

Federal Education Funding in the 2021 American Rescue Plan Act

Third Federal COVID-19 Relief Measure

Included among provisions to extend increased unemployment benefits and provide aid to state and local governments (the latter of which was not included in the Coronavirus Response and Relief Supplemental Appropriations Act of December 2020), the \$1.9 trillion legislation provides funds to assist in the safe reopening of K-12 schools, to address the learning recovery needs of students affected by disruptions to education, to support institutions of higher education and to help their students cope with the financial strains caused by the pandemic, and to ensure the availability of affordable, high-quality child care for parents. The bill was approved by Congress on March 10, 2021 and signed into law the following day.

Funding provided to states in the American Rescue Plan is available for expenditure through September 30, 2023

Education Stabilization Funds

ARP appropriates funding for two of the education stabilization funds created in the initial COVID relief measure, the CARES Act of March 2020, and for the Emergency Assistance to Nonpublic Schools Fund established in CRRSAA.

	CARES	CRRSAA	ARP
ESSER	\$13,229,265,000	\$54,311,004,000	\$122,774,800,000
GEER	\$2,953,230,000	\$1,303,060,000	N/A
EANS	N/A	\$2,750,000,000	\$2,750,000,000
HEER	\$13,952,505,000	\$22,697,136,000	\$39,584,570,000

ESSER: Elementary and Secondary School Emergency Relief Fund

The legislation provides \$122 billion in ESSER grants to states.

- At least 90% of each state's grant must be awarded as subgrants to local education agencies, with at least 5% of the state's grant used to carry out activities that address learning loss through evidence-based interventions (summer learning, extended day and extended school year programs). Interventions must respond to students' academic, social, and emotional needs and address the disproportionate impact of the pandemic on disadvantaged student populations. Each state education agency also is required to use at least 1% of their state's funds to implement evidence-based summer enrichment programs and at least 1% for evidence-based comprehensive afterschool programs.

- Each LEA that receives a subgrant must use at least 20% of the funds to address learning loss by implementing evidence-based interventions (summer learning, extended day or extended school year programs). The interventions again must respond to students’ academic, social and emotional needs and address the disproportionate impact of the pandemic on disadvantaged students.

ESSER Allocations by State

	CARES	CRRSAA	ARP
Alabama	216,947,540	899,464,932	2,020,070,466
Arkansas	128,758,638	558,017,409	1,253,227,833
Delaware	43,492,753	182,885,104	410,733,965
Florida	770,247,851	3,133,878,723	7,038,246,438
Georgia	457,169,852	1,892,092,618	4,249,371,244
Kentucky	193,186,874	928,274,720	2,084,773,157
Louisiana	286,980,175	1,160,119,378	2,605,463,325
Maryland	207,834,058	868,771,243	1,951,136,802
Mississippi	169,883,002	724,532,847	1,627,197,854
North Carolina	396,311,607	1,602,590,987	3,599,191,706
Oklahoma	160,950,476	665,038,753	1,493,582,570
South Carolina	216,311,158	940,420,782	2,112,051,487
Tennessee	259,891,154	1,107,656,022	2,487,638,081
Texas	1,285,886,064	5,529,552,209	12,418,588,778
Virginia	238,599,192	939,280,578	2,109,490,751
West Virginia	86,640,471	339,032,096	761,417,928

The funding is generally intended to help schools take steps recommended by the Centers for Disease Control and Prevention to ensure a safe return to classrooms for students and educators. This includes repairing ventilation systems, reducing class sizes, implementing social distancing guidelines, purchasing personal protective equipment, and hiring support staff to care for students’ health and well-being.

Within 30 days after receiving funding, each LEA must develop and make available on its website a plan for a safe return to in-person instruction and continuity of services. An LEA must seek public comment on the plan.

ARP also sets aside \$800 million in ESSER funds for the federal Department of Education to identify and provide wrap-around services to homeless children and youth that address their pandemic-related challenges, and to provide them with assistance to attend and fully participate in activities at school.

