



NEWS RELEASE

EMBARGOED: Not for release before 12:01 a.m. EDT, July 15, 2010

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Report on Stimulus Spending Reveals Significant Teacher Layoffs Yet To Come *Three-Quarters of Districts to Cut Workforce, Up from 45 Percent Last Year*

WASHINGTON— July 15, 2010 —While nearly two-thirds of all school districts have used the federal stimulus money from the American Recovery and Reinvestment Act (ARRA) to save or create teaching jobs in the 2009-10 school year, as many as three-quarters of the nation's school districts expect to cut teaching jobs in 2010-11 due to budget decreases, according to a new survey of districts released today by the Center on Education Policy (CEP).

The report, based on a nationally representative sample of district-level administrators surveyed in the spring of 2010, finds that nearly 95 percent of the nation's school districts have received or been promised funding from the State Fiscal Stabilization Fund (SFSF) authorized by ARRA. However, districts with funding declines are likely to face serious problems in the coming school year because much of the federal stabilization funding they have received has already been spent. An estimated 68 percent of school districts expect their total budgets, excluding ARRA funds, to decrease for school year 2010-11. As a result, 75 percent of districts that received SFSF funds expect to lay off teachers in 2010-11 to address their persistent budget shortfall.

SFSF funds helped to stabilize local budgets in 2009-10, though they were often insufficient to compensate for budget decreases not covered by the federal stimulus money. The report, *School Districts' Perspectives on the Economic Stimulus Package*, also finds that even with the ARRA funds, about 45 percent of districts with SFSF grants had to cut teaching staff in the 2009-10 school year.

"Unless additional recovery money is provided, the education jobs crisis that had been averted to some extent this year may emerge in full force in the coming school year, creating unprecedented shortages of classroom teachers that could undermine progress in school reform," said Jack Jennings, CEP's president and CEO.

CEP asked districts about actions they were undertaking to implement ARRA's four reform areas. CEP found that districts focused more aggressively on reform goals relating to improving teacher quality, bolstering standards and improving assessments, and participating in state longitudinal data systems than on improving low-performing schools. CEP suggests that this may be because districts have focused heavily on

aligning their education reforms with state priorities and because not all districts have low-performing schools.

The majority of school districts have received or have been promised supplemental funding through ARRA for Title I of the Elementary and Secondary Education Act and for the Individuals with Disabilities Education Act (IDEA). More than half of districts receiving this funding are using the money to save or create jobs, as well as to purchase materials, technology, and equipment.

“Overall, districts felt they were better off with ARRA funds than without them,” said Jennings, “And most districts reported no problems or only minor problems with most aspects of ARRA.” However, one notable issue cited by about 50 percent of the nation’s districts as a major problem was the need to balance long-term spending priorities with the short-term availability of ARRA funding. Also, a little over one-third of districts experienced major problems due to redundant and/or overlapping reporting requirements.

This is the second CEP report on ARRA implementation. The first, *An Early Look at the Economic Stimulus Package and the Public Schools: Perspectives from State Leaders*, was released in December 2009 and focused on state-level implementation. To access the report, please visit CEP’s web site, www.cep-dc.org.

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Based in Washington, D.C. and founded in January 1995 by Jack Jennings, the Center on Education Policy is a national, independent advocate for public education and for more effective public schools. The Center works to help Americans better understand the role of public education in a democracy and the need to improve the academic quality of public schools. The Center does not represent any special interests. Instead the Center helps citizens make sense of the conflicting opinions and perceptions about public education and create conditions that will lead to better public schools.