



# Proposed Funding for Education in the American Recovery and Reinvestment Act of 2009

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## Summary

On January 15, 2009, the House Committee on Appropriations released a draft version of the American Recovery and Reinvestment Act of 2009 (ARRA). The primary purposes of the act focus on promoting economic recovery, assisting those most affected by the recession, improving economic efficiency by “spurring technological advances in science and health,” investing in infrastructure, and stabilizing state and local government budgets. As part of this act, funds would be provided to several existing education programs administered by the U.S. Department of Education (ED), including programs authorized by the Elementary and Secondary Education Act (ESEA) and the Individuals with Disabilities Education Act (IDEA). The ARRA would also create new programs that would support school construction at the elementary, secondary, and postsecondary education levels and provide general funds for education to support state fiscal stabilization.

This report provides a brief overview of the key provisions related to education programs that are or would be administered by ED that were included in the act under Title IX (Labor, Health and Human Services, and Education) and Title XII (State Fiscal Stabilization Fund). It also provides estimates of state grants for programs for which these estimates are relevant and for which data needed to produce the estimates are available.

The report will be updated as warranted by legislative action.

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On January 15, 2009, the House Committee on Appropriations released a draft version of the American Recovery and Reinvestment Act of 2009 (ARRA). The primary purposes of the act focus on promoting economic recovery, assisting those most affected by the recession, improving economic efficiency by “spurring technological advances in science and health,” investing in infrastructure, and stabilizing state and local government budgets. As part of this act, funds would be provided to several existing education programs administered by the U.S. Department of Education (ED), including programs authorized by the Elementary and Secondary Education Act (ESEA), the Individuals with Disabilities Education Act (IDEA), and the Higher Education Act (HEA). The ARRA would also create new programs that would support school construction at the elementary, secondary, and postsecondary education levels and provide general funds for education to support state fiscal stabilization.<sup>1</sup>

This report provides a brief overview of the key provisions related to education programs that are or would be administered by ED that were included in the act under Title IX (Labor, Health and Human Services, and Education) and Title XII (State Fiscal Stabilization Fund).<sup>2</sup> It also provides estimates of state grants for programs for which these estimates are relevant and for which data needed to produce the estimates are available. For some programs, estimates have also been produced at the local educational agency (LEA) level. Due to space constraints, however, those tables have not been included in this report but are available directly from the authors of this report (see relevant contact information at the end of this report).

The report begins with a discussion of provisions related to elementary and secondary education.<sup>3</sup> The next section of the report examines provisions related to higher education, followed by a discussion of provisions related to the Institute for Education Sciences. The report concludes with an examination of the proposed State Fiscal Stabilization Fund.

## Funding Overview

Under Titles IX and XII, the ARRA would provide about \$145 billion for education programs that are or would be administered by ED.<sup>4</sup> **Table 1** provides an overview of the specific funding provided under these titles. The remainder of this report provides a more detailed discussion of the specific funding provisions.

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<sup>1</sup> Relevant proposed statutory language is included in ARRA Title IX, Subtitle C; and Title XIII.

<sup>2</sup> This report does not address funds provided for Rehabilitation Services and Disability Research.

<sup>3</sup> Textual analysis of the ARRA is based on the draft bill released by the House Committee on Appropriations, January 15, 2009, available online at [<http://appropriations.house.gov/>].

<sup>4</sup> As discussed in a subsequent section of the report, a portion of the funds provided to states through the State Fiscal Stabilization Fund could be used for non-education-related purposes. For purposes of determining the total amount of funds that would be available, it is assumed that all the funds provided through the State Fiscal Stabilization Fund would be used for education.

**Table I. Summary of Appropriations for Education Programs  
Included in Titles IX and XII of the ARRA**

| Program   | FY2009 (\$)           | FY2010 (\$)           | Total Appropriation (\$) |
|---|-----------------------|-----------------------|--------------------------|
| Title I-A Grants to States (ESEA)   | 5,500,000,000         | 5,500,000,000         | 11,000,000,000           |
| Title I-A School Improvement Grants (ESEA)                                  | 1,000,000,000         | 1,000,000,000         | 2,000,000,000            |
| Education Technology (ESEA Title II-D)                                      | 500,000,000           | 500,000,000           | 1,000,000,000            |
| Credit Enhancement Initiatives to Assist Charter Schools (ESEA Title V-B-2) | 25,000,000            | 0                     | 25,000,000               |
| Fund for the Improvement of Education (ESEA Title V-D)                      | 200,000,000           | 0                     | 200,000,000              |
| Impact Aid Section 8007: Construction (ESEA Title VIII)                     | 100,000,000           | 0                     | 100,000,000              |
| IDEA, Part B  | 6,000,000,000         | 7,000,000,000         | 13,000,000,000           |
| IDEA, Part C  | 300,000,000           | 300,000,000           | 600,000,000              |
| McKinney-Vento Homeless Assistance  | 33,000,000            | 33,000,000            | 66,000,000               |
| School Modernization, Renovation, and Repair                                | 14,000,000,000        | 0                     | 14,000,000,000           |
| Pell Grants (discretionary appropriations)                                  | 15,636,000,000        | 0                     | 15,636,000,000           |
| Pell Grants (mandatory appropriations)                                      | 683,000,000           | 831,000,000           | 1,514,000,000            |
| Work-Study Program  | 245,000,000           | 245,000,000           | 490,000,000              |
| Student Aid Administration  | 50,000,000            | 0                     | 50,000,000               |
| Teacher Quality Partnership Grant Programs                                  | 100,000,000           | 0                     | 100,000,000              |
| Higher Education Modernization, Renovation, and Repair                      | 6,000,000,000         | 0                     | 6,000,000,000            |
| Institute for Education Sciences  | 250,000,000           | 0                     | 250,000,000              |
| State Fiscal Stabilization Fund   | 39,500,000,000        | 39,500,000,000        | 79,000,000,000           |
| <b>Total</b>  | <b>90,122,000,000</b> | <b>54,909,000,000</b> | <b>145,031,000,000</b>   |

**Source:** Table prepared by CRS, January 21, 2009, based on the draft bill released by the House Committee on Appropriations, January 15, 2009, available online at [<http://appropriations.house.gov/>].

**Notes:** Title IX of the ARRA also would provide \$700 million for Vocational Rehabilitation Services for FY2010.

## **Funding for Elementary and Secondary Education**

The ARRA would provide funding for a number of existing education programs, including the two federal education programs that provide the largest amounts of funding for elementary and secondary education—Title I-A of the ESEA and IDEA, Part B Grants to States. Several additional programs authorized by the ESEA would also receive funding: School Improvement Grants (Title I-A), Impact Aid Section 8007 (Grants for Construction, ESEA Title VIII), Education Technology (ESEA Title II-D), the Fund for the Improvement of Education (FIE, ESEA Title V-D-1), and Credit Enhancement Initiatives to Assist Charter Schools (ESEA Title V-B-2). In addition, funds would be provided for the McKinney-Vento Homeless Assistance Act and IDEA, Part C (Grants for Infants and Toddlers). The ARRA also would create a new program to provide school construction funds to LEAs. Provisions applicable to each of these programs are discussed below.

### **ESEA Programs Included in the ARRA**

The primary source of federal aid to K-12 education is the Elementary and Secondary Education Act, particularly its Title I, Part A program of Education for the Disadvantaged. The ESEA was initially enacted in 1965 (P.L. 89-10), and was most recently amended and reauthorized by the No Child Left Behind Act of 2001 (NCLB, P.L. 107-110). Other major ESEA programs provide grants to support the education of migrant students; recruitment of and professional development for teachers; language instruction for limited English proficient (LEP) students; drug abuse prevention programs; after-school instruction and care; expansion of charter schools and other forms of public school choice; education services for Native American, Native Hawaiian, and Alaska Native students; Impact Aid to compensate local educational agencies for taxes foregone due to certain federal activities; and a wide variety of innovative educational approaches or instruction to meet particular student needs.<sup>5</sup> This section discusses ESEA programs that would receive additional funding through the ARRA and, where appropriate, provides estimates of the amounts that states would receive.

