

After the Stimulus Money Ends:

The Status of State K-12 Education Funding and Reforms

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Credits and Acknowledgments

This report was written by Diane Stark Rentner, CEP's director of national programs, and Nancy Kober, a CEP consultant. Jack Jennings, CEP's president and CEO, provided advice on the report. Bruce Haslam and Beth Sinclair of Policy Studies Associates worked with CEP to develop and administer the survey and compile survey data.

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Introduction

The economic downturn of the past few years has taken a toll on state budgets for elementary and secondary education. The \$100 billion for education provided by the American Reinvestment and Recovery Act (ARRA), better known as the economic stimulus package, helped to blunt some of the harshest effects, but these funds have been nearly depleted.

Furthermore, although many states have been operating with reduced budgets and without the cushion of the stimulus money, they must still fulfill four education reform-related assurances tied to the receipt of State Fiscal Stabilization Fund grants, the largest of the ARRA education programs. These assurances require 1) implementing rigorous standards and aligned assessments; 2) establishing longitudinal data systems to track students' progress; 3) improving the effectiveness and equitable distribution of educators; and 4) providing interventions to turn around the lowest-performing schools.

What is the fiscal condition of states now that the stimulus funding is coming to an end? And what progress have states made in implementing the four reform-related ARRA assurances? This report by the Center on Education Policy (CEP) addresses these two questions.

The information in this report comes from a CEP survey of deputy state superintendents of education or their designees conducted in October through December of 2011. Thirty-seven states and the District of Columbia, which is counted as a state in the tallies in this report, responded. The names of participating states have been kept confidential to encourage frank answers. Two other topics covered by the survey—waivers of key requirements of the Elementary and Secondary Education Act and state implementation of the Common Core State Standards—are discussed in other CEP reports (CEP, 2011a; 2012a). A final topic, the capacity of state education agencies to carry out their education reform responsibilities, is addressed in a companion report (CEP, 2012b).

The 2011 survey was the second CEP survey on state funding, ARRA implementation, and state capacity. Findings from our previous survey, conducted in fall 2010, are described in the 2011 CEP report, *More to Do But Less Capacity to Do It: States' Progress in Implementing the Recovery Act Education Reforms* (CEP, 2011b).

This 2012 report focuses on the status of funding from state sources, which accounts for about 48% of total revenues for elementary and secondary education, on average (National Center for Education Statistics, 2011). The 44% of education funding that comes from local sources and the 8% that comes from federal sources also have a major impact on the funding available to schools. Thus, the trends discussed in this report represent just one part of the total fiscal picture for K-12 education. Although state budgets for fiscal year (FY) 2012 are looking somewhat better in several states, as discussed below, this does not necessarily translate into an improved outlook for school districts and schools for school year 2011-12. About 84% of the nation's districts anticipated funding cuts in school year 2011-12, according to a CEP survey of school districts conducted in the winter and spring of 2011 (CEP, 2011c). In addition, school districts can no longer rely on federal stimulus money to make up for decreases in local budgets.

Key Findings

General finding. State budget cuts for elementary and secondary education appear to have bottomed out in many states, according to our survey, although some states remain strapped for funds. In this uncertain fiscal environment, states are nevertheless implementing or planning several reform strategies to address the four ARRA assurances.

