



**A Resource Guide for Collective Higher Education Funds  
- ARRA, Federal and State**



The \$787 billion stimulus package that Congress passed in February 2009 provides an unprecedented \$115 billion for education— funneling funds into public schools, universities and early childhood programs. This is a historic opportunity to reform education and modernize the technology infrastructure of our schools - a chance to make short-term investments that will have far-reaching results.

In this special Educator Resource Guide, we've compiled information from various sources to assist administrators in understanding the funds available to them and make the best possible use of these funds.

## **AMERICAN RECOVERY & REINVESTMENT ACT (ARRA) AND HIGHER EDUCATION STIMULUS FUNDS**

ARRA provides billions of dollars to strengthen education through the State Fiscal Stabilization Fund (SFSF); Pell Grants; Federal Work-Study and other programs. There are four principles that guide the distribution and use of ARRA funds.

### **Guiding Principles**

1. Spend funds quickly to save and create jobs.
2. Ensure transparency, reporting and accountability.
3. Improve student achievement through reform.
4. Invest one-time funds thoughtfully - avoid "funding cliff".

However, from an education allotment standpoint, the third and fourth are the most principles:

### **Improve student achievement through school improvement and reform.**

ARRA funds should be used to help students from all backgrounds achieve high standards, and address four specific areas that are authorized under bipartisan education legislation

1. Making progress toward rigorous college- and career-ready standards and high-quality assessments that are valid and reliable for all students, including English language learners and students with disabilities
2. Establishing pre-K to college and career data systems that track progress and foster continuous improvement
3. Making improvements in teacher effectiveness and in the equitable distribution of qualified teachers for all students, particularly students who are most in need
4. Providing intensive support and effective interventions for the lowest-performing schools

