



# American Recovery and Reinvestment Act

## Stimulus Opportunities for Integrating Technology with Educational Goals

This Apple white paper:

- Explains the education funding in the American Recovery and Reinvestment Act (ARRA) of 2009
- Highlights opportunities for integrating technology strategically in education-related programs to prepare students to compete in a changing world
- Summarizes the proven benefits of educational technology

# American Recovery and Reinvestment Act

*"To give our children the chance to live out their dreams in a world that's never been more competitive, we will equip tens of thousands of schools, community colleges, and public universities with 21st century classrooms, labs, and libraries. We'll provide new computers, new technology, and new training for teachers so that students in Chicago and Boston can compete with kids in Beijing for the high-tech, high-wage jobs of the future."*

— President Barack Obama, Jan. 8, 2009

The \$787 billion American Recovery and Reinvestment Act (ARRA) of 2009, signed into law by President Obama on February 17, 2009, dedicates more than \$100 billion for preschool, K–12, and higher education. This sum represents a tremendous boost in federal education spending, currently at \$59.2 billion for the U.S. Department of Education, at a time when the country needs it most.

The Obama administration views this surge in education spending as both a short-term stimulus to the flagging economy and a long-term investment in economic and workforce competitiveness:

- **In the short term**, the stimulus package is designed to shore up battered state budgets, save or create jobs, aid districts in meeting federal requirements, modernize school buildings, and increase students' access to educational opportunities—from Head Start programs for preschoolers to broadband access for underserved students, K–12 classroom technology resources, and increased Pell grants and research funding for higher education.
- **In the long term**, if states and districts make wise use of the new funding opportunities, the stimulus package could better position a generation of young people to meet the challenges they face in a changing world. In an era of global competition and rapid technological change, preparing students to meet the new and different expectations for life and work is an urgent public priority. Creating a highly skilled workforce fit for the 21st century is an essential investment in America's future.

By spending strategically, states, districts, and schools could close achievement gaps, develop 21st century skills, create flexible learning environments that engage and motivate students, and foster a culture of innovation and creativity in education. States, colleges, and universities could support basic and applied research in science, technology, engineering, and mathematics (STEM) fields. Working together, states and educators could lay the groundwork for the bright ideas and talented workforce that will power economic resurgence, generate high-value industries and jobs, revitalize communities, and put America back on track.

# The Role of Educational Technology in Stimulating Recovery and Competitiveness

The stimulus package provides “a staggering opportunity,” in the words of U.S. Secretary of Education Arne Duncan, to accelerate progress in improving student achievement, particularly for targeted populations in federal programs. It recognizes that technology is fundamental to teaching and learning in the 21st century—and includes ample opportunities for states and educators across America to leverage technology to meet their elementary, secondary, and postsecondary priorities.

*“Technology is not technology to kids.  
It’s like the air.”*

—Don Tapscott, author of *Growing Up Digital* and *Grown Up Digital*

## Short-term Crisis

- At least 40 states face serious budget deficits this year; on average, they spend about a third of their revenues on education, according to U.S. News & World Report. Districts across the country are slashing their own budgets, programs, and jobs to reflect reduced state allocations and dwindling tax revenues. Without massive intervention, states and school districts will have to cut about \$80 billion from education programs, according to a University of Washington study. (Roza, 2009)
- According to U.S. Secretary of Education Arne Duncan, 600,000 education jobs are threatened by state budget cuts.

## Long-term Opportunities

- “The latest alarm bell just rang and it’s official. The United States is once again missing from the list of top-10 science and math education countries. A new Trends in International Mathematics and Science Study confirmed that America lags behind many other industrialized countries at the task of preparing tomorrow’s labor force. Long-term economic growth depends on a fully competent talent pool, including workers who can excel in a technology-based economy.”

