

Education-Related Funding in the December 2020 Federal COVID Relief Bill

On December 21, 2020, Congress passed the 2,100-page Consolidated Appropriations Act of 2021, which includes a stimulus and pandemic relief package of almost \$900 billion.

The stimulus package includes \$81.88 billion for the Education Stabilization Fund, dollars available through September 30, 2022. A set-aside of 1% evenly split between the outlying areas and the Bureau of Indian Education is reserved off the top.

The remaining \$81,061,200,000 is split between three funds:

- GEER (the Governors Emergency Education Relief fund) receives 5% of the funding, or \$4,053,060,000
- ESSER (the Elementary and Secondary Emergency Relief fund) receives 67% of the funding, or \$54,311,004,000
- HEER (the Higher Education Emergency Relief fund) receives 28% of the funding, or \$22,697,136,000

In general, the allocation of funds and their acceptable uses are very similar to the CARES Act passed in March. There is a maintenance of effort requirement for the GEER and ESSER funds. To receive funding, a state must provide assurances that it will maintain support for elementary and secondary education and for higher education for fiscal 2022 at a level of spending for elementary and secondary education and higher education at least proportional to overall state spending averaged over fiscal years 2017, 2018 and 2019. (The U.S. Secretary of Education may waive this requirement.)

Provisions specific to each of the funding streams are below.

	CARES Act	CAA 2020
GEER	\$2,953,230,000	\$1,303,060,000
GEER non-public schools		\$2,750,000,000
ESSER	\$13,229,265,000	\$54,311,004,000
HEER	\$13,952,505,000	\$22,697,136,000

ESSER and GEER

CARES Act Allocations and Projected Consolidated Appropriations Act Allocations

	CARES ESSER <i>Actual</i>	CAA ESSER <i>Projected</i>	CARES GEER <i>Actual</i>	CAA GEER* <i>Projected</i>
<i>Total</i>	13,229,265,000	54,311,004,000	2,953,230,000	1,303,060,000
Alabama	216,947,540	890,649,534	48,851,495	21,554,849
Arkansas	128,758,638	528,601,619	30,663,725	13,529,821
Delaware	43,492,753	178,553,765	7,916,821	3,493,155
Florida	770,247,851	3,162,151,042	173,585,880	76,591,669
Georgia	457,169,852	1,876,850,577	105,720,728	46,647,383
Kentucky	193,186,874	793,103,251	43,799,187	19,325,609
Louisiana	286,980,175	1,178,159,287	50,276,799	22,183,739
Maryland	207,834,058	853,235,335	45,657,990	20,145,772
Mississippi	169,883,002	697,432,276	34,662,872	15,294,373
North Carolina	396,311,607	1,627,005,073	95,638,869	42,198,943
Oklahoma	160,950,476	660,760,967	39,919,354	17,613,702
South Carolina	216,311,158	888,036,951	48,467,924	21,385,605
Tennessee	259,891,154	1,066,948,882	63,582,031	28,054,435
Texas	1,285,886,064	5,279,035,771	307,026,008	135,469,743
Virginia	238,599,192	979,537,538	66,775,322	29,463,418
West Virginia	86,640,471	355,691,035	16,353,314	7,215,607

* Not including Emergency Assistance to Non-Public Schools funding

Note: The projections above are preliminary based on the actual distribution of CARES Act allocations.

GEER funds

Each state with an approved application under the CARES Act passed in March receives funding, to be awarded within 30 days of the passage of the new act. The GEER funding in the Appropriations Act is divided into two streams.

1. \$1,303,060,000 is allocated to states based 60% on a state's proportion of population age 5 to 24 to the total population of that group nationally, and 40% on the relative number of children counted for Title I. Funds are to provide emergency grants to:

- Local education agencies the state education agency deems most significantly impacted by the coronavirus pandemic
- Institutions of higher education the governor determines have been most significantly impacted by the pandemic
- Any other institution of higher education, local education agency, or education-related entity the governor deems essential for carrying out emergency educational services to students for activities authorized under federal education programs; providing child

care and early childhood education, social and emotional support services; and protecting education jobs.

2. \$2,750,000,000 is included for emergency assistance for non-public schools. The governor in each state administers this funding, which 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. Funds must be allocated to the non-public schools within six months.

Allowable uses of the funds for non-public schools include personal protection 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.

Non-public schools apply to state education agencies for this funding, and the control of funds remains with a public agency. Funds cannot be used to support private K-12 education vouchers, tuition tax credit programs, education savings accounts, scholarships or tuition assistance, or to assist organizations that provide K-12 private education scholarships or aid. However, a state that had previously used GEER funds for financial assistance to private school students may continue the program for the 2020-21 school year.

ESSER funds

This funding is allocated according to the state's proportion of Title I Part A funding, and states allot it to districts on that basis. As in the CARES Act, the state education agency may reserve a maximum of 10% of a state's funding (up to 0.5% of a state's total allocation, taken from the state agency reserve, may be used for administration). At least 90% of the funding goes to local education agencies.

Funds may be used for activities authorized by the major federal education programs and other specific purposes including:

- Maintaining local education agencies' continuity of services and operations, and continued employment of staff
- Coordinating preparedness and response efforts with the other state, local, tribal or territorial entities
- Addressing the unique needs of disadvantaged populations
- Purchasing education technology (hardware, software, and connectivity)
- Providing mental health services and support
- Addressing student learning loss, including improving distance learning engagement
- Repairing and improving school facilities to reduce the risk of virus transmission and exposure to environmental health hazards

The last two uses are new provisions under this round of ESSER funding.

