

The proposed American Jobs Act contains two provisions that would flow substantial additional federal assistance for public education.

The act creates a \$30 billion Teacher Stabilization grant that would be awarded to each state based on population. Within the states, 60% of the funds allocated to local education agencies would be based on enrollment, and 40% would be allocated based on each local education agency's share of Title I Part A funds for fiscal 2011.

To estimate the distribution of these funds to districts, a number of assumptions had to be made. Briefing material related to the act indicate that Texas would receive \$2,565,500,000 for the purposes of both Teacher Stabilization and First Responder Stabilization. Based on the national proportions of those programs, the share for Teacher Stabilization was estimated to be \$2,199,000,000. While the provisions of the act would allow up to 10% to be set aside by the state for state-funded early learning programs and 2% for administration, no allowance was made for those purposes in these estimates. The Title I Part A funding was derived from TEA's posted information about 2010-11 maximum entitlements found at the following site:

<http://www.tea.state.tx.us/index4.aspx?id=2147489608> .

The act also creates a \$25 billion School Modernization grant with different criteria for awards to states. Of the total, 40% is allocated directly to the 100 districts nationwide that have the largest populations of students living in poverty. The remaining funds are allocated to the states in proportion to their Title I Part A funding in fiscal 2011. The briefing materials identify the Texas share of the funding as \$2,332,100,000.

Various press accounts indicate that about 19 school districts in Texas qualify for the direct allocation, and are expected to receive about \$1.2 billion. To estimate the awards under that provision, the same maximum entitlements were used to identify the 19 recipients of the largest amounts of Title I funds. Each of those districts was allocated a share of the \$1.2 billion based on its proportion of Title I Part A funding within the group of 19 districts.

The remaining \$1,132,100,000 was allocated to all other districts receiving Title I Part A funding in proportion to their respective shares of that funding source, exclusive of the amounts received by districts eligible for the direct grant. The grant actually calls for only 50% of the total to be allocated in this manner, with the remainder to be granted based on school district needs using objective criteria, with a priority given to projects in rural local education agencies. Because that grant process and associated criteria have not been developed, we chose to estimate the allocation of the entire amount based on Title I Part A.

It is important to remember that these estimates are based on introduced language of a proposal that has yet to be formally heard in Congress. Even if the proposal ultimately is enacted, we would expect some significant changes before final passage, and we would also expect that final administrative decisions and more updated data could also impact the likely grant amounts for a given district. **These estimates should not be used for any budgeting purpose at this time.**