



State Fiscal Stabilization Fund—Phase Two

American Recovery and Reinvestment Act:
\$12.6 billion

Grantees:
States (Office of the Governor), which make subgrants to school districts and public institutions of higher education

Type of grant:
Formula

For more information visit
www.ed.gov

Purpose:

The State Fiscal Stabilization Fund (SFSF) provides approximately \$48.6 billion directly to governors to help save jobs and drive education reform. The Department is awarding SFSF funds in two phases. In Phase I, states submitted applications for approximately \$36 billion. In Phase II, states will apply for the remaining roughly \$12.6 billion.

Program Requirements—Phase I:

In Phase I applications, State governors were required to assure that their states would take action and make progress in four areas of education reform:

- Adopting internationally benchmarked standards and assessments that prepare students for success in college and the workplace;
- Recruiting, developing, and retaining effective teachers and principals;
- Building data systems that measure student success and inform teachers and principals how they can improve their practices; and
- Turning around our lowest-performing schools.

Proposed Program Requirements—Phase II:

In Phase II applications, Governors would be required to provide data in each of these four areas of reform. The data would be made available to educators and the public, empowering them to identify needs and drive reform. States would not need to demonstrate progress on the indicators in order to get funds; instead, states would ensure that the information is in place (or will shortly be in place) so that parents, teachers, and policymakers know where our schools and students stand.

If a state cannot provide the data, it would be required to submit a plan for ensuring this information will be publicly reported as soon as possible, but no later than September 30, 2011. The plan would include:

- (1) A description of any issues preventing the state from collecting or reporting the data;
- (2) A description of its plan for developing a system to collect the data;
- (3) A timeline for implementing the plan;
- (4) The sources of funds the State would use to carry out its plan; and
- (5) Its process for disseminating the data.

The Department will post on line all Phase II applications, along with the reported data or the plan to submit data.

The Department will be publishing in the Federal Register a Notice of proposed requirements, definitions, and approval criteria for Phase II applications. The Notice, which also will invite public comment, will be available at www.ed.gov.