



**AMERICAN ASSOCIATION
OF SCHOOL ADMINISTRATORS**

**Schools and the Stimulus:
How America's Public School Districts Are Using ARRA Funds
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About AASA

The American Association of School Administrators, founded in 1865, is the professional organization for more than 13,000 educational leaders in the United States and throughout the world. AASA's mission is to support and develop effective school system leaders who are dedicated to the highest quality public education for all children. For more information, visit www.aasa.org.

EXECUTIVE SUMMARY

Schools and the Stimulus: How America's Public School Districts Are Using ARRA Funds is the third survey in the American Association of School Administrator's 2009 Summer Surveys series. This survey finds that while school systems around the nation appreciate the opportunity the American Recovery and Reinvestment Act funding represents, a lack of flexibility in the funding and the use of the money to backfill federal, state and local budget holes have limited the ability of districts to implement innovative reforms and changes.

In August 2009, the American Association of School Administrators asked its members—school system leaders across the county—about the status of ARRA stimulus dollars in their districts. The survey covered a variety of topics, from what funds have been received and how the funds are being used to what the funds mean to districts and general feedback about the stimulus funding. Their response was clear: Though the ARRA funds represent additional funding and an opportunity to make significant changes, the realities of strained federal, state and local budgets mean many of the dollars are simply backfilling budget holes. The budget holes, in addition to insufficient flexibility in the funding to allow for maximum use by local school districts, are sizeable obstacles that many districts have been unable to overcome in their efforts to use the stimulus dollars to save and preserve jobs and implement innovation and reform.

- Even when schools were dismissed for summer vacation, ARRA dollars were flowing to states and local school districts. An overwhelming majority of districts responding to the survey have already received or anticipate receiving very soon their ARRA Title I and Individual with Disabilities Education Act dollars. Respondents reported a handful of other funding streams through which they have already received (or anticipate receiving) funds beyond those received through the three major education investments in ARRA (Title I, IDEA and State Fiscal Stabilization Funds).
- AASA members have reported how difficult it is to implement innovation and reform when funding levels are cut or flat-lined and the stimulus dollars are simply filling budget holes. When asked how their districts are using ARRA funds to bring about education innovation and reform, more than two-thirds (67 percent) of respondents replied that the stimulus dollars are either filling budget holes or represent only marginal growth in funding levels.
- School districts across the country, following one of the major goals of the stimulus dollars, are using the one-time funds to save teaching and staff positions. However, less than half of respondents reported being able to save core subject teaching positions as a result of ARRA dollars.
- Outside of shoring-up staff positions, school districts report they are investing ARRA funds in one-time costs such as professional development, classroom technology and classroom supplies.

Demographics: A total of 160 school administrators from 37 states completed the 16-question survey. Sixty-three percent of respondents described their districts as rural, 28 percent as suburban and nine percent as urban.

Visit the AASA website at (<http://www.aasa.org/content.aspx?id=142>) to view all of the surveys in the AASA 2009 Summer Survey Series.

SURVEY RESULTS

In February 2009, President Barack Obama signed the American Recovery and Reinvestment Act of 2009 into law. The largest stimulus bill in history, it included roughly \$100 billion for America's public schools. Money is already flowing to schools through multiple “pots” of money, some pre-existing (including Title I and IDEA) and some brand new (State Fiscal Stabilization Fund). Most of the money for schools will be distributed by the end of calendar year 2009. President Obama was clear that the overarching goals of the stimulus were to save jobs and spur innovation, a sentiment echoed by U.S. Secretary of Education Arne Duncan. Sec. Duncan and the U.S. Department of Education have issued additional guidance identifying four more assurances that schools should focus their stimulus monies on: establishing longitudinal data systems, improving the quality of standards and assessments, improving teacher effectiveness, and supporting struggling schools.

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An overwhelming majority of respondents have already received or anticipate receiving very soon their ARRA Title I and IDEA dollars. Seventy-nine percent (79 percent) of respondents have received their ARRA Title I monies, compared to 94 percent for IDEA, 63 percent for State Fiscal Stabilization Funds, and six percent (6 percent) for the Qualified Zone Academy Bonds/Tax Credit Bonds.

Respondents reported a handful of other funding streams through which they have already received or anticipate receiving funds beyond those received through the three major education investments in ARRA (Title I, IDEA and SFSF). Seventy-five percent (75 percent) reported Title II Part D Education Technology funds, compared to 39 percent for McKinney-Vento Homeless Act, 33 percent for School Improvement Grants, 26 percent for Teacher Training, four percent (4 percent) for Teacher Incentive Fund and two percent (2 percent) for the state development of longitudinal data systems.

