



Understanding Stimulus Funding in the Education Market

*The Latest News and Strategies to
Help Marketers Find the Money*

**MDR's Special Webinar on Stimulus Funding
March 13, 2009**





MDR's Free Webinar Series

- Provide customers added value to our sales and marketing solutions.
- Give you insight and market intelligence through a dialogue with the market's thought leaders.





Today's Agenda

- Focus on the potential opportunities for education marketers related to the \$115 billion being released as part of the federal stimulus funding for education.
- Get updated on the latest news about the education funding landscape, provide updates on the billions of dollars to be allocated to schools and colleges under the *American Recovery and Reinvestment Act of 2009 (ARRA)*, and provide time frames for when the money will be released.
- Learn how stimulus dollars will reach schools and how funds can be used.
- Ask our experts questions.





Anne Wujcik

Education Research Analyst

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- Anne Wujcik has more than 30 years of education and publishing experience. She has held positions at Follett Publishing, TALMIS, LINK Resources, the Heller Reports, and most recently at QED. She is the Managing Editor of our weekly newsletter and site, which provide customers with the latest developments in the market. She is also an Education Research Analyst for MDR.
- Prior to joining the Heller Reports, Anne ran her own consulting firm, helping companies in the education market develop and implement strategic marketing plans.
- Anne began her career as an elementary school teacher.





Jenny House

President

RedRock Reports

- Jenny House leads RedRock Reports, which is a consulting, research, and information services provider for K-12 marketing, delivering the publishing, technology, and services community with insight about education, funding, and market trends.
- A noted education market leader, Dr. House is a former teacher, administrator, and educational technology leader. In addition, she led marketing efforts at Hewlett-Packard, Apple Computer, Tenth Planet, and Classroom Connect.





K-12 Funds*

Title I Grants to Local Education Agencies	\$10,000
– \$5B in Targeted Grants	
– \$5B in Finance Incentive Grants	
Title I School Improvement Grants	\$3,000
Special Education (IDEA Part B)	\$11,700
Grants for Infants & Families (IDEA Part C)	\$500
Educational Technology (EETT)	\$650
Statewide Data Systems	\$250
Teacher Incentive Fund	\$200
Impact Aid Construction	\$100
Education for Homeless Children & Youths	\$70
Vocational Rehabilitation State Grants	\$540
Independent Living Services	\$140





State Fiscal Stabilization Fund

Total Funding of \$53.6 Billion

All the SFSF money is distributed using population-based formulae.

- State Grants: \$48,600,000,000
 - K-20 Education \$39,800,000,000
 - To restore support of public elementary, secondary, and higher education and, as applicable, early childhood education programs and services
 - Funds must be distributed using the state's primary funding formula for K-12 education and through a mechanism determined by the state to institutions of higher education
 - Public Safety & Other Government Services \$8,800,000,000
 - For public safety and other government services, which may include assistance for elementary and secondary education and IHEs
 - K-12 and higher education modernization, renovation, and repair
- Incentive and Innovation Grants \$5,000,000,000*



7 *Discretionary funds for use by Secretary of Education.



Guiding Principles

Goal: Investing quickly and investing wisely.

- **Spend funds quickly to save and create jobs.**
 - States and LEAs are urged to move rapidly to develop plans for using funds and to promptly begin spending funds.
- **Improve student achievement through school improvement and reform.**
- **Ensure transparency, reporting, and accountability.**
 - *ARRA* funds are subject to additional and more rigorous reporting requirements than normally apply.
- **Invest one-time *ARRA* funds thoughtfully to minimize the "funding cliff."**
 - Invest in ways that do not result in unsustainable continuing commitments.





Timelines: Title I and IDEA

For Title I Part A (\$10B), IDEA Part B (\$11.7B)

Delivered by formula from the Department to the states

- 50% by the end of March, no application
- 50% in period from July 1 to September 30, 2009
 - States will need to submit amendments to their Title I Consolidated Applications and FY2008 IDEA applications that address how they will meet the record-keeping and reporting requirements of the *ARRA*.
- An LEA must obligate at least 85% of its total FY2009 Title I, Part A funds (including *ARRA* funds) by September 30, 2010. Any remaining FY2009 Title I, Part A funds will be available for obligation until September 30, 2011.





Timelines: Title I and IDEA (cont.)

- An LEA should obligate the majority of its IDEA recovery funds during school years 2008–2009 and 2009–2010 and the remainder during school year 2010–2011. All IDEA recovery funds must be obligated by September 30, 2011.
- Schools “should focus these funds on short-term investments with the potential for long-term benefits rather than for expenditures the LEAs may not be able to sustain once the recovery funds are expended.”





Timelines: SFSF

For State Portion of SFSF – \$48.6 Billion

- 67% available by the end of March (\$32.6 billion)*
 - Available to governor within two weeks after receipt of an approvable application
- 33% available in period from July 1 to September 30, 2009

*If the 67% is insufficient to prevent the immediate layoff of personnel by LEAs, SEAs or publicly funded institutions of higher education, the Department will award up to 90% of the state's SFSF allotment in phase one.





State Action for SFSF

What will the Governors need to do?