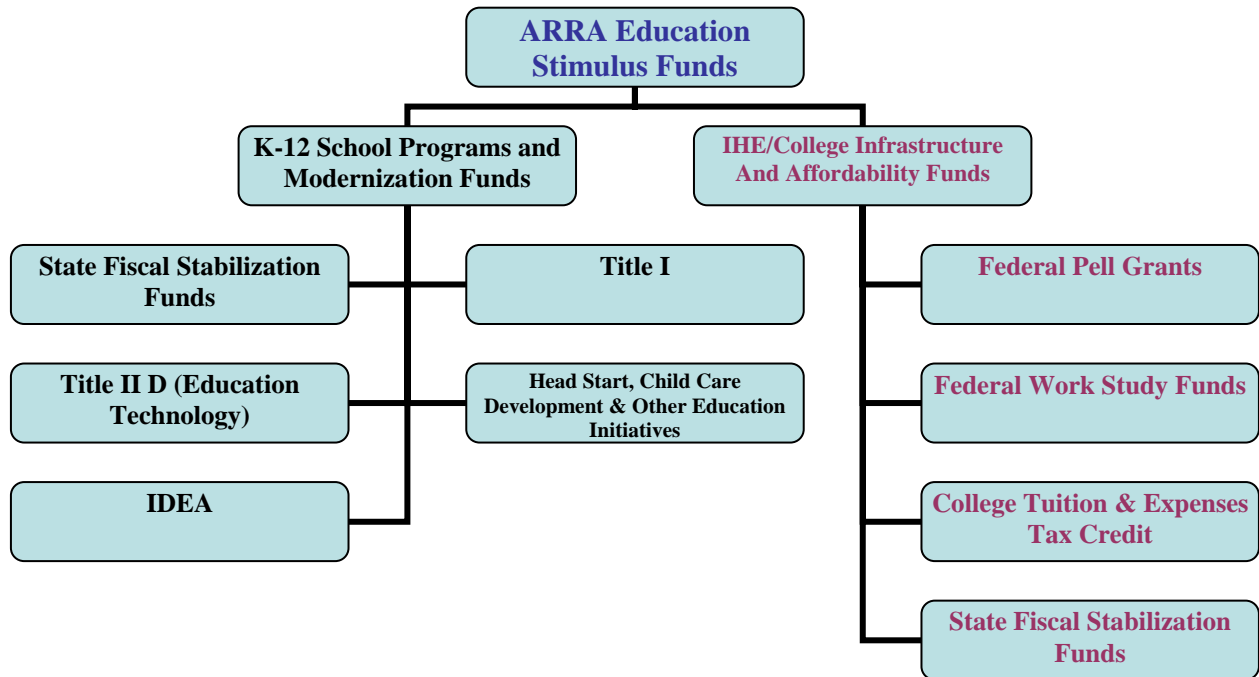


**Invest one-time ARRA funds thoughtfully to minimize the "funding cliff".**

ARRA represents a historic infusion of funds that is expected to be temporary. Depending on the program, these funds are available for only two to three years. These funds should be invested in ways that do not result in unsustainable continuing commitments after the funding expires.

The overall goal is to stimulate the economy in the short-term and invest wisely, using these funds to improve schools, raise achievement, drive reforms and produce better results for children and young people for the long-term health of our nation.

**Below is a brief description of the ARRA funds available for Education under various categories**





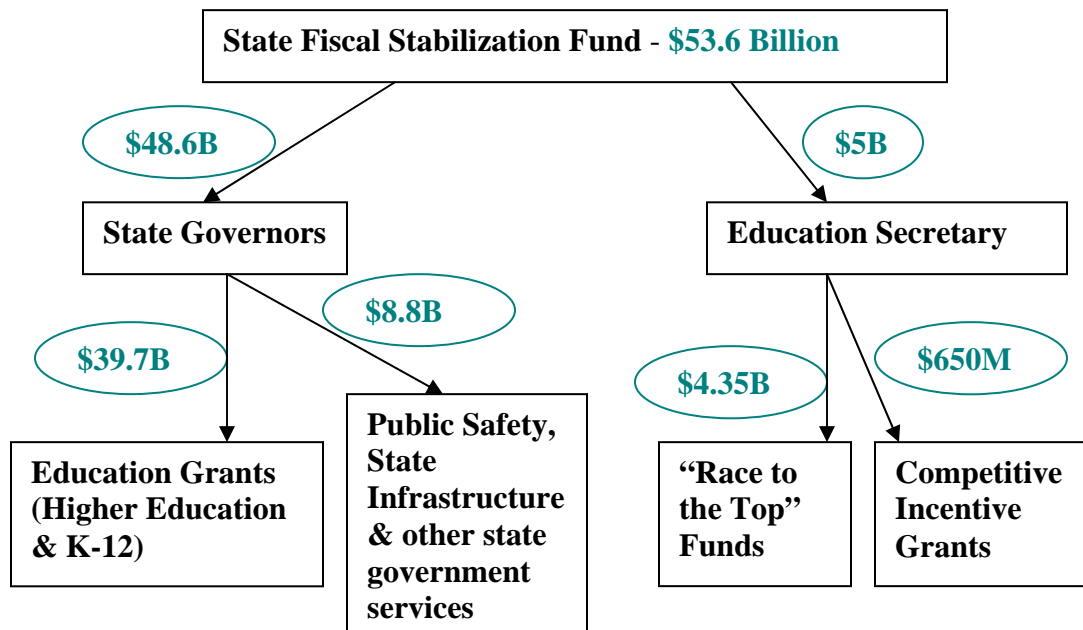
*Higher Education Programs and Modernization Funds*

- State Fiscal Stabilization Funds (SFSF)

**Funds Available: \$56.3 Billion**

The SFSF funds will be provided to states to help avert education cuts. This money will be given to states in exchange for a commitment to begin advancing education reforms. School systems have discretion to use some of this money for school modernization.

The State Fiscal Stabilization Fund program is a new one-time appropriation of funds under the American Recovery and Reinvestment Act. Of the amount appropriated, monies will be distributed by formula under the SFSF program in exchange for a commitment to advance essential education reforms to benefit students from early learning through post-secondary education. These funds will help stabilize state and local government budgets in order to minimize and avoid reductions in education, teachers and professors. The program may also help support the modernization, renovation, and repair of school and college facilities.





