STATE OF ALABAMA
Department of Finance
Office of the Director

State Capitol, Suite N-105
Montgomery, Alabama 36130
Telephone (334) 242-7160 Fax (334) 353-3300
www.finance.alabama.gov

Robert Bentley
Governor

David Perry
Director of Finance

March 18, 2011

Dr. Joseph C. Conaty
Director, Academic Improvement and Teacher Quality Programs
Office of Elementary and Secondary Education
U.S. Department of Education
400 Maryland Avenue, S.W., Room 3E314
Washington, D.C. 20202

Dear Dr. Conaty:

Enclosed please find Alabama's revised application for funding under the State Fiscal Stabilization Program. This revision reflects actual end-of-year calculations for Alabama's FY 2009 and FY 2010 state support for elementary and secondary education as well as state support for Alabama's public institutions of higher education.

You will see from the revised numbers that Alabama continued to fund its elementary and secondary education as well as its public institutions of higher education in FY 2009 at levels of state support greater than FY 2006.

However, with downturns in state revenues, Alabama's state support for public institutions of higher education and elementary and secondary education in FY 2010 did not appear to hold as strong as FY 2009. It was due to this continuation of reduced revenues that Alabama requested a waiver of its Maintenance of Effort requirement in FY 2010.

Even though Alabama's economy slowly shows signs of improvement, it is not at the level we originally projected. Due to current estimates, Alabama must now request a waiver in FY 2011 for the Higher Education portion of SFSF funds. All required documents are attached for this as well.

If additional information is required, please do not hesitate to contact my office. Alabama remains committed to meeting and maintaining all assurances made in this application and in the waiver request.

Sincerely,

David Perry
Director of Finance

Amended Application for Funding under the State Fiscal Stabilization Fund Program

(Amended January 3, 2011)

CFDA Numbers: 84.394 (Education Stabilization Fund) and 84.397 (Government Services Fund)

U.S. Department of Education
Washington, D.C. 20202

OMB Number: 1810-0690
Expiration Date: 11/30/2012

Paperwork Burden Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1810-0690. The time required to complete this information collection is estimated to average 17 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: U.S. Department of Education, Washington, D.C. 20202-4537. If you have comments or concerns regarding the status of your individual submission of this form, write directly to: State Fiscal Stabilization Fund Program, Office of Elementary and Secondary Education, U.S. Department of Education, 400 Maryland Ave., S.W., Room 3E108, Washington, D.C. 20202-3118

APPLICATION INSTRUCTIONS

GENERAL INSTRUCTIONS

To receive the initial 67 percent of the State's allocation under the State Fiscal Stabilization Fund (Stabilization) program, a Governor must submit to the Department an application that provides the following information:

- A completed application cover sheet. *(Part 1 of the Application)*
- Assurances that the State will commit to advancing education reform in four specific areas:
  (1) Achieving equity in teacher distribution;
  (2) Improving collection and use of data;
  (3) Enhancing the quality of standards and assessments; and
  (4) Supporting struggling schools. *(Part 2 of the Application)*
- Confirmation that the initial baseline data identified in Appendix B of the application is acceptable for purposes of demonstrating the State's current status in each of the four education reform areas for which the State provides assurances, or submission of alternative initial baseline data. *(Part 3 of the Application)*
- The following maintenance-of-effort (MOE) information:
  (1) An assurance that the State will comply with the Stabilization program MOE requirements;
  (2) If applicable, an assurance that the State meets or will meet the eligibility criterion for a waiver of those requirements; and
  (3) MOE baseline data. *(Part 4 of the Application)*
- A description of how the State intends to use the funds allocated under:
  (1) The Education Stabilization Fund – CFDA No. 84.394; and
  (2) The Government Services Fund – CFDA No. 84.397. *(Part 5 of the Application)*
- Accountability, transparency, and reporting assurances. *(Part 6 of the Application)*
- Other assurances and certifications. *(Part 7 of the Application)*

APPENDICES TO THE APPLICATION

- Appendix A – State Allocation Data
- Appendix B – Instructions for Part 3: Initial Baseline Data for Education Reform Assurances
- Appendix C – Instructions for Part 4: Maintenance of Effort
- Appendix D – Instructions for Part 5: State Uses of Funds
- Appendix E – Application Checklist and Submission Information

STATE FISCAL STABILIZATION FUND APPLICATION

PART 1: APPLICATION COVER SHEET
(CFDA Nos. 84.394 and 84.397)

Legal Name of Applicant (Office of the Governor): Office of the Governor	Applicant's Mailing Address: State Capitol 600 Dexter Avenue Montgomery, Alabama 36130-3024
State Contact for the Education Stabilization Fund (CFDA No. 84.394) Name: David Perry Position and Office: Director of Finance Contact's Mailing Address: State Capitol 600 Dexter Avenue, Suite N-105 Montgomery, Alabama 36130 Telephone: 334-242-7160 Fax: 334-353-8405 E-mail address: David.Perry@finance.alabama.gov	State Contact for the Government Services Fund (CFDA No. 84.397) *(Enter "same" if the same individual will serve as the contact for both the Education Stabilization Fund and the Government Services Fund.)* Name: Same Position and Office: Contact's Mailing Address: Telephone: Fax: E-mail address:

To the best of my knowledge and belief, all of the information and data in this application are true and correct.

Governor or Authorized Representative of the Governor (Printed Name): Governor Robert Bentley	Telephone: 334-242-7160
Signature of Governor or Authorized Representative of the Governor: Robert Bentley	Date: 3/17/11

Recommended Statement of Support from the Chief State School Officer *(Optional)*:

The State educational agency will cooperate with the Governor in the implementation of the State Fiscal Stabilization Fund program.

Chief State School Officer (Printed Name): Dr. Joseph B. Morton	Telephone: 334-242-9700
Signature of the Chief State School Officer: Joseph B. Morton	Date:

PART 2, SECTION A: EDUCATION REFORM ASSURANCES

The Governor or his/her authorized representative assures the following:

(1) The State will take actions to improve teacher effectiveness and comply with section 1111(b)(8)(C) of the Elementary and Secondary Education Act of 1965, as amended (ESEA) (20 U.S.C. 6311(b)(8)(C)) in order to address inequities in the distribution of highly qualified teachers between high- and low-poverty schools, and to ensure that low-income and minority children are not taught at higher rates than other children by inexperienced, unqualified, or out-of-field teachers. (*Achieving Equity in Teacher Distribution Assurance*)

(2) The State will establish a longitudinal data system that includes the elements described in section 6401(e)(2)(D) of the America COMPETES Act (20 U.S.C. 9871(e)(2)(D)). (*Improving Collection and Use of Data Assurance*)

(3) The State will –

(3.1) Enhance the quality of the academic assessments it administers pursuant to section 1111(b)(3) of the ESEA (20 U.S.C. 6311(b)(3)) through activities such as those described in section 6112(a) of the ESEA (20 U.S.C. 7301a(a)); (*Improving Assessments Assurance*)

(3.2) Comply with the requirements of paragraphs (3)(C)(ix) and (6) of section 1111(b) of the ESEA (20 U.S.C. 6311(b)) and section 612(a)(16) of the Individuals with Disabilities Education Act (IDEA) (20 U.S.C. 1412(a)(16)) related to the inclusion of children with disabilities and limited English proficient students in State assessments, the development of valid and reliable assessments for those students, and the provision of accommodations that enable their participation in State assessments; (*Inclusion Assurance*) and

(3.3) Take steps to improve State academic content standards and student academic achievement standards consistent with section 6401(e)(1)(A)(ii) of the America COMPETES Act. (*Improving Standards Assurance*)

(4) The State will ensure compliance with the requirements of section 1116(b)(7)(C)(iv) and section 1116(b)(8)(B) of the ESEA with respect to schools identified under these sections. (*Supporting Struggling Schools Assurance*)

Governor or Authorized Representative of the Governor (Printed Name): Governor Robert Bentley	
Signature: **(Document on File with the U.S. Department of Education – No Further Action Necessary)**	Date: 3/17/11

PART 2, SECTION B: EDUCATION REFORM ASSURANCES DATA

SPECIAL NOTES:

- In this portion of the application, please describe the State's current status for each indicator or descriptor in the State's Phase 2 SFSF application by completing the chart below and choosing a response for each pull down menu.
- If the State has met the reporting requirement(s) for each indicator or descriptor, please change the "Progress" column to "Completed" and provide the URL where the information can be found.
- If the State has not met the reporting requirement(s) for each indicator or descriptor, please specify the current status in the "Progress" column. Additionally, the State should update the URL(s) and/or State Plan(s) to reflect the most recent versions. (If the State cannot provide the State Plan through a URL, please attach the update plan to the end of this section).

Assurance (a): Achieving Equity in Teacher Distribution

Indicator	Progress	URL	State Plan
Indicator (a)(1): Confirm, for the State, the number and percentage (including numerator and denominator) of core academic courses taught, in the highest-poverty and lowest-poverty schools, by teachers who are highly qualified consistent with section 9101(23) of the Elementary and Secondary Education Act of 1965, as amended (ESEA).	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here
Indicator (a)(2): Confirm whether the State's Teacher Equity Plan (as part of the State's Highly Qualified Teacher Plan) fully reflects the steps the State is currently taking to ensure that students from low-income families and minority students are not taught at higher rates than other students by inexperienced, unqualified, or out-of-field teachers (as required in section 1111(b)(8)(C) of the ESEA)	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here

Indicator	Progress	URL	State Plan
Descriptor (a)(1): Describe, for each local educational agency (LEA) in the State, the systems used to evaluate the performance of teachers and the use of results from those systems in decisions regarding teacher development, compensation, promotion, retention, and removal.	Greater than 50%	Updated URL Updated URL: http://educatealabama.asc.edu	Updated URL URL to State Plan: http://www/alex.state.al.us/leadership
Indicator (a)(3): Indicate, for each LEA in the State, whether the systems used to evaluate the performance of teachers include student achievement outcomes or student growth data as an evaluation criterion.	Less than 50%	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here
Indicator (a)(4): Provide, for each LEA in the State whose teachers receive performance ratings or levels through an evaluation system, the number and percentage (including numerator and denominator) of teachers rated at each performance rating or level.	Less than 50%	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here
Indicator (a)(5): Indicate, for each LEA in the State whose teachers receive performance ratings or levels through an evaluation system, whether the number and percentage (including numerator and denominator) of teachers rated at each performance rating or level are publicly reported for each school in the LEA.	Less than 50%	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here
Descriptor (a)(2): Describe, for each LEA in the State, the systems used to evaluate the performance of principals and the use of results from those systems in decisions regarding principal development, compensation, promotion, retention, and removal.	Greater than 50%	Updated URL Updated URL: http://www.alex.state.al.us/leadership	Same as Phase 2 URL to State Plan: Insert URL here

