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Press Release

COMMISSIONER'S OFFICE

FOR IMMEDIATE RELEASE
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Federal government approves Alaska for stabilization funding

JUNEAU -- Alaska's application for the State Fiscal Stabilization Fund has been approved by the U.S. Department of Education. The stabilization fund is one piece of the American Recovery and Reinvestment Act of 2009, commonly called the stimulus act.

Alaska will receive \$113.7 million in stabilization funds. Of that, \$93 million will be passed on to school districts. The other \$20.7 million, which may be used for any government function, will be shared among Alaska's communities. The stabilization funds must be obligated by September 30, 2011, and spent by December 29, 2011.

School districts may spend stabilization funds for any purposes allowed under federal education laws, including for staff salaries, new and existing academic programs, facility renovations, and new construction. The stabilization funds offer districts more flexibility than do other pieces of the stimulus act -- such as Title I (anti-poverty), Individuals with Disabilities Education Act, or vocational education funds -- which must be spent only for those programs.

The federal approval, announced today, will free up 67 percent of the stabilization funds. To receive the funds released today, Alaska provided assurances that it will collect, publish, analyze and act on basic information regarding the quality of teachers, annual student improvements, college readiness, the effectiveness of state standards and assessments, progress in removing caps on charter schools, and interventions in turning around underperforming schools. Alaska also must report the number of jobs saved, the local tax increases averted, and the uses of the funds.

The state's receipt of the remainder of the funds, by the fall, is contingent on federal approval of Alaska's plan to address the education reform goals of the stimulus act. The reform goals are to adopt rigorous standards and assessments, use student data for improvement, increase teacher effectiveness, and turn around the lowest-performing schools.

A large, faint watermark logo of the Department of Education and Early Development is visible in the background of the lower half of the page. It features a circular emblem with a sunburst and a landscape, similar to the one at the top of the page. Below the emblem, the text "EDUCATION & EARLY DEVELOPMENT" is written in a large, bold, sans-serif font.

EDUCATION
& EARLY DEVELOPMENT

The state is requiring districts to submit an application that details how they will spend their stabilization funds and what education goals they intend to meet. Districts also must agree to maintain separate financial records for the funds. The districts' proposals and expenditures will be made public on the web site

<http://www.eed.state.ak.us/stim/home.html>. The web site also contains background information about the education portions of the stimulus act.

An estimate of the districts' allocations of stabilization funds is at http://www.eed.state.ak.us/stim/pdf/ARRA_SFSF_Allocation.pdf. Note that under the stimulus act only districts that receive Title I funds (52 of 54 Alaska districts) are eligible for stabilization funds.

Alaska's application for stabilization funds is at <http://www.ed.gov/programs/statestabilization/resources.html>.

Alaska already has received some stimulus funds. In April, Alaska received \$15 million in Title I funding and \$18 million in funding for children with disabilities, representing half of Alaska's allotment for those types of stimulus funds. In all, Alaska expects to receive approximately \$170 million in stimulus funds for K-12 education.

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