The state must submit an application that provides:

- Assurances that the state is committed to advancing education reform in four specific areas
- Baseline data that demonstrates the state's current status in each of the four education reform areas
- A description of how the state intends to use its stabilization allocation

Maintenance of effort (MOE)

- As part of the state's application, each governor must include an assurance that the state will maintain the same level of support for elementary, secondary, and postsecondary education in FY2009 through FY2011 as it did in FY2006. Secretary can grant waivers.





Assurances

These assurances are referred to throughout the *ARRA* legislation and repeatedly in the new ED guidance. States are asked to address how they are now and plan to:

- Increase teacher effectiveness and address the equitable distribution of qualified teachers for all students, particularly students who are most in need
- Establish and use pre-K through college and career data systems to track progress and foster continuous improvement
- Make progress toward rigorous college- and career-ready standards and high-quality assessments that are valid and reliable for all students, including English language learners and students with disabilities
- Support targeted, intensive support and effective interventions to turn around schools identified for corrective action and restructuring





SFSF Phase Two

- The Department will issue guidance on the specific requirements that a state must meet to receive its phase two allocation
- A state will receive the remaining portion of its SFSF allocation after the Department approves the state's plan which:
 - Details its strategies for addressing the education reform objectives described in the assurances.
 - Describes how the state is implementing the record-keeping and reporting requirements under *ARRA*
 - Describes how SFSF and other funding will be used in a fiscally prudent way that substantially improves teaching and learning
- The Department anticipates that the phase-two funds will be awarded beginning July 1, 2009, on a rolling basis.





Other End-of-March Money

100% of formula funds by the end of March

- Education for Homeless Youth (\$70 million)
- Independent Living Services (only \$52.5 million will be distributed by formula; remaining \$87.5 will be distributed by competitive grants at a later date).
- Impact Aid Construction (only \$40 million will be distributed by formula; \$60 million will be distributed through competitive grants at a later date).

50% of funds as soon as guidelines are issued

- IDEA Part C (\$250 million in March)
- Vocational Rehabilitation State Grants (\$270 million in March)





Fall 2009 Funds

Conditioned on the receipt of further information that will be outlined in future guidance

- Title I School Improvement Grants (\$3 billion)
- Educational Technology State Grants (\$650 million)

Based on the quality of the applications submitted through a competitive grant process. Guidelines shortly.

- Teacher Incentive Fund (\$200 million)
- Teacher Quality Enhancement (\$100 million, Higher Ed)
- Statewide Data Systems (\$250 million)





State Incentive Grants – \$4.35B

"Race to the Top" Fund

Distributed on a competitive basis to help states drive significant improvement in student achievement, including through making progress toward the four assurances.

- **Governor must apply, describing:**
 - Progress on the assurances
 - Use of grant funding to meet state student achievement standards
 - Achievement/graduation rates by subgroups who have not met proficiency targets, and strategies to do so
 - Use of grant to improve student academic achievement, including priority to high-need LEAs
 - Plan for evaluating progress in closing achievement gaps
- **State use of funds:**
 - 50+% for LEA subgrants by Title I formula
 - Assurance about maintenance of effort





Innovation Fund – \$650M

"Invest in What Works and Innovation" Fund

Awarded by the Secretary to school systems and nonprofits that have made significant gains in closing achievement gaps to serve as models for best practices

- **Can be awarded to LEAs or partnerships between nonprofit and SEA, LEA, or 1+ school with achievement gains**
 - Significantly closed achievement gaps between subgroups
 - Exceed state achievement goals or increased for all subgroups
 - Significant improvement in other, such as graduation rates or high-quality teachers and school leaders
 - Established partnerships with private/philanthropic sector, including guarantee of match funds to bring results to scale





Innovation Fund – \$650M (cont.)

- Awardees may use the funds to:
 - Expand their work and serve as models for best practices
 - Partner with private sector and philanthropic community
 - Identify and document best practices that can be shared and taken to scale based on demonstrated success





Higher Education/Other Funds*

Higher Education

Federal Pell Grants	\$17,100
Federal Work Study	\$200
Student Aid Administration	\$60
Teacher Quality Enhancement	\$100

Other

Head Start/Early Head Start	\$2,100
Child Care & Development Block Grant	\$2,000
NSF Math & Science Partnerships	\$25
Distance Learning Telemedicine & Broadband Program	\$2,500
NITA Broadband Technology Opportunities Program	\$4,700
Training & Employment Services (WIA)	\$3,950

*\$ in millions





How to Sell to ARRA

Dr. Jenny House, Ph.D.
RedRock Reports





ARRA – A Great Opportunity

- You now know the WHAT of ARRA.
- But HOW should you target this windfall?
- But what are the marketing and selling implications?
- What are the caveats?
- Remember the goal: Focus funds on short-term investments with the potential for long-term benefits.





