

# 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**

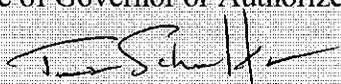
**OMB Number: 1810-0690  
Expiration Date: 11/30/2012**

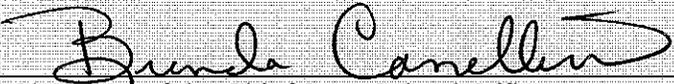
### Paperwork Burden Statement

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

**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): Governor Mark Dayton	Applicant's Mailing Address: 130 State Capital 75 Rev. Dr. Martin Luther King Jr. Blvd St. Paul, MN 55155
State Contact for the Education Stabilization Fund (CFDA No. 84.394)  Name: Brenda Cassellius  Position and Office: Commissioner, Minnesota Department of Education  Contact's Mailing Address: 1500 Hwy 36 West Roseville, MN 55113  Telephone: (651) 582 - 8200 Fax: (651) 582 - 8724 E-mail address: Brenda.Cassellius@state.mn.us	State Contact for the Government Services Fund (CFDA No. 84.397) <i>(Enter "same" if the same individual will serve as the contact for both the Education Stabilization Fund and the Government Services Fund.)</i> Name: James Schowalter  Position and Office: Commissioner, Minnesota Management and Budget  Contact's Mailing Address: 400 Centennial Office Building 658 Cedar St. St. Paul, MN 55155  Telephone: (651) 201 - 8010 Fax: (651) 797 - 1300 E-mail address: James.Schowalter@state.mn.us
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): Commissioner James Schowalter	Telephone: (651) 201 - 8010
Signature of Governor or Authorized Representative of the Governor: 	Date: 3-17-11

Recommended Statement of Support from the Chief State School Officer <i>(Optional)</i> :  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): Commissioner Brenda Cassellius  	Telephone: (651) 582 - 8200  3-17-11
Signature of the Chief State School Officer:	Date:

**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**

<b>Indicator</b>	<b>Progress</b>	<b>URL</b>	<b>State Plan</b>
<p><b>Indicator (a)(1):</b> 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).</p>	<p>Completed</p>	<p>URL same as Phase 2 application</p> <p>Updated URL: Click here to enter text.</p>	<p>Choose an item.</p> <p>URL to State Plan: Click here to enter text.</p>
<p><b>Indicator (a)(2):</b> 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</p>	<p>Completed</p>	<p>URL same as Phase 2 application</p> <p>Updated URL: Click here to enter text.</p>	<p>URL to State Plan: Click here to enter text.</p>

teachers rated at each performance rating or level.			
<b>Indicator (a)(5):</b> 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% completed	Choose an item.  Updated URL: Click here to enter text.	Choose an item.  URL to State Plan: <a href="http://education.state.mn.us/MD E/About_MDE/News_Center/013744">http://education.state.mn.us/MD E/About_MDE/News_Center/013744</a>
<b>Descriptor (a)(2):</b> 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.	Less than 50% completed	Choose an item.  Updated URL: Click here to enter text.	Choose an item.  URL to State Plan: <a href="http://education.state.mn.us/MD E/About_MDE/News_Center/013744">http://education.state.mn.us/MD E/About_MDE/News_Center/013744</a>
<b>Indicator</b>	<b>Progress</b>	<b>URL</b>	<b>State Plan</b>
<b>Indicator (a)(6):</b> 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	Less than 50% completed	Choose an item.  Updated URL: Click here to enter text.	Choose an item.  URL to State Plan: <a href="http://education.state.mn.us/MD E/About_MDE/News_Center/013744">http://education.state.mn.us/MD E/About_MDE/News_Center/013744</a>

about the points at which students exit, transfer in, transfer out, drop out, or complete pre-K through postsecondary education programs			
<b>Indicator (b)(1) element 4:</b> The capacity to communicate with higher education data systems	More than 50% completed	Choose an item.  Updated URL: Click here to enter text.	Choose an item.  URL to State Plan: Click here to enter text.
<b>Indicator</b>	<b>Progress</b>	<b>URL</b>	<b>State Plan</b>
<b>Indicator (b)(1) element 5:</b> An audit system assessing data quality, validity, and reliability	Completed	Choose an item.  Updated URL: Click here to enter text.	Choose an item.  URL to State Plan: Click here to enter text.
<b>Indicator (b)(1) element 6:</b> Yearly State assessment records of individual students	Completed	Choose an item.  Updated URL: Click here to enter text.	Choose an item.  URL to State Plan: Click here to enter text.
<b>Indicator (b)(1) element 7:</b> Information on students not tested, by grade and subject	Completed	Choose an item.  Updated URL: Click here to enter text.	Choose an item.  URL to State Plan: Click here to enter text.

