

Federal COVID-19 Stimulus Package: Funds for K-12 and Postsecondary Education

This week, Congress passed a \$2 trillion stimulus package, the Coronavirus Aid, Relief and Economic Security Act. This emergency relief package includes \$30.75 billion for the Education Stabilization Fund. The summary below is based on the bill as passed by the U.S. Senate on March 25, 2020.

The Elementary and Secondary School Emergency Relief Fund

The Education Stabilization Fund includes just under \$13.5 billion (43.9% of the total) allocated to states based on the proportion of funding each state received under Part A of Title 1 of ESEA in the most recent fiscal year. The U.S. Secretary of Education is required to issue a notice inviting applications for the funding within 30 days of enactment of the bill, and to approve or reject applications within 30 days of receipt. States would allocate at least 90% of funds they receive to local education agencies (or charters that are LEAs) according to their proportion of Title 1 funding. Those funds could be used for the following purposes:

- Any activity authorized by ESEA, including Native Hawaiian, Alaska Native, IDEA, Adult Education and Family Literacy, Perkins and McKinney-Vento programs
- LEA coordination with state, local, tribal and territorial public health departments, and other relevant agencies, to prevent, prepare for and respond to coronavirus
- Resources for principals and other school leaders to address the needs of their individual schools
- Activities to address the unique needs of low-income children or students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth
- Developing and implementing procedures and systems to improve the preparedness and response efforts of local educational agencies
- Staff training and professional development for LEA staff on sanitation and minimizing the spread of infectious diseases
- Supplies to sanitize and clean LEA facilities
- Planning for and coordinating during long-term closures, including providing meals for students, providing technology for on-line learning, providing guidance for carrying out IDEA requirements, and ensuring continuity of education services
- Purchasing educational technology (including hardware, software, and connectivity) for students to aid in regular and substantive educational interaction between students and their classroom instructors, including low-income students and students with disabilities, which may include assistive technology or adaptive equipment

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- Mental health services and support
- Activities related to summer learning and supplemental after-school programs, including providing classroom instruction or online learning during the summer months and addressing the needs of low-income students, students with disabilities, English learners, migrant students, students experiencing homelessness, and children in foster care
- Other activities necessary to maintain the operation of and continuity of LEA services and to continue to employ existing LEA staff

An entity receiving funds under the “Education Stabilization Fund” is required, to the greatest extent practicable, to continue to pay its employees and contractors during the period of any disruptions or closures related to coronavirus. A state’s application for funds shall include assurances that it will maintain support for education in fiscal years 2020 and 2021 at least at the average level of the state’s support in the three fiscal years prior to the enactment of the legislation. The U.S. Secretary of Education may waive this requirement to relieve the fiscal burden for states that have experienced a precipitous decline in financial resources.

Estimated Elementary and Secondary Education Relief Funding for SREB States (in millions)

Alabama	\$ 218.1
Arkansas	\$ 134
Delaware	\$ 44.3
Florida	\$ 765.6
Georgia	\$ 457.3
Kentucky	\$ 194.6
Louisiana	\$ 290.7
Maryland	\$ 206.3

Mississippi	\$ 175.2
Noroth Carolina	\$ 396.6
Oklahoma	\$ 163.1
South Carolina	\$ 216.7
Tennessee	\$ 262.8
Texas	\$ 1,286.8
Virginia	\$ 237.6
West Virginia	\$ 85.8

Note: Estimate based on Senate-passed bill using preliminary FY 2019 Title 1 allocations to LEAs for the current school year and is based on the assumption that funding goes to all states and territories that receive Part A Title I funding.

Higher Education Emergency Relief Fund

Institutions of higher education would receive nearly \$14.24 billion emergency relief funding (46.3% of the Education Stabilization Fund) to respond to the coronavirus. Around \$12.81 billion, or 90% of these funds, would be allocated through formula funding to higher education institutions who would receive funding apportioned in the following way — 75% based on the relative percentage of Federal Pell Grant recipients to the enrollment, and 25% based on the relative percentage of students who do not receive Pell grants. Students enrolled in distance education courses before the COVID-19 emergency would be excluded from the formula.

Institutions may use funds to cover any costs associated with significant changes to the delivery of instruction due to the coronavirus, so long as such costs do not include payment to contractors for the provision of pre-enrollment recruitment activities; endowments; or capital outlays associated with facilities related to athletics, sectarian instruction, or religious worship. Institutions must use at least

50% of the funds to provide emergency financial aid grants to students for eligible expenses under a student's cost of attendance, such as food, housing, course materials, technology, health care and childcare. Remaining funds can be used by institutions to defray expenses, including lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff training, and payroll costs incurred by institutions of higher education. Other funding would go to address needs directly related to the coronavirus under specific Higher Education Act programs or would be directed to institutions with the greatest unmet needs related to the coronavirus that receive less than \$500,000 through the emergency relief funding mechanism.

Governor's Emergency Education Relief Fund

The bill provides \$3 billion for the Governor's Emergency Education Relief Fund. The amount of each grant would be based 60% on the basis of "relative population" of individuals age 5-24 and 40% on the relative number of children counted under the Basic Grants to LEAs portion of ESEA's Student Reading Skills Improvement Grants program. Funds can be used to:

- provide emergency support through grants to local educational agencies that the state educational agency deems have been most significantly impacted by coronavirus to support the ability of such agencies to continue to provide educational services to their students and to support the on-going functionality of the agency;
- provide emergency support through grants to institutions of higher education serving students within the state that the governor determines have been most significantly impacted by coronavirus to support the ability of such institutions to continue to provide educational services and support the on-going functionality of the institution; and
- provide support to any other institution of higher education, local educational agency or education-related entity within the state that the governor deems essential for carrying out education services to students for authorized activities authorized by ESEA or the Higher Education Act, the provision of child care and early childhood education, social and emotional support, and the protection of education-related jobs.

The secretary of education is directed to make grants to the governor of each state with an approved application. The secretary must issue a notice inviting applications not later than 30 days of enactment of this Act and approve or deny applications not later than 30 days after receipt. The same maintenance of effort requirements for the Elementary and Secondary School Emergency Relief Fund apply to the Governor's Emergency Education Relief Fund.

In addition to the funding streams listed above, the Education Stabilization Fund includes:

- grants for "outlying areas" on the basis of their respective needs as determined by the secretary of education in consultation with the secretary of the interior (outlying areas are the U.S. commonwealths, territories, and islands);
- grants for the Bureau of Indian Education; and
- grants to states with the highest coronavirus burden.

The bill also includes authority for the department of education to waive certain requirements related to student financial aid and work study and relief for federal student loan borrowers.