- **Fewer states anticipated decreases in state funding for K-12 education for FY 2012 than had decreases in FY 2011.** Eight states responding to our survey projected decreases in state K-12 education budgets for FY 2012—down from the 17 survey states with decreases in FY 2011. By contrast, 20 survey states anticipated increases in K-12 education funding for FY 2012, up from the 14 states with increases in FY 2011. These tallies are not final, however, because about half the responding states said their projections for FY 2012 may change during the year.
- **The cuts in K-12 education funding that states project for FY 2012 are more modest in size than the cuts made in FY 2011.** Just three survey states anticipate decreases of 5% or more in state K-12 funding for FY 2012, compared with 11 survey states that made cuts of this size in FY 2011. Five states expect decreases of approximately 2.5% in FY 2012, compared with six states that had cuts of this size in FY 2011. Although more states expect funding increases in FY 2012 than had increases in FY 2011, the increases in both years amount to about 2.5% in the majority of states.
- **Funding cuts in FY 2011 have adversely affected education reform efforts in school year 2011-12 in some states.** Five of the 17 states with FY 2011 decreases in state funding for elementary and secondary education said these cuts have slowed progress on their major reforms planned for school year 2011-12. Three states reported that funding cuts have led them to postpone or stop some or all of their planned reforms. Four states said funding decreases had little or no impact on progress in implementing reforms, while three states said it was too soon to tell what the impact would be.
- **The four ARRA reform-related assurances appear to have had a positive impact on education reform in many states.** Twenty states indicated that addressing the assurances had accelerated the pace of reform in their state, and 18 said the assurances had broadened the scope of reform. About one-third of the responding states, however, did not feel that ARRA had accelerated or broadened their reforms.
- **Most of the states surveyed are carrying out numerous strategies to address the four ARRA assurances.** The vast majority of survey states—33 states or more—are implementing or planning a range of activities to put in place rigorous standards and assessments, and similarly large majorities are taking multiple steps to establish statewide longitudinal data systems. To improve educator effectiveness, a sizable majority of survey states (31 or more) are establishing data systems to track the achievement of students taught by individual teachers, developing alternate pathways into the teaching profession, and creating teacher and principal evaluation systems based on student achievement. To improve low-performing schools, most survey states (32 or more) are providing direct funding and professional development to these schools and sharing successful school intervention practices. Fewer states, however, are pursuing some strategies to improve educator effectiveness or low-performing schools that traditionally have been addressed at the local level, such as creating incentives to keep or attract highly qualified teachers in schools that lack such staff or helping districts identify and recruit highly effective principals for low-performing schools.
- **Federal funding to save or create teaching jobs provided through the ARRA and the “EduJobs” program had a positive impact on elementary and secondary education in most states.** Thirty-one of the 34 states responding to a question about the impact of ARRA/EduJobs funds reported that these funds saved teaching jobs, and 27 states said these funds helped to save other district and school-level jobs. Twenty-five states indicated that ARRA/EduJobs funds helped to continue progress on education reform in their state.

The remainder of this report describes these and other findings in more detail. An appendix explaining the survey methodology is available on CEP’s Web site at www.cep-dc.org.

State Funding for Elementary and Secondary Education

State budget cuts for elementary and secondary education appear to have bottomed out in many states.

Status of State K-12 Education Funding in Fiscal Years 2011 and 2012

Our survey asked state officials whether state funding for elementary and secondary education had decreased, stayed the same, or increased in FY 2011 compared with FY 2010, and whether they expected K-12 education funding to decrease, remain the same, or increase in FY 2012 compared with FY 2011. **Figure 1** shows their responses.

Eight of the 38 responding states expected elementary and secondary education funding to decrease in FY 2012—a smaller share than the 17 states that experienced funding decreases in FY 2011. By the same token, 20 states anticipated increases in K-12 funding for FY 2012, more than the 14 states that had increases in FY 2011. Ten states projected that K-12 funding would stay the same in FY 2012, somewhat more than the 7 states with level funding in FY 2011.

These trends are consistent with findings from a fall 2011 survey of the overall fiscal condition of the states in a range of areas, including education, by the National Governors Association and the National Association of State Budget Officers (2011). Their report concluded that “while state fiscal conditions are slowly improving in fiscal 2012, they are likely to remain constrained due to the lack of a strong national economic recovery and the with-

Figure 1. Number of states in which state K-12 education funding decreased, stayed the same, or increased for fiscal years 2011 and 2012