#### **Title I-A Grant to LEAs**

Title I, Part A, of the ESEA authorizes federal aid to local educational agencies (LEAs) for the education of disadvantaged children. Title I-A grants provide supplementary educational and related services to low-achieving and other pupils attending pre-kindergarten through grade 12 schools with relatively high concentrations of pupils from low-income families. Portions of each annual appropriation for Title I-A are allocated under four different formulas—Basic, Concentration, Targeted, and Education Finance Incentive Grants (EFIG)—although funds allocated under all of these formulas are combined and used for the same purposes by recipient LEAs. Although the allocation formulas have several distinctive elements, the primary factors used in all four formulas are estimated numbers of children aged 5-17 in poor families plus a state expenditure factor based on average expenditures per pupil for public K-12 education. Other factors included in one or more formulas include weighting schemes designed to increase aid to

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<sup>5</sup> For additional information about the ESEA, see CRS Report RL33960, *The Elementary and Secondary Education Act, as Amended by the No Child Left Behind Act: A Primer*, by Wayne C. Riddle and Rebecca R. Skinner.

LEAs with the highest concentrations of poverty, and a factor to increase grants to states with high levels of expenditure equity among their LEAs.<sup>6</sup>

Under three of the formulas—Basic, Concentration, and Targeted Grants—funds are calculated initially at the LEA level, and state total grants are the total of allocations for LEAs in the state, adjusted to apply state minimum grant provisions. Under the fourth formula, Education Finance Incentive Grants, grants are first calculated for each state overall, with state totals subsequently suballocated by LEA using a different formula. A primary rationale for using four different formulas to allocate shares of the funds for a single program is that the formulas have distinct allocation patterns, providing varying shares of allocated funds to different types of LEAs or states (e.g., LEAs with high poverty rates or states with comparatively equal levels of spending per pupil among their LEAs).

The ARRA would provide an additional \$11 billion for Title I-A Grants to LEAs, provided over two fiscal years (\$5.5 billion each year). Funds would be allocated through the targeted grant and EFIG formulas only with \$2.75 billion being allocated through each formula, each year. Estimated state grants were calculated using these formulas after reserving 1% each year of the total appropriation for the outlying areas and Bureau of Indian Education (as is done when making regular Title I-A allocations). **Appendix Table A-1** details the results of these calculations.<sup>7</sup>

### **Title I-A School Improvement Grants**

School Improvement Grants (authorized under ESEA, Section 1003(g)) provide supplementary funds to states and LEAs for school improvement purposes. States are eligible to apply for these grants, which are allocated in proportion to each state's share of funds received under ESEA Title I, Parts A, C (Migrant Education Program), and D (Neglected and Delinquent Children and Youth). States must use at least 95% of the funds received to make subgrants to LEAs. Subgrants made to LEAs must be between \$50,000 and \$500,000 for each school, and must be renewable for up to two additional years if schools meet the goals of their school improvement plans. Subgrants must be used by LEAs to support school improvement (ESEA, Sections 1116 and 1117). LEAs with the lowest-achieving schools and the greatest commitment to ensuring that such funds are used to provide "adequate resources" to enable the lowest-achieving schools to meet the goals under school and LEA improvement plans must be given priority in the awarding of subgrants.

The ARRA would provide a total of \$2 billion for School Improvement Grants to be allocated over two fiscal years (\$1 billion each year). **Appendix Table A-2** provides estimated state grants under this program.

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<sup>6</sup> For detailed information about the Title I-A formula, see CRS Report RL34721, *Elementary and Secondary Education Act: An Analytical Review of the Allocation Formulas*, by Wayne C. Riddle and Rebecca R. Skinner.

<sup>7</sup> Estimated grants to LEAs are also available for this program. Please contact Rebecca R. Skinner or Wayne C. Riddle for these data.



## **Education Technology**

The EdTech program provides grants to state educational agencies (SEAs) and LEAs to increase access to educational technology, support the integration of technology into instruction, enhance technological literacy, and support technology-related professional development of teachers. Funds are allocated to states in proportion to Title I-A grants, with a state minimum grant amount of 0.5% of total funding for state grants. At least 95% of state grants must be allocated to LEAs (and consortia of LEAs and other entities)—50% by formula, in proportion to Title I-A grants, and 50% competitively.

The ARRA would provide \$1 billion for EdTech over two fiscal years (\$500 million each year). **Appendix Table A-3** provides estimated state grants under this program.

## **Credit Enhancement Initiatives to Assist Charter School Facility Acquisition, Construction, and Renovation**

Under the Credit Enhancement program, competitive grants are awarded to enhance the availability of financing for the acquisition, construction, or renovation of public charter school facilities. Grants are made to at least three entities that have been approved by the Secretary of Education (hereafter referred to as the Secretary) as having demonstrated innovative methods of assisting charter schools in addressing the costs of acquiring, constructing, and renovating facilities by enhancing the availability of loans or bond financing. The ARRA would provide a one-time grant of \$25 million for this program.

## **Fund for the Improvement of Education**

ESEA Title V-D authorizes a series of competitive grant programs intended to support a variety of innovative K-12 educational activities. It includes both a broad authority for innovative activities selected at the discretion of the Secretary of Education, and a series of required studies, in Subpart 1. It also authorizes a number of specific activities (e.g., Elementary and Secondary School Counseling Programs, Partnerships in Character Education, Smaller Learning Communities) in Subparts 2 through 21.

The ARRA would provide funding specifically for Subpart 1 activities. A total of \$200 million would be provided for these activities over one fiscal year. The ARRA specifies that \$99 million of these funds must be used to provide competitive grants to LEAs, states, or partnerships of an LEA, state, or both and at least one non-profit organization to develop and implement performance-based teacher and principal compensation systems in high-need schools.<sup>8</sup> These systems must consider gains in student academic achievement as well as classroom evaluations conducted at multiple times during the school year among other factors and provide educators with incentives to take on leadership roles and additional responsibilities. Up to 5% of the \$99 million shall be available for technical assistance, training, peer review of applications, program outreach, and evaluation activities. Further, the ARRA specifies that a portion of these funds must be used by the Institute of Education Sciences (IES) to conduct an evaluation of the impact of

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<sup>8</sup> The provisions related to the competitive grants to LEAs are included in the Department of Education Appropriations Act, 2008 under the heading of “Innovation and Improvement” (P.L. 110-161).

performance-based teacher and principal compensation systems supported by the competitive grants on teacher and principal recruitment in high-need schools and subjects.

### **Impact Aid Section 8007**

The Impact Aid program compensates LEAs for “substantial and continuing financial burden” resulting from federal activities. These activities include federal ownership of certain lands, as well as the enrollments in LEAs of children of parents who work or live on federal land (e.g., children of parents in the military and children living on Indian lands). Section 8007 specifically provides funds for construction and facilities upgrading to certain LEAs with high percentages of children living on Indian lands or children of military parents. These funds are used to make formula and competitive grants.

Under the statute, 40% of the funds appropriated under Section 8007 are used to make construction payments by formula to LEAs receiving Impact Aid Section 8003 payments<sup>9</sup> and in which students living on Indian land constitute at least 50% of the LEA’s total student enrollment or military students living on or off base constitute at least 50% of the LEA’s total student enrollment. The funds available for construction payments are divided equally between these two groups of LEAs (20% of the total Section 8007 appropriation going to each group). The remaining 60% of Section 8007 appropriations are used to make school facility emergency and modernization competitive grants. Emergency repair grants must be used to repair, renovate, or alter a K-12 public school facility to ensure the health and safety of students and staff. Modernization grants may be used to relieve overcrowding or upgrade facilities to support a “contemporary educational program.”<sup>10</sup>

The ARRA would provide \$100 million to Section 8007. While this would be a one-time grant, funds would remain available through FY2010.

### **IDEA Programs Included in the ARRA**

IDEA is the major federal statute that supports special education and related services for children with disabilities.<sup>11</sup> As a condition of accepting IDEA funding, the act requires that states and LEAs provide a free appropriate public education (FAPE) to each eligible child with a disability. The IDEA is divided into four parts. Part A contains the general provisions, including the purposes of the act and definitions. Part B, the most often discussed part of the act, contains provisions relating to the education of school aged children (grants to states) and a state grant program for preschool children with disabilities (Section 619). Part C authorizes state grants for programs serving infants and toddlers with disabilities, while Part D contains the requirements for various national activities designed to improve the education of children with disabilities.

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<sup>9</sup> Section 8003(b) authorizes payments to LEAs to compensate them for the cost of serving certain groups of federally connected children.

<sup>10</sup> U.S. Department of Education, Purpose of the Impact Aid Section 8007B Discretionary Construction Grant Program, at [<http://www.ed.gov/programs/8007b/index.html>].

<sup>11</sup> For additional information about IDEA, see CRS Report RL32085, *Individuals with Disabilities Education Act (IDEA): Current Funding Trends*, by Ann Lordeman.

