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Public-Private Partnership Opportunities
Under the American Recovery and Reinvestment Act (ARRA) Education Provisions
As of June 2009

Overview

Important opportunities for public-private partnerships exist as states and districts gear up to spend approximately \$100 billion to strengthen their education systems under the American Recovery and Reinvestment Act (ARRA). This document presents the Commission on No Child Left Behind's detailed analysis of these opportunities under the primary ARRA funding streamsⁱ, and will be updated as developments warrant.

ARRA Reform Assurances Will Shape NCLB Reauthorization

In exchange for receiving tens of billions under the State Fiscal Stabilization Fund (the largest pot of ARRA funding), governors must pledge to:

- Increase teacher effectiveness and address inequities in the distribution of highly qualified teachers;
- Establish and use a pre-K-through-college-and-career data system to track progress and foster continuous improvement using individual student and teacher identifiers;
- Make progress towards rigorous college- and career-ready standards and high-quality assessments that are valid and reliable for all students, including limited English proficient students and students with disabilities; and
- Provide targeted, intensive support and effective interventions to turn around schools identified for corrective action and restructuring.

These topics, commonly known as the ARRA "assurances," will form the policy baseline from which the Congress will build in the upcoming reauthorization of the No Child Left Behind Act (NCLB). How well states and districts use ARRA's unprecedented infusion of federal money to address these issues—while also protecting jobs and plugging budget gaps in some cases—will play an important role in shaping NCLB's renewal. States and districts will need a great deal of assistance in meeting these challenges, offering fertile ground for organizations seeking to partner with them.

Partnerships for Reform under ARRA Formula and Competitive Grants

More than 90% of the \$100 billion will be awarded via formula grants from the U.S. Department of Education (ED) through states to local educational agencies ("LEAs" or districts), which will have wide latitude in using the funding as they see fit within the confines of the law—meaning that reforms are competing with renovation projects, freezing layoffs, and other priorities. While partnerships with nonprofits and other organizations

generally are not required as a condition of receiving this formula funding, such groups can and should approach states and districts to offer assistance in meeting particular challenges and delivering on required ARRA reforms, such as assisting chronically struggling schools. Other funding streams will be awarded competitively, and will likely offer better defined opportunities—possibly even requirements—for partnerships with nonprofits and other groups. Whether in formula or competitive programs, ED is most likely to look favorably upon partnerships that bolster states’ and districts’ ability to advance reform in the four “assurance” areas.

Grant solicitationsⁱⁱ for each program will detail the application information required, including any “absolute priorities” (things without which an application will not be considered), “competitive preference priorities” (things that earn an applicant extra points but aren’t required), or “invitational priorities” (things in which ED is especially interested, but which don’t earn applicants additional points). Evidence of partnerships among the applicant and other groups often falls into one of these categories.

Analysis of Partnership Opportunities Under Primary ARRA Funding Streams

Promising Opportunities for Partnerships

Program: **What Works and Innovation Fund**
Amount: up to \$650 million
Timing: Guidelines and applications for this competitive funding will be printed in the Federal Register in July.
Partnerships: Strong opportunity exists. Few details are yet available, though ED indicates these are being worked out in coordination “with philanthropic contributors.” ED will award these funds to districts and nonprofit-district partnerships with a strong track record of results, with the goal of “expanding, enhancing, validating, disseminating, and scaling the effective, innovative approaches of high-potential districts and nonprofits.” An ED advisor has suggested the funds may be split evenly among districts and partnerships consisting of nonprofits and districts or consortia of schools. (The statute does not authorize awards to nonprofits that have not partnered with a district or consortia of schools.) One of the statutory requirements is that applicants “demonstrate that they have established partnerships with the private sector, which may include philanthropic organizations, and that the private sector will provide matching funds in order to help bring results to scale.” Although the eligibility requirements also include 1) significantly closing the achievement gap, 2) exceeding the state’s annual achievement objectives, and 3) having made significant improvement in other areas such as graduation rates, a lower-performing district could be eligible if it applies in partnership with a nonprofit organization that “has a record of meeting such requirements.”
Website: No specific site yet, but monitor <http://www.ed.gov/policy/gen/leg/recovery/index.html> for developments.