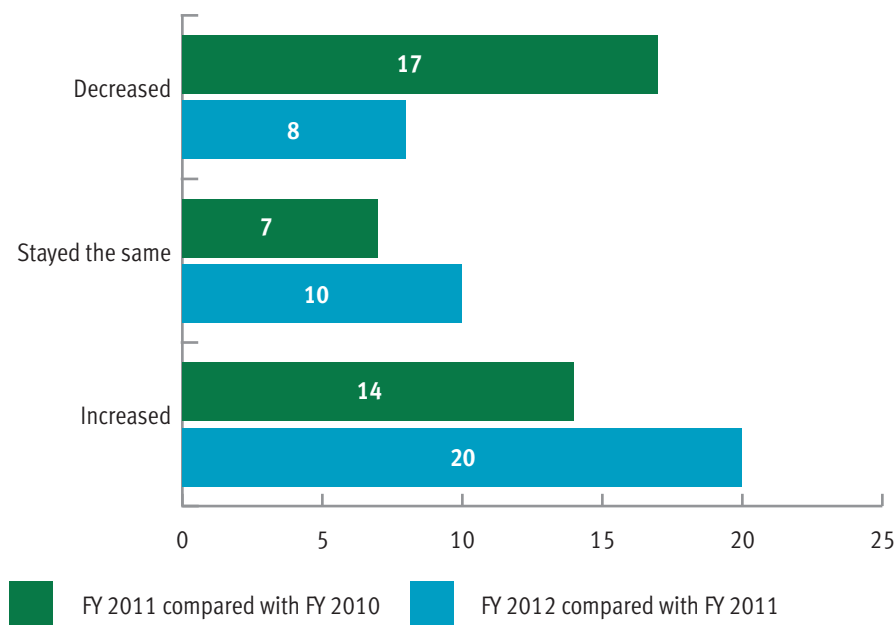


Table reads: Seventeen states indicated that state funding for elementary and secondary education decreased in fiscal year 2011 compared with fiscal year 2010, 7 states said funding had stayed the same, and 14 said it had increased.

drawal of federal stimulus funds . . .” In particular, the report found, 38 states reported higher general fund spending in FY 2011 than in FY 2010, and 43 states enacted FY 2012 budgets with general fund increases compared with FY 2011. Nevertheless, in 29 states, general fund spending for FY 2012 remained lower than the pre-recession levels of 2008.

As noted above, however, state funds constitute just one source of revenues for K-12 education. Increased state funding for FY 2012 does not necessarily translate into greater overall funding for districts and schools in school year 2011-12. About 84% of the nation’s school districts expected their funding situation to worsen in school year 2011-12, according to a recent CEP report—an even greater share than the 70% of districts that experienced funding cuts in school year 2010-11. A majority (61%) of the districts that projected cuts for 2011-12 planned to compensate by laying off teachers and other staff (CEP, 2011c).

Although most states would have enacted their FY 2012 budgets by the time our survey was conducted in the fall of 2011, this does not mean the funding levels adopted are final. State budgets can be moving targets, especially in states with balanced budget laws. Thirty-seven states are forbidden from carrying over a deficit into the next fiscal period (National Council of State Legislatures, 2010). In these states, if the expected revenues are not realized, then cuts may need to be made during the fiscal year to balance the budget. Recognizing this situation, we asked states if their projections of elementary and secondary education funding for 2012 were likely to change. Nineteen states, half of those participating in our survey, said their projections were likely to change, while the other 19 states said their projections were not likely to change.

Size of Increases and Decreases in State Funding for Elementary and Secondary Education

Not only are fewer states cutting education funding in FY 2012 than did so in FY 2011, but the size of these cuts is more modest.

Just three states estimate decreases of 5% or more in state K-12 funding in FY 2012, compared with 11 states that had cuts of this size in FY 2011. Five states estimate reductions of 2.5% in FY 2012, compared with six states in FY 2011.

Although more states expect to see funding increases in FY 2012 than had increases in FY 2011, the size of the increases in both years is about 2.5% in half or more of these states. As shown in **table 1**, 11 states anticipate growth

Table 1. Number of states reporting increases or decreases of various sizes in state K-12 education funding for fiscal years 2011 and 2012

	Decrease					Remain the same	Increase				
	More than 10%	10%	7.5%	5%	2.5%		2.5%	5%	7.5%	10%	More than 10%
FY 2011	0	3	3	5	6	7	7	2	3	1	1
FY 2012	0	0	0	3	5	10	11	6	0	1	2

Table reads: In fiscal year 2011, three states reduced elementary and secondary education funding by 10%, three states saw reductions of 7.5%, five states cut education funding by 5%, and six states reduced this spending by 2.5%.

Note: States were asked to select the response from the continuum in the table above that best described their funding levels for elementary and secondary education.

of 2.5% in their 2012 budgets for elementary and secondary education, compared with 7 states that had increases of this magnitude in 2011. Six states expect increases of 5% in 2012, compared with two states in 2011. No state reported an increase of 7.5% in 2012, although three states had increases of this size in 2011. In both years, a few states reported increases of 10% or more.

