

An Oracle White Paper
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Implementing the American Recovery and Reinvestment Act of 2009 in K-12 Education

Introduction

While campaigning for President, Barack Obama promised that if elected he would make education a national priority. On February 17, 2009 he kept his promise and greatly expanded the role the federal government will play in elementary, secondary and higher education by signing into law the American Recovery and Reinvestment Act (ARRA). The ARRA provides over \$100 billion for education – twice the Department of Education’s current discretionary budget. This stimulus package offers school districts and state departments of education a once-in-a-lifetime opportunity to transform teaching and learning. However, the ARRA also presents significant challenges. Education leaders must act now to ensure these funds used effectively and their organizations are able to clearly demonstrate the value of this unprecedented investment in K-12 education.

The following breakdown of the key funding initiatives in the ARRA are estimates based on available information and may not reflect the final allocations. For more information please visit www.ed.gov or www.recovery.gov.

Fiscal Stabilization Fund – \$39.5-\$53.6 Billion

Of the \$53.6 billion available through the State Fiscal Stabilization Fund (SFSF), the U.S. Department of Education will award governors \$48.6 billion in return for their commitment to support public elementary, secondary, higher education, and where applicable, early childhood education. States must use 81.8 percent of SFSF funds to continue to fund K-12 and higher education at FY2008 levels. The first priority of these monies is to restore K-12 funding to FY 2008 or 2009 levels in FY 2009, 2010 and 2011. The second priority is to restore state higher education funding to FY2008 or 2009 levels. Any remaining funds must be allocated to school districts based on current the Title 1 formula. Eighteen percent, or \$8.8 billion, is allocated for public safety and other government services including K-12 education services plus modernization and repair of existing school buildings.

The Act provides for states and school systems to issue \$24.8 billion dollars in bonds for renovation, repairs and school construction that will be retired through a combination of local, state and federal dollars.

The four guiding principles for the use of ARRA funds are:

1. Spend Funds quickly to save and create jobs.
2. Improve student achievement through school improvement and reform.
 - a. Make progress toward rigorous college and career-ready standards and high quality assessments.
 - b. Establish pre-K to college and career data systems that track progress and foster continuous improvement.
 - c. Make improvements in teacher effectiveness and in the equitable distribution of qualified teachers for all students.
 - d. Provide intensive support and effective interventions for the lowest performing schools.
3. Ensure transparency, reporting and accountability.
4. Invest one-time ARRA funds thoughtfully to minimize the ‘funding cliff’.

To summarize the impact of the Fiscal Stabilization Fund on Education:

- \$39.5 B earmarked for K-20 Education
- \$8.8 B Public Safety & Other Govt. Services (includes K-20 services and modernization)
- \$4.35 B State Incentive Grants
- \$650 M Innovation Fund

U.S. Department of Education Incentive Fund – \$5 Billion

Secretary of Education Arne Duncan will control \$5 billion in competitive incentive grants to be allocated to states and Local Education Agencies (LEAs) that meet performance measures under No Child Left Behind. States will compete for funds to create higher quality assessments, robust data systems, and teacher quality initiatives. Included in the \$5 billion is:

- \$650 million in innovation grants for school districts, consortia of school districts and non-profit organizations with a track record of improving student achievement.
- \$100 million for Teacher Quality State Grants
- \$200 million for a Teacher Incentive Fund to develop and implement performance-based teacher and principal compensation systems in high-need schools.

Education Technology Fund – \$650 Billion

The Enhancing Education through Technology program supports State, school district and school level efforts to integrate technology into the curricula to improve teaching and learning. Funding supports the purchase of hardware, software, and professional development programs as well as instructional staff and services. Funds should be used to improve student achievement and ensure that students are college- and workforce-ready and that teachers receive meaningful professional development in the are of technology.

Oracle’s non-profit Education Initiatives, which include Oracle Academy and ThinkQuest, are designed to provide software and professional development of teachers to prepare elementary and secondary students for the high-tech careers of today and tomorrow. Oracle’s Education Foundation provides \$2 billion dollars a year in software, professional development and matching grants to education organizations worldwide. To find out more, visit www.thinkquest.org and <https://academy.oracle.com>.

Statewide Data Systems – \$250 Billion

The Department of Education will continue to provide competitive grants to States to enable them to design and develop statewide longitudinal data systems that use individual student data for reporting and improving student achievement and to facilitate research in ways to improve student achievement and close achievement gaps. This additional funding will allow states to increase the capacity of their data systems, provide teachers the information they need to personalize instruction for every student, and give administrators the information they need to better manage educational programs.