The ARRA would provide additional funding for IDEA, Part B (grants to states) and Part C. For Part B, the ARRA would provide a total of \$13 billion with an additional \$6 billion being provided in FY2009 and an additional \$7 billion being provided in FY2010. **Appendix Table A-4** details estimated state grants for FY2009 and FY2010. The ARRA would provide a total of \$600 million for Part C over two fiscal years (\$300 million each year).

## **Funding for McKinney-Vento Homeless Assistance in the ARRA**

This program, also known as the Education for Homeless Children and Youth program, provides assistance to SEAs to ensure that all homeless children and youth have equal access to the same free, appropriate public education, including public preschool education, that is provided to other children and youth.<sup>12</sup> Funds are allocated to states in proportion to ESEA Title I-A grants, with a state minimum of \$150,000 or 0.25% of total grants, whichever is greater.

Competitive grants made by SEAs to LEAs under this program must be used to facilitate the enrollment, attendance, and success in school of homeless children and youth. The LEAs may use the funds for activities such as tutoring, supplemental instruction, and referral services for homeless children and youth, as well as providing them with medical, dental, mental, and other health services. In order to receive funds, each state must submit a plan indicating how homeless children and youth will be identified, how assurances will be put in place that homeless children will participate in federal, state, and local food programs if eligible, and how the state will address such problems as transportation, immunization, residency requirements, and the lack of birth certificates or school records.

The ARRA would provide a total of \$66 million for this program over two fiscal years (\$33 million each year for two years). **Appendix Table A-5** provides estimated state grants for this program.

## **School Modernization, Renovation, and Repair**

Currently, there are no federal education programs dedicated to providing grants for the modernization, renovation, and repair of schools. The ARRA would provide \$14 billion for FY2009 for these purposes. After a reservation of 1% for the outlying areas and the Secretary of the Interior to provide assistance to Bureau of Indian Affairs schools, and a reservation of \$6 million for the Secretary of Education for administration and oversight, the remaining funds would be allocated to each state in proportion to the amount of FY2008 Title I-A funding received by all the LEAs in the state relative to the total amount received by all the LEAs in every state. States would be permitted to reserve up to 1% of their allocations for providing technical assistance; developing a database that includes an inventory of public school facilities in the state and their modernization, renovation, and repair needs; and developing a school energy efficiency quality plan. The remaining funds would be allocated to LEAs in proportion to the amount of FY2008 Title I-A funding received by the LEA relative to the total amount of funding received by all LEAs in the state. The minimum grant amount for LEAs would be \$5,000. **Appendix Table A-6** provides estimated state grants for this program.<sup>13</sup>

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<sup>12</sup> For more information about this program, see CRS Report RL30442, *Homelessness: Targeted Federal Programs and Recent Legislation*, coordinated by Libby Perl, pp. 4-5.

<sup>13</sup> Estimated grants to LEAs are also available for this program. Please contact Rebecca R. Skinner or Wayne C. Riddle (continued...)

## Funding for Higher Education

The ARRA provides funding for several currently authorized higher education programs (the Federal Pell Grant program, the Federal Work-Study (FWS) program, the Teacher Quality Partnership Grant program) and provides additional funds for the administration of federal student aid programs. It also amends the federal student loan programs by increasing borrowing limits for undergraduate students. In addition, the ARRA provides \$6 billion in grants to state higher education agencies (SEAs) for higher education modernization, renovation and repair. These provisions of the ARRA are briefly described below.

### Federal Pell Grant Program

Under the Federal Pell Grant program, Pell Grants are made available to low-income undergraduate students to help offset their costs associated with obtaining a postsecondary education.<sup>14</sup> The Pell Grant program is the largest source of federal grant aid to postsecondary students. Pell Grants are portable, in that the grant aid follows students to the eligible postsecondary education institutions in which they enroll. The Pell Grant award amount is primarily based on the financial resources that a student and the student's family are expected to contribute toward postsecondary education expenses—the student's expected family contribution (EFC). The Pell Grant award is considered to be the foundation of a student's financial aid package because all other forms of federal student aid (e.g., federal student loans) are awarded after the Pell Grant award amount has been determined.

Both discretionary and mandatory appropriations fund the Federal Pell Grant program; and in general, annual appropriations measures specify maximum individual Pell Grant award amounts. A mandatory Pell Grant add-on has the effect of increasing the individual Pell Grant award amount specified in discretionary appropriation measures.<sup>15</sup> For the 2008-2009 academic year, the maximum appropriated Pell Grant award amount was \$4,731. This was comprised of a discretionary maximum award amount of \$4,241, and a mandatory add-on of \$490.<sup>16</sup> The ARRA would make available \$15.636 billion for the Federal Pell Grant program through September 30, 2011. These funds would be in addition to discretionary funds anticipated to be appropriated for the Federal Pell Grant program as part of a separate FY2009 discretionary appropriations measure under which the appropriated maximum Pell Grant award amount would be \$4,360.<sup>17</sup> As a result of both bills, the discretionary maximum Pell Grant award amount for the 2009-2010 academic year would be increased to \$4,860. Combined with the mandatory add-on of \$490, the maximum Pell Grant award amount for the 2009-2010 academic year would be increased to \$5,350.

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(...continued)

for these data.

<sup>14</sup> The Federal Pell Grant program is authorized under the Title IV, Part A, Subpart 1 of the HEA.

<sup>15</sup> Mandatory funding for Pell Grant add-ons was enacted under the College Cost Reduction and Access Act (CCRAA; P.L. 110-84). For additional information on the CCRAA, see CRS Report RL34077, *Student Loans, Student Aid, and FY2008 Budget Reconciliation*, by Adam Stoll, David P. Smole, and Charmaine Mercer.

<sup>16</sup> For additional information on the Federal Pell Grant program and maximum award amounts, see CRS Report RL34654, *The Higher Education Opportunity Act: Reauthorization of the Higher Education Act*, by David P. Smole et al.

<sup>17</sup> See draft report language to the American Recover and Reinvestment Act, available from the House Committee on Appropriations, at [<http://appropriations.house.gov/pdf/RecoveryReport01-15-09.pdf>].

The ARRA also increases the mandatory appropriations provided for the Federal Pell Grant program for FY2009 by \$683 million for FY2009, and for FY2010 by \$831 million.

## **Federal Work-Study Program**

The FWS program is a need-based federal student aid program that provides undergraduate, graduate, and professional students the opportunity for paid employment in a field related to their course of study or in community service.<sup>18</sup> Students receive FWS aid as compensation for the hours they have worked. FWS aid may be provided to any student demonstrating financial need. Awards typically are based on factors such as each student's financial need, the availability of FWS funds, and whether a student requests FWS employment and is willing to work.

Federal funding for the FWS program is provided to institutions of higher education (IHEs) for the purpose of making available need-based federal student aid to students enrolled at those IHEs. Funds are awarded to IHEs according to a complex two-stage procedure, with a portion of funds allocated based on what the IHE received in prior years, and a portion based on an institutional need-based allocation formula.<sup>19</sup> Under the FWS program, students are compensated with a combination of federal funding and a matching amount provided by the student's employer, which may be the IHE or another entity. In most instances, the maximum federal share of compensation is 75%.

The ARRA makes available \$490 million for the FWS program through September 30, 2011. Of this amount, \$245 million will be made available on October 1, 2009.

## **Student Aid Administration**

The American Recovery and Reinvestment Act of 2009 makes available \$50 million to the Department of Education for student aid administration of the Federal Pell Grant, Academic Competitiveness grant (AC) and National Science and Mathematics Access to Retain Talent (SMART) grant, Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Family Education Loan (FFEL), FWS, William D. Ford Federal Direct Loan (DL), and Federal Perkins Loan programs. The bill also specifies that such funds shall be available for an independent audit of the federal student loan purchase programs authorized under HEA, § 459A.<sup>20</sup>

## **Teacher Quality Partnership Grant Programs**

Title II, Part A of the HEA authorizes Teacher Quality Partnership Grants for improving teacher education programs, strengthening teacher recruitment efforts, and providing training for

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<sup>18</sup> The Federal Work-Study program is authorized under Title IV, Part C of the HEA. For additional information on the FWS program, see CRS Report RL31618, *Campus-Based Student Financial Aid Programs Under the Higher Education Act*, by David P. Smole.

<sup>19</sup> The allocation procedures for the FWS program are examined in CRS Report RL32775, *The Campus-Based Financial Aid Programs: A Review and Analysis of the Allocation of Funds to Institutions and the Distribution of Aid to Students*, by David P. Smole.