We examined state responses to see if some states reported decreases or increases in state elementary and secondary education spending in both FYs 2011 and 2012. Of the 17 states that reported decreases in 2011, 6 also reported a decrease in 2012, while 6 said 2012 funding would increase and 5 would remain the same. Among the 7 states with level funding in 2011, 4 reported an increase in 2012 and 3 expected funding to again remain the same. Thus, several states face the added strain of two or more years of funding cuts or freezes. Of the 14 states that reported increases in 2011, 10 expected further increases in 2012, while 2 anticipated decreases and 2 said funding would remain the same.

Impact of State Funding Cuts on Education Reform

With 45 states and the District of Columbia adopting the Common Core State Standards, and with states addressing the assurances they agreed to as part of the ARRA, many states have found themselves carrying out education reforms at the same time they are experiencing spending reductions. In some states, funding cuts in FY 2011 have adversely affected education reform efforts in school year 2011-12.

In 5 of the 17 states with state funding decreases in FY 2011, these cuts have slowed progress on the major reforms planned for school year 2011-12, while in 3 states, funding cuts have led the state to postpone or stop some or all of their planned reforms. (See **table 2.**) Four states said that funding decreases had little or no impact on progress in implementing reforms, while three states said it was too soon to tell what the impact would be. One state with spending cuts in 2011 indicated that it did not have any major reform initiatives planned for school year 2011-12.

Table 2. Impact of FY 2011 state funding cuts on major state reform initiatives in school year 2011-12

Impact	Number of states with FY 2011 cuts that reported this impact
The decrease in funds has led the state to postpone or stop some or all of the reform initiatives.	3
The decrease in funds has slowed progress on reforms planned for the current school year.	5
The decrease in funds has had little or no impact on progress on reforms planned for the current school year.	4
It is too soon to tell how funding decreases will affect progress on state reform initiatives for the current school year	3
The state does not have any major reform initiatives planned for the current school year.	1

Table reads: Three states that reported state funding decreases for elementary and secondary education in FY 2011 said these cuts have led the state to postpone or stop some or all of their reform initiatives for school year 2011-12.

Note: Sixteen of the 17 states that reported funding decreases responded to this survey question about the impact of these decreases.

State Progress in Implementing Reforms Related to the ARRA Assurances

To receive ARRA funds, states had to assure in their applications that they would make progress in four areas of education reform:

- Developing and implementing rigorous standards for college and career readiness and high-quality assessments that are valid and reliable for all students
- Establishing data systems that track students' progress from prekindergarten through college and careers and that foster continuous improvement
- Improving educator effectiveness and addressing inequities in the distribution of qualified teachers for all students, particularly those most in need
- Providing intensive support and effective interventions to turn around the lowest-performing schools

Several questions in our survey sought information about the status of key reform strategies associated with each of these assurances. The strategies listed in the survey represent activities that states may undertake—or, in some cases, are required to undertake—to address the ARRA education reform assurances. The list of strategies was drawn from various sources, including ARRA guidance and other materials from the U. S. Department of Education. Specifically, states were asked whether they are implementing or planning to implement each strategy or whether the strategy is not a state education agency activity.

A large majority of the states surveyed are undertaking at least some of the strategies listed to address each of the four assurances. Fewer states, however, are pursuing certain strategies related to improving educator effectiveness or improving low-performing schools than are carrying out strategies related to implementing standards and assessments or longitudinal data systems. This could be because some strategies associated with educator effectiveness and low-performing schools are traditionally carried out at the local level rather than by state education agencies. For example, in response to an open-ended question about the educator effectiveness assurance, one state noted that professional development is handled by school districts rather than at the state level. In addition, to make progress on some aspects of educator quality, such as evaluating educators based on student achievement, states must first put in place new data systems and new assessments.

The sections that follow provide more detail on the strategies for each assurance.

Assurance 1: Developing Rigorous Standards and High-Quality Assessments

All of the states that responded to particular survey items about the standards and assessments assurance have adopted or are planning to adopt internationally benchmarked standards in English language arts and math, as well as assessments aligned with those standards. (See **table 3.**) Twenty-seven of these states are also planning to adopt internationally benchmarked standards in other core subjects.