Program: **Teacher Incentive Fund**
Amount: \$200 million
Timing: Competitive funding will be awarded in fall 2009. ED has indicated that guidelines for these funds will be available “shortly.”
Partnerships: Strong opportunity exists. Partnerships consisting of a state and/or LEA together with one or more nonprofit organizations may apply. Information on funded projects—many of which are anchored by nonprofits—can be found on the program’s website listed below under “Awards.”
Website: <http://www.ed.gov/programs/teacherincentive/index.html>; see also <http://www.ed.gov/policy/gen/leg/recovery/index.html>

Program: “Race to the Top” Fund

Amount: \$4.35 billion plus any unused balance below the \$650 million Innovation fund cap (detailed above)

Timing: Competitive funding will be awarded in two rounds: March 2010 and September 2010. Draft applications and the criteria for evaluating states’ applications will be posted for public comment in the Federal Register in late July. Final Phase 1 applications will be available in October and due in December. Phase 2 applications will be due in June 2010.

Partnerships: Strong opportunities are likely to exist. Few details on the program are yet available, but ED has indicated these funds must be used to “help states drive substantial gains in student achievement by supporting states making dramatic progress on the four [assurances] and effectively using other ARRA funds.” Secretary Duncan has said, “Our plan is to incent states to think differently, not only about how they spend the stimulus money but also encourage them to do creative, innovative things through our Race to the Top program.... With Race to the Top, we can lay the foundation for where we want to go with NCLB.” ED will likely award sizeable grants to a few leading states making progress across all key reform areas, but may also support multi-state applications in some cases; a recent ED document said the fund will support “a vanguard of states who will adopt ‘fewer, clearer, higher’ standards and aligned assessments and data systems, all targeted to ensure college and career readiness.” ED will likely require states to demonstrate that they are working with a range of partners toward their reform goals in order to win these funds. States receiving grants must pass at least 50% of the grant on to LEAs based on their relative share of Title I funding.

Website: No specific site yet, but monitor <http://www.ed.gov/policy/gen/leg/recovery/index.html> for developments.

Program: Title I School Improvement Grants

Amount: \$3 billion

Timing: Formula funds will be available beginning in fall 2009, upon approval of to-be-determined information from states. Draft guidelines may be available in July.

Partnerships: Moderate opportunity exists. Among the school improvement strategies from which states must select in order to receive funds is “create partnerships among the SEA, LEAs and other entities for the purpose of delivering technical assistance, professional development, and management advice.”

Website: <http://www.ed.gov/programs/sif/index.html>; see also <http://www.ed.gov/policy/gen/leg/recovery/index.html>

Program: Educational Technology State Grants

Amount: \$650 million

Timing: Funds will be available beginning in fall 2009 upon approval of to-be-determined information from states. Half of the funding will be by formula to districts; the other half will be competitive within states for LEAs.

Partnerships: Moderate opportunity exists, particularly regarding competitive funds, since districts will try to assemble strong teams to win this money. One of the statutory purposes of the program is to “encourage the establishment or expansion of initiatives, including initiatives involving public-private partnerships, designed to increase access to technology, particularly in schools served by high-need local educational agencies.” Eligible local partnerships involve a high-need district and other partners, which may include nonprofits with demonstrated experience in the application of educational technology to instruction.

Website: <http://www.ed.gov/programs/edtech/index.html>; see also <http://www.ed.gov/policy/gen/leg/recovery/index.html>