Indicator	Progress	URL	State Plan
Indicator (a)(6): Indicate, for each LEA in the State, whether the systems used to evaluate the performance of principals include student achievement outcomes or student growth data as an evaluation criterion.	Less than 50%	Choose item Updated URL: Insert URL here	Choose item URL to State Plan: Insert URL here
Indicator (a)(7): Provide, for each LEA in the State whose principals receive performance ratings or levels through an evaluation system, the number and percentage (including numerator and denominator) of principals rated at each performance rating or level.	Less than 50%	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here

Assurance (b): Improving Collection and Use of Data

Indicator	Progress	URL	State Plan
Indicator (b)(1) element 1: A unique statewide student identifier that does not permit a student to be individuall y identified by users of the system	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here
Indicator (b)(1) element 2: Student-level	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here

enrollment, demographic, and program participation information			
Indicator (b)(1) element 3: Student-level information about the points at which students exit, transfer in, transfer out, drop out, or complete pre-K through postsecondary education programs	Less than 50	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here
Indicator (b)(1) element 4: The capacity to communicate with higher education data systems	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here
Indicator	**Progress**	**URL**	**State Plan**

Indicator (b)(1) element 5: An audit system assessing data quality, validity, and reliability	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here
Indicator (b)(1) element 6: Yearly State assessment records of individual students	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here
Indicator (b)(1) element 7: Information on students not tested, by grade and subject	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here
Indicator (b)(1) element 8: A teacher identifier system with the ability to match teachers to students	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here
Indicator (b)(1) element 9:	Less than 50	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here

Student-level transcript information, including on courses completed and grades earned			
Indicator (b)(1) element 10: Student-level college readiness test scores	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here
Indicator (b)(1) element 11: Information regarding the extent to which students transition successfully from secondary school to postsecondary education, including whether students enroll in remedial coursework	Greater than	Same as Phase 2 Updated URL: http://www.alsde.edu/general/2010AmericaCOMPETESElements.pdf	Same as Phase 2 URL to State Plan: Insert URL here
Indicator (b)(1) element 12: Other information	Less than 50	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here

determined necessary to address alignment and adequate preparation for success in postsecondary education			
Indicator	**Progress**	**URL**	**State Plan**
Indicator (b)(2): Indicate whether the State provides student growth data on their current students and the students they taught in the previous year to, at a minimum, teachers of reading/language	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here

arts and mathematics in grades in which the State administers assessments in those subjects in a manner that is timely and informs instructional programs.			
Indicator (b)(3): Indicate whether the State provides teachers of reading/language arts and mathematics in grades in which the State administers assessments in those subjects with reports of individual teacher impact on student achievement on those assessments.	Greater than	Same as Phase 2 Updated URL: Insert URL here	Updated URL URL to State Plan: http://www.alsde.edu/html/RRA2009.ASP

Assurance (c): Standards and Assessments

Indicator	Progress	URL	State Plan
Indicator (c)(1): Confirm the approval status, as determined by the Department, of the State's assessment system under section 1111(b)(3) of the ESEA with respect to reading/language arts, mathematics, and science assessments.	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here
Indicator (c)(2): Confirm whether the State has developed and implemented valid and reliable alternate assessments for students with disabilities that are approved by the Department.	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here
Indicator (c)(3): Confirm whether the State's alternate assessments for students	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here

with disabilities, if approved by the Department, are based on grade-level, modified, or alternate academic achievement standards.			
Indicator	**Progress**	**URL**	**State Plan**
Indicator (c)(4): Indicate whether the State has completed, within the last two years, an analysis of the appropriateness and effectiveness of the accommodations it provides students with disabilities to ensure their meaningful participation in State assessments.	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here
Indicator (c)(5): Confirm the number and percentage (including numerator and denominator) of students with	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here

disabilities who are included in State reading/language arts and mathematics assessments.			
Indicator (c)(6): Indicate whether the State has completed, within the last two years, an analysis of the appropriateness and effectiveness of the accommodations it provides limited English proficient students to ensure their meaningful participation in State assessments.	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here
Indicator (c)(7): Confirm whether the State provides native language versions of State assessments for limited English proficient students that are approved by the	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here

Department.			
Indicator (c)(8): Confirm the number and percentage (including numerator and denominator) of limited English proficient students who are included in State reading/ language arts and mathematics assessments.	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here
Indicator (c)(9): Confirm that the State's annual State Report Card (under section 1111(h)(1) of the ESEA) contains the most recent available State reading and mathematics National Assessment of Educational Progress (NAEP) results as required by 34 CFR 200.11(c).	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here
Indicator	**Progress**	**URL**	**State Plan**
Indicator (c)(10): Provide, for	Greater than 5	Same as Phase 2 Updated URL:	Updated URL URL to State Plan:

the State, for each LEA in the State, for each high school in the State and, at each of these levels, by student subgroup (consistent with section 1111(b)(2)(C)(v)(II) of the ESEA), the number and percentage (including numerator and denominator) of students who graduate from high school using a four-year adjusted cohort graduation rate as required by 34 CFR 200.19(b)(1)(i).		Insert URL here	Ihttp://www.alsde.edu/html/arra2009.asp
Indicator (c)(11): Provide, for the State, for each LEA in the State, for each high school in the State and, at each of these levels, by student subgroup (consistent with section 1111(b)(2)(C)(v)(II) of the ESEA), of the	Less than 50%	Updated URL Updated URL: http://www.alsde.edu/html/arra2009.asp	Updated URL URL to State Plan: http:www.ache.alabama.gov/Reports/Index.htm

students who graduate from high school consistent with 34 CFR 200.19(b)(1)(i), the number and percentage (including numerator and denominator) who enroll in an institution of higher education (IHE) (as defined in section 101(a) of the Higher Education Act of 1965, as amended (HEA)) within 16 months of receiving a regular high school diploma.			
Indicator (c)(12): Provide, for the State, for each LEA in the State, for each high school in the State and, at each of these levels, by student subgroup (consistent with section 1111(b)(2)(C)(v)(II) of the ESEA), of the students who graduate from high school consistent with	Less than 50%	Updated URL Updated URL: http:www.alsde.edu/html/arra2009.asp	Updated URL URL to State Plan: http:www.ache.alabama.gov/Reports/Index.htm

34 CFR 200.19(b)(1)(i) who enroll in a public IHE (as defined in section 101(a) of the HEA) in the State within 16 months of receiving a regular high school diploma, the number and percentage (including numerator and denominator) who complete at least one year's worth of college credit (applicable to a degree) within two years of enrollment in the IHE.			

Assurance (d): Supporting Struggling Schools

Indicator	Progress	URL	State Plan
Indicator (d)(1): Provide, for the State, the average statewide school gain in the "all students" category and the average statewide school gain for each student subgroup (as under section 1111(b)(2)(C)(v) of the ESEA) on the State assessments in reading/language arts and for the State and for each LEA in the State, the number and percentage (including numerator and denominator) of Title I schools in improvement, corrective action, or restructuring that have made progress (as defined in this notice)	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here

on State assessments in reading/language arts in the last year.			
Indicator (d)(2): Provide, for the State, the average statewide school gain in the "all students" category and the average statewide school gain for each student subgroup (as under section 1111(b)(2)(C)(v) of the ESEA) on State assessments in mathematics and for the State and for each LEA in the State, the number and percentage (including numerator and denominator) of Title I schools in improvement, corrective action, or restructuring that have made progress on State assessments in mathematics in the last year.	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here
Descriptor (d)(1): Provide the definition of "persistently lowest-achieving schools" (consistent with the requirements for defining this term set forth in the Definitions section of the NFR) that the State uses to identify such schools.	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here
Indicator	**Progress**	**URL**	**State Plan**
Indicator (d)(3): Provide, for the State, the number and identity of the schools that are Title I schools in improvement, corrective action, or restructuring, that are identified as persistently lowest-achieving schools.	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here
Indicator (d)(4): Provide, for the State, of the persistently lowest-achieving schools that are Title I schools in improvement, corrective action, or restructuring, the number and identity of those schools that have been turned around, restarted, closed, or transformed (as defined in the NFR) in the last year.	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here
Indicator (d)(5): Provide, for the	Completed	Same as Phase 2	Same as Phase 2

State, the number and identity of the schools that are secondary schools that are eligible for but do not receive, Title I funds, that are identified as persistently lowest-achieving schools.		Updated URL: Insert URL here	URL to State Plan: Insert URL here
Indicator (d)(6): Provide, for the State, of the persistently lowest-achieving schools that are secondary schools that are eligible for, but do not receive, Title I funds, the number and identity of those schools that have been turned around, restarted, closed, or transformed in the last year.	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here
Indicator (d)(7): Provide, for the State and, if applicable, for each LEA in the State, the number of charter schools that are currently permitted to operate under State law.	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here
Indicator (d)(8): Confirm, for the State and for each LEA in the State that operates charter schools, the number of charter schools currently operating.	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here
Indicator	**Progress**	**URL**	**State Plan**
Indicator (d)(9): Provide, for the State and for each LEA in the State that operates charter schools, the number and percentage of charter schools that have made progress on State assessments in reading/language arts in the last year.	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here
Indicator (d)(10): Provide, for the State and for each LEA in the State that operates charter schools, the number and percentage of charter schools that have made progress on State assessments in mathematics in the last year.	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here

Indicator (d)(11): Provide, for the State and for each LEA in the State that operates charter schools, the number and identity of charter schools that have closed (including schools that were not reauthorized to operate) within each of the last five years.	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here
Indicator (d)(12): Indicate, for each charter school that has closed (including a school that was not reauthorized to operate) within each of the last five years, whether the closure of the school was for financial, enrollment, academic, or other reasons.	Completed	Same as Phase 2 Updated URL: Insert URL here	Same as Phase 2 URL to State Plan: Insert URL here

PART 3: INITIAL BASELINE DATA FOR EDUCATION REFORM ASSURANCES

SPECIAL NOTES:

- In completing this portion of the application, please refer to Appendix B – Instructions for Part 3: Initial Baseline Data for Education Reform Assurances.
- The data described in Appendix B for two of the education reform assurances in Part 2 of the application – the Improving Assessments Assurance and the Improving Standards Assurance – are the most current available baseline data for these areas. Thus, the Department is not inviting States to submit additional information with respect to these two assurances.
- The Governor or his/her authorized representative should confirm whether the initial baseline data sources described in Appendix B for the four assurances referenced below – Achieving Equity in Teacher Distribution; Improving Collection and Use of Data; Improving State Academic Content and Student Achievement Standards; and Supporting Struggling Schools – reflect the State's current status with respect to these assurances. A State that confirms the use of these initial baseline data sources does not have to submit additional baseline data with this application. If a State elects not to use the identified data sources for one or more of these four assurances, it must submit other initial baseline data for that assurance.