All of the responding states are establishing policies and procedures that allow testing accommodations for students with disabilities and English language learners. (Accommodations are special testing procedures, such as one-on-one testing or bilingual dictionaries in subjects other than English, that are designed to enable these two groups to participate meaningfully in testing.)

Nearly all of the responding states are providing professional development to teachers and principals to familiarize them with the new standards and assessments. The vast majority of these states are also developing and disseminating curriculum guides and materials to facilitate the transition to the new standards and assessments, as well as new curriculum guides and materials for students with disabilities and English language learners.

Table 3. STANDARDS AND ASSESSMENTS: Number of states that are undertaking or planning to undertake various activities related to ARRA assurance 1

Reform strategy	Activity is underway or planned	Not a state education agency activity
Adopt internationally benchmarked standards aligned with expectations for college and career readiness in <i>English language arts</i>	35	0
Adopt internationally benchmarked standards aligned with expectations for college and career readiness in <i>mathematics</i>	35	0
Adopt internationally benchmarked standards aligned with expectations for college and career readiness in <i>other core academic subjects</i>	27	6
Create or adopt state assessments in <i>English language arts</i> aligned with new academic standards	34	0
Create or adopt state assessments in <i>mathematics</i> aligned with new academic standards	34	0
Establish policies and procedures for accommodations to ensure that <i>students with disabilities</i> participate in new state assessments	34	0
Establish policies and procedures for accommodations to ensure that <i>students with limited English skills</i> participate in new state assessments	34	0
Provide professional development to familiarize teachers and principals with the new <i>standards</i> and how to apply them in the classroom	35	1
Provide professional development to familiarize teachers and principals with the new <i>assessments</i> and how to use the data for instructional planning	34	1
Develop and disseminate new curriculum guides and/or materials in <i>English language arts</i> to facilitate the transition to the new standards and assessments	34	2
Develop and disseminate new curriculum guides and/or materials in <i>mathematics</i> to facilitate the transition to the new standards and assessments	34	2
Develop and disseminate new curriculum guides and/or materials in <i>English language arts</i> for students with disabilities and limited English proficient students	33	2
Develop and disseminate new curriculum guides and/or materials in <i>mathematics</i> for students with disabilities and limited English proficient students	33	2

Table reads: To address the ARRA assurance about standards and assessments, 35 states have adopted or plan to adopt internationally benchmarked standards aligned with expectations for college and career readiness in English language arts.

Note: Not all states that participated in the CEP survey answered this question, and some states that answered this question did not provide a response for each strategy listed.

Assurance 2: Establishing Data Systems to Track Student Progress

All 35 states that responded to our survey question about the assurance on state longitudinal data systems have assigned or are planning to assign a unique statewide identifier for every student. (See **table 4**.) In addition, all 35 are compiling and linking yearly records of students' test performance, compiling student-level transcript information, and linking teacher data to student data.

Nearly all of these responding states are taking or planning to take actions to report on student transitions from high school to postsecondary education, and compile college readiness test scores of students. The vast majority are also making student test data accessible to parents and other key stakeholders, making test data directly available to teachers, and aligning elementary/secondary and higher education data systems to produce longitudinal, individual-level student records.

Table 4. LONGITUDINAL DATA SYSTEMS: Number of states that are undertaking or planning to undertake activities related to ARRA assurance 2

Reform strategy	Activity is underway or planned	Not a state education agency activity
Assign a unique statewide identifier for every student	35	0
Compile and link yearly records of individual students' test performance	35	0
Compile student-level transcript information on all students, including courses completed and grades earned	35	0
Link teacher data to student data within the data system	35	0
Collect data and report on the extent to which students make transitions from high school to postsecondary education, including whether students enroll in postsecondary remedial courses	34	1
Compile college-readiness test scores of individual students	34	1
Make student data easily accessible to parents, policymakers, and other key stakeholders	33	2
Align elementary/secondary data systems and higher education data systems to produce longitudinal individual-level student records	33	2
Make student data directly available to teachers to support instructional improvement and student assignment to instructional programs	32	2

Table reads: To address the ARRA assurance about creating a longitudinal data system, 35 states have assigned or are planning to assign a unique identifier to every student.