HEER funds

This funding is allotted directly to institutions of higher education, and institutions are required to provide at least 50% as emergency aid to students, as was required by the CARES Act. Institutions with approved applications from the CARES distribution are not required to submit a new or revised application.

Under the CARES Act, 90% of HEER funds (\$12,557,254,500) were allocated to institutions based on the proportion of two student populations compared with those student population totals nationwide before the onset of the pandemic, weighted as follows:

- 75% for full-time-equivalent Pell students not in distance education only
- 25% for full-time-equivalent non-Pell students not in distance education only

HEER

CARES Act Allocations and Projected Consolidated Appropriations Act Allocations

	CARES HEER <i>Actual</i>	CAA HEER <i>Projected</i>
<i>Total</i>	12,507,254,503	20,200,451,040
Alabama	199,118,611	321,596,218
Arkansas	120,857,885	195,197,418
Delaware	34,026,660	54,956,415
Florida	740,208,266	1,195,509,440
Georgia	406,119,208	655,922,622
Kentucky	156,808,414	253,261,072
Louisiana	189,864,271	306,649,545
Maryland	188,939,061	305,155,240
Mississippi	149,058,183	240,743,684
North Carolina	378,297,277	610,987,456
Oklahoma	159,882,462	258,225,963
South Carolina	180,497,659	291,521,542
Tennessee	237,170,230	383,053,340
Texas	1,165,403,277	1,882,241,369
Virginia	294,391,162	475,470,796
West Virginia	66,559,082	107,499,489

Note: State projections above are based on the actual allocation of CARES Act funds, using a different allocation methodology (see below). These numbers should be considered very rough estimates.

Of the total HEER amount, 89% (\$20,200,451,040) is allocated to institutions by their proportions of specified student populations compared with those population totals nationwide before the onset of the pandemic. Calculation of a specific allocation to an institution is weighted as follows:

- 37.5% for full-time Pell recipients
- 37.5% for non-Pell students
- 11.5% for non-Pell students in distance education only
- 11.5% for non-Pell students in a mix of distance education and traditional instruction
- 1% for Pell in distance education only
- 1% for Pell in mixed distance education and traditional instruction

The remaining 11% of HEER funding (\$2,496,684,960) is divided as follows:

- 7.5% (\$1,702,285,200) for additional funds to institutions participating in various Higher Education Act programs, including:
 - Strengthening Institutions
 - Strengthening HBCUs (historically Black colleges and universities)
 - Innovative Programs
 - Developing Hispanic-Serving Institutions
 - Master's Degree Programs at HBCUs & PBIs (predominantly Black institutions)
- 3% (\$680,914,080) to proprietary institutions that provide occupational training
- 0.5% (\$113,485,680) for institutions participating in the Fund for the Improvement of Postsecondary Education program that have the greatest unmet coronavirus recovery needs

The Consolidated Appropriations Act requires the U.S. Secretary of Education to allocate the main portion of funding and the 3% for proprietary institutions within 30 days of enactment, the 7.5% for program-participating institutions within 60 days, and the remaining 0.5% for Fund for the Improvement of Postsecondary Education institutions within 120 days.

Institutions of higher education may use the funds to defray expenses associated with the coronavirus pandemic (including lost revenues and expenses already incurred), technology costs associated with distance learning, faculty and staff training, and payroll. Institutions may also use funding to carry out student support activities or provide financial aid grants to assist with any component of a student's cost of attendance or emergency costs arising from the pandemic, such as tuition, food, housing, health care, mental health care or child care.

As with the CARES Act, HEER funds may not be used for marketing, student recruitment, endowments, or for capital outlays for athletics, sectarian instruction or religious worship. The act prohibits use of HEER funds for compensation, bonuses or cash benefits for executive staff.

Broadband Access

The Consolidated Appropriations Act provides \$4.8 billion for programs to expand Americans' access to broadband internet services at home.

Congress allocated \$3.2 billion for the Emergency Broadband Benefit Program, which will reimburse internet service providers for providing discounted broadband service to households that meet one or more of the following criteria:

- Defined as low income under the FCC's Lifeline program
- Participates in the free and reduced-price lunch program
- Suffered a substantial loss of income after February 2020 due to the pandemic
- Has a current Pell recipient
- Eligible for the service provider's low-income or COVID-19 discount program

Reimbursement to a service provider will be for the amount of the discount provided to a household for broadband service, up to \$50. In addition, a provider may receive up to \$100 reimbursement for one connectivity device per household if the charge to the consumer is at least \$10 and no more than \$50.

The \$300 million Broadband Infrastructure Program will provide competitive grants designed to expand broadband access to underserved and unserved areas, with priority given to projects that provide service to the greatest number of households and to projects in rural areas.

The \$285 million Connecting Minority Communities Pilot Program will provide grants to HBCUs, Minority-Serving Institutions and Tribal Colleges and Universities to purchase broadband internet service and equipment and to hire and train technology personnel. Additionally, the Consolidated Appropriations Act allocates \$1 billion for Tribal broadband connectivity grants.

Prepared by SREB State Strategies staff