McClatchy Washington Bureau

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Posted on Tue, Aug. 10, 2010

House sends \$26 billion in aid to states for teachers, Medicaid

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last updated: August 11, 2010 08:02:15 AM

WASHINGTON — States will get \$26.1 billion in the next few months so they can open their school years with fewer layoffs and help pay health care benefits for the poor.

The House of Representatives approved the new spending on Tuesday by 247 to 161, and President Barack Obama signed it.

The money should begin flowing in time for school systems to rehire and retain teachers early in the school year, which already is under way in some parts of the country.

The school money, \$10 billion aimed at preserving education jobs, should be available to the states no later than 45 days after the federal Education Department approves a state's application. The department estimates that about 161,000 education jobs would be saved, but some state officials aren't so sure.

Florida officials couldn't confirm the federal estimate that 9,200 jobs in that state would be saved. "We are not aware of the source for the number of teacher jobs that may be saved due to this legislation passing," said Florida Department of Education press secretary Tom Butler.

In Washington state, "until the bill passes and we see the rules, we don't have an accurate estimate of the jobs that will be saved," said Nathan Olson, the communications manager for the Office of the Superintendent of Public Instruction. The federal estimate is that the funds will help Washington state save 3,300 jobs.

Olson did say that officials are "confident this bill will help lower class sizes . . . our hope would be to start with K-4 and all-day kindergarten, and then focus the money on lower class sizes in science and math at middle and high school grades."

Neal McCluskey, an education analyst at the libertarian Cato Institute, said that questions are warranted.

"Nobody entirely knows how many jobs are on the line," he said.

The federal estimate was calculated by taking the average salary for a teacher with five to six years of experience and figuring out how many positions could be filled with the help of the new money. Such positions were chosen because "they were more likely to be laid off," said department spokeswoman Sandra Abrevaya.

Some states found the federal estimates close to what they anticipated. In California, about 5 percent of the state's teachers, or about 15,000 people, lost their jobs during the last school year. The federal education department estimates that 16,500 California jobs will be saved thanks to the new law.

Jennifer Kuhn, the director of K-12 programs for the nonpartisan California Legislative Analyst's Office, said that while the federal money would help officials fill a lot of positions, it's uncertain whether those jobs would be filled in time for the new school year.

She thought the impact would be more apparent in the 2011-12 school year.

The federal Education Department will administer the national school jobs fund. It will review applications, and within 45 days of approval provide money to states based on formulas involving population and school age population.

States will then distribute money to local school districts, with allocations based on various funding formulas. If a governor doesn't submit what Washington calls an "approvable application," the secretary of education can bypass the state government and make the local grants himself.

States can use the money only for "preservation of jobs serving elementary and secondary education," meaning jobs held by teachers, principals, classroom aides and other education-related personnel. The funds can't be used for equipment, utilities, renovation or transportation, nor can they be used to reduce a state's debt or tucked into a "rainy day fund."

Republicans blasted the plan.

"We ought to be improving teaching and education, not just dumping more money into it that we don't have," said Rep. John Kline of Minnesota, top Republican on the House Education and Labor Committee.

Rep. Elijah Cummings, D-Md., responded: "Assuring the education of our children is not a gimmick."

In addition to the education spending, the bill will send \$16.1 billion to state governments to help shore up Medicaid, the joint federal-state health care program for lower-income people.

At least half the states, hit hard by rising Medicaid caseloads and lower than expected revenue, had been counting on federal aid for the health program after Jan. 1. Washington had provided extra help through Dec. 31 under the 2009 federal stimulus.

The new Medicaid money will provide additional aid in the first six months of next

year.

The federal spending will be offset in several ways. Food stamp benefits will return after March 2014 to levels they would have reached before the 2009 stimulus bill provided extra funding, and several corporate tax breaks have been adjusted.

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