



## **Economic Stimulus Dollars for Education: One Year Later**

According to the U.S. Department of Education the \$98 billion in education funding in the American Recovery and Reinvestment Act (ARRA) was, “an unprecedented effort to jumpstart our economy, create or save millions of jobs, and put a down payment on addressing long-neglected challenges so our country can thrive in the 21st century.”<sup>1</sup> It is therefore difficult to understand why, as of February 12, 2010 **more than \$36.5 billion of those funds remain unspent.**<sup>2</sup> A less generous analysis, as was done in yesterday’s USA Today, would say that \$69 billion has not yet been spent since states have obligated (or expressed their intent to spend) but have not actually spent that money.<sup>3</sup>

These funds include more than \$4 billion for the Race to the Top Fund that has not yet been awarded to states.<sup>4</sup> In fact, the Department of Education has indicated that some of the Race to the Top funds will not be allocated to states until September 2010, more than 18 months after they were initially provided by Congress. In addition, the Department continues to hold on to \$650 million for the Investing in Innovation (I3) grants and have not even begun accepting applications from school districts, even though a year has passed since the funds were initially awarded.<sup>5</sup>

Considering that this money was portrayed as being critically important for economic stimulus purposes, it is staggering that so much should either remain unavailable to states, or that states have utilized funds so slowly.

Before Congress takes any further steps to allocate additional funds for educational purposes it should make it a priority to understand why it has taken so long to get funds to states, and why some states have

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<sup>1</sup> The U.S. Department of Education, Overview of the Recovery Act, available at: <http://www2.ed.gov/policy/gen/leg/recovery/index.html>

<sup>2</sup> The U.S. Department of Education, Spending Reports of the American Recovery and Reinvestment Act of 2009, available at: <http://www2.ed.gov/policy/gen/leg/recovery/reports.html>

<sup>3</sup> USA Today, “Stimulus funds going to slashed programs,” February 17, 2010, available at: [http://www.usatoday.com/news/washington/2010-02-17-stimulus-funds\\_N.htm](http://www.usatoday.com/news/washington/2010-02-17-stimulus-funds_N.htm)

<sup>4</sup> The U.S. Department of Education, Race to the Top Applicant Information, Key Dates, available at: <http://www2.ed.gov/programs/racetothetop/applicant.html>

<sup>5</sup> The U.S. Department of Education, Investing in Innovation Fund Timeline, available at: <http://www2.ed.gov/programs/innovation/applicant.html>

been slow to utilize the already allotted funds. If education funds were so critically necessary to save or create jobs why were these dollars not all immediately used? Considering how much remains unspent, were the methods used for allocating education funds to states in the ARRA the best way to kick start the struggling economy?