—Alan I. Leshner, chief executive officer of the American Association for the Advancement of Science, January 12, 2009, in *The Boston Globe*

- Many of the nation’s 97,000 school buildings suffer from years of deferred maintenance, out-of-date designs, and obsolete equipment and are ill-suited to meet the demands of 21st century learning. Building deficiencies impair the quality of teaching and learning and contribute to health and safety problems. Modernized school buildings need voice, video, and data highways to fully maximize the effectiveness of technology, along with science facilities that can help close achievement gaps and improve the quality of teaching and productivity of teachers and students. Better building designs and adequate maintenance are associated with teacher motivation and student achievement. (Filardo, 2008)

- **For K–12 education**, the stimulus package dedicates additional funding to existing technology programs, including the federal Enhancing Education Through Technology (EETT) program. It includes a new initiative to increase broadband access in rural and underserved regions. In addition, states and districts must consider integrating technology into other targeted funding areas, including state and district fiscal stabilization, school modernization, and federal programs such as Title I, special education, and career and technical education.
- **For higher education**, the stimulus package dedicates substantial funding for university research and modernizing research facilities through the National Science Foundation and National Institutes of Health. Technology is a fundamental tool for researchers that could be included in facilities improvement. The stimulus package also allows states to use stabilization funds for higher education. Technology-related spending is an appropriate use of these funds. For families of undergraduates, the package extends Section 529 college savings plans to include computer purchases, in addition to tuition.

In both K–12 and higher education, the stimulus package supports spending on:

- **Technology products and services**, including multimedia labs, desktop and notebook computers, iPods and handheld devices, interactive white boards, and software; networking equipment and Internet connectivity; and technology-based instruction
- **Technology training and professional development** for teachers and administrators
- **Technology-related jobs**, such as technology professionals, technicians, and curriculum coordinators

Technical expertise, technology support, and educator training and professional development are critical but typically underfunded areas in education budgets. Keeping increasingly complex networks, computing devices, and other technology up to date and running is essential if educators and students are to have ready and reliable access to them. And, to realize the full benefits of technology, educators need ongoing, job-embedded professional development to integrate it effectively into teaching, learning, and administration. Likewise, programs that give teachers and students access to notebook computers and mobile devices with Internet access leverage freely available online digital content, and support a modern education and the development of 21st century skills.

The following is an overview of the major categories of ARRA stimulus support and the education technology opportunities within it:

## Elementary and Secondary Education

### State Fiscal Stabilization

States can use stabilization funds to cover budget shortfalls and prevent cuts to critical education programs and services. Technology budgets are no exception. States, districts, colleges, and universities should take this opportunity to examine all of their educational programs and consider whether they are making the best use of technology to support their educational goals. Over the next two years, up to \$48 billion will be available to states for budget restoration. Technology is an eligible use of these funds to meet stabilization objectives.

Specifically, K–12 stabilization funds must support activities related to the federal Individuals with Disabilities Education Act (IDEA) special education program, Carl D. Perkins career and technical education program, Elementary and Secondary Education Act (ESEA), or No Child Left Behind (NCLB) programs such as:

- Title I grants for disadvantaged students
- Title II teacher quality state grants
- Title II-D technology state grants (EETT)
- Title III English language learners grants
- Title V Innovative program grants
- Title VII Impact Aid program for displaced students

K–12 stabilization funds also may be used for repair and modernization of public school facilities, and that could include educational technology upgrades.

### **Federal Programs**

The stimulus package offers more than \$25 billion for existing federal programs on top of current fiscal year 2009 allocations. These programs are summarized in Appendix A and primarily support three key federal priorities that all can use technology to meet their specific purposes and goals:

- ESEA Title I grants for disadvantaged students
- ESEA Title II-D technology local and competitive grants
- IDEA special education state grants

### **School Construction**

States and districts can use new public school construction bonds and Qualified Zone Academy Bonds (QZABs) to modernize school buildings. This gives schools an opportunity to design and create learning environments that are conducive to the 21st century and support “green,” energy efficient technologies. Teachers and students need modern technology, broadband connectivity, and flexible spaces to learn, collaborate, and create.

Through 2010, a total of \$24.4 billion in issuing authority is available for school construction bonds and QZABs. School construction bonds can be used for new construction, rehabilitation, repair, and modernization. QZABs can be used to finance renovations, technology equipment purchases, course materials, and training to public schools located in designated empowerment zones or enterprise communities.

## **Higher Education**

### **Student Financial Assistance**

The largest higher education increase in ARRA by far is to the Pell grant program, which increases the opportunity for low-income students to attend college. Beyond Pell grants, the stimulus package expands two popular tax credits to increase opportunity among low- and middle-income families to provide for their children’s college education. The first allows Section 529 contributions to prepaid college tuition and savings plans to be used for computer technology and equipment purchases in

2009 and 2010. The second, the American Opportunity Tax Credit, gives families of eligible students tax credits for tuition, fees, and required course materials of up to \$2,500 a year for four years of undergraduate education.