Potential Opportunities for Partnerships

- Program:** **State Fiscal Stabilization Fund (SFSF)**
- Amount:** \$48.6 billion
- Timing:** Two-thirds of formula funding is being released for states that apply by July 1 (states that don't apply by this deadline will forfeit all SFSF funds). The remainder of the funding will be released on a rolling basis following ED's approval of state plans. ED will soon publish in the Federal Register draft metrics by which to measure states' progress on the four "assurances" described above. Application guidelines for states would follow once the metrics are finalized.
- Partnerships:** Potential opportunity – dependent on state and local priorities. Governors apply for SFSF funds (pledging to make progress on the four "assurances") and distribute 81.8% under the Education Stabilization Fund to districts, which can use the funding for any purpose authorized under ESEA, IDEA, or career and technical education and adult education statutes. Possibilities for productive partnerships abound, but partners will have to make a compelling case to districts—starting now, since districts have many competing priorities. Governors have wide latitude to direct the remaining 18.2% under the Government Services Fund for public safety and other government services, which may include assistance for schools. ED has encouraged governors to use Government Services funds in ways that support education reform, including driving progress on the four "assurances" described above, which could include additional formula grants to districts or competitive sub-grants to districts or other entities. Because states will be working over the next several months to develop plans for SFSF funding, now is the time to communicate to governors (and with other allies who can help make the case to governors) specific ways partnerships can help them achieve their goals.
- Website:** <http://www.ed.gov/programs/statestabilization/index.html>; see also <http://www.ed.gov/policy/gen/leg/recovery/index.html>
- Program:** **Title I**
- Amount:** \$10 billion
- Timing:** 50% of formula funding was released in April; the remainder will be released by September 30th upon approval of state-submitted information (to be determined by ED "in the coming weeks").
- Partnerships:** Potential opportunity – dependent on state and local priorities. As under regular ESEA Title I funding, states must retain a small portion of funding for school improvement, administration, and other activities, and pass the remainder on to districts via formula. Districts have wide latitude in allocating this funding and discretion to enter into partnerships.
- Website:** <http://www.ed.gov/programs/titleiparta/index.html>; see also <http://www.ed.gov/policy/gen/leg/recovery/index.html>
- Program:** **IDEA**
- Amount:** \$12.1 billion
- Timing:** 50% of formula funding was released in April; the remainder will be released by September 30th upon approval of state-submitted information (to be determined by ED "in the coming weeks").
- Partnerships:** Potential opportunity – dependent on state and local priorities. Funding must be used consistent with current law.
- Website:** <http://idea.ed.gov/explore/home>; see also <http://www.ed.gov/policy/gen/leg/recovery/index.html>

Program: **Teacher Quality Enhancement**
Amount: \$100 million
Timing: Competitive grant funds will be awarded in fall 2009. ED has indicated that guidelines for these funds will be available “shortly.”
Partnerships: Some opportunity may exist. “Eligible partnerships” may apply for partnership grants, but nonprofit organizations are not specified in the statutory list of mandatory and permissible partners. (Nonetheless, the college and school district leading the partnership may be willing to include a nonprofit partner on their team.)
Website: <http://www.ed.gov/programs/heatqp/index.html>; see also <http://www.ed.gov/policy/gen/leg/recovery/index.html>

Program: **Statewide Data Systems**
Amount: \$250 million
Timing: Competitive grant funds will be awarded in fall 2009. ED has indicated that guidelines for these funds will be available “shortly.”
Partnerships: Some opportunity exists. Applying states must explain who their partners are and how they are involving state and local stakeholders in their work, but funded projects are very technical and specific and unlikely to involve the types of broad, nonprofit partnerships seen in other grant programs. This program may be of more interest to for-profit organizations with relevant expertise.
Website: <http://www.ed.gov/programs/slds/index.html>; see also <http://www.ed.gov/policy/gen/leg/recovery/index.html>

No Opportunities for Partnerships

Program: **Pell Grants**
Amount: \$17.1 billion
Timing: Funds available beginning July 1.
Partnerships: No opportunity exists. Funding supports student awards for school year 2009-2010.
Website: <http://www.ed.gov/programs/fpg/index.html>; see also <http://www.ed.gov/policy/gen/leg/recovery/index.html>

Program: **Work-Study**
Amount: \$200 million
Timing: Funds available beginning July 1.
Partnerships: No opportunity exists. Funding supports student awards for school year 2009-2010.
Website: <http://www.ed.gov/programs/fws/index.html>; see also <http://www.ed.gov/policy/gen/leg/recovery/index.html>

Additional Opportunities for Partnerships

ED will continue to announce discretionary grant competitions under non-ARRA programs in the coming months. ED has indicated that the application priorities for these competitions will be aligned with the reform goals of the Race to the Top fund, and will recognize states and districts that optimize the use of ARRA funds. See www.ed.gov and the Federal Register for announcements.

ⁱ For more information on all ARRA funding, see <http://www.ed.gov/policy/gen/leg/recovery/index.html> (including recent ED guidance on how to use ARRA funds to drive school reform and improvement, available at <http://www.ed.gov/policy/gen/leg/recovery/guidance/uses.doc>).

ⁱⁱ Grant solicitations will be posted at www.ed.gov and in the Federal Register (<http://www.gpoaccess.gov/fr/>).