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THE GEORGE WASHINGTON UNIVERSITY  
GRADUATE SCHOOL OF EDUCATION  
AND HUMAN DEVELOPMENT

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**Contact: Robert Johnston**  
**(301) 656-0348**  
[robert@thehatchergroup.com](mailto:robert@thehatchergroup.com)

## **CEP Study Shows Federal ARRA Stimulus Funds Saved Education Jobs, Encouraged Common Reform Agenda Among States**

### *States Still Lack Funding to Fully Implement Reforms*

**WASHINGTON, D.C.** – July 18, 2012 – Education stimulus funds largely met the goal of saving or creating jobs for K-12 teachers and other education personnel, according to a summary of three years of survey research by the [Center on Education Policy](#) at the George Washington University (CEP). However, ongoing state budget shortfalls have slowed state implementation of education reforms tied to the receipt of stimulus money under the American Recovery and Reinvestment Act (ARRA).

“Federal stimulus funds appear to have blunted the effects of the economic downturn on the K-12 education sector,” said Maria Ferguson, CEP’s executive director. “Although many districts still had to eliminate teaching and other key staff positions, our research indicates that the situation would have been worse without the stimulus funds.”

The CEP report, *What Impact Did Education Stimulus Funds Have on States and Schools?*, summarizes the effects of the ARRA on K-12 education after three years of implementation. Findings are drawn from surveys, conducted between December 2009 and February 2012, of state and local officials charged with implementing the ARRA and Education Jobs programs and were previously described in six previous CEP reports on ARRA.

In 2010, about 70 percent of the nation’s school districts used State Fiscal Stabilization funding, the largest pot of ARRA education money, to save or create jobs for teachers and other school personnel, CEP found. In 2011, a vast majority of the states surveyed by CEP also reported that ARRA and Education Jobs funds had saved teaching jobs and other district and school-level positions in their state. In addition, the majority of districts receiving ARRA supplemental funds for the federal Title I and Individuals with Disabilities Education Act programs reported using at least some of those funds to save or create jobs.

The report also finds that the stimulus funds had a side effect of laying the groundwork for a common reform agenda among the states. As a condition of receiving stimulus funds, states had to assure that they would take action on certain reform-related activities, including:

- Making progress toward implementing rigorous standards and assessments;
- Establishing and using statewide data systems to track students' progress from preschool to college or careers;
- Increasing teacher effectiveness; and
- Providing support to turn around low-performing schools.

States participating in CEP's surveys consistently indicated that they were taking action on these four reform areas, but by 2011 few states had fully implemented the reforms. Further, in states and districts facing budget cuts, progress on the four reforms has slowed.

“Given that nearly 84 percent of nation's school districts reported funding cuts for the school year that just ended, parents and students may not see the full benefits of these reforms until local economic conditions improve,” said Alexandra Usher, CEP's senior research assistant and co-author of the report.

The report also finds that the state education agencies (SEAs) charged with guiding the implementation of ARRA reforms face funding and staffing challenges. Most SEAs report that they have enough expertise to carry out the ARRA reforms, but fewer report having enough staff to fully implement the reforms, and even fewer reported having enough financial resources. Further, while SEAs have not been immune to staff cuts, it appears that most have done so strategically, often cutting positions not related to the four reforms.

“These underfunded and understaffed agencies are charged with many duties under federal K-12 education programs,” said Diane Stark Rentner, CEP's deputy director and co-author of the report. “If federal policymakers continue to rely on states as their agents of change, attention must also be paid to the capacity of these agencies to guide school improvement efforts.”

*What Impact Did Education Stimulus Funds Have on States and Schools?* is available for free at [www.cep-dc.org](http://www.cep-dc.org). For more information, contact Robert Johnston at 301-656-0348 or [Robert@thehatchergroup.com](mailto:Robert@thehatchergroup.com).

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*Based in Washington, D.C., at the George Washington University's Graduate School of Education and Human Development, 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.*