- **Federal Pell Grants**

**Funds Available: \$17.1 Billion**

The Federal Pell Grant Program provides need-based grants to low-income undergraduate and certain postbaccalaureate students to promote access to postsecondary education. Students may use their grants at any one of approximately 5,400 participating postsecondary institutions. Grant amounts are dependent on: the student's expected family contribution (EFC); the cost of attendance (as determined by the institution); the student's enrollment status (full-time or part-time); and whether the student attends for a full academic year or less. Students may not receive Federal Pell Grant funds from more than one school at a time. Federal Pell Grants are direct grants awarded through participating institutions to students with financial need who have not received their first bachelor's degree or who are enrolled in certain postbaccalaureate programs that lead to teacher certification or licensure. Participating institutions either credit the Federal Pell Grant funds to the student's school account, pay the student directly (usually by check) or combine these methods. Students must be paid at least once per term (semester, trimester, or quarter); schools that do not use formally defined terms must pay the student at least twice per academic year.

- **Federal Work Study Funds**

**Funds Available: \$200 Million**

The FWS Program provides funds that are earned through part-time employment to assist students in financing the costs of postsecondary education. Students can receive FWS funds at approximately 3,400 participating postsecondary institutions. Institutional financial aid administrators at participating institutions have substantial flexibility in determining the amount of FWS awards to provide to students who are enrolled or accepted for enrollment. Hourly wages must not be less than the federal minimum wage.

- **College Tuition & Expenses Tax Credit**

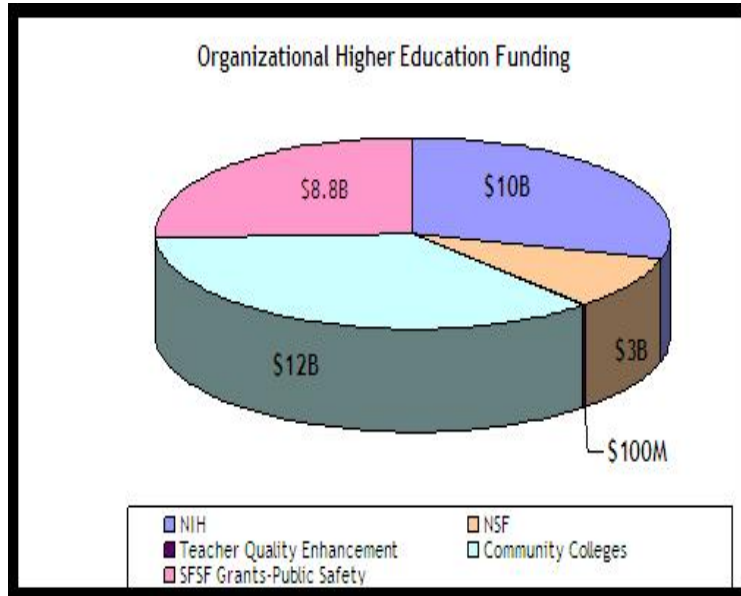
**Funds Available: \$13.9 Billion**

Tax credit is available for up to four years to eligible students enrolled in an undergraduate degree or certificate granting program under American Opportunity Tax Credit program. Tax credit applies to cost of tuition, fees, and course materials required by the institution as a condition of enrollment. Tax credit is also provided under section 529 education savings plans which are extend to qualified education expenses (tuition, room and board, fees and books) paid from tax advantaged 529 plans to cover computers and computer technology