<sup>20</sup> For additional information on the Secretary's temporary authority to purchase federal student loans made under the FFEL program, see CRS Report RL34452, *The Ensuring Continued Access to Student Loans Act of 2008*, by David P. Smole.

prospective teachers.<sup>21</sup> The ARRA makes available \$100 million for Teacher Quality Partnership Grants.

## **Higher Education Modernization, Renovation, and Repair**

The ARRA makes available \$6 billion for grants to state higher education agencies for higher education modernization, renovation, and repair. SEAs may make subgrants to public and private not-for-profit postsecondary schools to modernize, renovate, or repair facilities that are primarily used for instruction, research, or student housing.

Grants will be allocated to SEAs in the 50 states, the District of Columbia, and each of the outlying areas in proportion to the number of full-time equivalent (FTE) undergraduate students enrolled in public and private not-for-profit postsecondary education schools in each jurisdiction. Of the funds made available for the program, \$6 million is reserved for the Secretary of Education for administration and oversight. **Appendix Table A-7** provides estimated grant allocation to SEAs in each state and outlying area.

## **Federal Student Loans**

The federal government operates two major student loan programs: the FFEL program, authorized under Title IV, Part B of the Higher Education Act (HEA), and the DL program, authorized under Title IV, Part D of the HEA. These programs make available loans to undergraduate, graduate and professional students, and the parents of undergraduate dependent students, to help them finance the costs of postsecondary education. The loans made through the FFEL and DL programs are low-interest loans, with maximum interest rates for each type of loan established by statute. Subsidized Stafford Loans are need-based loans and are only available to students demonstrating financial need. The Secretary pays the interest that accrues on Subsidized Stafford Loans while borrowers are in school, during a six-month grace period, and during authorized periods of deferment. Unsubsidized Stafford Loans and PLUS Loans are non-need-based loans and are available to borrowers without regard to their financial need. Borrowers are fully responsible for paying the interest that accrues on these loans.

The amounts students may borrow in need-based Subsidized Stafford Loans and non-need-based Unsubsidized Stafford Loans are constrained by statutory loan limits. One set of limits applies to the annual and aggregate amounts students may borrow in Subsidized Stafford Loans. Another set of limits applies to the total annual and aggregate amounts students may borrow in combined Subsidized Stafford Loans and Unsubsidized Stafford Loans (hereafter, referred to as total Stafford Loans). The terms and conditions for Subsidized Stafford Loans are more favorable to students than for Unsubsidized Stafford Loans.

Until the enactment of the Ensuring Continued Access to Student Loans Act (ECASLA; P.L. 110-227), the same annual Subsidized Stafford Loan limits and total Stafford Loan limits applied to dependent undergraduate students for each comparable educational level. However, annual total Stafford Loan limits that were higher than annual Subsidized Stafford Loan limits applied to

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<sup>21</sup> For additional information on Teacher Quality Enhancement programs authorized under the HEA, see CRS Report RL31882, *Teacher Quality Enhancement Grants (Title II, Part A of the Higher Education Act): Overview and Reauthorization Issues*, by Jeffrey J. Kuenzi.

independent undergraduate students, graduate and professional students, and dependent undergraduate students whose parents are unable to obtain PLUS Loans, for each comparable educational level.

The ECASLA increased annual and aggregate borrowing limits for total Stafford Loans for dependent undergraduate students, independent undergraduate students, and dependent undergraduate students whose parents are unable to obtain a PLUS Loan, effective for loans first disbursed on or after July 1, 2008. Technical changes to these amended loan limits were made under the Higher Education Opportunity Act (HEOA; P.L. 110-315). In general, annual total Stafford Loan limits were increased by \$2,000 for most undergraduate student borrowers under the ECASLA. The ECASLA also increased aggregate borrowing limits for dependent undergraduate students by \$8,000, and for independent undergraduate students by \$11,500.<sup>22</sup>

The ARRA would further increase annual and aggregate total Stafford Loan limits for undergraduate student borrowers for loans first disbursed on or after January 1, 2009. In general, annual total Stafford Loan limits would be increased by an additional \$2,000 for most undergraduate student borrowers. Also, aggregate total Stafford Loan borrowing limits would be increased by an additional \$8,000 for all undergraduate student borrowers.

## **FFEL Program Special Allowance Payments**

Under the FFEL program, lenders receive a federal subsidy on the loans they make when the interest rate paid by borrowers does not provide them a statutorily specified level of return. This is called the special allowance payment (SAP). The SAP amount is determined quarterly under a statutory formula. The special allowance paid for each loan is dependent on the formula in effect when the loan was disbursed. The federal government pays any special allowance due lenders from the time the loan is disbursed through the entire repayment period. On loans for which the first disbursement was made on or after January 1, 2000, the SAP is determined through the use of a series of special allowance payment formulas indexed to three-month Commercial Paper (CP) rates. The ARRA would make a technical amendment to the SAP formula by temporarily changing the index used from the three-month CP rate to the three-month London Inter-Bank Offered Rate for United States dollars. This change would be applicable to loans first disbursed on or after January 1, 2000 and would be effective for the quarter beginning October 1, 2008, and ending December 31, 2008.

## **Funding for the Institute for Education Sciences**

IES is charged with conducting research, evaluation, and dissemination activities in areas of demonstrated national need. Its activities are designed to inform education practice and policy.<sup>23</sup> The ARRA would provide \$250 million in FY2009 to carry out Section 208 of the Educational Technical Assistance Act (P.L. 107-279). Section 208 authorizes a competitive grant program for SEAs to support the design, development, and implementation of statewide longitudinal data

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<sup>22</sup> For additional information on increased borrowing limits enacted under the ECASLA, and as amended by the HEOA, see CRS Report RL34452, *The Ensuring Continued Access to Student Loans Act of 2008*, by David P. Smole.

<sup>23</sup> For more information about IES, see [<http://www.ed.gov/about/offices/list/ies/index.html?src=oc>].

systems to enable states to use, manage, and analyze individual student data in ways consistent with the ESEA.

The ARRA would provide \$250 million in FY2009 to support statewide data systems, including statewide data systems that include postsecondary and workforce information. Up to \$5 million of the funds may be used for state data coordinators or for awards to public or private organizations to improve data collection.

## **State Fiscal Stabilization Fund**

The ARRA would provide \$79 billion over FY2009 and FY2010 (\$39.5 billion each year) for a State Fiscal Stabilization Fund. From the total annual appropriation, 0.5% would be reserved for the outlying areas. The Secretary could reserve up to \$12.5 million each year for administration and oversight, including program evaluation. In addition, the Secretary would be required to reserve \$7.5 billion annually to provide State Incentive Grants and establish an Innovation Fund. After making these reservations, \$31.790 billion would remain each year for grants to states. These funds would be allocated to states using two population measures: 61% of each state's grant would be based on the state's relative population of individuals ages 5 to 24, and 39% of each state's grant would be based on the state's relative total population. **Appendix Table A-8** provides estimated state grants for FY2009 and FY2010 under this program.

Once funds are received at the state level, the state's Governor is required to use at least 61% of the state's allocation to support elementary, secondary, and postsecondary education. More specifically, the Governor is required to use these funds to provide the amount of funds, through the state's principal elementary and secondary education funding formula, that is needed to restore state funding for elementary and secondary education to its FY2008 level. In addition, the Governor must use these funds to provide the amount of funds to public institutions of higher education in the state needed to restore state support for postsecondary education to the FY2008 level. If the amount of funds provided through the State Fiscal Stabilization Fund is insufficient to restore state support for elementary, secondary, and postsecondary education to the FY2008 levels, the Governor must allocate funds between elementary and secondary education and postsecondary education in proportion to the relative shortfall in state support at each level of education. If, however, funds remain after restoring funds to the FY2008 level, the Governor is required to provide grants to LEAs based on their share of Title I-A funding for the most recent year for which data are available.

The Governor may use up to 39% of the state funds for public safety and government services. These funds may, however, be used to provide additional assistance for elementary and secondary education and for public institutions of higher education.

