

### Explanation of "Maintenance of Effort" requirement for State Fiscal Stabilization Fund:

The conference agreement requires that Governors shall submit applications in order to receive Stabilization funds, which shall include certain assurances, provide baseline data regarding each of the areas described in such assurances, and describe how States intend to use their allocations. Such assurances shall include that the State will: in each of fiscal years 2009, 2010, and 2011, maintain State support for elementary, secondary, and public postsecondary education at least at the levels in fiscal year 2006, and address 4 key areas: (1) achieve equity in teacher distribution, (2) establish a longitudinal data system that includes the elements described in the America COMPETES Act, (3) enhance the quality of academic assessments relating to English language learners and students with disabilities, and improve State academic content standards and student academic achievement standards, and (4) ensure compliance with corrective actions required for low-performing schools. The agreement further provides that, in order to receive an Incentive Grant, a Governor shall: submit an application that describes the State's progress in each of the assurances and how the State would use grant funding to continue making progress toward meeting the State's student academic achievement standards. The House and Senate bills contained similar provisions, except both bills included slightly difference requirements pertaining to assurances.