Title I

- Identify and train highly effective teachers for Title I Schoolwide
- PD – Intensive, year-long teacher training for all teachers and principals
- PD – Data-driven instruction
- Reading and math coaches
- Extended learning programs
- School Improvement – States are encouraged to allocate 40% to middle and high schools
- New schoolwide programs for secondary students with online courseware as supplemental learning in science and math
- Longitudinal data systems for continuous improvement
- Preschool – Resources to align district-wide Title I pre-K programs with state early learning standards and state K-3 content standards





IDEA

- State-of-the-art assistive technology and training
- PD – District-wide for special ed AND regular teachers: reading, math, writing, and science and positive behavioral supports
- Capacity to collect and use data to improve teaching and learning
- 15% can be used for early intervention
- Preschool – Increase placement options with public and private preschool programs
- Preschool – Products, services, and PD
- Community outreach coordinators to help find jobs for youths with disabilities





Title II-D

- Use technology to help students improve achievement
- Establish research-based instructional methods
- Help students become technology literate by end of 8th grade
- Provide PD – 25%: how to use technology effectively to improve teaching and learning
- Hardware
- Software
- Technology to collect and manage school improvement data
- Technology to increase parent involvement
- Public/private partnerships





Title VII-B

McKinney-Vento Homeless Assistance Act

- To provide educational services to homeless children and youth
- Based on 2007-2008 figures
- States will allocate to LEAs on competitive basis
- Content products
 - ELL
 - Intervention
 - CTE
- Access to technology
- Online content students can access through public libraries or community resources





Additional Sales Opportunities

- Teacher Incentive Fund – \$200M
 - Performance-based teacher and principal compensation system in high need schools
 - Organizational development systems
- Head Start – \$2.1B
 - Early reading and math
 - Interactive technology
 - Manipulatives and experiential products
- Child Care and Development Block Grant – \$2B
 - Supplemental products
- Statewide Data Systems – \$250M





Other Agencies

1

D of Ag – Distance Learning, Telemedicine, and Broadband

2

Commerce – Broadband Technology Opportunities Program

3

Labor – Workforce Investment Act

4

NSF – Math and Science



Construction

- Impact Aid Construction – \$100M
 - High % of children on tribal lands or military personnel
 - Formula (40%) and competitive (60%)
 - ALL of formula funds available by end of March
 - Emergency repairs and modernization
 - Health, safety, and ADA compliance issues
- Qualified School Construction Bonds – \$22.4B
 - New, rehabilitation, repair, and modernize
 - Can be used to support use of technology
 - First funds will go to 100 largest and poorest districts in nation





More Construction

- Qualified Zone Academy Bonds – \$2.4B
 - Renovate and repair
 - Update technology and buy equipment
 - Develop challenging curricula
 - Train quality teachers





State Fiscal Stabilization Fund

- K-12
 - Allocate remaining funds based on Title I eligibility
 - Support ESEA, IDEA, Carl D. Perkins Career and Technical Education, and the Adult and Family Literacy Act of 2006
 - School modernization, renovation, or repair (encourages green solutions)
- Higher Ed
 - Education and general expenditures
 - Modernize, renovate, or repair facilities used for instruction, research, or student housing





How does \$\$ flow for 2 years?

	2008-09	2009-10	ARRA
Title I	\$13.9B	\$14.3B	\$10B
Title II-D (EETT)	\$267M	\$269M	\$650M
IDEA (Part B)	\$10.9B	\$11.3B	\$11.3B
Voc Rehab	\$2.8B	\$2.8B	\$540M
School Improvement	\$491M	\$491M	\$3B
Homeless	\$64M	\$64M	\$70M





Tips

- Focus on products that meet Title I and IDEA criteria.
 - Sell as you have sold to these before.
- Technology products should align with 21st Century classroom approach.
- Don't sell products with ongoing licensing, subscription, or maintenance contracts.
 - Those can be purchased with ongoing federal monies.
- Partner with other companies to offer compelling, qualifying bundles.
- Be respectful!





Resources

- ARRA site: www.recovery.gov
- MDR: http://www.schooldata.com/mdr_economicstimulus.asp
- Helpful site: <http://www.learningpt.org/recovery/>
- U.S. Department of Education
 - Title I allocations to states and districts
 - <http://www.ed.gov/about/overview/budget/titlei/fy09recovery/index.html>
 - State allocations
 - <http://www.ed.gov/about/overview/budget/statetables/recovery.html>
- Federal grants: www.grants.gov
- Additional sources:
 - <http://edlabor.house.gov/blog/2009/01/school-districts-will-benefit.shtml>
 - http://www.nea.org/assets/docs/HR_1_ARRA_State_Table.pdf





How MDR Can Help Get the Stimulus Dollars

- Education MarketView
 - Identify your best prospects with Title I, IDEA, and EETT Stimulus Funds.
 - Access to key decision makers via email and phone.
 - All district job functions
 - School leadership job functions
 - Track school construction projects to help you get your proposal in the right hands at the right time.
- Email – Quickly get your products and services in front of key decision makers who are planning stimulus spending now.
- Size and target your exact opportunities using MDR's Stimulus Title I and IDEA district indicators.
- Use MDR's complimentary stimulus updates and market insight to drive your stimulus campaigns (www.schooldata.com).





Q & A

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Check [schooldata.com](http://www.schooldata.com) for updates on stimulus funding:
http://www.schooldata.com/mdr_economicstimulus.asp.

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