The Governor or his/her authorized representative confirms that the data sources that are currently available to the Department and described in Appendix B are a reasonable reflection of the current status of the State with respect to the following education reform assurances that he/she provided in Part 2 of the Application *(check only those assurances for which the State accepts the data described in Appendix B):*

___X___ Achieving Equity in Teacher Distribution Assurance.

___X___ Improving Collection and Use of Data Assurance.

___X___ Improving Standards Assurance.

___X___ Supporting Struggling Schools Assurance.

Governor or Authorized Representative of the Governor (Printed Name): Governor Robert Bentley	
Signature: Robert Bentley **(Document on File with the U.S. Department of Education – No Further Action Necessary)**	Date: 3/17/11

PART 4, SECTION A: MAINTENANCE-OF-EFFORT (MOE) ASSURANCE

SPECIAL NOTES:

- In completing Part 4 of the application, please refer to Appendix C – Instructions for Part 4: Maintenance of Effort.
- The Governor or his/her authorized representative should check only those MOE requirements that he or she anticipates the State will meet. If the Governor or his/her authorized representative anticipates that the State will be unable to meet one or more of the requirements, he or she must sign the additional waiver assurance in Part 4, Section B.
- For the purpose of determining MOE, State support for public institutions of higher education (IHEs) must not include support for capital projects or for research and development or tuition and fees paid by students.

The Governor or his/her authorized representative assures the following *(check appropriate assurances that apply)*:

____X___ In FY 2009, the State will maintain State support for elementary and secondary education at least at the level of such support in FY 2006.

_____ In FY 2010, the State will maintain State support for elementary and secondary education at least at the level of such support in FY 2006.

___X____ In FY 2011, the State will maintain State support for elementary and secondary education at least at the level of such support in FY 2006.

____X___ In FY 2009, the State will maintain State support for public IHEs at least at the level of such support in FY 2006.

_____ In FY 2010, the State will maintain State support for public IHEs at least at the level of such support in FY 2006.

_____ In FY 2011, the State will maintain State support for public IHEs at least at the level of such support in FY 2006.

---OR---

_____ To the best of his/her knowledge and based on the best available data, the State will be unable to meet any of the above-referenced maintenance-of-effort requirements.

Governor or Authorized Representative of the Governor (Printed Name): Governor Robert Bentley	
Signature: Robert Bentley	Date: 3/17/11

PART 4, SECTION B: MAINTENANCE-OF-EFFORT WAIVER ASSURANCE

SPECIAL NOTES:

- If a State anticipates that it will be unable to comply with one or more of the Stabilization program MOE requirements referenced in Part 4, Section A of the application, the State must provide the assurance below.
- States that anticipate meeting all of the Stabilization program MOE requirements should not complete the waiver assurance in this section of the application. *See* Appendix C – Instructions for Part 4: Maintenance of Effort. The criterion for a waiver of the MOE requirements is provided in Appendix C.
- The Department will be providing additional guidance to States regarding the process for applying for waivers of the Stabilization program MOE requirements.

The Governor or his/her authorized representative assures the following:

To the best of his/her knowledge and based on the best available data, the State meets or will meet the eligibility criterion for a MOE waiver for each of the Stabilization program MOE requirements that the Governor or his/her authorized representative anticipates the State will be unable to meet.

Governor or Authorized Representative of the Governor (Printed Name): Governor Robert Bentley	
Signature: Robert Bentley	Date: 3/17/11

PART 4, SECTION C: MAINTENANCE-OF-EFFORT BASELINE DATA

SPECIAL NOTES:

- A State has some flexibility in determining the "levels of State support" for MOE purposes. For example, for the purpose of the elementary and secondary education MOE requirements, a State may use the level of support that the State provides through its primary elementary and secondary funding formulae, or it may use other relevant data. *See* Appendix C – Instructions for Part 4: Maintenance of Effort.

1. **Levels of State support for elementary and secondary education** *(the amounts may reflect the levels of State support on either an aggregate basis or a per-student basis):*

FY 2006 **$_3,330,427,191**

FY 2009* **$_3,592,853,037**

FY 2010* **$_3,310,601,080**

FY 2011* **$_3,443,610,880**

(* Provide data to the extent that data are currently available.)

2. **Levels of State support for public institutions of higher education** *(enter amounts for each year)*:

FY 2006 **$__1,310,455,089**

FY 2009* **$___1,419,367,595**

FY 2010* **$__1,276,807,446**

FY 2011* **$__1,273,956.262**

(* Provide data to the extent that data are currently available.)

Information on File with the U.S. Department of Education – No Further Action Necessary

3. **Additional Submission Requirements**: In an attachment to the application –

(a) Identify and describe the data sources used in determining the levels of State support for elementary and secondary education; - and -

(b) Identify and describe the data sources used in determining the levels of State support for public IHEs.

PART 5, SECTION A: STATE USES OF THE EDUCATION STABILIZATION FUND

SPECIAL NOTES:

- Section A of Part 5 requests data on the Education Stabilization Fund (CFDA No. 84.394). In completing this portion of the application, please refer to Appendix D – Instructions for Part 5: State Uses of Funds.
- At a later date, the Department will collect data on the levels of State support for elementary, secondary, and postsecondary education in FY 2011.
- These data may differ from the data in the levels of support for maintenance-of-effort purposes. *See* instructions in Appendix D.
- The term "postsecondary education" refers to public IHEs.

1. Levels of State Support for Elementary, Secondary, and Postsecondary Education

Provide the following data on the levels of State support for elementary, secondary, and postsecondary education:

(a) Level of State support for elementary and secondary education in FY 2008 provided through the State's primary elementary and secondary education funding formulae	$ 4,150,060,642
(b) Level of State support for public IHEs in FY 2008	$ 1,766,512,468
(c) Level of State support for elementary and secondary education in FY 2009 provided through the State's primary elementary and secondary education funding formulae	$ 3,592,853,037
(d) Level of State support for public IHEs in FY 2009	$ 1,419,367,595
(e) Level of State support for elementary and secondary education in FY 2010 provided through the State's primary elementary and secondary education funding formulae	$ 3,310,601,080
(f) Level of State support for public IHEs in FY 2010	$ 1,276,807,446
(g) Level of State support for elementary and secondary education in FY 2011 provided through the State's primary elementary and secondary education funding formulae	$ 3,443,610,880
(h) Level of State support for public IHEs in FY 2011	$ 1,273,956,262

Additional Information: Did the State, prior to October 1, 2008, approve formula increases to support elementary and secondary education in FY 2010 or 2011, or to phase in State equity and adequacy adjustments?*

☐ Yes ☐ ☐ No X

* *See* Appendix D Worksheets for further guidance on how such increases affect a State's "use of funds" calculations.

2. State's Primary Education Funding Formulae

Information on File with the U.S. Department of Education – No Further Action Necessary

Additional Submission Requirement: In an attachment to the application, identify and describe each of the State's primary elementary and secondary education funding formulae that were used in determining the calculations provided above for the levels of State support for elementary and secondary education.

3. Data on State Support for Postsecondary Education

Information on File with the U.S. Department of Education – No Further Action Necessary

Additional Submission Requirement: In an attachment to the application, identify and describe the specific State data sources that were used in determining the calculations provided above for the levels of State support for public IHEs.

4. Restoration Amounts

Based on the Worksheets included in Appendix D, calculate and provide the amount of Education Stabilization funds that the State will use to restore the levels of State support for elementary, secondary, and postsecondary education in FYs 2009, 2010 and 2011. As explained in the Instructions in Appendix D, a State must determine the amount of funds needed to restore fully the levels of State support for elementary, secondary, and postsecondary education in FY 2009 before determining the amount of funds available to restore the levels of such support in FY 2010.

SPECIAL NOTES:

- The calculations for these data must be based on the State's total Education Stabilization Fund allocation as reflected in Appendix A and not on the State's initial Education Stabilization Fund award.
- Although the State must follow the Instructions in Appendix D, in order to determine the amount of funds that LEAs and IHEs will receive under the program (i.e., the "restoration amounts"), the Governor has discretion in determining when to release these funds to LEAs and IHEs.

(a) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2009 $ 367,414,852

(b) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2009 $ 228,941,019

(c) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2010 $ 0

(d) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2010 $ 0

(e) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2011 $ 0

(f) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2011 $ 0

(g) Amount of remaining funds, if any, awarded as subgrants to LEAs based on their proportionate shares of funding

under Part A of Title I of the ESEA $____0_____

5. Process for Awarding Funds to Public IHEs

Information on File with the U.S. Department of Education – No Further Action Necessary

Additional Submission Requirement: In an attachment to the application, describe the process that the State will use to determine the amount of funding that individual public IHEs will receive from the funds that the State sets aside to restore the levels of State support for these institutions.

PART 5, SECTION B: STATE USES OF THE GOVERNMENT SERVICES FUND

SPECIAL NOTES:

- Section B of Part 5 requests data on the Government Services Fund (CFDA No. 84.397).
- In this section, provide preliminary estimates of the percentage of the Government Services Fund that the State intends to spend under various broad categories (to the extent such estimates are available). The total percentages in the chart should equal 100 percent.
- To the extent such estimates are available, the estimated percentages must be based on the State's total Government Services Fund allocation and not on the State's initial Government Services Fund award.

Uses of the Government Services Fund

Category	**Dollar Amount - or - Percentage of Funds Allocated**
Public Safety	118,585,536
Elementary and secondary education (excluding modernization, renovation, or repair of public school facilities)	
Public IHEs (excluding modernization, renovation, or repair of IHEs)	98,455
Modernization, renovation, or repair of public school facilities	
Modernization, renovation, or repair of IHEs	
Medicaid	
Public assistance	
Transportation	
Other (please describe)*	3,820,000
Undetermined	
TOTAL	122,503,991
*Utilized for personnel costs, employee benefits, data processing services, data processing personnel services and travel-in-state.	