### **Preservice Teacher Education**

The stimulus package includes funds for improving teacher quality. States and college and university teacher preparation programs can use this funding to improve teacher licensing and certification. Preservice teachers need the same access to state-of-the-art technology as STEM majors. And to be qualified to teach 21st century skills, they need to be proficient in using technology and integrating it effectively into instruction. ARRA includes \$100 million for teacher quality enhancement grants to states and colleges of education. The goals of this program are to:

- Improve content knowledge, teaching methods, and technology preparation
- Undertake wholesale redesign of teacher preparation programs, in collaboration with K–12 schools
- Redesign existing teacher professional development programs to improve the content knowledge, technology skills, and teaching skills of practicing teachers

### **State Fiscal Stabilization**

For higher education, a portion of the overall funding for stabilization can target general education expenditures to mitigate raising tuition and fees, or to modernize, renovate, or repair facilities used for instruction, research, or student housing. Technology upgrades can be included in these projects.

### **Scientific Research**

The stimulus package makes substantial new commitments to advance and revitalize scientific research and modernize scientific laboratories and facilities. The National Science Foundation and National Institutes of Health are receiving roughly \$13 billion to support these purposes. States, colleges, and universities can use this funding for facilities construction and renovation, equipment, educational programs, and human resources. Technology is a vital tool for scientific research and is a critical component of all of these initiatives.

### **Broadband Access**

The stimulus package aims to provide broadband Internet and distance learning access to rural and underserved regions. As more content becomes digital, applications move to the “cloud,” and video becomes available on demand, modern learning requires enhanced broadband access. States, K–12 and postsecondary educators, and communities should take this opportunity to examine the technology they will need to leverage improved broadband access.

# The Benefits of Educational Technology

Technology is ubiquitous in society and, for many students—and adults—it is an integral and indispensable facet of daily life. Technology is a powerful tool for productivity, learning, communications, collaboration, data analysis, and creativity. It has transformed every major industry and every aspect of life—and yet, although there are pockets of excellence, the education sector lags behind in harnessing its power.

When it is integrated deliberately and comprehensively into education, technology is a proven strategy for making headway on the most profound challenges schools face today. Research shows that technology investments pay off:

- **Technology supports student achievement.** Improving student achievement in core academic subjects is a central goal of the ESEA, reauthorized in 2001 as NCLB. When implemented appropriately, integrating technology into instruction has significant positive effects on student achievement in reading and literacy, mathematics, and science. (International Society for Technology in Education, 2008)
- **Technology builds 21st century skills.** Proficiency in core academic subjects is essential, but no longer sufficient, preparation for success in life, postsecondary education, and work, according to a growing number of leading business and educational leaders. Skills including critical thinking and problem solving; creativity and innovation; global awareness; and financial, economic, business, and entrepreneurial literacy are now deemed critical. (Partnership for 21st Century Skills, 2006) Moreover, these skills contribute to student achievement, college readiness and success, and economic competitiveness. (Partnership for 21st Century Skills, 2008) Integrating technology into instruction and learning helps develop these skills. (International Society for Technology in Education, 2008)
- **Technology engages students in learning and content creation.** Today's students are growing up with technology. They consume and produce digital media for informal learning, creative expression, staying in touch with peers, and reaching out to the wider world. Integrating technology into formal learning and engaging students to create and publish their own work for a worldwide audience makes school more relevant—and research shows that student engagement results in higher levels of student achievement. (America's Digital Schools, 2006)
- **Technology increases access to education, virtual communities, and expertise.** Minority students, students from economically disadvantaged neighborhoods, and students in rural and inner-city areas tend to have less access to computers, the Internet, and educational software. Schools often provide these students with their only access to computing devices and the Internet. (International Society for Technology in Education, 2008) Each year, more than half a million public school students take Advanced Placement and other college-level academic courses via distance learning and computer-based courses—a number that is increasing dramatically every year. (Zandberg & Lewis, 2008) Technology also enables students and teachers to connect with virtual communities and experts around the world.