Maintenance of Effort and Equity Requirements

As a condition of receiving ESSER funds, states, SEAs and LEAs must meet the following requirements:

State Maintenance of Effort — A state's proportion of support for K-12 and higher education, relative to the state's overall spending, must in fiscal years 2022 and 2023 be the same or greater than the average proportional level of support that the state provided over fiscal years 2017, 2018 and 2019. The U.S. Secretary of Education may waive any maintenance of effort requirements associated with the Education Stabilization Fund.

State Maintenance of Equity — An SEA may not reduce state funding in fiscal years 2022 or 2023 on a per-pupil basis for any high-need LEA by an amount that exceeds any per-pupil reduction in state funds across all LEAs. In addition, an SEA may not reduce per-pupil funding in fiscal year 2022 or 2023 for any highest-poverty LEA below the level provided in 2019.

Local Maintenance of Equity — An LEA may not, in fiscal years 2022 or 2023, reduce per-pupil funding for any high-poverty school in its jurisdiction by an amount that exceeds the average per-pupil funding reduction across the LEA. The LEA may not reduce the per-pupil full-time equivalent staff ratio in any high-poverty school by an amount that exceeds the reduction of that ratio across the LEA. The legislation provides exceptions for low-enrollment LEAs and LEAs with unpredictable changes in school enrollment or that sustain a considerable loss of financial resources.

EANS: Emergency Assistance to Nonpublic Schools Fund

ARP provides \$2.75 billion in emergency assistance for non-public schools that enroll a significant percentage of low-income students and are most impacted by the pandemic. Funds cannot be used to reimburse these schools for previous expenditures. The EANS program funding is based on the number of children ages 5 to 17 at 185% or less of the federal poverty level enrolled in non-public schools in the state in relation to the number of all such children in all states.

Allowable uses of EANS funds include personal protective equipment, cleaning supplies, ventilation improvements, physical barriers to facilitate social distancing, expanded capacity to administer coronavirus testing and perform contact tracing, educational technology to assist students, educators, and staff with remote or hybrid learning, and education and support services for remote or hybrid learning or addressing learning loss.

HEER: Higher Education Emergency Relief Fund

ARP provides \$39.5 billion of additional emergency relief to institutions of higher education. Public and private institutions of higher learning receive 91% of that amount (\$20.6 billion); each of these institutions must use at least half of the HEER funds they receive for emergency financial assistance grants to students.

HEER Allocations by State

	CARES	CRRSAA*	ARP**
Alabama	199,118,611	353,452,914	591,432,000
Arkansas	120,857,885	208,941,919	362,858,000
Delaware	34,026,660	64,185,043	100,423,000
Florida	740,208,266	1,457,925,653	2,235,058,000
Georgia	406,119,208	708,645,997	1,209,358,000
Kentucky	156,808,414	294,903,132	454,250,000
Louisiana	189,864,271	318,570,265	545,330,000
Maryland	188,939,061	345,894,286	549,452,000
Mississippi	149,058,183	245,621,509	429,747,000
North Carolina	378,297,277	701,099,318	1,138,782,000
Oklahoma	159,882,462	288,096,769	429,948,000
South Carolina	180,497,659	325,675,829	523,139,000
Tennessee	237,170,230	458,537,771	702,657,000
Texas	1,165,403,277	1,913,758,033	3,002,057,000
Virginia	294,391,162	521,097,535	845,854,000
West Virginia	66,559,082	109,114,986	191,792,000

* Reflects January 2021 allocation to public and non-profit private institutions only, including approximately \$2.4 billion in rolled-over CARES Act funds

** Estimates from the U.S. House of Representatives Committee on Education and Labor

Allocations to individual institutions are weighted on the institution's proportion of certain student populations prior to the onset of the pandemic:

- 37.5% full-time-equivalent Pell recipients not exclusively in online instruction
- 37.5% actual headcount number of Pell recipients not exclusively in online instruction
- 11.5% full-time-equivalent non-Pell students not exclusively in online instruction
- 11.5% actual headcount number of non-Pell students not exclusively in online instruction
- 1% full-time-equivalent Pell recipients exclusively in online instruction
- 1% actual headcount number of Pell recipients exclusively in online instruction

Institutions must use a portion of their allocation to implement evidence-based practices to monitor and suppress coronavirus. They also must use a portion of these funds for outreach to financial aid applicants about opportunities to receive financial aid adjustments due to the recent unemployment of a family member or an independent student or other changes in a family's income or a student's status. All funds an institution receives based on its proportion of Pell recipient students exclusively enrolled in distance learning must be used for emergency financial assistance to students.

Nearly \$3 billion (7.5%) of HEER funds are provided to institutions participating in Higher Education Act programs such as Strengthening Institutions, Strengthening Historically Black Colleges and Universities, Innovative Programs, Developing Hispanic-Serving Institutions, and Master's Degree Programs at Historically Black Colleges and Universities and at Predominantly Black Institutions.

Proprietary institutions that provide occupational training receive \$395.8 million (1%) of HEER funds and must use their allotted funds for emergency financial assistance grants to students. HEER funds totaling \$197.9 million (0.5% of the total) are provided for institutions participating in the Fund for the Improvement of Postsecondary Education program that have the greatest unmet coronavirus recovery needs.

Additional Education Funding

Outside of the Education Stabilization Fund, the federal Department of Education's Office of Federal Student Aid receives \$91.1 million in coronavirus response funding to perform direct outreach to students and borrowers about aid and benefits for which they may be eligible including financial aid, economic impact payments, means-tested benefits, unemployment assistance, and tax benefits. The Institute for Education Sciences receives \$100 million for research on how to address pandemic-related learning loss for all students, economically disadvantaged students, children with disabilities and limited English proficient students.

Child Care Grants to States

ARP provides \$14.99 billion in Child Care and Development Block Grants for states to help child care providers reopen or remain open as well as to provide financial assistance for essential workers to secure child care during the pandemic. States may require child care providers to use a certain portion of funds received under the program to pay staff salaries.

The Consolidated Appropriations Act provides a further \$10 billion in grants and specifies that the funds are intended both to stabilize the child care sector and to help providers afford extra operating expenses as a result of the pandemic. Additionally, states are permitted to use the funds to provide technical assistance to providers in implementing health agency policies and procedures to ensure the safe provision of child care services during the pandemic.

Individuals with Disabilities Education Act

ARP provides \$2.58 billion for grants to states to provide special education instruction and services to individuals with disabilities age three to 21. These funds are for use in fiscal year 2021 and are in addition to the \$14.1 billion Congress appropriated in the Consolidated Appropriations Act of December 2020. A further \$200 million is provided for preschool grants under IDEA with another \$250 million for programs for infants and toddlers under IDEA.

Screening Testing for School Reopening

ARP includes \$47.8 billion for the federal Department of Health and Human Services to support detection, diagnosis, tracing and monitoring of COVID-19. From that amount, the Centers for Disease Control and Prevention will provide \$10 billion to states for teacher, staff and student COVID-19 screening testing to help safely reopen schools for in-person instruction.

CDC Screening Allocations by State*

Alabama	147,681,528
Arkansas	90,894,777
Delaware	29,329,294
Florida	646,898,907
Georgia	319,791,575
Kentucky	134,564,120
Louisiana	140,019,396
Maryland	182,092,917
Mississippi	89,640,149
North Carolina	315,895,947
Oklahoma	119,182,026
South Carolina	155,076,741
Tennessee	205,691,372
Texas	803,456,353
Virginia	257,085,647
West Virginia	53,978,589

* CDC also allocated funds directly to the nation's five largest cities — Houston receives \$69,885,365

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