Note: Not all states that participated in the CEP survey answered this question, and some states that answered this question did not provide a response for each strategy listed.

Assurance 3: Improving the Effectiveness and Equitable Distribution of Educators

All 35 states that responded to our survey question about the ARRA assurance on educator effectiveness have established or plan to establish a state data system that tracks the achievement of students taught by individual teachers in English language art and math. (See **table 5**.) Nearly all of these states are also establishing evaluation systems for teachers, as well as for principals, that include student achievement gains as a criterion. In addition, the vast majority of the responding states are establishing alternative pathways for aspiring teachers and principals to enter the profession.

Twenty-two responding states are establishing high-quality educator induction programs, and the same number are establishing a state data system to report on the effectiveness of educator preparation programs.

Smaller proportions of responding states are creating incentives for highly qualified teachers to remain in or transfer to districts and schools with low percentages of such teachers (17 states), incentives for highly effective princi-

Table 5. EDUCATOR EFFECTIVENESS: Number of states that are undertaking or planning to undertake activities related to ARRA assurance 3

Reform strategy	Activity is underway or planned	Not a state education agency activity
Establish a state data system that tracks the achievement of students taught by individual English language arts and math teachers	35	0
Establish teacher evaluation systems that include student achievement gain as a criterion	33	2
Establish alternative pathways for aspiring teachers and principals to enter the profession	32	3
Establish principal evaluation systems that include student achievement gain as a criterion	31	4
Establish high-quality educator induction programs	22	11
Establish a state data system to report on the effectiveness of educator preparation programs	22	11
Create incentives for highly qualified teachers to remain in or transfer to districts and schools with low percentages of such teachers	17	15
Create incentives for highly effective principals and other school leaders to remain in or transfer to low-performing schools	17	15
Create/revise performance-based compensation systems for educators	16	17

Table reads: To address the ARRA assurance about improving educator effectiveness, 35 states are implementing or planning to implement a state data system that tracks the achievement of students assigned to individual teachers of English language arts and math.

Note: Not all states that participated in the CEP survey answered this question, and some states that answered this question did not provide a response for each strategy listed.

pals to remain in or transfer to low-performing schools (17 states), or performance-based compensation systems for educators (16 states).

In response to an open-ended question about other strategies for addressing the ARRA assurance on educator effectiveness, states mentioned such strategies as increasing the number of teacher mentors in schools, surveying teachers to determine school climate, and developing a pay-for-performance model for teachers and principals.

Assurance 4: Improving Low-Performing Schools

Although much of the responsibility for improving low-performing schools rests with districts and schools, states do have a limited role in this area. States are responsible for establishing eligibility criteria for federal school improvement grants and distributing these funds. States may also assume more active roles in providing technical assistance, professional development, and information to support school improvement.

All 34 states that responded to our survey question about the assurance on low-performing schools are gathering and disseminating information on best practices in low-performing schools, or plan to do so. (See **table 6.**) Nearly

Table 6. LOW-PERFORMING SCHOOLS: Number of states that are undertaking or planning to undertake activities related to ARRA assurance 4

Reform strategy	Activity is underway or planned	Not a state education agency activity
Gather and disseminate information on best practices in low-performing schools	34	0
Provide funds and/or staff directly to identified low-performing schools	33	0
Provide professional development directly to principals and staff in low-performing schools	32	3
Establish and facilitate online networks and other forums for districts and schools to learn about and share successful practices in implementing school intervention models	29	4
Develop and disseminate guidance and rubrics for use in selecting school intervention models	25	7
Assist districts in identifying and recruiting highly effective <i>teachers</i>	21	14
Assist districts in identifying and recruiting highly effective <i>principals</i>	20	15
Develop and disseminate guidance and procedures for use in screening and selecting school intervention experts	18	14
Assist districts in identifying and recruiting charter management organizations and/or education management organizations	10	22

Table reads: To address the ARRA assurance about improving low-performing schools, 34 states are gathering and disseminating information on best practices in low-performing schools or are planning to do so.

Note: Not all states that participated in the CEP survey answered this question, and some states that answered this question did not provide a response for each strategy listed.

all of these states are providing funds and/or staff directly to schools identified as low-performing (33 states) and are providing professional development directly to principals and staff in low-performing schools (32 states). In addition, 29 responding states are establishing and facilitating online networks and other forums for districts and schools to learn about and share successful practices in implementing school intervention models.

