

August 16, 2010

Contact: Scott McCown, mccown@cppp.org

SCHOOL BOARDS AND SUPERINTENDENTS NEED TO CALL UPON GOVERNOR TO ACT BY SEPTEMBER 9 TO GAIN \$830 MILLION

In the Education Jobs Fund, Congress set aside approximately \$10 billion for states for public education for 2010-11. You can read the legislation and administrative guidance on the U.S. Department of Education's website under Education Jobs Fund. This money is extremely important for Texas public schools. We urge school boards and superintendents to call upon the Governor to request Texas' share of this money before the September 9 deadline.

How does the money help ease school district budget pressures?

These federal dollars can significantly ease your budget pressures. Districts must spend the money "only for compensation and benefits and other expenses, such as support services, necessary to retain existing employees, to recall or rehire former employees, and to hire new employees in order to provide early childhood, elementary, or secondary educational or related services." But since the money can be spent on <u>existing</u> employees, it frees local dollars to meet other needs. While the money itself is not flexible, it creates flexibility.

What determines how much each school district receives?

The money flows to districts based upon their relative share of funding under Part A of Title I, but districts do not have to spend the money on Title I programs. Some districts would have received more and some districts less had Congress chosen to use state funding formulas, but contrary to a spreadsheet circulated by the Texas Education Agency (TEA), there are no "winners" or "losers." Every district receives money based upon its relative share of Title I.

What about Maintenance of Effort?

For more information about the required Maintenance of Effort, see our recent <u>paper</u>. But MOE is an obligation of the state, not the districts. And it is easy for the state to meet its MOE.

The MOE is a target, not a contract!

For Texas to get its share of funding, Congress merely requires the Governor to make certain assurances about the state's intention with regard to funding public education. Congress isn't asking the Governor to bind Texas to any particular level or percentage of funding. Instead, the MOE is a target, not a contract. Congress is merely asking for the Governor's good faith assurance that Texas is aiming for and likely to hit the target. Importantly, the federal legislation does not require that Texas return any money if the state misses the target, nor does the federal legislation penalize Texas in any other way. The Governor made a similar assurance to draw down the federal Recovery Act dollars used to balance the Texas budget in 2009. Given the high priority that Texans place on public education, the Governor can easily make the necessary assurances to draw down these funds for public education.

Call to Action

The Governor must request funding by September 9. The Governor needs to hear from school boards and superintendents that this money is important to you. Contact the Governor and your Representative and Senator as soon as possible. Tell them to get Texas' share of funding.