- **Technology fosters inclusion.** Technology is instrumental in providing solutions that help K–12 and postsecondary schools create inclusive learning environments that engage all students, regardless of ability, disability, background, or learning style. For example, deaf students can collaborate with iChat instant messaging; students with learning disabilities can use iLife applications to create and share stories; and blind students can download podcasts from iTunes U and listen to them on the 4<sup>th</sup> generation iPod nano—all on their own.
- **Technology helps prevent dropouts.** About one-third of students—more than one million every year—fail to graduate from high school on time. (silentepidemic.org, 2007) The high school dropout rate represents a tragic waste of potential for individuals and for the economy; without a high school credential, young people have few avenues for earning a living wage. The National Dropout Prevention Center cites educational technology—which offers some of the best opportunities for engaging students in authentic learning, addressing multiple intelligences, and adapting to student learning styles—as one of 15 strategies that have the most positive impact on the high school graduation rate. (Smink & Reimer, 2005)
- **Technology facilitates differentiated instruction—and supports underperforming students, English language learners, and students with disabilities.** Meeting the different needs, learning styles, and preferences of individual students is a challenge in today's diverse classrooms. Differentiated instruction is particularly important for improving outcomes for underperforming students, English language learners, and students with disabilities. Technology can help teachers provide customized, just-in-time instruction and intervention for all students, keep all students on task, and maximize every teaching moment. Video and audio files offer an appealing alternative to print media—and teachers say they are especially effective for students in the special-needs populations. Accessibility features and adaptive technology can assist students with disabilities as well.
- **Technology empowers learning and research in critical STEM fields.** The unremarkable performance of U.S. students on international assessments in math and science is cause for alarm in the STEM community. Increasing investment and achievement in STEM fields from competitor nations jeopardize U.S. preeminence and economic performance. (National Academies, 2007) In both K–12 and higher education, state-of-the-art technology is an essential tool for inquiry-based learning, advanced research, and collaboration within the STEM community. Scientific simulations, computer labs, and scientific visualization tools, for example, all increase students' understanding of core scientific concepts. (CEO Forum, 2001) Gaming technologies, such as a simulated race, can help students understand distance, speed, and time concepts and relationships in math classes.
- **Technology strengthens career and technical education.** Virtually every high school student takes at least one career and technical course. Students who take these classes have a decreased risk of dropping out. The Perkins Act, which was reauthorized in 2006, gives educators an opportunity—even a mandate—to align career and technical education with broader high school reform initiatives and prepare students with new kinds of knowledge and skills that are in demand in high-growth, emerging industries. These include information and technology; STEM fields; robotics; health and biomedical sciences; energy and environmental science; design fields; and creative careers both inside and outside of creative industries. Perkins funds can be used to modernize courses, programs of study, and technology that supports applied learning.

- **Technology extends the learning day.** Access to a computer or mobile device with an Internet connection can extend learning beyond traditional school hours and classrooms. Besides web access, technology enables teachers to connect to students with customized content. Examples include a math teacher using applications like iMovie to capture live-action demonstrations of math problem solving and the use of GarageBand to publish podcasts of the demonstrations that students can view as many times as necessary outside of school to assist with homework.
- **Technology supports teacher quality.** Research shows that ongoing, job-embedded professional development makes the most difference in improving teacher quality. Technology supports knowledge and skill building, and communication and collaboration among master educators, coaches, and classroom teachers. States and districts can offer web-based professional development, training, and mentoring. Educators can use technology to take online courses, find a wealth of resources for classroom instruction, and create virtual communities of practice. Overall, modern educators need technology to be highly effective in a fast-moving world of information and knowledge.
- **Technology enables diagnostic, timely, and innovative assessments.** Assessments are critical for taking the measure of student learning, for providing timely feedback, for reporting purposes, and to inform decisions and instruction. Technology-based assessments can make state tests easier to administer and score—and produce more timely results. Technology also can answer the need for frequent, classroom-based assessments that evaluate students on a broader range of knowledge and skills, including 21st century skills, while providing frequent feedback. Teachers also can use technology to expand communications channels to students. Software can provide real-time feedback and guidance, while tools like email and chat programs enable students and teachers to communicate beyond the classroom to exchange ideas or clarify assignments.