alignment and adequate preparation for success in postsecondary education			
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<b>Indicator</b>	<b>Progress</b>	<b>URL</b>	<b>State Plan</b>
<p><b>Indicator (b)(2):</b> 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 arts and mathematics in grades in which the State administers assessments in those subjects in a manner that is timely and informs instructional programs.</p>	<p>More than 50% completed</p>	<p>Choose an item.</p> <p>Updated URL: Click here to enter text.</p>	<p>Choose an item.</p> <p>URL to State Plan: Click here to enter text.</p>
<p><b>Indicator (b)(3):</b> Indicate whether the State provides teachers of reading/language arts and</p>	<p>Less than 50% completed</p>	<p>Choose an item.</p> <p>Updated URL: Click here to enter text.</p>	<p>Choose an item.</p> <p>URL to State Plan: <a href="http://education.state.mn.us/MDE/About_MDE/News_Center/013744">http://education.state.mn.us/MDE/About_MDE/News_Center/013744</a></p>

<p>assessments for students with disabilities, if approved by the Department, are based on grade-level, modified, or alternate academic achievement standards.</p>		<p>Programs/Assessment_and_Testing/Assessments/Alternate/index.html</p>	<p>State Plan: Click here to enter text.</p>
Indicator	Progress	URL	State Plan
<p><b>Indicator (c)(4):</b> 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.</p>	<p>Completed</p>	<p>Updated URL  Updated URL: <a href="http://education.state.mn.us/mdeprod/groups/Assessment/documents/Manual/015970.pdf">http://education.state.mn.us/mdeprod/groups/Assessment/documents/Manual/015970.pdf</a></p>	<p>Choose an item.  URL to State Plan: Click here to enter text.</p>
<p><b>Indicator (c)(5):</b> Confirm the number and percentage (including numerator and denominator) of students with disabilities who are included in State reading/language arts and mathematics assessments.</p>	<p>Completed</p>	<p>Updated URL  Updated URL: <a href="http://education.state.mn.us/ReportCard/2010/NC LBDDataReport/RCF3271.pdf">http://education.state.mn.us/ReportCard/2010/NC LBDDataReport/RCF3271.pdf</a></p>	<p>Choose an item.  URL to State Plan: Click here to enter text.</p>

<p>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).</p>			<p>to enter text.</p>
<p><b>Indicator</b></p>	<p><b>Progress</b></p>	<p><b>URL</b></p>	<p><b>State Plan</b></p>
<p><b>Indicator (c)(10):</b> 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)(I) 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).</p>	<p>Completed</p>	<p>URL same as Phase 2 application</p> <p>Updated URL: Click here to enter text.</p>	<p>Choose an item.</p> <p>URL to State Plan: Click here to enter text.</p>
<p><b>Indicator (c)(11):</b> 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</p>	<p>Less than 50% completed</p>	<p>Choose an item.</p> <p>Updated URL: Click here to enter text.</p>	<p>Choose an item.</p> <p>URL to State Plan: <a href="http://education.state.md.us/MDE/About_MD">http://education.state.md.us/MDE/About MD</a></p>

<p>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.</p>			
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**Assurance (d): Supporting Struggling Schools**

Indicator	Progress	URL	State Plan
<p><b>Indicator (d)(1):</b> 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) on State assessments in reading/language arts in the last year.</p>	<p>Completed</p>	<p>URL same as Phase 2 application</p> <p>Updated URL: Click here to enter text.</p>	<p>Choose an item.</p> <p>URL to State Plan: Click here to enter text.</p>
<p><b>Indicator (d)(2):</b> Provide, for</p>	<p>Completed</p>	<p>URL same as Phase 2 application</p>	<p>Choose an</p>

around, restarted, closed, or transformed (as defined in the NFR) in the last year.			
<b>Indicator (d)(5):</b> Provide, for the 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.	Completed	Updated URL  Updated URL: <a href="http://education.state.mn.us/mdep/rod/groups/SchImprove/documents/HiddenContent/016115.pdf">http://education.state.mn.us/mdep/rod/groups/SchImprove/documents/HiddenContent/016115.pdf</a>	Choose an item.  URL to State Plan: Click here to enter text.
<b>Indicator (d)(6):</b> 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	Updated URL  Updated URL: <a href="http://education.state.mn.us/mdep/rod/groups/SchImprove/documents/HiddenContent/016115.pdf">http://education.state.mn.us/mdep/rod/groups/SchImprove/documents/HiddenContent/016115.pdf</a>	Choose an item.  URL to State Plan: Click here to enter text.
<b>Indicator (d)(7):</b> 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	URL same as Phase 2 application  Updated URL: Click here to enter text.	Choose an item.  URL to State Plan: Click here to enter text.
<b>Indicator (d)(8):</b> Confirm, for the State and for each LEA in the State that operates charter schools, the number of charter schools currently operating.	Completed	URL same as Phase 2 application  Updated URL: Click here to enter text.	Choose an item.  URL to State Plan: Click here to enter text.
<b>Indicator</b>	<b>Progress</b>	<b>URL</b>	<b>State Plan</b>
<b>Indicator (d)(9):</b> 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	URL same as Phase 2 application  Updated URL: Click here to enter text.	Choose an item.  URL to State Plan: Click here to enter text.
<b>Indicator (d)(10):</b> Provide,	Completed	URL same as Phase 2 application	Choose an

### 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*):

- \_\_\_\_\_ Achieving Equity in Teacher Distribution Assurance.
- \_\_\_\_\_ Improving Collection and Use of Data Assurance.
- \_\_\_\_\_ Improving Standards Assurance.
- \_\_\_\_\_ Supporting Struggling Schools Assurance.