PART 5, SECTION C: STATE USES OF STABILIZATION FUNDS TO MAINTAIN FISCAL EFFORT

SPECIAL NOTES:

- Under section 14012(d) of ARRA, a State may treat any portion of Stabilization funds used for elementary, secondary or postsecondary education as non-Federal funds for the purpose of any requirements to maintain fiscal effort under any other program administered by the Department.
- For FY 2009 and FY 2010, please provide the amount of Stabilization funds that the State used to meet maintenance of effort requirements under the ESEA and IDEA.
- For FY 2011, please provide the amount of Stabilization funds that the State intends to use to to meet maintenance of effort requirements under the ESEA and IDEA.

Fiscal Year	**Title I**	**IDEA**	**Other ESEA Programs (Please Specify the program)**
FY 2009	0	0	
FY 2010	0	200,734,182	0
FY 2011	0	20,734,182 Estimated	0
Total	0	41,468,364	0

PART 6: ACCOUNTABILITY, TRANSPARENCY, AND REPORTING ASSURANCES

The Governor or his/her authorized representative assures that the State will comply with all of the accountability, transparency, and reporting requirements that apply to the Stabilization program, including the following:

- For each year of the program, the State will submit a report to the Secretary, at such time and in such manner as the Secretary may require, that describes:
  - the uses of funds within the State;
  - how the State distributed the funds it received;
  - the number of jobs that the Governor estimates were saved or created with the funds;
  - tax increases that the Governor estimates were averted because of the funds;
  - the State's progress in reducing inequities in the distribution of highly qualified teachers, implementing a State longitudinal data system, and developing and implementing valid and reliable assessments for limited English proficient students and children with disabilities;
  - the tuition and fee increases for in-State students imposed by public IHEs and a description of any actions taken by the State to limit the increases;
  - the extent to which public IHEs maintained, increased, or decreased enrollment of in-State students, including those students eligible for Pell Grants or other need-based financial aid; and
  - a description of each modernization, renovation or repair project funded, including the amounts awarded and project costs. (ARRA Division A, Section 14008)

- The State will cooperate with any Comptroller General evaluation of the uses of funds and the impact of funding on the progress made toward closing achievement gaps. (ARRA Division A, Section 14009)

- If the State uses funds for any infrastructure investment, the State will certify that the investment received the full review and vetting required by law and that the chief executive accepts responsibility that the investment is an appropriate use of taxpayer funds. This certification will include a description of the investment, the estimated total cost, and the amount of covered funds to be used. The certification will be posted on the State's website and linked to www.Recovery.gov. A State or local agency may not use funds under the ARRA for infrastructure investment funding unless this certification is made and posted. (ARRA Division A, Section 1511)

- The State will submit reports, within 10 days after the end of each calendar quarter, that contain the information required under section 1512(c) of the ARRA in accordance with any guidance issued by Office of Management and Budget or the Department. (ARRA Division A, Section 1512(c))

- The State will cooperate with any Inspector General examination of records under the program. (ARRA Division A, Section 1515)

Governor or Authorized Representative of the Governor (Printed Name): Governor Robert Bentley	
Signature: Robert Bentley **Document on File with the U.S. Department of Education – No Further Action Necessary**	Date: 3/17/11

PART 7: OTHER ASSURANCES AND CERTIFICATIONS

The Governor or his/her authorized representative assures or certifies the following:

- The State will comply with all applicable assurances in OMB Standard Forms 424B and D (Assurances for Non-Construction and Construction Programs), including the assurances relating to the legal authority to apply for assistance; access to records; conflict of interest; merit systems; nondiscrimination; Hatch Act provisions; labor standards; flood hazards; historic preservation; protection of human subjects; animal welfare; lead-based paint; Single Audit Act; and the general agreement to comply with all applicable Federal laws, executive orders and regulations.

- With respect to the certification regarding lobbying in Department Form 80-0013, no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making or renewal of Federal grants under this program; the State will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," when required (34 C.F.R. Part 82, Appendix B); and the State will require the full certification, as set forth in 34 C.F.R. Part 82, Appendix A, in the award documents for all subawards at all tiers.

- The State will comply with all of the operational and administrative provisions in Title XV and XIV of the ARRA, including Buy American Requirements (ARRA Division A, Section 1605), Wage Rate Requirements (ARRA Division A, Section 1606), and any applicable environmental impact requirements of the National Environmental Policy Act of 1970 (NEPA), as amended, (42 U.S.C. 4371 et seq.) (ARRA Division A, Section 1609). In using ARRA funds for infrastructure investment recipients will comply with the requirement regarding Preferences for Quick Start Activities (ARRA Division A, Section 1602).

- Any LEA receiving funding under this program will have on file with the State a set of assurances that meets the requirements of section 442 of the General Education Provisions Act (GEPA) (20 U.S.C. 1232e).

- To the extent applicable, an LEA will include in its local application a description of how the LEA will comply with the requirements of section 427 of GEPA (20 U.S.C. 1228a). The description must include information on the steps the LEA proposes to take to permit students, teachers, and other program beneficiaries to overcome barriers (including barriers based on gender, race, color, national origin, disability, and age) that impede access to, or participation in, the program.

- The State and other entities will comply with the following provisions of Education Department General Administrative Regulations (EDGAR), as applicable: 34 CFR Part 74 -- Administration of Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations; 34 CFR Part 76 -- State-Administered Programs, including the construction requirements in section 75.600 through 75.617 that are incorporated by reference in section 76.600; 34 CFR Part 77 -- Definitions that Apply to Department Regulations; 34 CFR Part 80 -- Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, including the procurement provisions; 34 CFR Part 81 -- General Education Provisions Act—Enforcement; 34 CFR Part 82 -- New Restrictions on Lobbying; 34 CFR Part 85 -- Governmentwide Debarment and Suspension (Nonprocurement).

Governor or Authorized Representative of the Governor (Printed Name): Governor Robert Bentley	
Signature: **Document on File with the U.S. Department of Education – No Further Action Necessary**	Date:

Appendices to the

Application for Initial Funding under the

State Fiscal Stabilization Fund Program

APPENDIX A

STATE ALLOCATION DATA

NOTE: The amounts provided in the chart below represent the amount of each State's total State Fiscal Stabilization Fund allocation, with a breakdown of the total amounts available to each State under the Education Stabilization Fund (CFDA No. 84.394) and the Government Services Fund (CFDA No. 84.397). The Department will award sixty-seven percent of these amounts to States in the initial phase of the application process.

FY 2009 State Fiscal Stabilization Fund

	FY 2009 State Fiscal Total Stabilization Allocation	Education Stabilization 81.8%	Government Services 18.2%
Alabama	729,041,407	596,355,871	132,685,536
Alaska	113,744,697	93,043,162	20,701,535
Arizona	1,016,955,172	831,869,331	185,085,841
Arkansas	443,830,097	363,053,019	80,777,078
California	5,960,267,431	4,875,498,758	1,084,768,673
Colorado	760,242,539	621,878,397	138,364,142
Connecticut	541,872,683	443,251,855	98,620,828
Delaware	134,865,607	110,320,067	24,545,540
District of Columbia	89,377,071	73,110,444	16,266,627
Florida	2,700,292,474	2,208,839,244	491,453,230
Georgia	1,541,319,187	1,260,799,095	280,520,092
Hawaii	192,178,168	157,201,741	34,976,427
Idaho	246,576,628	201,699,682	44,876,946
Illinois	2,055,171,987	1,681,130,685	374,041,302
Indiana	1,006,920,810	823,661,223	183,259,587
Iowa	472,339,542	386,373,745	85,965,797
Kansas	449,172,167	367,422,833	81,749,334
Kentucky	651,341,789	532,797,583	118,544,206
Louisiana	708,548,266	579,592,482	128,955,784
Maine	193,460,061	158,250,330	35,209,731
Maryland	879,800,714	719,676,984	160,123,730
Massachusetts	994,258,205	813,303,212	180,954,993
Michigan	1,592,138,132	1,302,368,992	289,769,140
Minnesota	816,489,174	667,888,144	148,601,030
Mississippi	479,300,666	392,067,945	87,232,721
Missouri	920,748,576	753,172,335	167,576,241
Montana	148,689,792	121,628,250	27,061,542
Nebraska	286,009,690	233,955,926	52,053,764
Nevada	396,582,797	324,404,728	72,178,069
New Hampshire	200,787,230	164,243,954	36,543,276
New Jersey	1,330,483,831	1,088,335,774	242,148,057
New Mexico	318,381,906	260,436,399	57,945,507
New York	3,017,796,810	2,468,557,791	549,239,019
North Carolina	1,420,454,235	1,161,931,564	258,522,671
North Dakota	104,699,679	85,644,337	19,055,342
Ohio	1,789,376,483	1,463,709,963	325,666,520
Oklahoma	578,020,433	472,820,714	105,199,719
Oregon	570,246,373	466,461,533	103,784,840
Pennsylvania	1,905,620,952	1,558,797,939	346,823,013

Rhode Island	164,929,269	134,912,142	30,017,127
South Carolina	694,060,272	567,741,302	126,318,970
South Dakota	127,497,174	104,292,688	23,204,486
Tennessee	947,597,843	775,135,036	172,462,807
Texas	3,973,437,816	3,250,272,133	723,165,683
Utah	479,928,876	392,581,821	87,347,055
Vermont	94,315,490	77,150,071	17,165,419
Virginia	1,202,770,052	983,865,903	218,904,149
Washington	1,002,380,010	819,946,848	182,433,162
West Virginia	266,468,179	217,970,970	48,497,209
Wisconsin	876,940,096	717,336,999	159,603,097
Wyoming	82,665,277	67,620,197	15,045,080
Puerto Rico	647,606,185	529,741,859	117,864,326
TOTAL TO STATE GRANTS	48,318,000,000	39,524,124,000	8,793,876,000
Average award	929,192,308	760,079,308	169,113,000
Outlying Areas (maximum)	268,000,000	219,224,000	48,776,000
Freely Associated States	0		
Indian set-aside	0		
Other	5,014,000,000		
Total	53,600,000,000	39,743,348,000	8,842,652,000

APPENDIX B

INSTRUCTIONS FOR PART 3: INITIAL BASELINE DATA FOR EDUCATION REFORM ASSURANCES

Background

Section 14005(b)(2) of the ARRA requires States to submit baseline data demonstrating their current status in the following areas:

1. Achieving equity in teacher distribution;
2. Improving the collection and use of data;
3. Regarding standards and assessments –
   - 3.1 Enhancing the quality of academic assessments
   - 3.2 Including children with disabilities and limited English proficient students; and
   - 3.3 Improving State academic content and student achievement standards; and
4. Supporting struggling schools.

The Department currently has data demonstrating a State's status in each of the assurance areas referenced above. A description of the data is provided below.