### **Learn More About Tomorrow's Schools—and Today's**

Apple is ready to partner with you as you move forward with plans to invest in education and technology. Apple can assist you in matching your educational goals with the technology that will help you be successful.

To learn more, visit [apple.com/education](http://apple.com/education) or call 800-800-2775.

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# Appendix

## New Education Funding in the Stimulus Package

*“Everyone knows that this is a time of economic crisis. I’ve been arguing that this is a time of educational crisis as well.”* —U.S. Secretary of Education Arne Duncan

The American Recovery and Reinvestment Act (ARRA) of 2009 provides more than \$100 billion for preschool, K–12, and higher education-related spending and investment. This infusion of new funding will be distributed for the 2009–10 and 2010–11 school years and includes allocations into these agencies and programs:

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### American Recovery and Reinvestment Act of 2009

#### Funding for Education\*

*\* Stimulus program details provided in this document are based on best available information as of February 20, 2009, and are not deemed definitive. Exact determination of funding, timelines, eligibility, and distribution is the responsibility of the reader.*

**State Fiscal Stabilization Fund (ARRA)** This is newly authorized funding to help states cover budget gaps from revenue shortfalls.

Provision	Funding	Purpose	Distribution Requirements
Elementary, secondary and postsecondary education	\$39.5 billion, available immediately	To restore state aid to districts and prevent cutbacks and layoffs, and to support K–12 and higher education	<p>Funding formula: 61 percent allocated based on school-aged population (ages 5 to 24); 39 percent allocated based on total population</p> <p>For K–12, states must:</p> <ul style="list-style-type: none"> <li>• Restore district funding to Fiscal Year (FY) 2008–09 levels during FYs 2009, 2010, and 2011</li> <li>• Address continuing shortfalls if funding cannot be restored to FY 2008 and 2009 levels by reallocating funds in proportion to all K–12 and public higher education institutions</li> <li>• Address high-need students with any remaining funds by reallocating to districts based on Title I eligibility</li> <li>• Support existing federally funded activities (ESEA, IDEA, or CTE)</li> </ul> <p>For postsecondary education, states must:</p> <ul style="list-style-type: none"> <li>• Restore public higher education institutions to FY 2008 and 2009 levels, to the extent that funding is available</li> <li>• Address continuing shortfalls if funding cannot be restored to FYs 2008 and 2009 by reallocating funds in proportion to all K–12 and public higher education institutions</li> <li>• Target funding to educational and general expenditures to mitigate rising tuition and fees; or to modernize, renovate, or repair facilities used for instruction, research, or student housing</li> </ul>

Provision	Funding	Purpose	Distribution Requirements
Public safety and other government services (including education services and K–12 and higher education modernization, renovation, and repair)	\$8.8 billion, available immediately	To meet high-priority needs, such as public safety and other critical services, which may include education services and facilities modernization	Funding formula: 61 percent allocated based on school-aged population (ages 5 to 24); 39 percent allocated based on total population  Governors may designate priority education services to include repair and modernization of public K–12 school facilities and any higher education institution facilities, not just public institutions
“Race to the Top Fund” incentive and innovation program:	\$5 billion, including:		
• State incentive grants	• \$4.4 billion for state incentive grants	To assist states in making continued progress toward meeting their student academic achievement targets	Grants awarded to governors of states making significant achievement progress in elevating low-performing schools and students  50 percent of grants must go to school districts based on Title I allocations. Grants focus on: <ul style="list-style-type: none"> <li>• Equity in teacher distribution between schools</li> <li>• Establishing longitudinal data systems</li> <li>• Enhancing assessments for English language learners and students with disabilities</li> <li>• Ensuring compliance with corrective actions required for low-performing schools</li> </ul>
• Innovation grants	• \$650 million for innovation grants	To reward schools for using models of best practice to substantially close the student achievement gap	Grants awarded to school districts, nonprofit organization partnerships, or consortia of schools. Grants focus on: <ul style="list-style-type: none"> <li>• Expanding models of best practice</li> <li>• Creating partnerships with the private sector and philanthropic community</li> <li>• Documenting and scaling practices with demonstrated success</li> </ul>