Title 1 – \$13 Billion

These significant new Title 1 funds are for local education agencies and schools to improve teaching and learning in schools where there are large numbers of high poverty students. Acceptable uses of these funds include the development of systems to provide effective teacher professional development and longitudinal data systems to drive continuous improvement in achievement in Title 1 schools. Included in the \$13 Billion is:

- \$5 B Targeted Grants (FY08 \$3B)
- \$5 B Finance Incentive Grants (FY08 \$3B)
- \$3 B School Improvement Grants (FY08 \$500 M)

States can use some funding for early childhood education. The United States Department of Education is encouraging States to use 40% of the School Improvement Funds (\$1.2 Billion) for middle and high schools.

Special Education (IDEA) – \$12.2 Billion

ARRA provides historic levels of funding for children with disabilities. Among the acceptable uses of these funds is district-wide teacher professional development for special education and regular education teachers and the development or expansion of data systems to improve teaching and learning. Up to 15% of IDEA Part B grants may be used for early intervention services for K-12 students not currently identified as special education. Included in the \$12.2 Billion is:

- \$11.3 B Grants to States (FY08 \$11 B)
- \$400 M Preschool Grants (FY08 \$375 M)
- \$500 M Grants for Infants & Families, Part C (FY08 \$435 M)

HOW ORACLE CAN HELP

REQUIREMENT	ORACLE PRODUCTS
<ul style="list-style-type: none"> • Establish pre-K college and career data systems that track progress and foster continuous improvement. • Use longitudinal data system to drive continuous improvement efforts focused on improving achievement in Title 1 schools. • Develop or expand the capacity to collect and use data to improve teaching and learning (IDEA). • Design and develop statewide longitudinal data systems that use individual student data for reporting and improving student achievement, and to facilitate research to improve student achievement and close achievement gap. • Ensure the privacy of the sensitive data ensuring FERPA, HIPAA and other regulations are enforced. 	<ul style="list-style-type: none"> • Business Intelligence Solutions* • Enterprise 2.0 Portals • Data Integrator • Portioning, OLAP, RAC • Security • Database Enterprise Edition <p><i>*Oracle Business Intelligence applications and technology can run on multiple databases and pull information from multiple data sources including student, HR and financial data.</i></p>
<ul style="list-style-type: none"> • Make improvements in teacher effectiveness and in the equitable distribution of qualified teachers for all students. • Recruit, retain and reward the best and brightest teachers. • Develop and implement performance-based teacher and principal compensation systems in high-need schools. • Ensure that teachers receive meaningful professional development in the use of technology. 	<ul style="list-style-type: none"> • Human Capital Management Suite • Web-based Recruiting module • Talent and Compensation Management • Learning Management • Performance Scorecard • Workforce Planning • Business Intelligence Applications for Human Resources and Payroll • ThinkQuest and Oracle Academy* <p><i>*Part of Oracle's non-profit Education Initiatives and Oracle's commitment Education.</i></p> <p>http://www.oracle.com/corporate/community/community/education.html</p>
<ul style="list-style-type: none"> • Ensure transparency, reporting and accountability with regard to how ARRA funds are spent. • Accurately measure and track results and publicly report on how funds are used. 	<ul style="list-style-type: none"> • Financial Management Suite • Project and Grants Management • Web-based Procurement and Supplier management • Internet-Based Sourcing • Business Intelligence Applications for Financials, Procurement, and Vendor Management • Planning and Budgeting

HOW ORACLE CAN HELP, CONT.

REQUIREMENT	ORACLE PRODUCTS
<ul style="list-style-type: none"> • School modernization, renovation and repair • Reduce paperwork and create 'green' schools 	<ul style="list-style-type: none"> • Project and Grants Management • Asset Lifecycle Management (Maintenance Management, IT and Real Estate Management) • Self-service HR, Payroll and Procurement applications • Oracle technology and IT modernization framework

Charles Phillips Named to Economic Recovery Advisory Board

On February 6, 2009, President Obama unveiled a new Economic Recovery Advisory Board, and named Oracle President Charles Phillips as a member of this council.

The Economic Recovery Advisory Board will provide regular briefings to the President, Vice President and their economic team. The Board will be established initially for a two-year term, after which the President will make a determination on whether to extend the work of the Board.

Supporting Members of the Board are distinguished citizens outside the government who are qualified on the basis of achievement, experience, independence, and integrity. The Board will bring a diverse set of perspectives and voices from different parts of the country and different sectors of the economy to bear in the formulation and evaluation of economic policy.

Conclusion

The role and use of information technology solutions will be critical to achieving the goals of effective investing and execution, accountability of funds and most importantly the transparency and measurement of performance.

As a technology leader, Oracle provides the broadest array of business application and technology solutions. By providing both, Oracle lowers the risk of integration and provides continual process upgrades and improvement of technology best practices.

In addition to providing new tools and applications, Oracle technologies can be utilized to leverage existing systems and data repositories.

Oracle continues to be a leader in assisting education customers in delivering learning in the most effective and efficient manner. Oracle renews its commitment to education by assisting you in achieving the goals of the American Recovery and Reinvestment Act of 2009.



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