The data described below are the most current available data on the States' status for two of these areas – enhancing the quality of academic assessments and inclusion of children with disabilities and limited English proficient students in State assessments. Thus, the Department is not inviting States to submit additional information with respect to paragraphs 1 and 2 of the Standards and Assessment Assurances provided in Part 2 of the application. If the Department changes a State's status for its assessment system, the Department will use the updated status as the State's initial baseline in these two areas.

For four of these areas – achieving equity in teacher distribution; improving collection and use of data; improving State academic content and student achievement standards; and supporting struggling schools – a State may confirm in Part 3 of its application the use of the data described below as its initial baseline for these areas, or provide other data that more accurately reflect its current status in these areas.

In the near future, the Department intends to publish in the Federal Register for public comment a notice describing the additional baseline data that the Department proposes to require States to submit as part of the phase two application.

For Part 3 of the application, the State will confirm that the Department may use the available data described below as the State's baseline data for achieving equity in teacher distribution; improving the collection and use of data; improving State academic content and student achievement standards; and supporting struggling schools; or submit as an attachment to its application other data that more accurately reflect its status.

Initial Baseline Data

1. Achieving Equity in Teacher Distribution

> *A State must provide baseline data that demonstrate its current status regarding "tak[ing] actions to improve teacher effectiveness and comply with section 1111(b)(8)(C) of the ESEA (20 U.S.C. 6311(b)(8)(C)) in order to address inequities in the distribution of highly qualified teachers between high- and low-poverty schools, and to ensure that low-income and minority children are not taught at higher rates than other children by inexperienced, unqualified, or out-of-field teachers."*

Available Data for the Initial Baseline

As part of the annual Consolidated State Performance Report (CSPR), each State provides data on the number and percentage of core academic courses that are taught by highly qualified teachers in high- and low-poverty schools. (*See* http://www.ed.gov/admins/lead/account/consolidated/sy06-07part1/index.html.) The Department will use data from the most recent CSPR to establish a State's initial baseline for achieving equity in teacher distribution.

2. Improving Collection and Use of Data

> *A State must provide baseline data that demonstrate its current status regarding "establish[ing] a longitudinal data system that includes the elements described in section 6401(e)(2)(D) of the America COMPETES Act (20 U.S.C. 9871)."*

Available Data for the Initial Baseline

In September 2008, the Data Quality Campaign and the National Center for Education Achievement conducted a survey that assessed the status of State educational data systems. (*See* http://www.dataqualitycampaign.org.) The survey identified ten essential elements of a longitudinal data system. Five of the elements are aligned with the five statutory elements in the America COMPETES Act for "Preschool through grade 12 and postsecondary education" (20 U.S.C. 9871(e)(2)(D)(i)), and the remaining five elements are aligned with the five statutory elements for "Preschool through grade 12 education." (20 U.S.C. 9871(e)(2)(D)(ii)) The Department will use the results of the survey to establish a State's initial baseline for improving the collection and use of data.

3. Standards and Assessments

3-1. Standards and Assessments: Enhancing the Quality of Academic Assessments

A State must provide baseline data that demonstrate its current status regarding "enhanc[ing] the quality of the academic assessments it administers pursuant to section 1111(b)(3) of the ESEA (20 U.S.C. 6311(b)(3)) through activities such as those described in section 6112(a) of [the ESEA] (20 U.S.C. 7301a(a))."

Available Data for the Initial Baseline

In January and February 2009, the Department sent letters to States that contained detailed information on specific components of their assessments and accountability systems. (*See* http://www.ed.gov/admins/lead/account/cornerstones/index.html.) The State-specific attachments to those letters and the State assessment approval status as reflected in the State Information Chart at http://www.ed.gov/policy/elsec/guid/stateletters/ssc.xls identify each State's current baseline for the status of its assessments. As noted above, if the Department changes a State's status for its assessment system, the Department will consider the updated status as the State's initial baseline in this area.

3-2. Standards and Assessments: Inclusion of Children with Disabilities and Limited English Proficient Students

A State must provide baseline data that demonstrate its current status regarding "comply[ing] with the requirements of paragraphs (3)(C)(ix) and (6) of section 1111(b) of the ESEA (20 U.S.C. 6311(b)) and section 612(a)(16) of the IDEA (20 U.S.C. 1412(a)(16)) related to the inclusion of children with disabilities and limited English proficient students in State assessments, the development of valid and reliable assessments for those students, and the provision of accommodations that enable their participation in State assessments."

Available Data for the Initial Baseline

The Department will use the information in the State-specific letters referenced above (*see* http://www.ed.gov/admins/lead/account/cornerstones/index.html) and the State Information Chart at http://www.ed.gov/policy/elsec/guid/stateletters/ssc.xls as the State's current status related to the inclusion of children with disabilities and limited English proficient students in State assessments, the validity and reliability of the assessments for such children, and the provision of accommodations. If the Department changes a State's status for its assessment system, the Department will consider the updated status as the State's initial baseline in this area.

3-3. Standards and Assessments: Improving State Academic Content and Student Achievement Standards

A State must provide baseline data that demonstrate its current status regarding "taking steps to improve State academic content standards and student academic achievement standards consistent with section 6401(e)(1)(A)(ii) of the America COMPETES Act."

Available Data for the Initial Baseline

The Department will use Achieve's 2009 report on "*Closing the Expectations Gap*" to establish this initial baseline. (*See* http://www.achieve.org/closingtheexpectationsgap2009.) The report, based on a survey of States, provides information on State efforts to align their standards, graduation requirements, assessments, and accountability system with college and career expectations.

4. Supporting Struggling Schools

A State must provide baseline data that demonstrate its current status regarding "ensur[ing] compliance [by LEAs] with the requirements of sections 1116(b)(7)(C)(iv) and 1116(b)(8)(B) of the ESEA with respect to schools identified [for corrective action and restructuring]."

Available Data for the Initial Baseline

The Department currently has preliminary data in the CSPR on the number and names of schools in corrective action and restructuring for the 2008-09 school year (based on assessments in 2007-2008). (*See* http://www.ed.gov/programs/statestabilization/applicant.html.) As part of its application, a State may provide updated information on the numbers and names of schools in corrective action or restructuring, but is not required to do so.

APPENDIX C

INSTRUCTIONS FOR PART 4: MAINTENANCE OF EFFORT (MOE)

Background

Section 14005(d)(1) of the ARRA contains maintenance-of-effort (MOE) requirements that apply to the levels of State support for elementary and secondary education, as well as to the levels of State support for public institutions of higher education. The requirements are as follows:

Elementary and Secondary Education

In each of fiscal years (FYs) 2009, 2010, and 2011, the State will maintain State support for elementary and secondary education at least at the level of such support in FY 2006.

Public Institutions of Higher Education

In each of FYs 2009, 2010, and 2011, the State will maintain State support for public institutions of higher education (not including support for capital projects or for research and development or tuition and fees paid by students) at least at the level of such support in FY 2006.

Section 14012 of the ARRA authorizes the Secretary of Education to waive or modify these requirements if the following statutory criterion is met:

MOE Waiver Criterion

A State is eligible for a waiver of the elementary and secondary education MOE requirement or the higher education MOE requirement for a given fiscal year if the Secretary determines that the State will not provide for elementary, secondary, and public higher education, for the fiscal year under consideration, a smaller percentage of the total revenues available to the State than the percentage provided for such purpose in the preceding fiscal year.

The term "total revenues available to the State" as stated in the criterion means either (a) projected or actual total State revenues for education and other purposes for the relevant years *or* (b) projected or actual total State appropriations for education and other purposes for those years. The MOE waiver criterion applies to both waivers of the elementary and secondary education MOE requirements and the higher education MOE requirements.

Sections 14005(d)(1) and (b)(2) of the ARRA require each State to provide an assurance that it will comply with the MOE requirements and baseline data that demonstrates the State's current status regarding maintenance of effort.

Special instructions for completing Part 4: Maintenance of Effort

Part 4 of the application is divided into three sections – Section A: Maintenance-of-Effort Assurances; Section B: Maintenance-of-Effort Waiver Assurance; and Section C: Maintenance-of-Effort Baseline Data.

- **Each State must complete Section A of Part 4.** In this section, the Governor or his/her authorized representative assures that the State will comply with the Stabilization program MOE requirements.
- A State must submit the additional MOE *waiver assurance* in Section B of Part 4 **only if** the State anticipates that it will be unable to meet the MOE requirements for one or more of the relevant fiscal years.
- **Each State must complete Section C of Part 4.** Here the State provides baseline MOE data.

The Department recognizes that, at this time, States do not have all of the data they need to make final MOE determinations, especially for future years. Thus, as part of the Stabilization program application, the Department is requiring only the submission of the MOE assurances (Part 4, Section A), the MOE waiver assurance (if applicable) (Part 4, Section B), and baseline MOE data (Part 4, Section C).

In the near future, the Department will provide States with additional MOE guidance and a streamlined MOE waiver application form.

Determining the level of State support for elementary and secondary education

A State determines its level of State support for elementary and secondary education for a given fiscal year in a manner that is consistent with its governing statutes and regulations. One example of how a State may choose to quantify its level of support for elementary and secondary education is to use the data that is included as "Revenue from State Sources" in the National Public Education Finance Survey (NPEFS). (*See* http://nces.ed.gov/ccd/pdf/NPEFSmanual2004.pdf.) This is a survey of States that is conducted annually by the National Center for Education Statistics. NPEFS identifies four types of State support for LEAs:

- Unrestricted Grants-in-Aid: State grants to local education agencies (LEAs) that can be used, without restriction, for any legal purpose desired by the LEA;
- Restricted Grants-in-Aid: State grants to an LEA that must be used for a "categorical" or specific purpose;
- Revenue in Lieu of Taxes: Commitments or payments made out of general revenues by a State to an LEA in lieu of taxes that the State would have had to pay had its property or other tax base been subject to taxation on the same basis as privately owned property. This revenue includes payments in lieu of taxes for privately owned property that is not subject to taxation on the same basis as other privately owned property because of action(s) taken by a State; and
- Revenue for, or on Behalf of, the LEA: State commitments or payments for the benefit of an LEA and contributions of equipment and supplies. Such revenue includes payments made for, or on behalf, of an LEA by a State to a pension fund for LEA employees.

In determining levels of State support for MOE purposes, a State may also use the amount of funds provided to LEAs through the State's primary funding formulae in a given year as the level of State support for elementary and secondary education for that year. Alternatively, a State may establish its own definition of State support for elementary and secondary education. In providing the MOE baseline data for the levels of State support for elementary and secondary education in Section C of Part 4, a State must identify and describe the data sources used in determining the levels of such support.

