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\$2 billion in federal stabilization funds approved for Texas schools

AUSTIN - About \$2 billion in federal stabilization funds will begin flowing to Texas schools as the new school year begins. State officials learned today that the state's spending plan for the funds was approved by the U.S. Department of Education.

This funding is in addition to about \$1.7 billion in federal education stimulus funds already allocated to Texas.

"We're pleased that the Department of Education approved the governor's application. The stabilization and stimulus revenue gives our school districts and charter schools an unprecedented opportunity to fund innovative improvements and I'm confident our schools will step up and seize this opportunity," said Texas Commissioner of Education Robert Scott.

Scott said he expects the stabilization funds to begin flowing to districts Sept. 1, the start of the state's fiscal year.

Texas will be eligible to apply for another \$1 billion in stabilization funds this fall.

The American Recovery and Reinvestment Act (ARRA) guidance requires districts to apply for the stabilization funds. Consequently, the ARRA Title XIV State Fiscal Stabilization Grant Application will become available in eGrants, the Texas Education Agency's online grant system, about Aug. 3.

The purpose of the stabilization grant is to provide funding for the support of elementary, secondary and post-secondary education, and, as applicable, early childhood education and other services designed to improve student achievement.

In its 2010-2011 state budget, the Texas Legislature appropriated \$1.38 billion of the \$3.25 billion Texas expects to receive in stabilization funds to address the decline in the Permanent School Fund's value. The endowment fund is used to pay for textbooks and to fund general education costs. Districts typically receive this funding through a per capita allotment. However, due to the recent loss in market value, the fund was not going to be able to provide this financial support to schools over the next two years through standard means.

The remaining \$1.87 billion in stabilization funds Texas expects to receive over the next two years was appropriated to increase state education funding. The provisions of House Bill 3646 guarantee an increase of at least \$120 in new revenue per weighted student.

These stabilization funds, along with more than \$30 billion from other sources, will finance the state's portion of education funding for about 1,200 school districts and charter schools.

Schools will be required to spend the stabilization funds and other funds in accordance with state and federal law, including a provision that requires districts to provide an \$800 across-the-board pay raise to all teachers and professional school district employees.

Scott said districts and charters are expected to use these funds to promote the ARRA four essential areas of reform, which the state supports:

- Making improvements in teacher effectiveness and ensuring that all schools have highly qualified teachers;
- Making progress toward college and career-ready standards and rigorous assessments that will improve both teaching and learning;
- Improving achievement in low-performing schools by providing intensive support and effective interventions in schools that need them the most; and
- Gathering information to improve student learning, teacher performance, and college and career-readiness through enhanced data systems that track progress.

Prior to submitting an application, district officials are encouraged to use a needs assessment for their district in order to determine how the money can be used most effectively. The federal law allows the funds to be used for any purpose authorized under the following acts:

- Elementary and Secondary Education Act of 1965;
- Individuals with Disabilities Education Act;
- Adult and Family Literacy Act; and
- Carl D. Perkins Career and Technical Education Act of 2006.

Stabilization grants to school districts will be announced on the TEA website, www.tea.state.tx.us, as the grants are awarded.

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