In applying for funds from the State Fiscal Stabilization Fund, states must provide several assurances to ED. First, the state must agree to maintain support for elementary and secondary education at least at the level provided in FY2006, for FY2009 and FY2010; and the state must agree to maintain support for public institutions of higher education at least at the FY2006 level, for FY2009 and FY2010. Second, the state is required to take actions to comply with requirements in Section 1111(b)(8)(C) of the ESEA that focus on the inequities in the distribution of teachers between high- and low-poverty schools. Third, the state must establish a longitudinal



data system as described in Section 6401(e)(2)(D) of the America COMPETES Act.<sup>24</sup> Finally, the state must agree to meet two requirements related to state assessments. First, the state is required to enhance the quality of its state assessments used to measure student achievement in reading, mathematics, and science through activities described in ESEA, Section 6112(a), including collaborating with institutions of higher education or other organizations to improve the quality, validity, and reliability of state assessments. Second, the state must agree to comply with requirements in the ESEA and IDEA related to the inclusion of children with disabilities and limited English proficient students in state assessments, the development of valid and reliable assessments for those students, and the provision of accommodations to facilitate their participation in state assessments. It is unclear how many states would be able to provide all of the required assurances.

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<sup>24</sup> For more information about the requirements of the America COMPETES Act, see CRS Report RL34328, *America COMPETES Act: Programs, Funding, and Selected Issues*, by Deborah D. Stine.

## Appendix. Estimated State Grants for Selected Programs

**Table A-1. Estimated Additional State Grants for Title I-A Grants to Local Educational Agencies (ESEA) at an Appropriation Level of \$11 Billion over FY2009 and FY2010**

| State                | Estimated Additional State Grants |             |
|----------------------|-----------------------------------|-------------|
|                      | FY2009 (\$)                       | FY2010 (\$) |
| Alabama              | 83,957,000                        | 83,957,000  |
| Alaska               | 17,340,000                        | 17,340,000  |
| Arizona              | 104,335,000                       | 104,335,000 |
| Arkansas             | 56,406,000                        | 56,406,000  |
| California           | 667,761,000                       | 667,761,000 |
| Colorado             | 53,108,000                        | 53,108,000  |
| Connecticut          | 40,379,000                        | 40,379,000  |
| Delaware             | 17,108,000                        | 17,108,000  |
| District of Columbia | 20,480,000                        | 20,480,000  |
| Florida              | 279,521,000                       | 279,521,000 |
| Georgia              | 178,336,000                       | 178,336,000 |
| Hawaii               | 19,271,000                        | 19,271,000  |
| Idaho                | 19,058,000                        | 19,058,000  |
| Illinois             | 221,376,000                       | 221,376,000 |
| Indiana              | 94,232,000                        | 94,232,000  |
| Iowa                 | 27,430,000                        | 27,430,000  |
| Kansas               | 36,800,000                        | 36,800,000  |
| Kentucky             | 82,509,000                        | 82,509,000  |
| Louisiana            | 113,607,000                       | 113,607,000 |
| Maine                | 20,631,000                        | 20,631,000  |
| Maryland             | 76,297,000                        | 76,297,000  |
| Massachusetts        | 87,594,000                        | 87,594,000  |
| Michigan             | 212,801,000                       | 212,801,000 |
| Minnesota            | 47,809,000                        | 47,809,000  |
| Mississippi          | 72,880,000                        | 72,880,000  |
| Missouri             | 84,799,000                        | 84,799,000  |
| Montana              | 19,057,000                        | 19,057,000  |
| Nebraska             | 24,516,000                        | 24,516,000  |
| Nevada               | 35,023,000                        | 35,023,000  |

| <b>State</b>                               | <b>Estimated Additional State Grants</b> |                      |
|--|--|----------------------|
|  | <b>FY2009 (\$)</b>                       | <b>FY2010 (\$)</b>   |
| New Hampshire                              | 17,216,000                               | 17,216,000           |
| New Jersey                                 | 105,578,000                              | 105,578,000          |
| New Mexico                                 | 45,213,000                               | 45,213,000           |
| New York                                   | 493,044,000                              | 493,044,000          |
| North Carolina                             | 143,798,000                              | 143,798,000          |
| North Dakota                               | 14,985,000                               | 14,985,000           |
| Ohio                                       | 199,943,000                              | 199,943,000          |
| Oklahoma                                   | 57,555,000                               | 57,555,000           |
| Oregon                                     | 54,775,000                               | 54,775,000           |
| Pennsylvania                               | 221,808,000                              | 221,808,000          |
| Puerto Rico                                | 211,896,000                              | 211,896,000          |
| Rhode Island                               | 20,318,000                               | 20,318,000           |
| South Carolina                             | 81,131,000                               | 81,131,000           |
| South Dakota                               | 18,977,000                               | 18,977,000           |
| Tennessee                                  | 95,704,000                               | 95,704,000           |
| Texas                                      | 522,442,000                              | 522,442,000          |
| Utah                                       | 23,939,000                               | 23,939,000           |
| Vermont                                    | 14,500,000                               | 14,500,000           |
| Virginia                                   | 85,405,000                               | 85,405,000           |
| Washington                                 | 73,069,000                               | 73,069,000           |
| West Virginia                              | 38,852,000                               | 38,852,000           |
| Wisconsin                                  | 76,302,000                               | 76,302,000           |
| Wyoming                                    | 14,129,000                               | 14,129,000           |
| Subtotal to states, DC,<br>and Puerto Rico | 5,445,000,000                            | 5,445,000,000        |
| Outlying areas and BIA                     | 55,000,000                               | 55,000,000           |
| <b>Total</b>                               | <b>5,500,000,000</b>                     | <b>5,500,000,000</b> |

**Source:** Table prepared by CRS, January 16, 2009.

**Notes:** Funds were appropriated through the Targeted and Education Finance Incentive Grant formulas only. Details may not add to totals due to rounding.

**Notice:** 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.

**Table A-2. Estimated Additional State Grants for School Improvement (ESEA, Title I-A) at an Appropriation Level of \$2 Billion over FY2009 and FY2010**

| State                | Estimated Additional State Grants |             |
|----------------------|-----------------------------------|-------------|
|                      | FY2009 (\$)                       | FY2010 (\$) |
| Alabama              | 15,248,000                        | 15,248,000  |
| Alaska               | 3,205,000                         | 3,205,000   |
| Arizona              | 19,768,000                        | 19,768,000  |
| Arkansas             | 10,482,000                        | 10,482,000  |
| California           | 127,753,000                       | 127,753,000 |
| Colorado             | 10,001,000                        | 10,001,000  |
| Connecticut          | 8,238,000                         | 8,238,000   |
| Delaware             | 2,742,000                         | 2,742,000   |
| District of Columbia | 3,325,000                         | 3,325,000   |
| Florida              | 47,587,000                        | 47,587,000  |
| Georgia              | 31,856,000                        | 31,856,000  |
| Hawaii               | 3,170,000                         | 3,170,000   |
| Idaho                | 3,534,000                         | 3,534,000   |
| Illinois             | 41,754,000                        | 41,754,000  |
| Indiana              | 17,711,000                        | 17,711,000  |
| Iowa                 | 5,229,000                         | 5,229,000   |
| Kansas               | 7,496,000                         | 7,496,000   |
| Kentucky             | 15,149,000                        | 15,149,000  |
| Louisiana            | 20,888,000                        | 20,888,000  |
| Maine                | 3,692,000                         | 3,692,000   |
| Maryland             | 13,551,000                        | 13,551,000  |
| Massachusetts        | 16,572,000                        | 16,572,000  |
| Michigan             | 37,550,000                        | 37,550,000  |
| Minnesota            | 9,010,000                         | 9,010,000   |
| Mississippi          | 13,196,000                        | 13,196,000  |
| Missouri             | 15,955,000                        | 15,955,000  |
| Montana              | 3,121,000                         | 3,121,000   |
| Nebraska             | 4,589,000                         | 4,589,000   |
| Nevada               | 5,688,000                         | 5,688,000   |
| New Hampshire        | 2,712,000                         | 2,712,000   |
| New Jersey           | 20,385,000                        | 20,385,000  |
| New Mexico           | 7,994,000                         | 7,994,000   |
| New York             | 86,679,000                        | 86,679,000  |

| <b>State</b>                                | <b>Estimated Additional State Grants</b> |                      |
|---|--|----------------------|
|   | <b>FY2009 (\$)</b>                       | <b>FY2010 (\$)</b>   |
| North Carolina                              | 25,558,000                               | 25,558,000           |
| North Dakota                                | 2,382,000                                | 2,382,000            |
| Ohio  | 36,148,000                               | 36,148,000           |
| Oklahoma                                    | 10,470,000                               | 10,470,000           |
| Oregon                                      | 10,534,000                               | 10,534,000           |
| Pennsylvania                                | 40,267,000                               | 40,267,000           |
| Puerto Rico                                 | 35,761,000                               | 35,761,000           |
| Rhode Island                                | 3,754,000                                | 3,754,000            |
| South Carolina                              | 14,525,000                               | 14,525,000           |
| South Dakota                                | 2,978,000                                | 2,978,000            |
| Tennessee                                   | 16,795,000                               | 16,795,000           |
| Texas                                       | 95,071,000                               | 95,071,000           |
| Utah  | 4,366,000                                | 4,366,000            |
| Vermont                                     | 2,375,000                                | 2,375,000            |
| Virginia                                    | 15,971,000                               | 15,971,000           |
| Washington                                  | 14,523,000                               | 14,523,000           |
| West Virginia                               | 7,014,000                                | 7,014,000            |
| Wisconsin                                   | 14,051,000                               | 14,051,000           |
| Wyoming                                     | 2,260,000                                | 2,260,000            |
| Subtotal for states,<br>DC, and Puerto Rico | 990,630,000                              | 990,630,000          |
| Outlying areas and BIA                      | 9,370,000                                | 9,370,000            |
| <b>Total</b>                                | <b>1,000,000,000</b>                     | <b>1,000,000,000</b> |

**Source:** Table prepared by CRS, January 16, 2009.

**Notes:** Estimates are based each state's FY2008 proportion of grants under ESEA Title I, Parts A, C and D. Details may not add to totals due to rounding.