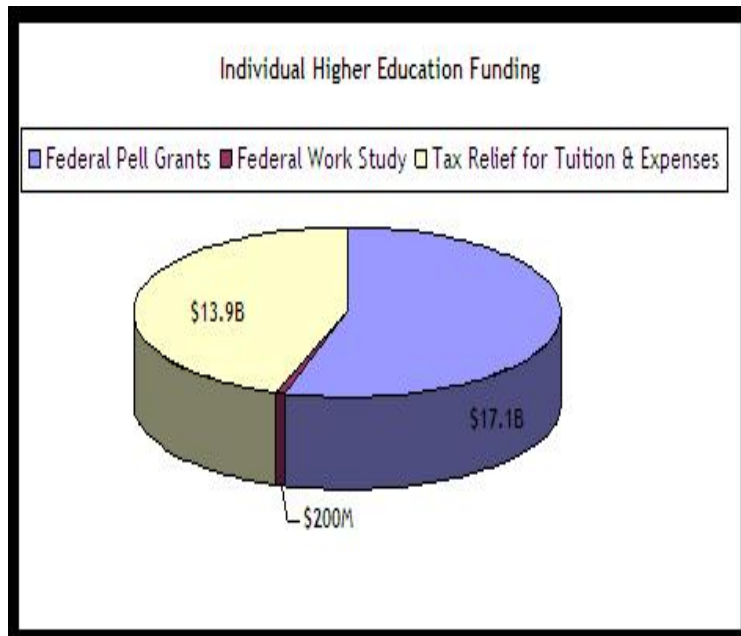


## COLLECTIVE HIGHER EDUCATION FUNDS

- **Organizational Federal & State Funding**



- **Individual Federal Grants and Credits**





Educated Decisions, Made Simple

Organizational Federal & State Funding

Program	Funding	Purpose	Distribution Details
<b>Higher Education Scientific Research and Modernization</b>			
<b>National Science Foundation (NSF)</b>	\$3 billion, including: <ul style="list-style-type: none"> <li>• \$2 billion for research grants</li> <li>• \$300 million for research instrumentation</li> <li>• \$200 million for research facilities modernization</li> </ul>	To support research & related activities, research equipment, construction, and modernization, and additional STEM related programs	Distribution of research grants based on a detailed plan submitted to congress within 60 days of ARRA enactment
<b>National Institute of Health (NIH)</b>	\$10 billion, including: <ul style="list-style-type: none"> <li>• \$8.2 billion for research grants</li> <li>• \$1.3 billion for construction and renovation of research facilities</li> </ul>	To support advanced biomedical & related research activities, and modernize university facilities that receive NIH grants	Grants to focus on projects that can be completed in two years. Grants may pay for equipment and instrumentation for research related activities
<b>American Graduation Initiative</b>			
<b>Community College Initiative</b>	\$12 billion, including: <ul style="list-style-type: none"> <li>• \$2.5 billion for renovation of</li> <li>• \$500 million to develop new online courses</li> <li>• \$9 billion for "challenge grants" for spurring innovation</li> </ul>	To offer training to students who cannot afford four-year universities and opportunity to older workers who need new skills.	Some of the \$2.5 billion renovation funds to be made available in Oct 2009 for the beginning of the FY 2010
<b>State Fiscal Stabilization Funds</b>			
<b>Public Safety Grants</b>	\$8.8 billion	Any Higher Education Institutions that operate a safety patrol on campus can apply for these grants	Grants can be used for modernization and renovation
<b>Higher Education Preservice Teacher Preparation</b>			
<b>Teacher Quality Enhancement</b>	\$100 million	To reform teacher licensing and certification requirements, provide alternate methods of teacher preparation	Post Secondary Schools of Education can apply for these grants for upgrading technology to provide to STEM teachers



