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# CITY OF OAKLAND



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Office of the City Administrator  
Dan Lindheim  
City Administrator

(510) 238-3301

April 28, 2009

Life Enrichment Committee  
Oakland, California

Chairperson Brooks and Members of the Committee:

**RE: Information and Possible Action on the State Fiscal Stabilization Fund (SFSF)  
Grant from the American Recovery and Reinvestment Act of 2009**

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## SUMMARY

The State Fiscal Stabilization Fund (SFSF) program is a new one-time appropriation of \$53.6 billion under the *American Recovery and Reinvestment Act of 2009 (ARRA)*. Of the amount appropriated, the U. S. Department of Education will award governors approximately \$48.6 billion by formula under the SFSF program in exchange for a commitment to advance essential education reforms to benefit students from early learning through post-secondary education, including: college- and career- ready standards and high-quality, valid and reliable assessments for all students; development and use of pre-K through post-secondary and career data systems; increasing teacher effectiveness and ensuring an equitable distribution of qualified teachers; and turning around the lowest-performing schools.

## KEY ISSUES AND IMPACTS

The first round of applications to the State, which has a deadline of May 4, 2009, is only for Local Education Agencies (LEA), is formula driven, and is to restore state education support. Governor Schwarzenegger, State Board of Education President Ted Mitchell, and State Superintendent of Public Instruction Jack O'Connell submitted the state application for the funds the week of April 6, 2009.

The ARRA requires in this "pot" of funds go toward filling shortfalls in elementary, secondary, and higher education. Consequently, the City of Oakland is not eligible to apply for these funds.

Item: \_\_\_\_\_  
Life Enrichment Comte.  
April 28, 2009

It is anticipated that the Oakland Unified School District (OUSD) is applying for these funds as they are primarily intended to help schools avoid layoffs and improve student achievement.

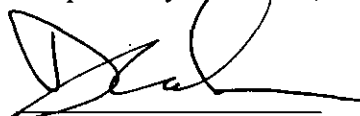
The second round (Government Services Fund) will be competitive and structured in such a way that the Governor will have discretion as to the use of the funds. The application and requirements for this have not been issued. The ARRA indicates that these monies can be used for “public safety and other government services, which may include assistance for elementary and secondary education and public institutions of higher education, and for modernization, renovation, or repair of public school facilities and institutions of higher education facilities.”

In the State’s application for the SFSF funds, the Governor has indicated that these funds (\$1.084 billion) will be used 100% for public safety. The City Council would need to make a policy decision as to whether the City wants to lobby the Governor’s office to expand the use of these funds beyond public safety.

**ACTION REQUESTED OF THE CITY COUNCIL**

Receive this informational report.

Respectfully submitted,



Dan Lindheim  
City Administrator

Item: \_\_\_\_\_  
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April 28, 2009