	\$24,040,405 ⁴
Head Start/Early Head Start	\$1 billion/\$1.1 billion	\$1 billion/\$1.1 billion	\$7,897,194 ³ (FY 2009-\$3,948,597) (FY 2010-\$3,948,597)	\$7,495,320 ⁵ (FY 2009-\$7,495,320)	\$500 million/\$550 million	3,747,660 ⁴
Higher Education Modernization, Renovation and Repair	\$6 billion	\$3.5 billion	Higher Ed	Higher Ed		
Perkins Loan Cancellations (HEA IV-E)	---	\$61 million	Higher Ed	Higher Ed		
Pell Grants (mandatory and discretionary)	\$17 billion	\$13.9 billion	Higher Ed	Higher Ed		
Work Study	\$490 million	-0-	Higher Ed	Higher Ed		
Vocational Rehabilitation State Grants	\$500 million	\$500 million	\$6,700,000 ⁴ (FY 2009-\$3,350,000) (FY 2010-\$3,350,000)	\$6,595,973 ⁵ (FY 2009-\$6,595,973)	\$500 million	\$6,595,973 ⁴

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Centers for Independent Living	\$200 million: Centers for Ind. Living- \$114.581 mill; Older Blind Ind.- \$50.664 mill; State Grants for I.L.- \$34.775 mill	\$110 million: Centers for Ind. Living- \$75 mill; Older Blind Ind.- \$25 mill; State Grants for I.L.- \$10 mill	\$2,650,000 ⁴ (FY 2009-\$1,325,000) (FY 2010-\$1,325,000)	\$1,457,500 ⁴ (FY 2009-\$1,457,500)	\$500 million	\$1,457,500 ⁴
National School Lunch Program - Equipment Assistance	-0-	\$198,000,000	-0-	\$2,598,547 ⁵ (FY 2009 -\$2,598,547)	100,000,000	1,312,396 ⁴

- 1: Source: *Proposed Funding for Education in the American Recovery and Reinvestment Act of 2009*, Congressional Research Service, January 30, 2009
- 2: Estimated Maryland Allocation does not include State Innovation/Incentive grants (they are competitive grants)
- 3: Source: Department of Health and Human Services estimates, per House Appropriations Committee Majority Staff, 1/21/2009
- 4: Source: MSDE Estimate
- 5: Source: Senate Appropriations Committee, 1/30/09

Note 1: These are estimated grants only. These estimates are provided solely to assist in comparisons of the relative impact of alternative formulas and funding levels in the legislative process. They are not intended to predict specific amounts states will receive.

Note 2: House Bill, generally, makes most funding available: 50% from 7/1/09 to 9/30/10 and 50% from 7/1/10 to 9/30/11.

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Program	H.R.1	S.336	H.R.1	S.336		

Note 3: Senate Bill makes funding available from date of passage of the Bill until 9/30/10.

DGL 2/8/09