Finally, a State may establish that it is complying with the elementary and secondary education MOE requirements on either an aggregate basis or a per-student basis.

Determining the level of State support for public institutions of higher education

In Section C of Part 4, a State must also provide data on its level of State support for public institutions of higher education (IHEs) for specific fiscal years. These data may *not* include support for capital projects or for research and development or tuition and fees paid by students.

In addition, State funding for financial assistance to students attending public IHEs is not considered State support for these institutions. Rather, such funding is considered support for students to enable them to pay their educational expenses, even if the IHEs administer the funding. However, unrestricted State funding for public IHEs is considered State support for such institutions even if those institutions choose to use a portion of that funding for financial assistance to students.

One example of how a State may quantify State support for public IHEs is to use the definitions from the State Higher Education Executive Officers (SHEEO) State Higher Education Finance study, an annual data collection of all State and local revenue used to support higher education. (*See* http://sheeo.org/finance/shef-home.htm.) In that study, SHEEO identifies the following as State revenue sources for public IHEs:

- State tax appropriations set aside specifically to support public higher education;
- Funding under State auspices for appropriated non-tax support (e.g., tobacco settlement funds and lotteries) specifically set aside for public higher education; and
- Interest or earnings received from State-endowments pledged to public IHEs.

Alternatively, a State may establish its own definition of State support for public IHEs. In providing the MOE baseline data for the levels of State support for public IHEs in Section C of Part 4, a State must identify and describe the data sources used in determining the levels of such support.

APPENDIX D

INSTRUCTIONS FOR PART 5: STATE USES OF FUNDS

Background

Section 14005(b)(3) of the ARRA requires each State to describe how it intends to use its Stabilization allocation.[1] This part of the application collects information regarding a State's intended uses of funds awarded under the Stabilization program and is divided into two sections:

- **Section A: State Uses of the Education Stabilization Fund** (CFDA No.84.394)

  These are the funds that the Department awards to States to restore State support elementary, secondary, and postsecondary education and, as applicable, early childhood education programs and services. These funds represent 81.8 percent of the State's total Stabilization Fund allocation.

- **Section B: State Uses of the Government Services Fund** (CFDA No.84.397)

  These are the funds that the Department awards to States for public safety and other government services, which may include assistance for elementary and secondary education and public IHEs, and for modernization, renovation, or repair of public school facilities and IHE facilities, including modernization, renovation, and repairs that are consistent with a recognized green building rating system. These funds represent 18.2 percent of the State's total Stabilization Fund allocation.

Section 14002(a)(2)(A) of the ARRA requires States first to use Stabilization Funds to restore State support for elementary, secondary, and public higher education in each of FYs 2009, 2010, and 2011. The worksheets at the end of this appendix will assist States in determining the amount of Stabilization funds that they will use to calculate such levels of support. If any funds remain after restoring State support for elementary, secondary, and public higher education in FYs 2009, 2010, and 2011, the State must award those remaining funds to LEAs based on their proportionate share of funding under Title I, Part A of the ESEA. If there are insufficient funds to fully restore support in each of FYs 2009, 2010, and 2011, the shortfall provisions in section 14002(a)(2)(B) of the ARRA will apply.

In order to calculate the levels of State support for elementary and secondary education, States must determine which of their elementary and secondary education funding formulae are their *primary funding formulae* for elementary and secondary education. States must also determine their levels of State support for public higher education, excluding tuition and fees paid by students. As noted in the instructions in Appendix C, State funding for financial assistance to students attending public

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[1] The ARRA also requires a State to indicate in its application whether it will use its Stabilization allocation to meet MOE requirements under the ESEA and IDEA and, in such cases, what amount will be used to meet those requirements. The Department recognizes that States would not have that data at this time and, therefore, is not requesting that information as part of the application. The Department notes that, upon approval of the Secretary, a State or LEA that receives Stabilization funds may treat any portion of those funds that is used for elementary, secondary, or postsecondary education as non-Federal funds for the purpose of *any* requirement to maintain fiscal effort, including part C of the IDEA, in a program administered by the Secretary. (*See* Section 14012(d) of the ARRA.) The Stabilization program guidance will further address this fiscal relief authority.

IHEs is not considered State support for these institutions. Rather, such funding is considered support for students to enable them to pay their educational expenses, even if the IHEs administer the funding. However, unrestricted State funding for public IHEs is considered State support for such institutions even if those institutions choose to use a portion of that funding for financial assistance to students.

The application (in Part 5, Section A, subsection 1) requires States to provide data on "Levels of State Support for Elementary, Secondary, and Postsecondary Education". These data are the following:

- For FY 2008, the data must be the *actual* levels of State support for elementary and secondary education and for public IHEs.
- For FY 2009, the data may be (a) actual levels of State support for elementary and secondary education and for public IHEs; (b) projected levels of State support for elementary and secondary education and for public IHEs; or (c) prior-enacted levels of State support for elementary and secondary education and for public IHEs that were subsequently revised.
- For FY 2010, the data may be projected levels of State support for elementary and secondary education and for public IHEs. In addition, for FY 2010, the State must make adjustments for approved formula increases or State equity and adequacy adjustments that were enacted prior to October 1, 2008. (*See* Worksheet 2-B of Appendix D.)

The "projected levels" can be based on data such as the Governor's budget request or preliminary budget or appropriations legislation. The "prior-enacted levels" are amounts that were previously enacted but revised later during the applicable fiscal year. If a State chooses to use "prior-enacted levels", it must use such levels for both elementary and secondary education and for public IHEs.

We have provided the worksheets at the end of this Appendix to assist States in calculating the data required in Section A of Part 5 of the Application. A State is not required submit the completed worksheets as part of its application. The following principles apply to the calculations in these worksheets:

- A State must restore its level of State support to the greater of the FY 2008 or FY 2009 levels.
- For elementary and secondary education, a State must restore the amount of funds provided through the State's primary elementary and secondary education formulae.
- Only LEAs are eligible for grants from the Education Stabilization Fund that are awarded through the State's primary elementary and secondary education formulae.
- A State may determine the formula(e) that it considers to be the "primary" formula(e). A State may make changes to any formula. However, if a State chooses to make a change to a particular formula in a given year for purposes of calculating LEA allocations under the Stabilization program, it must use the revised formula to make allocations of State funds for that same fiscal year.
- A State must first use its Education Stabilization Fund allocation to restore fully the level of State support for elementary and secondary education in FY 2009 and the level of State support for public IHEs in FY 2009 before it may allocate any funds from the Education Fund to restore that support in FY 2010.

- A State must restore State support for *both* elementary and secondary education and public IHEs. It may not choose to restore support for only elementary and secondary education or for only postsecondary education.
- If a State has insufficient funds to restore fully, in a given fiscal year, the levels of State support for both elementary and secondary education and public IHEs, it must allocate funds from the Education Stabilization Fund to support elementary and secondary education and public IHEs in proportion to their relative shortfall in accordance with section 14002(a)(2)(B) of the ARRA.
- A State would repeat this process to calculate how to restore support in FY 2010 and FY 2011 to the extent it has remaining funds.
- If a State has funds remaining after fully restoring State support for elementary, secondary, and postsecondary education in each of fiscal years 2009, 2010, and 2011, it must allocate the remaining funds from the Education Stabilization Fund to LEAs based on their relative shares under Part A of Title I.

WORKSHEETS FOR PART 5, SECTION A: STATE USES OF EDUCATION STABILIZATION FUNDS - CALCULATING THE RESTORATION AMOUNTS (CFDA No. 84.394)

SPECIAL NOTES:

- **The calculations in the worksheets and the data provided in Section A of Part 5 of the application must be based on each State's total Education Stabilization Fund allocation as reflected in Appendix A and not on the amount of the State's initial Education Stabilization Fund award.**
- **The term "postsecondary education" means public higher education.**

WORKSHEET 1-A: Calculating the amount of a State's total Education Fund allocation to be used to restore the level of State support for elementary, secondary, and postsecondary education in FY 2009

Line	Information	Amount
1.	Amount of the State's total Education Stabilization Fund allocation.	596,355,871
2.	Either the actual amount of State funds that the State provided through its primary elementary and secondary education funding formulae in FY 2008, or a prior-enacted amount of State funds that the State provided or will provide through its primary elementary and secondary education funding formulae in FY 2009.	4,150,060,642
3.	Either the actual amount of State support for public institutions of higher education (IHEs) in FY 2008 or a prior-enacted amount of State support for public IHEs in FY 2009.	1,766,512,468
4.	Actual or projected amount of State funds that the State provided or will provide through its primary elementary and secondary education funding formulae in FY 2009.	3,592,853,037
5.	Actual or projected amount of State support for public IHEs in FY 2009.	1,419,367,595
6.	If the amount on Line 4 is greater than the amount on Line 2, enter 0; if the amount on Line 2 is greater than the amount on Line 4, enter the difference.	557,207,605
7.	If the amount on Line 5 is greater than the amount on Line 3, enter 0; if the amount on Line 3 is greater than the amount on Line 5, enter the difference.	347,144,873
8.	Enter the sum of the amounts on Line 6 and Line 7. This is the amount of funds needed to restore fully the levels of State support for elementary, secondary, and postsecondary education in FY 2009. If the amount on Line 8 is greater than the amount on Line 1, *see Worksheet 1-B for FY 2009 Shortfall calculation and do not complete lines 9, 10, 11, and 12.*	904,352,478
9.	If the amount on Line 1 is greater than the amount on Line 8, enter the amount from Line 6. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2009. *(Enter this amount in Part A of Section 5 of the Application.)*	N/A

10.	If the amount on Line 1 is greater than the amount on Line 8, enter the amount from Line 7. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for postsecondary education in FY 2009. *(Enter this amount in Part A of Section 5 of the Application.)*	N/A
11.	Enter the sum of the amounts on Line 9 and Line 10. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary, secondary, and postsecondary education in FY 2009.	N/A
12.	Enter amount obtained by subtracting the amount on Line 11 from the amount on Line 1. This is the amount of the State's total Education Stabilization Fund allocation remaining to restore State support for education in FY 2010. (This amount is carried over to Line 1 of Worksheet 2-A or Worksheet 2-B.)	N/A