**Notice:** 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 that states will receive.

**Table A-3. Estimated Additional State Grants for Education Technology (ESEA, Title II-D) at an Appropriation Level of \$1 Billion over FY2009 and FY2010**

| State                | Estimated Additional State Grants |             |
|----------------------|-----------------------------------|-------------|
|                      | FY2009 (\$)                       | FY2010 (\$) |
| Alabama              | 7,489,000                         | 7,489,000   |
| Alaska               | 2,419,000                         | 2,419,000   |
| Arizona              | 8,948,000                         | 8,948,000   |
| Arkansas             | 5,070,000                         | 5,070,000   |
| California           | 57,112,000                        | 57,112,000  |
| Colorado             | 4,707,000                         | 4,707,000   |
| Connecticut          | 3,710,000                         | 3,710,000   |
| Delaware             | 2,419,000                         | 2,419,000   |
| District of Columbia | 2,419,000                         | 2,419,000   |
| Florida              | 23,175,000                        | 23,175,000  |
| Georgia              | 15,420,000                        | 15,420,000  |
| Hawaii               | 2,419,000                         | 2,419,000   |
| Idaho                | 2,419,000                         | 2,419,000   |
| Illinois             | 19,011,000                        | 19,011,000  |
| Indiana              | 8,377,000                         | 8,377,000   |
| Iowa                 | 2,485,000                         | 2,485,000   |
| Kansas               | 3,325,000                         | 3,325,000   |
| Kentucky             | 7,265,000                         | 7,265,000   |
| Louisiana            | 10,297,000                        | 10,297,000  |
| Maine                | 2,419,000                         | 2,419,000   |
| Maryland             | 6,533,000                         | 6,533,000   |
| Massachusetts        | 7,959,000                         | 7,959,000   |
| Michigan             | 18,283,000                        | 18,283,000  |
| Minnesota            | 4,372,000                         | 4,372,000   |
| Mississippi          | 6,421,000                         | 6,421,000   |
| Missouri             | 7,822,000                         | 7,822,000   |
| Montana              | 2,419,000                         | 2,419,000   |
| Nebraska             | 2,419,000                         | 2,419,000   |
| Nevada               | 2,852,000                         | 2,852,000   |
| New Hampshire        | 2,419,000                         | 2,419,000   |
| New Jersey           | 9,744,000                         | 9,744,000   |
| New Mexico           | 3,922,000                         | 3,922,000   |
| New York             | 40,714,000                        | 40,714,000  |

| <b>State</b>                                    | <b>Estimated Additional State Grants</b> |                    |
|---|--|--------------------|
|   | <b>FY2009 (\$)</b>                       | <b>FY2010 (\$)</b> |
| North Carolina                                  | 12,634,000                               | 12,634,000         |
| North Dakota                                    | 2,419,000                                | 2,419,000          |
| Ohio  | 17,689,000                               | 17,689,000         |
| Oklahoma  | 5,191,000                                | 5,191,000          |
| Oregon  | 4,896,000                                | 4,896,000          |
| Pennsylvania                                    | 19,540,000                               | 19,540,000         |
| Puerto Rico                                     | 18,066,000                               | 18,066,000         |
| Rhode Island                                    | 2,419,000                                | 2,419,000          |
| South Carolina                                  | 7,202,000                                | 7,202,000          |
| South Dakota                                    | 2,419,000                                | 2,419,000          |
| Tennessee                                       | 8,457,000                                | 8,457,000          |
| Texas   | 44,484,000                               | 44,484,000         |
| Utah  | 2,419,000                                | 2,419,000          |
| Vermont   | 2,419,000                                | 2,419,000          |
| Virginia  | 7,945,000                                | 7,945,000          |
| Washington                                      | 6,584,000                                | 6,584,000          |
| West Virginia                                   | 3,451,000                                | 3,451,000          |
| Wisconsin                                       | 6,433,000                                | 6,433,000          |
| Wyoming   | 2,419,000                                | 2,419,000          |
| Subtotal for states, DC,<br>and Puerto Rico     | 483,875,000                              | 483,875,000        |
| Outlying areas, BIA, and<br>national activities | 16,125,000                               | 16,125,000         |
| <b>Total</b>                                    | <b>500,000,000</b>                       | <b>500,000,000</b> |

**Source:** Table prepared by CRS, January 16, 2009.

**Notes:** From the \$500 million for each year, 2% was reserved for national activities. From the remaining funds, a set-aside of 0.75% was reserved for the BIA and 0.50% was reserved for the outlying areas. The minimum grant to states is 0.5%. Details may not add to totals due to rounding.

**Notice:** 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.

**Table A-4. Estimated Additional State Grants for Individuals with Disabilities Education Act, Part B, Grants to States at an Appropriation Level of \$13 Billion over FY2009 and FY2010**

| State                | Estimated Additional State Grants |             |
|----------------------|-----------------------------------|-------------|
|                      | FY2009 (\$)                       | FY2010 (\$) |
| Alabama              | 98,194,000                        | 112,536,000 |
| Alaska               | 19,245,000                        | 23,246,000  |
| Arizona              | 94,766,000                        | 114,895,000 |
| Arkansas             | 58,445,000                        | 67,182,000  |
| California           | 662,464,000                       | 760,020,000 |
| Colorado             | 78,972,000                        | 95,746,000  |
| Connecticut          | 68,004,000                        | 78,295,000  |
| Delaware             | 17,363,000                        | 21,051,000  |
| District of Columbia | 8,730,000                         | 10,585,000  |
| Florida              | 335,542,000                       | 393,810,000 |
| Georgia              | 166,597,000                       | 201,983,000 |
| Hawaii               | 20,419,000                        | 23,509,000  |
| Idaho                | 28,273,000                        | 34,278,000  |
| Illinois             | 266,431,000                       | 306,009,000 |
| Indiana              | 135,706,000                       | 156,076,000 |
| Iowa                 | 62,442,000                        | 71,891,000  |
| Kansas               | 57,703,000                        | 66,131,000  |
| Kentucky             | 85,232,000                        | 97,680,000  |
| Louisiana            | 101,287,000                       | 116,169,000 |
| Maine                | 27,987,000                        | 32,222,000  |
| Maryland             | 107,215,000                       | 122,959,000 |
| Massachusetts        | 145,190,000                       | 167,161,000 |
| Michigan             | 216,300,000                       | 247,891,000 |
| Minnesota            | 102,500,000                       | 117,470,000 |
| Mississippi          | 63,063,000                        | 76,229,000  |
| Missouri             | 122,183,000                       | 140,073,000 |
| Montana              | 19,705,000                        | 23,333,000  |
| Nebraska             | 38,191,000                        | 43,971,000  |
| Nevada               | 35,639,000                        | 43,208,000  |
| New Hampshire        | 24,273,000                        | 27,946,000  |
| New Jersey           | 184,874,000                       | 212,851,000 |
| New Mexico           | 46,615,000                        | 53,669,000  |
| New York             | 388,267,000                       | 447,023,000 |



| <b>State</b>   | <b>Estimated Additional State Grants</b> |                      |
|----------------|--|----------------------|
|                | <b>FY2009 (\$)</b>                       | <b>FY2010 (\$)</b>   |
| North Carolina | 166,943,000                              | 202,403,000          |
| North Dakota   | 14,099,000                               | 17,093,000           |
| Ohio           | 236,347,000                              | 274,081,000          |
| Oklahoma       | 79,096,000                               | 92,780,000           |
| Oregon         | 69,640,000                               | 79,811,000           |
| Pennsylvania   | 230,646,000                              | 264,333,000          |
| Puerto Rico    | 57,928,000                               | 70,233,000           |
| Rhode Island   | 22,367,000                               | 25,751,000           |
| South Carolina | 92,643,000                               | 108,146,000          |
| South Dakota   | 16,795,000                               | 20,362,000           |
| Tennessee      | 121,475,000                              | 147,277,000          |
| Texas          | 502,108,000                              | 608,757,000          |
| Utah           | 56,039,000                               | 67,942,000           |
| Vermont        | 13,594,000                               | 16,481,000           |
| Virginia       | 152,088,000                              | 174,301,000          |
| Washington     | 119,518,000                              | 137,206,000          |
| West Virginia  | 38,843,000                               | 44,722,000           |
| Wisconsin      | 107,754,000                              | 123,932,000          |
| Wyoming        | 14,261,000                               | 17,290,000           |
| <b>Total</b>   | <b>6,000,000,000</b>                     | <b>7,000,000,000</b> |

