

American Recovery and Reinvestment Act: Questions and Answers, Rebutting Critics – Part III

Q: Does the Recovery Act discriminate against religious groups?

A: No. The bill provides funding for construction and modernization of schools for higher education – continuing current limitations on the funding of religious buildings. These provisions allow the federal government to provide aid to all schools, secular or religious, for school modernization, renovation, and repair; the only spending these clauses prohibit is on buildings that are primarily for religious purposes.

Students will be permitted to hold religious activities in buildings constructed with federal funds, just as they currently do at Historically Black Colleges and Universities that are receiving federal funding for construction under these same provisions. These provisions have been in law since 1963 and were signed by Presidents Reagan (1986), Bush (1992), and Bush (2008) and have been upheld by the courts as constitutionality required restrictions on federal spending going to religious institutions.

(Certain groups have raised misleading charges about the following two clauses in the bill that would prohibit funds being used for facilities: "(i) used for sectarian instruction, religious worship, or school department of divinity; or (ii) in which a substantial portion of the functions of the facilities are subsumed in a religious mission." These groups charge that these clauses constitute religious discrimination and would prohibit students from exercising their religious freedom in any building where federal money was used in its construction or remodeling.) These charges are simply inaccurate and fail to acknowledge that these same provisions have been a part of federal statutes for decades.

Q: Does the Recovery Act include funding for non-Title I schools?

A: Yes. Most of the funding for public schools in the Recovery Act is for all public schools, not only Title I schools. For example, the Recovery Act creates a State Fiscal Stabilization Fund which includes \$39.5 billion which goes to school districts in order to restore education budget cuts that have impacted all schools, stave off teacher layoffs, and modernize existing school facilities. Most of this \$39.5 billion will go to school districts using states' funding formulas. (Specifically, for the vast majority of states that have cut education funding, they must distribute this funding to school districts using states' funding formulas until the funding reaches the FY 2008 or FY 2009 level -- whichever is higher. At that point, any additional dollars must be distributed using the Title I formula. For the few states that have not cut education funding, the funds must be distributed using the Title I formula.) There is a \$13 billion increase for Title I funding included in the Act, but that is only a fraction of the more than \$70 billion for K-12 education in the Act.

Q: Can school districts use Title I and IDEA funds under the Recovery Act only for new projects and not for existing projects?

A: No. The purpose of the funds states and school districts receive for Title I and IDEA under the Recovery Act is to strengthen education resources for students in need. In other words, these funds are for new programs and to augment existing programs, at the discretion of the school district. That's the intent of these investments and the way the law is written. This additional Title I and IDEA funding is being provided at a time when schools and school districts are financially struggling due to the recession.

Q: What is the difference between the American Reinvestment and Recovery Act and the financial rescue plan?

A: The financial rescue plan of last fall was designed to restore the flow of credit after the failure of several Wall Street firms last fall resulted in a credit freeze, which severely limited the availability of credit needed by businesses to make payroll and by families to buy a car, or pay for college. It was also intended to stabilize financial institutions by purchasing their "toxic" assets, and to help homeowners at risk of foreclosure. The Bush Administration decided to provide, primarily, capital infusions to banks. That plan is currently being overhauled by the Obama Administration – with new limits on executive compensation, and strengthened accountability and transparency. The economic recovery plan will create or save 3.5 million jobs by focusing on the American people with tax cuts, much-needed relief, and long-term investments to strengthen our economy.