

# The American Recovery and Reinvestment Act of 2009 (ARRA) Stimulus Funding

## Quick Recap of Highest Usage Funds

### ***Grants:***

#### State Fiscal Stabilization Funds (SFSF) Title XIV

State's share allocated to school districts 341+ million—67% to be allocated by summer. All or some of the funds may be used for modernization, renovation, or repair. Davis/Bacon Act and Buy American Regulations apply.

#### Title I-A Funds

State's share \$111.1 million

ADE retaining \$4.45 million

Funds may be used for “any activity authorized by the Elementary and Secondary Education Act of 1965, the Disabilities Act, the AFL Act, the Perkins Act, or for modernizations, renovation and repairs consistent with a recognized green building rating system.” These funds are over and above the regular Title I allotment.

Davis/Bacon and Buy American Regulations apply.

#### Government Services Funds

State's share \$18.77 million available through the governor's office and will be awarded under the State Incentive “Race-to-the-Top Fund” competition.

#### Competitive Grants

Each part of the Act has competitive grants. Areas such as rural community facilities, energy efficient, and technology (\$7.2 million) have separate applications for the grants.

#### IDEA--Part B to states

State's share \$112.117 million

At least 50% of the funding must be spent only on children with disabilities and other requirements related to due process. The other 50% may be transferred to Title IA and then those guidelines will apply.

## IDEA—Preschool Grants

State's share \$5.565 million

School districts must first qualify for Part B. Guidelines for Preschool funding based upon same as Part B with the exception these funds are to be spent only on children with disabilities, aged 3 through 5.

## Additional Competitive Grants

School Lunch Equipment (\$1.2 million) is another category available for competitive grants. Each area has a separate application process.

## ***Debt:***

Amendment 60 sets a cap on interest rates which can be paid by school districts. School districts cannot pay greater than 5% above the federal discount rate which is currently ½%. Thus, the net interest cost, or the tax credit cannot be greater than 5.50%. All tax credit bonds are taxable and not tax-free issues.

## Qualified School Construction Bonds

State's share \$113.443 million

This amount will be available in 2009-2010 and 2010-2011.

Type of bond—zero interest with up to 14 years on final maturity

No 10% partner required. Funds may be used for any form of construction including as new construction.

## Qualified Zone Academy Bonds

State's share \$17.233 million

Type of bond—zero interest with up to 14 years on final maturity

Does require 10% partner and funds cannot be used for land acquisition or new construction.

## Build America Bonds (BAB)

State's share, currently unlimited

No cap on amount that can be issued.

35% subsidy on the interest paid with no cap on the final maturity. Based upon Amendment 60, the final maturity will not likely go beyond a 17 year maturity schedule. These bonds can be used for new construction and modernization of school buildings.