Fewer states are developing and disseminating guidance and rubrics for use in selecting school intervention models (25 states); assisting districts in identifying and recruiting highly effective teachers (21 states) or principals (20); or developing and disseminating guidance and procedures for use in screening and selecting school intervention experts (18). Just 10 responding states are helping districts to identify and recruit charter management or education management organizations.

States may also be carrying out other strategies for improving low-performing schools. For example, in response to an open-ended survey question, states mentioned offering a principals' academy, holding networking meetings, providing professional development on the effective use of data, and requiring a specific schedule of technical assistance to persistently low-achieving schools.

ARRA's Impact on Education Reform

Our survey suggests that the four ARRA assurances have had a positive impact on education reform efforts in many states. As shown in **figure 2**, 20 states indicated that addressing the assurances had accelerated the pace of reform in their state, while 12 states said this had not occurred. Eighteen states agreed that addressing the ARRA assurances had broadened the scope of reform, while 13 states said this was not the case.

Nine respondents felt that working toward the assurances had had little impact on reform in their states, while 21 disagreed with this statement. Very few states indicated that addressing the assurances had narrowed the scope of their reform efforts (5 states) or slowed the pace of reform (1 state); to the contrary, large majorities of responding states disagreed with these statements.

Figure 2. Number of states reporting various effects on education reform of addressing the ARRA assurances

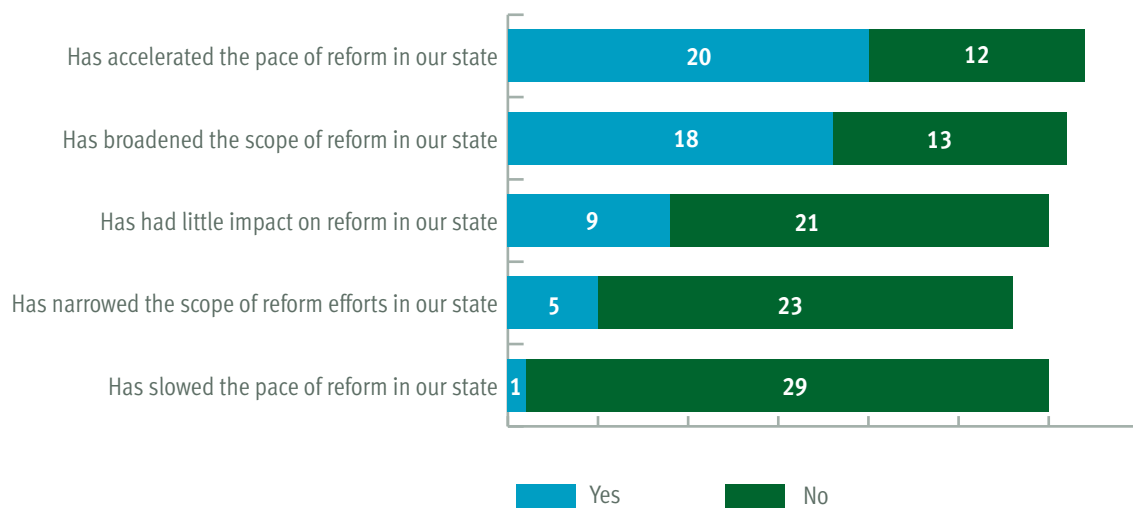


Figure reads: Twenty states indicated that efforts to address the ARRA assurances have accelerated the pace of reform in their state, while 12 states said this has not been the case.

Note: Not all states that participated in the CEP survey answered this question.

Overall Impact of ARRA and Education Jobs

Most of the states responding to our survey said that ARRA funding for education—as well as the \$10 billion provided by the Education Jobs, or EduJobs, program to save or create teaching and other school jobs in school year 2010-11—have had a positive impact on elementary and secondary education in their state. (See **figure 3**.) Thirty-one of the 35 responding states indicated that ARRA/EduJobs saved teaching jobs, and 27 reported that these funds helped to save other district and school-level jobs. Twenty-five states indicated that ARRA/EduJobs funds helped to continue progress on education reform in their state. Only two states reported that ARRA/EduJobs funds had little to no impact in their state.