**Source:** Table prepared by CRS, January 16, 2009.

**Notes:** The FY2009 and FY2010 increases in IDEA, Part B funding are assumed to be in addition to a FY2009 IDEA, Part B appropriation of \$11,505,211,000 (per the House Subcommittee on Labor, Health and Human Services, and Education Appropriations). Details may not add to totals due to rounding.

**Notice:** These are estimated grants only. These estimates are provided solely to assist in making comparisons of the relative impact of alternative formulas and funding levels as part of the legislative process. They are not intended to predict specific amounts states will receive. In addition to other limitations, much of the data that may be used to calculate final grants are not yet available.

**Table A-5. Estimated Additional State Grants for Education of Homeless Children and Youth (McKinney-Vento Act) at an Appropriation Level of \$66 Million over FY2009 and FY2010**

| State                | Estimated Additional State Grants |             |
|----------------------|-----------------------------------|-------------|
|                      | FY2009 (\$)                       | FY2010 (\$) |
| Alabama              | 508,000                           | 508,000     |
| Alaska               | 150,000                           | 150,000     |
| Arizona              | 608,000                           | 608,000     |
| Arkansas             | 344,000                           | 344,000     |
| California           | 3,877,000                         | 3,877,000   |
| Colorado             | 320,000                           | 320,000     |
| Connecticut          | 252,000                           | 252,000     |
| Delaware             | 150,000                           | 150,000     |
| District of Columbia | 150,000                           | 150,000     |
| Florida              | 1,573,000                         | 1,573,000   |
| Georgia              | 1,047,000                         | 1,047,000   |
| Hawaii               | 150,000                           | 150,000     |
| Idaho                | 150,000                           | 150,000     |
| Illinois             | 1,291,000                         | 1,291,000   |
| Indiana              | 569,000                           | 569,000     |
| Iowa                 | 169,000                           | 169,000     |
| Kansas               | 226,000                           | 226,000     |
| Kentucky             | 493,000                           | 493,000     |
| Louisiana            | 699,000                           | 699,000     |
| Maine                | 150,000                           | 150,000     |
| Maryland             | 444,000                           | 444,000     |
| Massachusetts        | 540,000                           | 540,000     |
| Michigan             | 1,241,000                         | 1,241,000   |
| Minnesota            | 297,000                           | 297,000     |
| Mississippi          | 436,000                           | 436,000     |
| Missouri             | 531,000                           | 531,000     |
| Montana              | 150,000                           | 150,000     |
| Nebraska             | 150,000                           | 150,000     |
| Nevada               | 194,000                           | 194,000     |
| New Hampshire        | 150,000                           | 150,000     |
| New Jersey           | 662,000                           | 662,000     |
| New Mexico           | 266,000                           | 266,000     |
| New York             | 2,764,000                         | 2,764,000   |

| <b>State</b>                         | <b>Estimated Additional State Grants</b> |                    |
|--------------------------------------|--|--------------------|
|                                      | <b>FY2009 (\$)</b>                       | <b>FY2010 (\$)</b> |
| North Carolina                       | 858,000                                  | 858,000            |
| North Dakota                         | 150,000                                  | 150,000            |
| Ohio                                 | 1,201,000                                | 1,201,000          |
| Oklahoma                             | 352,000                                  | 352,000            |
| Oregon                               | 332,000                                  | 332,000            |
| Pennsylvania                         | 1,327,000                                | 1,327,000          |
| Puerto Rico                          | 1,226,000                                | 1,226,000          |
| Rhode Island                         | 150,000                                  | 150,000            |
| South Carolina                       | 489,000                                  | 489,000            |
| South Dakota                         | 150,000                                  | 150,000            |
| Tennessee                            | 574,000                                  | 574,000            |
| Texas                                | 3,020,000                                | 3,020,000          |
| Utah                                 | 150,000                                  | 150,000            |
| Vermont                              | 150,000                                  | 150,000            |
| Virginia                             | 539,000                                  | 539,000            |
| Washington                           | 447,000                                  | 447,000            |
| West Virginia                        | 234,000                                  | 234,000            |
| Wisconsin                            | 437,000                                  | 437,000            |
| Wyoming                              | 150,000                                  | 150,000            |
| Subtotal states, DC, and Puerto Rico | 32,637,000                               | 32,637,000         |
| Outlying areas and BIA               | 363,000                                  | 363,000            |
| <b>Total</b>                         | <b>33,000,000</b>                        | <b>33,000,000</b>  |

**Source:** Table prepared by CRS, January 16, 2009.

**Notes:** Estimates are based on FY2008 grants under ESEA Title I, Part A, with no hold harmless applied.

**Notice:** 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 that states will receive.

**Table A-6. Estimated State Grants for School Modernization, Renovation, and Repair at an Appropriation Level of \$14 Billion for FY2009**

| <b>State</b>         | <b>Estimated State Grant for Construction FY2009 (\$)</b> |
|----------------------|---|
| Alabama              | 216,323,000   |
| Alaska               | 39,236,000  |
| Arizona              | 277,258,000   |
| Arkansas             | 146,501,000   |
| California           | 1,693,624,000   |
| Colorado             | 136,267,000   |
| Connecticut          | 117,211,000   |
| Delaware             | 39,056,000  |
| District of Columbia | 48,127,000  |
| Florida              | 654,876,000   |
| Georgia              | 454,126,000   |
| Hawaii               | 45,117,000  |
| Idaho                | 46,936,000  |
| Illinois             | 603,411,000   |
| Indiana              | 248,023,000   |
| Iowa                 | 72,313,000  |
| Kansas               | 94,595,000  |
| Kentucky             | 209,489,000   |
| Louisiana            | 297,724,000   |
| Maine                | 52,432,000  |
| Maryland             | 194,786,000   |
| Massachusetts        | 236,189,000   |
| Michigan             | 526,590,000   |
| Minnesota            | 125,666,000   |
| Mississippi          | 189,823,000   |
| Missouri             | 227,618,000   |
| Montana              | 44,064,000  |
| Nebraska             | 60,839,000  |
| Nevada               | 81,163,000  |
| New Hampshire        | 38,427,000  |
| New Jersey           | 289,948,000   |
| New Mexico           | 114,687,000   |
| New York             | 1,233,988,000   |
| North Carolina       | 363,695,000   |

| <b>State</b>                                | <b>Estimated State Grant for Construction FY2009 (\$)</b> |
|---|---|
| North Dakota                                | 33,957,000  |
| Ohio  | 515,958,000   |
| Oklahoma                                    | 149,861,000   |
| Oregon                                      | 141,719,000   |
| Pennsylvania                                | 564,453,000   |
| Puerto Rico                                 | 519,511,000   |
| Rhode Island                                | 53,911,000  |
| South Carolina                              | 208,717,000   |
| South Dakota                                | 40,676,000  |
| Tennessee                                   | 242,353,000   |
| Texas                                       | 1,315,800,000   |
| Utah  | 61,076,000  |
| Vermont                                     | 33,391,000  |
| Virginia                                    | 228,537,000   |
| Washington                                  | 191,432,000   |
| West Virginia                               | 100,962,000   |
| Wisconsin                                   | 201,065,000   |
| Wyoming                                     | 30,490,000  |
| Subtotal for states, DC,<br>and Puerto Rico | 13,854,000,000  |
| Outlying areas and BIA                      | 140,000,000   |
| Oversight by the<br>Secretary               | 6,000,000   |
| <b>Total</b>                                | <b>14,000,000,000</b>                                     |

**Source:** Table prepared by CRS, January 16, 2009.

**Notes:** Estimated state grants are based on total FY2008 Title I-A grants to LEAs with hold harmless applied. Details may not add to totals due to rounding.