**K–12 Federal Programs** This is additional funding for existing categorical assistance programs.

**Elementary and Secondary Education (ESEA)**

Grants to local education agencies (ESEA Title I-A)	\$10 billion to districts; split between FYs 2009 and 2010 (for the 2009–10 and 2010–11 school years)  Amount is in addition to \$6.6 billion FY 2009 appropriation	To help close the achievement gap and enable disadvantaged students to reach their academic potential	Existing state and local funding formulas apply
School improvement grants (ESEA section 1003(g))	\$3 billion to districts; split between FYs 2009 and 2010 (for the 2009–10 and 2010–11 school years)  Amount is in addition to \$500 million FY 2009 appropriation	To help states address the needs of schools in need of improvement, correction action, and restructuring	Existing state funding formulas apply

Provision	Funding	Purpose	Distribution Requirements
Educational technology state grants (ESEA Title II-D), or EETT—Enhancing Education Through Technology	\$650 million to states in March 2009 (tentative); supports current, 2009–10, and 2010–11 school years Amount is in addition to \$265 million FY 2009 appropriation	To assist schools in purchasing hardware, software, professional development, and related instructional technology staff and services to improve student achievement	Existing funding formula: 50 percent to districts based on Title I eligibility; 50 percent state competition
Teacher incentive fund (ESEA Title V-D)	\$200 million Available at the discretion of the U.S. Secretary of Education	To improve student achievement by increasing teacher and principal effectiveness with pay incentives	Awarded by the U.S. Secretary of Education
Impact aid construction (ESEA Title VIII, section 8007)	\$100 million Available immediately	To assist with construction projects in districts that have children whose families live or work at military bases or Native American reservations	40 percent of funds to be awarded based on existing Impact Aid formula under Title VIII; 60 percent to be awarded competitively by the U.S. Secretary of Education
<b>Individuals with Disabilities Education Act (IDEA)</b>			
Special education grants to states (IDEA Part B-611)	\$11.3 billion more to districts; split between FYs 2009 and 2010 (the 2009–10 and 2010–11 school years) Amount is in addition to \$11 billion FY 2009 appropriation	To assist states in paying for the rising costs of education for children and students with disabilities and to improve their educational outcomes	Existing funding formulas to states and districts under IDEA Part B
Special education preschool grants (IDEA Part B-619)	\$400 million		Existing funding formulas to states and districts under IDEA Part B
Special education grants for infants and families (IDEA Part C)	\$500 million		Existing funding formulas to states and districts under IDEA Part C
<b>Head Start Act (HSA)</b>			
Head Start (HSA, section 639)	\$2.1 billion to districts; split between FYs 2009 and 2010 (the 2009–10 and 2010–11 school years) Amount is in addition to \$7 billion FY 2009 appropriation	To promote school readiness for low-income children	Grants are allocated to child development and school readiness services for economically and disadvantaged children. Programs should have a strong focus on reading and mathematics development
<b>Educational Technical Assistance Act (ETAA)</b>			
Statewide data systems (ETAA section 208)	\$250 million	To enable states to develop longitudinal data systems to manage, analyze, disaggregate, and use individual student data	May be used by state data coordinators or awarded to public or private organizations to improve data coordination

**McKinney-Vento Homeless Assistance Act**

Provision	Funding	Purpose	Distribution Requirements
Education for homeless children and youths (MVHAA Title VII-B)	\$70 million to districts; possibly split between FYs 2009 and 2010 (the 2009–10 and 2010–11 school years)  Available to states within 60 days of ARRA enactment and to districts within 120 days after that	To ensure that homeless children and youths have access to education	Grants allocated to states in proportion to the number of homeless students identified during the 2007–08 school year, relative to the number identified nationally; states must allocate grants to districts on a competitive or formula basis

**K–12 School Construction** New and expanded bond authority for the construction, repair, and modernization of school buildings.