WORKSHEETS FOR PART 5, SECTION A: STATE USES OF EDUCATION STABILIZATION FUNDS - CALCULATING THE RESTORATION AMOUNTS

WORKSHEET 1-B: Shortfall Calculations for FY 2009

Line	Information	Amount
1.	Amount of the State's total Education Stabilization Fund allocation (Enter the amount on Line 1 of Worksheet 1-A).	596,355,871
2.	Total amount of shortfall in FY 2009 (Enter the amount on Line 8 of Worksheet 1-A).	904,352,478
3.	Amount of shortfall in State support for elementary and secondary education (Enter the amount on Line 6 of Worksheet 1-A).	557,207,605
4.	Amount of shortfall in State support for public IHEs (Enter the amount on Line 7 of Worksheet 1-A).	347,144,873
144	Enter the amount obtained by dividing the amount on Line 3 by the amount on Line 2.	61.61%
6.	Enter the amount obtained by dividing the amount on Line 4 by the amount on Line 2.	38.39%
7.	Enter the amount obtained by multiplying the amount on Line 5 by the amount on Line 1. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2009. *(Enter this amount in Part A of Section 5 of the Application.)*	367,414,852
8.	Enter the amount obtained by multiplying the amount on Line 6 by the amount on Line 1. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for postsecondary education in FY 2009. *(Enter this amount in Part A of Section 5 of the Application.)*	228,941,019

WORKSHEETS FOR PART 5, SECTION A: STATE USES OF EDUCATION STABILIZATION FUNDS - CALCULATING THE RESTORATION AMOUNTS

WORKSHEET 2-A: Calculating the amount of a State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary, secondary, and postsecondary education in FY 2010 if the State did not enact, prior to October 1, 2008, elementary and secondary education formula increases for FY 2010 or State equity and adequacy adjustments

Line	Information	Amount
1.	Amount of the State's total Education Stabilization Fund allocation remaining after restoring the level of State support for education in FY 2009 (Enter the amount on Line 12 of Worksheet 1-A).	N/A
2.	Enter the greater of (1) either the actual amount of State funds that the State provided through its primary elementary and secondary education funding formulae in FY 2008 or a prior-enacted amount of State funds that the State provided or will provide through its primary elementary and secondary education funding formulae in FY 2009 or (2) actual or projected amount of State funds that the State provided or will provide through its primary elementary and secondary education funding formulae in FY 2009. (i.e., Enter the greater of the amounts on Lines 2 and 4 of Worksheet 1-A).	4,150,060,642
3.	Enter the greater of (1) either the actual amount of State support for public institutions of higher education (IHEs) in FY 2008 or a prior-enacted amount of State support for public IHEs in FY 2009 or (2) actual or projected amount of State support for public IHEs in FY 2009the amounts of State support for public institutions of higher education (IHEs) in FY 2008 and FY 2009. (i.e., Enter the greater of the amounts on Lines 3 and 5 of Worksheet 1-A).	1,766,512,468
4.	Projected amount that the State will provide through its primary elementary and secondary education funding formulae in FY 2010.	3,310,601,080
5.	Projected amount of State support for public IHEs in FY 2010.	1,276,807,446
6.	If the amount on Line 4 is greater than the amount on Line 2, enter 0; if the amount on Line 2 is greater than the amount on Line 4, enter the difference.	839,459,562
7.	If the amount on Line 5 is greater than the amount on Line 3, enter 0; if the amount on Line 3 is greater than the amount on Line 5, enter the difference.	489,705,022
8.	Enter the sum of the amounts on Line 6 and Line 7. This is the amount of funds needed to restore fully the levels of State support for elementary, secondary, and postsecondary education in FY 2010. If the amount on Line 8 is greater than the amount on Line 1, see Worksheet 2-C for Shortfall calculations and do not complete lines 9, 10, 11 and 12.	1,329,164,584
9.	If the amount on Line 1 is greater than the amount on Line 8, enter the amount from Line 6. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2010. *(Enter this amount in Part A of Section 5 of the Application.)*	N/A
10.	If the amount on Line 1 is greater than the amount on Line 8, enter the amount from Line 7. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for postsecondary education in FY 2010. *(Enter this amount in Part A of Section 5 of the Application.)*	N/A
11.	Enter the sum of the amounts on Line 9 and Line 10. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary, secondary, and postsecondary education in FY 2010.	N/A
12.	Enter the amount obtained by subtracting the amount on Line 11 from the amount on Line 1. This is the amount of the State's total Education Stabilization Fund allocation remaining to restore the levels of State support for education in FY 2011. (This amount is carried over to Line 1 of Worksheet 3-A or 3-B.)	N/A

WORKSHEETS FOR PART 5, SECTION A: STATE USES OF EDUCATION STABILIZATION FUNDS - CALCULATING THE RESTORATION AMOUNTS

WORKSHEET 2-B: Calculating the amount of a State's Education Stabilization Fund allocation to be used to restore the level of State support for elementary, secondary, and postsecondary education in FY 2010 if, prior to October 1, 2008, the State enacted State elementary and secondary education formula increases for FY 2010 or State equity and adequacy adjustments

Line	Information	Amount
1.	Amount of the State's Education Stabilization Fund allocation remaining after restoring the level of State support for education in FY 2009 (Enter amount on Line 12 of Worksheet 1-A).	N/A
2.	Either the actual amount of State funds that the State provided through its primary elementary and secondary education funding formulae in FY 2008 or a prior-enacted amount of State funds that the State provided or will provide through its primary elementary and secondary education funding formulae in FY 2009 (Enter the amount on line 2 of Worksheet 1-A).	4,150,060,642
3.	Actual or projected amount that the State provided or will provide through its primary elementary and secondary education funding formulae in FY 2009 (Enter the amount on Line 4 of Worksheet 1-A).	3,592,853,037
4.	Enacted amount (including formulae increases and equity and adequacy adjustments enacted prior to October 1, 2008) that the State would provide through its primary elementary and secondary education funding formulae in FY 2010.	3,310,601,080
5.	Projected amount that the State will provide through its primary elementary and secondary education funding formulae in FY 2010.	3,310,601,080
6.	Enter the greater of the amounts on Lines 2, 3, or 4.	4,150,060,642
7.	If the amount on Line 5 is greater than the amount on Line 6, enter 0; if the amount on Line 6 is greater than the amount on Line 5, enter the difference.	839,459,562
8.	Enter the greater of (1) either the actual amount of State support for public institutions of higher education (IHEs) in FY 2008 or a prior-enacted amount of State support for public IHEs in FY 2009 or (2) actual or projected amount of State support for public IHEs in FY 2009 (i.e., Enter the greater of the amounts on Lines 3 and 5 of Worksheet 1-A).	1,766,512,468
9.	Projected amount of State support for public IHEs in FY 2010.	1,276,807,446
10.	If the amount on Line 9 is greater than the amount on Line 8, enter 0; if the amount on Line 8 is greater than the amount on Line 9, enter the difference.	489,705,022
11.	Enter the sum of the amounts on Line 7 and Line 10. This is the amount of funds needed to restore fully the levels of State support for elementary, secondary, and postsecondary education in FY 2010. If the amount on Line 11 is greater than the amount on than Line 1, *see Worksheet 2-D for Shortfall calculations and do not complete Lines 12, 13 and 14.*	1,329,164,584
12.	If the amount on Line 1 is greater than the amount on Line 11, enter the amount from Line 7. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2010. *(Enter this amount in Part A of Section 5 of the Application.)*	N/A
13.	If the amount on Line 1 is greater than the amount on Line 11, enter the amount from Line 10. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for postsecondary education in FY 2010. *(Enter this amount in Part A of Section 5 of the Application.)*	N/A
14.	Enter the sum of the amounts on Line 12 and Line 13. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary, secondary, and postsecondary education in FY 2010.	N/A
15.	Enter the amount obtained by subtracting the amount on Line 14 from the amount on Line 1. This is the amount of the Stabilization funds remaining to	N/A

Line	Information	Amount
	use to restore funds in FY 2011. This is the amount of the State's total Education Stabilization Fund allocation remaining to restore the levels of State support for education in FY 2011. (This amount is carried over to Line 1 of Worksheet 3-A or 3-B.)	

WORKSHEETS FOR PART 5, SECTION A: STATE USES OF EDUCATION STABILIZATION FUNDS - CALCULATING THE RESTORATION AMOUNTS

WORKSHEET 2-C: Shortfall Calculations for FY 2010 in cases in which the State did not enact, prior to October 1, 2008, elementary and secondary education formula increases for FY 2010 or State equity and adequacy

Line	Information	Amount
1.	Amount of the State's total Education Stabilization Fund allocation remaining after restoring the level of State support for education in FY 2009 (Enter the amount on Line 1 of Worksheet 2-A).	N/A
2.	Total amount of shortfall in FY 2010 (Enter the amount on Line 8 of Worksheet 2-A).	1,329,164,584
3.	Amount of shortfall in State support for elementary and secondary education (Enter the amount on Line 6 of Worksheet 2-A).	839.459.562
4.	Amount of shortfall in State support for public IHEs (Enter the amount on Line 7 of Worksheet 2-A).	489,705,022
5.	Enter the amount obtained by dividing the amount on Line 3 by the amount on Line 2.	63.16%
6.	Enter the amount obtained by dividing the amount on Line 4 by the amount on Line 2.	36.84%
7.	Enter the amount obtained by multiplying the amount on Line 5 by the amount on Line 1. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2010. *(Enter this amount in Part A of Section 5 of the Application.)*	N/A
8.	Enter the amount obtained by multiplying the amount on Line 6 by the amount on Line 1. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for postsecondary education in FY 2010. *(Enter this amount in Part A of Section 5 of the Application.)*	N/A

WORKSHEETS FOR PART 5, SECTION A: STATE USES OF EDUCATION STABILIZATION FUNDS - CALCULATING THE RESTORATION AMOUNTS

WORKSHEET 2-D: Shortfall Calculations for FY 2010 in cases in which the State enacted, prior to October 1, 2008, elementary and secondary education formula increases for FY 2010 or State equity and adequacy adjustments

Line	Information	Amount
1.	Amount of the State's total Education Stabilization Fund allocation remaining after restoring the level of State support for education in FY 2009 (Enter the amount on Line 1 of Worksheet 2-B).	N/A
2.	Total amount of shortfall in FY 2010 (Enter the amount on Line 11 of Worksheet 2-B).	1,329,164,584`
3.	Amount of shortfall in State support for elementary and secondary education (Enter the amount on Line 7 of Worksheet 2-B).	839,459,562
4.	Amount of shortfall in State support for public IHEs (Enter the amount on Line 10 of Worksheet 2-B).	489,705,022
5.	Enter the amount obtained by dividing the amount on Line 3 by the amount on Line 2.	63.16%
6.	Enter the amount obtained by dividing the amount on Line 4 by the amount on Line 2.	36.84%
7.	Enter the amount obtained by multiplying the amount on Line 5 by the amount on Line 1. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2010. *(Enter this amount in Part A of Section 5 of the Application.)*	N/A
8.	Enter the amount obtained by multiplying the amount on Line 6 by the amount on Line 1. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for postsecondary education in FY 2010. *(Enter this amount in Part A of Section 5 of the Application.)*	N/A