Governor or Authorized Representative of the Governor (Printed Name):	
Signature: <b>(Document on File with the U.S. Department of Education – No Further Action Necessary)</b>	Date:

**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):	
N/A	
Signature:	Date:
N/A	

## 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 | \$6,394,579,400 |
| (b) Level of State support for public IHEs in FY 2008   | \$1,372,805,000 |
| (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 | \$6,474,190,000 |
| (d) Level of State support for public IHEs in FY 2009   | \$1,342,259,000 |
| (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 | \$5,942,226,000 |
| (f) Level of State support for public IHEs in FY 2010   | \$1,232,786,000 |
| (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 | \$6,044,975,000 |
| (h) Level of State support for public IHEs in FY 2011   | \$1,191,885,000 |

#### 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	\$ <u>          -0-          </u>
(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	\$ <u>      30,546,000      </u>
(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	\$ <u>      500,000,000      </u>
(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	\$ <u>      137,342,000      </u>
(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	\$ <u>          -0-          </u>
(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	\$ <u>          -0-          </u>
(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	\$ <u>          -0-          </u>

**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**

<b>Category</b>	<b>Dollar Amount - or - Percentage of Funds Allocated</b>
Public Safety	25.6%
Elementary and secondary education (excluding modernization, renovation, or repair of public school facilities)	0%
Public IHEs (excluding modernization, renovation, or repair of IHEs)	0.4%
Modernization, renovation, or repair of public school facilities	0%
Modernization, renovation, or repair of IHEs	0%
Medicaid	0%
Public assistance	0%
Transportation	0%
Other (please describe)	74%*
Undetermined	0%
<b>TOTAL</b>	<b>100%</b>

**\*Funds used to offset operational costs of the Minnesota Sex Offender Program, Minnesota Security Hospital, and Extended Treatment Options programs. These programs provide a variety of treatment services to civilly-committed individuals.**

**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](http://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):	
Signature:	Date:
<b>Document on File with the U.S. Department of Education – No Further Action Necessary</b>	

- 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):	
Signature:	Date:
<b>Document on File with the U.S. Department of Education – No Further Action Necessary</b>	

## 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 <u>Total Stabilization Allocation</u>	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

## 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.

### 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.

## 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.

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.

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.

**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**

<b>Line</b>	<b>Information</b>	<b>Amount</b>
1.	Amount of the State's total Education Stabilization Fund allocation.	667,888,144
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.	6,394,579,400
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.	1,372,805,000
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.	6,474,190,000
5.	Actual or projected amount of State support for public IHEs in FY 2009.	1,342,259,000
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.	-0-
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.	30,546,000
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, <i>see Worksheet 1-B for FY 2009 Shortfall calculation and do not complete lines 9, 10, 11, and 12.</i>	30,546,000
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. <i>(Enter this amount in Part A of Section 5 of the Application.)</i>	-0-

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

**WORKSHEET 1-B: Shortfall Calculations for FY 2009**

<b>Line</b>	<b>Information</b>	<b>Amount</b>
1.	Amount of the State's total Education Stabilization Fund allocation (Enter the amount on Line 1 of Worksheet 1-A).	667,888,144
2.	Total amount of shortfall in FY 2009 (Enter the amount on Line 8 of Worksheet 1-A).	30,546,000
3.	Amount of shortfall in State support for elementary and secondary education (Enter the amount on Line 6 of Worksheet 1-A).	-0-
4.	Amount of shortfall in State support for public IHEs (Enter the amount on Line 7 of Worksheet 1-A).	30,546,000
5.	Enter the amount obtained by dividing the amount on Line 3 by the amount on Line 2.	-0-
6.	Enter the amount obtained by dividing the amount on Line 4 by the amount on Line 2.	1
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. <i>(Enter this amount in Part A of Section 5 of the Application.)</i>	-0-
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. <i>(Enter this amount in Part A of Section 5 of the Application.)</i>	

**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).	
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).	
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).	
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.	
5.	Projected amount that the State will provide through its primary elementary and secondary education funding formulae in FY 2010.	
6.	Enter the greater of the amounts on Lines 2, 3, or 4.	
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.	
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).	
9.	Projected amount of State support for public IHEs in FY 2010.	
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.	
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 <i>Worksheet 2-D for Shortfall calculations and do not complete Lines 12, 13 and 14.</i>	
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. <i>(Enter this amount in Part A of Section 5 of the Application.)</i>	
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. <i>(Enter this amount in Part A of Section 5 of the Application.)</i>	
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.	
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	