**Notice:** 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.

**Table A-7. Estimated State Grants for Higher Education Modernization, Renovation, and Repair at an Appropriation Level of \$6 Billion for FY2009**

| <b>State</b>         | <b>Estimated State Grant for Construction FY2009 (\$)</b> |
|----------------------|---|
| Alabama              | 138,871,000   |
| Alaska               | 9,121,000   |
| Arizona              | 113,201,000   |
| Arkansas             | 54,124,000  |
| California           | 736,418,000   |
| Colorado             | 90,650,000  |
| Connecticut          | 58,380,000  |
| Delaware             | 18,144,000  |
| District of Columbia | 21,998,000  |
| Florida              | 306,202,000   |
| Georgia              | 160,015,000   |
| Hawaii               | 20,934,000  |
| Idaho                | 28,839,000  |
| Illinois             | 256,048,000   |
| Indiana              | 132,109,000   |
| Iowa                 | 79,021,000  |
| Kansas               | 67,616,000  |
| Kentucky             | 77,102,000  |
| Louisiana            | 85,227,000  |
| Maine                | 22,577,000  |
| Maryland             | 98,966,000  |
| Massachusetts        | 145,576,000   |
| Michigan             | 211,454,000   |
| Minnesota            | 115,202,000   |
| Mississippi          | 58,842,000  |
| Missouri             | 116,561,000   |
| Montana              | 19,204,000  |
| Nebraska             | 43,657,000  |
| Nevada               | 32,168,000  |
| New Hampshire        | 24,021,000  |
| New Jersey           | 129,733,000   |
| New Mexico           | 39,619,000  |
| New York             | 398,806,000   |
| North Carolina       | 187,457,000   |

| <b>State</b>             | <b>Estimated State Grant for Construction FY2009 (\$)</b> |
|--------------------------|---|
| North Dakota             | 18,872,000  |
| Ohio                     | 224,042,000   |
| Oklahoma                 | 77,780,000  |
| Oregon                   | 68,215,000  |
| Pennsylvania             | 257,395,000   |
| Puerto Rico              | 71,233,000  |
| Rhode Island             | 31,375,000  |
| South Carolina           | 82,697,000  |
| South Dakota             | 17,463,000  |
| Tennessee                | 105,243,000   |
| Texas                    | 408,415,000   |
| Utah                     | 73,257,000  |
| Vermont                  | 15,211,000  |
| Virginia                 | 146,938,000   |
| Washington               | 124,909,000   |
| West Virginia            | 40,272,000  |
| Wisconsin                | 116,174,000   |
| Wyoming                  | 11,276,000  |
| American Samoa           | 616,000   |
| Fed. State Micronesia    | 1,053,000   |
| Guam                     | 1,957,000   |
| Marshall Islands         | 328,000   |
| Northern Mariana Islands | 319,000   |
| Palau                    | 335,000   |
| Virgin Islands           | 762,000   |
| Administration           | 6,000,000   |
| <b>TOTAL</b>             | <b>6,000,000,000</b>                                      |

**Source:** Table prepared by CRS, January 16, 2009.

**Notes:** Estimated grants allocated in proportion to the number of full-time equivalent undergraduate students enrolled in public and private not-for-profit institutions in each state as reported in the Integrated Postsecondary Education Data System (IPEDS) Fall 2007, 12-month enrollment component. Details may not add to totals due to rounding.

**Notice:** These are estimated grants only. These estimates are provided solely to assist in making comparisons of the relative impact of alternative formulas and funding levels as part of the legislative process. They are not intended to predict specific amounts states will receive. In addition to other limitations, much of the data that may be used to calculate final grants are not yet available.

**Table A-8. Estimated State Grants for the State Fiscal Stabilization Fund at an Appropriation Level of \$79 Billion over FY2009 and FY2010**

| State                | Estimated State Grants for Stabilization |               |
|----------------------|--|---------------|
|                      | FY2009 (\$)                              | FY2010 (\$)   |
| Alabama              | 480,399,000                              | 480,399,000   |
| Alaska               | 76,079,000                               | 76,079,000    |
| Arizona              | 650,565,000                              | 650,565,000   |
| Arkansas             | 292,590,000                              | 292,590,000   |
| California           | 3,927,400,000                            | 3,927,400,000 |
| Colorado             | 495,058,000                              | 495,058,000   |
| Connecticut          | 359,097,000                              | 359,097,000   |
| Delaware             | 88,067,000                               | 88,067,000    |
| District of Columbia | 59,065,000                               | 59,065,000    |
| Florida              | 1,773,400,000                            | 1,773,400,000 |
| Georgia              | 999,831,000                              | 999,831,000   |
| Hawaii               | 128,065,000                              | 128,065,000   |
| Idaho                | 159,665,000                              | 159,665,000   |
| Illinois             | 1,356,775,000                            | 1,356,775,000 |
| Indiana              | 664,619,000                              | 664,619,000   |
| Iowa                 | 312,797,000                              | 312,797,000   |
| Kansas               | 295,624,000                              | 295,624,000   |
| Kentucky             | 430,924,000                              | 430,924,000   |
| Louisiana            | 472,468,000                              | 472,468,000   |
| Maine                | 129,432,000                              | 129,432,000   |
| Maryland             | 582,052,000                              | 582,052,000   |
| Massachusetts        | 657,444,000                              | 657,444,000   |
| Michigan             | 1,065,263,000                            | 1,065,263,000 |
| Minnesota            | 540,398,000                              | 540,398,000   |
| Mississippi          | 318,531,000                              | 318,531,000   |
| Missouri             | 608,519,000                              | 608,519,000   |
| Montana              | 98,266,000                               | 98,266,000    |
| Nebraska             | 188,884,000                              | 188,884,000   |
| Nevada               | 254,880,000                              | 254,880,000   |
| New Hampshire        | 133,583,000                              | 133,583,000   |
| New Jersey           | 881,629,000                              | 881,629,000   |
| New Mexico           | 209,642,000                              | 209,642,000   |
| New York             | 1,995,929,000                            | 1,995,929,000 |
| North Carolina       | 919,198,000                              | 919,198,000   |



| <b>State</b>                                    | <b>Estimated State Grants for Stabilization</b> |                       |
|---|---|-----------------------|
|   | <b>FY2009 (\$)</b>                              | <b>FY2010 (\$)</b>    |
| North Dakota                                    | 69,461,000                                      | 69,461,000            |
| Ohio  | 1,192,513,000                                   | 1,192,513,000         |
| Oklahoma  | 380,870,000                                     | 380,870,000           |
| Oregon  | 373,577,000                                     | 373,577,000           |
| Pennsylvania                                    | 1,264,043,000                                   | 1,264,043,000         |
| Puerto Rico                                     | 431,393,000                                     | 431,393,000           |
| Rhode Island                                    | 110,301,000                                     | 110,301,000           |
| South Carolina                                  | 452,547,000                                     | 452,547,000           |
| South Dakota                                    | 83,998,000                                      | 83,998,000            |
| Tennessee                                       | 620,620,000                                     | 620,620,000           |
| Texas   | 2,569,771,000                                   | 2,569,771,000         |
| Utah  | 308,721,000                                     | 308,721,000           |
| Vermont   | 63,195,000                                      | 63,195,000            |
| Virginia  | 792,261,000                                     | 792,261,000           |
| Washington                                      | 657,893,000                                     | 657,893,000           |
| West Virginia                                   | 177,383,000                                     | 177,383,000           |
| Wisconsin                                       | 581,098,000                                     | 581,098,000           |
| Wyoming   | 54,211,000                                      | 54,211,000            |
| Subtotal to states, DC, and Puerto Rico         | 31,790,000,000                                  | 31,790,000,000        |
| Outlying areas                                  | 197,500,000                                     | 197,500,000           |
| Administration and oversight                    | 12,500,000                                      | 12,500,000            |
| Secretary's reservation for additional programs | 7,500,000,000                                   | 7,500,000,000         |
| <b>Total</b>                                    | <b>39,500,000,000</b>                           | <b>39,500,000,000</b> |

**Source:** Table prepared by CRS, January 16, 2009, based on U.S. Census Bureau, 2007 American Community Survey (ACS) data.

**Notes:** Details may not add to totals due to rounding.

**Notice:** 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.

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