Qualified school construction bonds	\$22 billion in issuing authority, of which \$11 billion is available in 2009 and remainder in 2010  Available immediately	For new construction, repair, rehabilitation, renovation, and modernization of school buildings	60 percent allocated to states based on Title I eligibility; 40 percent to the nation’s top 100 Title I-eligible districts  Bonds must be used within three years of issuance
Qualified zone academy bonds (QZABs)	\$2.4 billion  \$1 billion in issuing authority available in 2009; \$1.4 billion available in 2010	To support qualifying schools or districts to borrow at little or no interest for building repair modernization	Allocated to public schools located in designated empowerment zones or enterprise communities  Bonds may be used to finance renovations, equipment purchases, course materials, and teacher training

**Postsecondary Student Assistance**

**Higher Education Act (HEA) Financial Aid**

Federal Pell grants (HEA Title IV-A), including:  • Discretionary • Mandatory	\$17.1 billion, including:  • \$15.6 billion for discretionary grants • \$1.5 billion for mandatory grants	To provide students with financial assistance for postsecondary education	The maximum Pell grant will increase by \$500 to \$5,350 for 2009 and 2010, and to \$5,550 for 2010 and 2011
Federal work study (HEA Title IV-C)	\$200 million	To provide part-time jobs to undergraduate and graduate students to meet higher-education costs and encourage community service	

**Tax Relief for Tuition and Expenses**

Section 529 Education Savings Plans	Extension of qualified tuition expenses  Effective for expenses incurred beginning in 2009	To extend qualified education expenses (tuition, room and board, fees, and books) paid from tax-advantaged 529 plans to cover computers and computer technology	Extension applies only to the 2009 and 2010 tax years
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Provision	Funding	Purpose	Distribution Requirements
American Opportunity Tax Credit	Tax credit of up to \$2,500 of the cost of tuition and related expenses.  Effective for expenses incurred beginning in 2009	To increase access to higher education and to provide financial assistance for higher education expenses	A 100 percent tax credit on the first \$2,000 of the cost of tuition and related expenses and a 25 percent tax credit on the next \$2,000 of expenses  Tax credit is available for up to four years to eligible students enrolled in an undergraduate degree- or certificate-granting program. Tax credit applies to the cost of tuition, fees, and course materials required by the institution as a condition of enrollment.  Eligibility is limited to students from families with an Adjusted Gross Income of \$80,000 (\$160,000 for married couples filing jointly)

**Higher Education Preservice Teacher Preparation**

Teacher quality enhancement (HEA II-A)	\$100 million	To reform teacher licensing and certification requirements, provide alternate methods of teacher preparation, and alternate routes to certification	Grants awarded to postsecondary colleges of education to promote statewide K–12 preparation activities focusing on improving content knowledge, teaching methods, and technology preparation  Grantees must be partnerships of at least one college of education and one high-need school district
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**Higher Education Scientific Research and Modernization**

National Science Foundation (NSF)	\$3 billion, including: <ul style="list-style-type: none"> <li>• \$2 billion for research grants</li> <li>• \$300 million for research instrumentation</li> <li>• \$200 million for research facilities modernization</li> </ul>	To support research and related activities, research equipment, construction, and modernization, and additional STEM-related programs	Distribution of research grants based on a detailed plan submitted to Congress within 60 days of ARRA enactment
National Institutes for Health (NIH)	\$10 billion, including: <ul style="list-style-type: none"> <li>• \$8.2 billion for research grants and related activities</li> <li>• \$1.3 billion for construction and renovation of extramural research facilities</li> </ul>	To support advanced biomedical and related research activities, and modernize university facilities that receive NIH grants	Distribution of grants to focus on projects that can be completed in two years. Grants may pay for research-related activities, including equipment and instrumentation

**Broadband** This is newly authorized funding.

Broadband access, including: <ul style="list-style-type: none"> <li>• Broadband Technology Opportunities Program</li> <li>• Distance learning, telemedicine, and broadband program (Rural Electrification Act)</li> </ul>	\$7.2 billion, including: <ul style="list-style-type: none"> <li>• \$4.7 billion for the Broadband Technology Opportunities Program</li> <li>• \$2.5 billion for the distance learning, telemedicine, and broadband program</li> </ul> Available immediately	To expand broadband and wireless connectivity, access, and distance learning in rural and underserved areas, including community colleges and public libraries	Broadband Technology Opportunities Program is allocated as grants to public and private sector entities to expand broadband access in underserved areas, including access to K–12 institutions  Distance learning program is allocated as grants, loans, and loan guarantees for broadband infrastructure to support distance learning and telemedicine; 75 percent of funding is allocated to underserved rural areas, based on the highest proportion of underserved rural populations
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