WORKSHEETS FOR PART 5, SECTION A: STATE USES OF EDUCATION STABILIZATION FUNDS - CALCULATING THE RESTORATION AMOUNTS

WORKSHEET 3-A: Calculating the amount of a State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary, secondary, and postsecondary education in FY 2011 if the State did not enact, prior to October 1, 2008, elementary and secondary education formula increases for FY 2011 or State equity and adequacy adjustments

Line	Information	Amount
1.	Amount of the State's total Education Stabilization Fund allocation remaining after restoring the level of State support for education in FY 2009 and FY 2010 (If level of FY 2010 support was based on Worksheet 2-A, enter the amount on Line 12 of Worksheet 2-A; if level of FY 2010 support was based on Worksheet 2-B, enter the amount on Line 15 of Worksheet 2-B).	N/A
2.	Enter the greater of (1) either the actual amount of State funds that the State provided through its primary elementary and secondary education funding formulae in FY 2008 or a prior-enacted amount of State funds that the State provided or will provide through its primary elementary and secondary education funding formulae in FY 2009 or (2) actual or projected amount of State funds that the State provided or will provide through its primary elementary and secondary education funding formulae in FY 2009. (i.e., Enter the greater of the amounts on Lines 2 and 4 of Worksheet 1-A).	4,150,060,642
3.	Enter the greater of (1) either the actual amount of State support for public institutions of higher education (IHEs) in FY 2008 or a prior-enacted amount of State support for public IHEs in FY 2009 or (2) actual or projected amount of State support for public IHEs in FY 2009the amounts of State support for public institutions of higher education (IHEs) in FY 2008 and FY 2009. (i.e., Enter the greater of the amounts on Lines 3 and 5 of Worksheet 1-A).	1,766,512,468
4.	Projected amount that the State will provide through its primary elementary and secondary education funding formulae in FY 2011.	3,443,610,880
5.	Projected enacted amount of State support for public IHEs in FY 2011.	1,273,956,262
6.	If the amount on Line 4 is greater than the amount on Line 2, enter 0; if the amount on Line 2 is greater than the amount on Line 4, enter the difference.	706,449,762
7.	If the amount on Line 5 is greater than the amount on Line 3, enter 0; if the amount on Line 3 is greater than the amount on Line 5, enter the difference.	492,556,206
8.	Enter the sum of the amounts on Line 6 and Line 7. This is the amount of funds needed to restore fully the levels of State support for elementary, secondary, and postsecondary education in FY 2011. If the amount on Line 8 is greater than the amount on Line 1, *see Worksheet 3-C for Shortfall calculations and do not complete lines 9, 10, 11 and 12.*	1,199,005,968
9.	If the amount on Line 1 is greater than the amount on Line 8, enter the amount from Line 6. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2011.	N/A
10.	If the amount on Line 1 is greater than the amount on Line 8, enter the amount from Line 7. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for postsecondary education in FY 2011.	N/A

11.	Enter the sum of the amounts on Line 9 and Line 10. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary, secondary, and postsecondary education in FY 2011.	N/A
12.	Enter the amount obtained by subtracting the amount on Line 11 from the amount on Line 1. This is the amount of the State's total Education Fund allocation that will be used to award subgrants to LEAs based on their proportionate shares of funding under Part A of Title I.	N/A

WORKSHEETS FOR PART 5, SECTION A: STATE USES OF EDUCATION STABILIZATION FUNDS - CALCULATING THE RESTORATION AMOUNTS

WORKSHEET 3-B: Calculating the amount of a State's Education Stabilization Fund allocation to be used to restore the level of State support for elementary, secondary, and postsecondary education in FY 2011 if, prior to October 1, 2008, the State enacted State elementary and secondary education formula increases for FY 2011 or State equity and adequacy adjustments

Line	Information	Amount
1.	Amount of the State's total Education Stabilization Fund allocation remaining after restoring the level of State support for education in FY 2009 and FY 2010 (If level of FY 2010 support was based on Worksheet 2-A, enter the amount on Line 12 of Worksheet 2-A; if level of FY 2010 support was based on Worksheet 2-B, enter the amount on Line 15 of Worksheet 2-B).	N/A
2.	Either the actual amount of State funds that the State provided through its primary elementary and secondary education funding formulae in FY 2008 or a prior-enacted amount of State funds that the State provided or will provide through its primary elementary and secondary education funding formulae in FY 2009 (Enter the amount on line 2 of Worksheet 1-A).	4,150,060,642
3.	Actual or projected amount that the State provided or will provide through its primary elementary and secondary education funding formulae in FY 2009 (Enter the amount on Line 4 of Worksheet 1-A).	3,592,853,037
4.	Enacted amount (including formulae increases and equity and adequacy adjustments enacted prior to October 1, 2008) that the State would provide through its primary elementary and secondary education funding formulae in FY 2011.	3,443,610,880
5.	Projected amount that the State will provide through its primary elementary and secondary education funding formulae in FY 2011.	3,443,610,880
6.	Enter the greater of the amounts on Lines 2, 3, or 4.	4,150,060,642
7.	If the amount on Line 5 is greater than the amount on Line 6, enter 0; if the amount on Line 6 is greater than the amount on Line 5, enter the difference.	706,449,762
8.	Enter the greater of (1) either the actual amount of State support for public institutions of higher education (IHEs) in FY 2008 or a prior-enacted amount of State support for public IHEs in FY 2009 or (2) actual or projected amount of State support for public IHEs in FY 2009 (i.e., Enter the greater of the amounts on Lines 3 and 5 of Worksheet 1-A).	1,766,512,468
9.	Projected amount of State support for public IHEs in FY 2011.	1,273,956,262
10.	If the amount on Line 9 is greater than the amount on Line 8, enter 0; if the amount on Line 8 is greater than the amount on Line 9, enter the difference.	492,556,206
11.	Enter the sum of the amounts on Line 7 and Line 10. This is the amount of funds needed to restore fully the levels of State support for elementary, secondary, and postsecondary education in FY 2011. If the amount on Line 11 is greater than the amount on than Line 1, *see Worksheet 3-D for Shortfall calculations and do not complete Lines 12, 13 and 14.*	1,199,005,968
12.	If the amount on Line 1 is greater than the amount on Line 11, enter the amount from Line 7. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2011.	N/A
13.	If the amount on Line 1 is greater than the amount on Line 11, enter the amount from Line 10. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for postsecondary education in FY 2011.	N/A
14.	Enter the sum of the amounts on Line 12 and Line 13. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary, secondary, and postsecondary education in FY 2011.	N/A
15.	Enter the amount obtained by subtracting the amount on Line 14 from the	N/A

Line	Information	Amount
	amount on Line 1. This is the amount of the State's total Education Fund allocation that is available for subgrants to LEAs based on their proportionate shares of funding under Part A of Title I.	

WORKSHEETS FOR PART 5, SECTION A: STATE USES OF EDUCATION STABILIZATION FUNDS - CALCULATING THE RESTORATION AMOUNTS

WORKSHEET 3-C: Shortfall Calculations for FY 2011 in cases in which the State did not enact, prior to October 1, 2008, elementary and secondary education formula increases for FY 2011 or State equity and adequacy adjustments

Line	Information	Amount
1.	Amount of the State's total Education Stabilization Fund allocation remaining after restoring the level of State support for education in FY 2009 and FY 2010 (Enter the amount on Line 1 of Worksheet 3-A).	N/A
2.	Total amount of shortfall in FY 2011 (Enter the amount on Line 8 of Worksheet 3-A).	1,199,005,968
3.	Amount of shortfall in State support for elementary and secondary education (Enter the amount on Line 6 of Worksheet 3-A).	706,449,762
4.	Amount of shortfall in State support for public IHEs (Enter the amount on Line 7 of Worksheet 3-A).	492,556,206
5.	Enter the amount obtained by dividing the amount on Line 3 by the amount on Line 2.	58.92%
6.	Enter the amount obtained by dividing the amount on Line 4 by the amount on Line 2.	41.08%
7.	Enter the amount obtained by multiplying the amount on Line 5 by the amount on Line 1. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2011.	N/A
8.	Enter the amount obtained by multiplying the amount on Line 6 by the amount on Line 1. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for postsecondary education in FY 2011.	N/A

WORKSHEETS FOR PART 5, SECTION A: STATE USES OF EDUCATION STABILIZATION FUNDS - CALCULATING THE RESTORATION AMOUNTS

WORKSHEET 3-D: Shortfall Calculations for FY 2011 in cases in which the State enacted, prior to October 1, 2008, elementary and secondary education formula increases for FY 2011 or State equity and adequacy adjustments

Line	Information	Amount
1.	Amount of the State's total Education Stabilization Fund allocation remaining after restoring the level of State support for education in FY 2009 and FY 2010 (Enter the amount on Line 1 of Worksheet 3-B).	N/A
2.	Total amount of shortfall in FY 2011 (Enter the amount on Line 11 of Worksheet 3-B).	1,199.005.968
3.	Amount of shortfall in State support for elementary and secondary education (Enter the amount on Line 7 of Worksheet 3-B).	706.449.762
4.	Amount of shortfall in State support for public IHEs (Enter the amount on Line 10 of Worksheet 3-B).	492.556.206
5.	Enter the amount obtained by dividing the amount on Line 3 by the amount on Line 2.	58.92%
6.	Enter the amount obtained by dividing the amount on Line 4 by the amount on Line 2.	41.08%
7.	Enter the amount obtained by multiplying the amount on Line 5 by the amount on Line 1. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2011.	N/A
8.	Enter the amount obtained by multiplying the amount on Line 6 by the amount on Line 1. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for postsecondary education in FY 2011.	N/A

SUBMISSION INFORMATION

Please submit your application to the Department as follows:

1. E-mail an electronic version of your application in .PDF (Portable Document) format to Stabilizationfundapplication@ed.gov and

2. Mail the original amended application by express mail service through the U.S. Postal Service or through a commercial carrier to the following address:

   James Butler
   Group Leader, Teacher Quality Programs
   Office of Elementary and Secondary Education
   U.S. Department of Education
   400 Maryland Avenue, S.W., Room 3E108
   Washington, D.C. 20202