Less than half of respondents (47 percent) reported being able to save core subject teaching positions as a result of ARRA dollars. Fifty-three percent (53 percent) of respondents said they were unable to save teaching positions for either core subjects or special education with ARRA dollars. The inability to save jobs reached beyond instruction: 85 percent were unable to save librarian positions, 84 percent for school nursing positions, 82 percent for maintenance/cafeteria/transportation staff positions, 80 percent for foreign language teaching positions, 74 percent for art/music/physical education teaching positions and 51 percent for teaching aide/assistant positions.

While a minority of respondents have been able to save core subject teaching positions, a slight majority say that are using or plan to use ARRA dollars to save personnel positions overall, following one of the major goals of the stimulus dollars. Outside of shoring up staff, school districts are investing their ARRA funds in one-time costs. When asked how they are using or plan to use ARRA Title I monies, respondents reported the same top five uses for their Title I and IDEA stimulus dollars:

- professional development (63 percent Title I/68 percent IDEA)
- saving personnel positions (58 percent/61 percent)
- classroom technology (53 percent/54 percent)
- classroom equipment/supplies (38 percent/41 percent) and
- software (35 percent/37 percent).

The ARRA State Fiscal Stabilization dollars are being invested in the same areas as Title I and IDEA dollars, though at much smaller rates, as districts report a greater variety of uses for the SFSF funds. The top five reported uses of ARRA SFSF dollars are:

- saving personnel positions (52 percent)
- professional development (28 percent)
- classroom technology (23 percent)
- classroom equipment/supplies (17 percent) and
- school modernization/repair (12 percent).

Following closely behind were software, machines (computers, faxes, printers, copiers, etc.) and textbooks, all reported by 10 percent of respondents.

AASA members have reported how difficult it can be to implement innovation and reform when funding levels are cut or flat-lined and the stimulus dollars are simply filling budget holes. When asked how their districts are using ARRA funds to bring about education innovation and reform, more than two-thirds (67 percent) of respondents replied that the stimulus dollars are either filling budget holes or represent only marginal growth in funding levels. Thirty-one percent of respondents reported that *“The ARRA funds simply fill budget cuts and do not represent enough funding for new innovations/reforms.”* Thirty-six percent reported that *“The ARRA funds represent a slight increase in funding levels, with much of the ARRA money simply filling budget cuts. Innovation/reform from the ARRA funds was limited.”* Only five percent of respondents indicated that *“The full amount of our district’s ARRA funds were an increase in funding. We had no budget holes and, as a result, were able to direct all of the ARRA funds toward innovation and reform.”*

Survey respondents described the difficulty of implementing school reform while the one-time stimulus funding is being used to backfill budget cuts. They also commented on current budget cuts and the looming “funding cliff” once stimulus funds are spent. Comments included:

- “There seems to be a thought that innovation is possible on less money...”
- “Because the funding is one-time, we cannot justify hiring new staff...While training and new software can spur innovation, one-time money does not save jobs. All state stabilization funding went to fill a state budget shortfall, which will still be there in two years when the money goes away.”
- “Since ARRA funds have been used in my state to offset state costs of general state aid to schools, those funds do not represent ‘new’ money to schools, as has been widely reported in the media.”
- “...The concept of the ‘cliff effect,’ coupled with the need to continue any new positions or programs established under these grants, places an unwarranted strain on school districts. There is no guarantee that the economy will improve enough to ensure that taxpayers will pick up the tab at the end of two years and the penalty to have to return money if the programs are not continued curtails the desire to innovate.”

AASA members report a heightened level of bureaucracy and reporting that limits their time and ability to implement education reform and innovation. Comments included: “The bureaucracy is once again overwhelming for...districts that are already stressed for staff hours” and “The paperwork...takes away [from] the time we are to focus on student achievement—the real reason we are in the business.”

Many respondents reported that increased flexibility in the stimulus dollars would have made innovation and reform easier, especially when the influx of stimulus dollars still left many schools districts’ budgets tight. Comments included: “Requiring districts to spend funds within the guidelines of Title I and IDEA severely restricted our flexibility and effectively prevented us from ‘stimulating’ the economy. We have money for federal programs. What we are missing is money for regular education, smaller class sizes, adequate salaries to attract quality teachers and administrators, and general support for the basics of providing a school.”

Demographics: A total of 160 school administrators from 37 states completed the 16-question survey. Sixty-three percent of respondents described their districts as rural, 28 percent as suburban and nine percent as urban.

Where do we go from here? As mentioned above, a majority of the stimulus dollars for America’s schools will be distributed by the end of the 2009 calendar year. The stimulus funds will continue to be spent and invested through the end of the 2010-2011 school year. As the remaining money is distributed and accountabilities finalized, there will be additional regulations and guidance that will impact not only how and when the money is received, but how schools will be able to spend it. AASA will continue to monitor ARRA and advocate for the greatest flexibility possible, so that school administrators across the country can maximize ARRA’s investment in America’s public schools.