Figure 3. Number of states that reported various impacts of ARRA/Education Jobs funds on elementary and secondary education

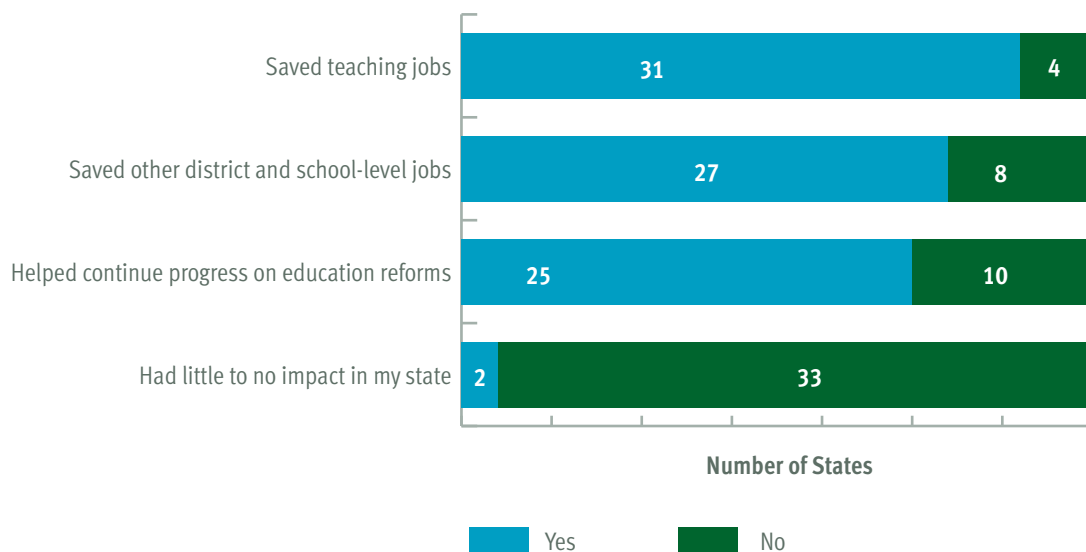


Figure reads: Thirty-one states reported that ARRA/Education Jobs funds saved teaching jobs in their state, while four states indicated that those funds did not save teaching jobs.

Note: Not every state that participated in the CEP survey answered this question.

Of the 34 states that responded to a question about whether their state education agency is better off for having received the ARRA education funds than it otherwise would have been, 30 states said this was indeed the case, while 3 states said their state education agency is not better off. (See **table 7**.) One state did not know if the state education agency was better off.

Table 7. Number of states reporting various impacts of ARRA education funds on the state education agency

My state education agency is . . .	Number of states
Better off with the funds	30
Not better off with the funds	3
I don't know	1

Table reads: Thirty states reported that their state education agency is better off for having received ARRA education funds.

Note: Not every state that participated in the CEP survey answered this question.

In their open-ended responses, several states elaborated on the impact of ARRA/EduJobs funds. By providing funds for education, these programs “also prevented deeper cuts to other state programs,” noted one state official. Other state officials observed that these funds “saved thousands of jobs”; “prevented many teacher layoffs and other cuts in school districts”; and “allowed increased staffing and training to support at-risk students.” One state official mentioned that administering the ARRA funds was “time-consuming,” and another said that the state “has struggled with reform assurances and the ARRA administrative requirements in the face of shrinking staff.”

Conclusion

The cuts in state funding for elementary and secondary education that have led to teacher layoffs, decreased instructional time, and other austerity measures across the nation appear to have bottomed out in many states—a welcome bit of positive news. But this does not mean that funding problems for education are a thing of the past. Several states project decreases in state K-12 education funding for FY 2012, and state budgets are just part of the picture. A majority of school districts project funding decreases in school year 2011-12, and ARRA funds are no longer available to buffer some of the effects of state and local budget shortfalls. Moreover, state budget cuts made in FY 2011 have slowed or delayed major education reform initiatives in some states.

Despite these constraints, states are generally making progress in addressing the reforms laid out in their ARRA application assurances. States have a variety of strategies underway or planned to adopt rigorous standards and assessments, establish longitudinal education data systems, enhance educator effectiveness, and improve low-performing schools.

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