Educated Decisions, Made Simple

**Individual Federal Grants and Credits**

<b>Program</b>	<b>Funding</b>	<b>Purpose</b>	<b>Distribution Details</b>
<b>Higher Education Act (HEA) Financial Aid</b>			
<b>Federal Pell Grants</b>	\$17.1 billion	To provide students with financial assistance for post secondary education	The maximum Pell grant will increase by \$500 to \$5,350 for 2009 and 2010, and to \$5,550 for 2010 and 2011
<b>Federal work study</b>	\$200 million	To provide part time jobs to graduate and undergraduate students to meet higher education costs	
<b>Tax Relief for Tuition and Expenses</b>			
<b>Section 529 Education Savings Plans</b>	Extension of qualified tuition expenses Effective for expenses incurred beginning in 2009	To extend qualified education expenses(tuition, room and board, fees and books) paid from tax advantaged 529 plans to cover computers and computer technology	Extension applies only to 2009 and 2010 tax years
<b>American Opportunity Tax Credit</b>	Tax credit of the cost of up to \$2500 of the cost of tuition and related expenses, Effective for expenses incurred beginning in 2009	To increase access to higher education and to provide financial assistance for higher education expenses	Tax credit is available for up to four years to eligible students enrolled in an undergraduate degree or certificate granting program. Tax credit applies to cost of tuition, fees, and course materials required by the institution as a condition of enrollment. Eligibility is limited to students from families with adjusted gross income of \$80,000 (\$160,000 for married couples filing jointly)



## HIGHER EDUCATION FUNDS & EDUCATION TECHNOLOGY

The objective behind the funding available is target a one-time money investment in education to expand opportunities for online courses, train teachers to teach online, and build the technology infrastructure for now and into the future. IHE must promote the use of technology both internally and externally in a manner consistent with the National Technology Standards. Internally, educators must understand that access to and the ability to use technology is increasingly a critical component of personal empowerment.

The dedicated funds available for technology infrastructure improvements in IHE are through funds available under

Community College Initiative funds: \$12 Billion

Teacher Quality Enhancement funds: \$110 Million

However, there are more categories under which funds can be obtained for acquiring new technology in IHE by fulfilling other criteria as listed by the department of education. The matrix below lists the other potential categories.

<i>FUNDING CATEGORY</i>	<i>TOTAL FUNDS AVAILABLE</i>	<i>POTENTIAL HIGHER EDUCATION TECHNOLOGY FUNDS AVAILABILITY</i>
STATE FISCAL STABILIZATION FUNDS	\$53.6 B	x
NSF FUNDS	\$3 B	x
NIH FUNDS	\$10 B	x
COMMUNITY COLLEGE INITIATIVE FUNDS	\$12 B	x
TEACHER QUALITY ENHANCEMENT	\$100 M	x
FEDERAL PELL GRANTS	\$17.1 B	
COLLEGE TUITION TAX CREDIT	\$ 13.9 B	
FEDERAL WORK STUDY PROGRAM	\$200 M	



## General ARRA Web Resources

- US Department of Education  
<http://www.ed.gov/fund/landing.jhtml?src=rt>
- U. S. Department of Education ARRA Website:  
<http://www.ed.gov/policy/gen/leg/recovery/index.html>
- Learning Point Associates Education Recovery and Investment Center  
<http://www.learningpt.org/recovery>

## Grant Related Resources

- **U.S. Dept. of Ed. Grant Forecast Center** <http://www.ed.gov/fund/grant/find/edlite-forecast.html>  
Listing of competitive grant opportunities through the USDE.
- **Grants and Grant writing** -- <http://www.eduscapes.com/tap/topic94.htm>  
A well-done collection of links to grant sites and information
- **Grant Resources** -- <http://www.proposalwriter.com/grantsubjects.html>  
Great website with lots of links to resources
- **Grant Proposals** -- <http://www.grantproposal.com>  
A comprehensive site on proposal writing. Includes an overview, inquiry and cover letters, standard components of a proposal, a sample proposal, and advice from funders.
- **Grant Writing Tips** -- <http://www.k12grants.org/tips.html>  
Find out how to write a successful grant on this website. Explore the website for articles and links about getting grants.
- **Grant Writing Tips** -- <http://www.schoolgrants.org/index.htm>  
Find out how to write a successful grant on this website. Explore the website for articles and links about getting grants.
- **Foundation Center** -- <http://www.fdncenter.org/index.html>  
The "Gateway" to philanthropy on the World Wide Web, this site offers online assistance with locating foundations and proposal writing.