Promethean | Guide

Emergency Relief Funding for Education*

The Establishment of the U.S. Education Stabilization Fund (ESF)

As described on the U.S. Department of Education's Education Stabilization Fund website, on March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law. The act established the Education Stabilization Fund (ESF) and allocated $30.75 billion to the U.S. Department of Education.

The ESF is composed of three primary emergency relief funds: (1) an Elementary and Secondary School Emergency Relief (ESSER) Fund, (2) a Higher Education Emergency Relief (HEER) Fund, and (3) a Governor's Emergency Education Relief (GEER) Fund.

The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA Act), commonly referred to as CARES II, was signed into law on December 27, 2020, and added $81.9 billion to the ESF.

In March 2021, the American Rescue Plan Act (ARP Act), in support of ongoing state and institutional COVID-19 recovery efforts, added more than $170 billion to the ESF.

This Guide provides a summary of the CARES, CRRSA, and ARP Acts, along with links to helpful resources for more information*.

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The CARES Act

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed on March 27, 2020. This relief package provided states with both funding and streamlined waivers to give State Educational Agencies (SEAs) necessary flexibilities to respond to the COVID-19 pandemic. The relief package includes $30.75 billion in emergency education funding and established the Education Stabilization Fund (ESF). The breakdown in funding is as follows:

- The Elementary and Secondary School Emergency Relief Fund (**ESSER I Fund**) received 43.9% of the funding, or $13,229,265,000.
    - ESSER funds go directly to State Education Agencies (SEAs) based on Title 1 proportions.
    - State/Local Educational Agencies (SEA/LEAs) may spend between March 13, 2020 – September 30, 2022.
- The Higher Education Emergency Relief Fund (**HEERF**) received 46.3% of the funding, or $13,952,505,000.
    - HEERF funds go directly to colleges and universities (Institutions of Higher Education – IHEs) based on formulas.
- The Governors Emergency Education Relief Fund (**GEER Fund**) received 9.8% of the funding, or $2,953,230,00.
    - The GEER funds are distributed to governors to be spent as seen fit to meet the needs of students and schools (K-12, colleges/universities, and other education-related entities).

Uses of Funding

As per the U.S. Department of Education's FAQ for ESSER and GEER Programs, the activities that are listed in section 18003(d) of the CARES Act, section 313(d) of the CRRSA Act, and section 2001(e) of the ARP Act that an LEA may support with ESSER funds include: "Purchasing educational technology (including hardware, software, and connectivity) for students who are served by the LEA that aids 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." Refer to the U.S. Department of Education's FAQ, Section A-3 for additional information.

Overview of the Educational Provisions of the CARES Act

The CARES Act provides approximately $31 billion in emergency education funding to students, schools, institutions, and states across the country.

- Provides states $13 billion to support school districts.
- Provides $14 billion in emergency financial relief and additional flexibility to support institutions of higher education.
- Provides $3 billion to governors for emergency education relief that can be spent on school districts, institutions of higher education, or both.

Additional Resources

Committee on Education & Labor's Fact Sheet: CARES Act
National Conference of State Legislatures: ESSER Fund Tracker
Office of Elementary & Secondary Education FAQ: CARES / ESSER Fund

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Sources

- https://www.ed.gov/coronavirus/cares-act-emergency-relief
- https://oese.ed.gov/offices/education-stabilization-fund/elementary-secondary-school-emergency-relief-fund
- https://oese.ed.gov/offices/education-stabilization-fund/governors-emergency-education-relief-fund
- https://www2.ed.gov/about/offices/list/ope/caresact.html
- https://www.ncsl.org/blog/2020/04/01/-cares-act-gives-state-education-funding-flexibility-in-wake-of-covid-19.aspx
- https://covid-relief-data.ed.gov

The CRRSA Act (CARES II)

The Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA), Public Law 116-260, was enacted on December 27, 2020. This federal stimulus funding is the second act of federal relief in response to COVID-19, following the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Public Law 116-136. CRRSAA authorizes nearly $82 billion for the Education Stabilization Fund (ESF), which is in addition to the $30.75 billion allocated to the ESF through the CARES Act, and is broken down as follows:

- $54.3 billion to K-12 public schools (the Elementary and Secondary School Emergency Relief Fund or "**ESSER II**").
- $22.7 billion to higher education institutions (the Higher Education Emergency Relief Fund or "**HEER II**").
- $4.1 billion to the Governor's Emergency Education Relief Fund ("**GEER II**") for K-12 and higher education, with $2.75 billion of GEER II funding reserved for private K-12 schools through the Emergency Assistance to Non-Public Schools (EANS) program.
- Distribution for the fund uses the same formula as was used for the CARES Act.

Uses of Funding

To lessen the impact of the pandemic on learning with investments in solutions to address learning loss, preparing schools for reopening and testing, upgrading projects to improve air quality in school buildings, as well as purchasing educational technology that aids in the regular and substantive educational interaction between students and their classrooms instructors. Private schools may receive funding under GEER II, but not ESSER II.

Overview of the Educational Provisions of the CRRSAA

- Provides nearly $82 billion for an Education Stabilization Fund to remain available through September 30, 2022.
- Provides $54.3 billion for the Elementary and Secondary School Emergency Relief Fund. Schools can use the relief to address learning loss, improve school facilities and infrastructure to reduce the risk of transmitting the coronavirus, and purchase education technology. States must distribute at least 90% of funds to local education agencies based on their proportional share of ESEA Title I-A funds. States have the option to reserve 10% of the allocation for emergency needs as determined by the state to address issues responding to the COVID-19 pandemic.

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- Provides $4.1 billion for the Governors Emergency Education Relief Fund to use for education-related pandemic assistance.
    - $2.75 billion is set aside for private schools. Funds are limited to COVID-related needs and cannot be used for vouchers or scholarships for parents.
- Provides $22.7 billion for the Higher Education Emergency Relief Fund. $20.2 billion to be allocated to public and private non-profit institutions. This allocation formula is a change from the CARES Act, which used only full-time equivalent (FTE) enrollment in its allocation formula:
    - 37.5% based on FTE enrollment of Federal Pell Grant recipients.
    - 37.5% based on headcount enrollment of Pell recipients.
    - 11.5% based on FTE enrollment of non-Pell recipients.
    - 11.5% based on headcount enrollment of non-Pell recipients.
    - 1% based on the relative share of full-time equivalent enrollment of students who were Federal Pell Grant recipients and who were exclusively enrolled in distance education courses prior to the qualifying emergency.
    - 1% based on the relative share of the total number of students who were Federal Pell Grant recipients and who were exclusively enrolled in distance education courses prior to the qualifying emergency. Provides $680.9 million to for-profit colleges to provide financial aid grants to students.
- Provides $1.7 billion to historically black colleges and universities (HBCU), tribal colleges and minority-serving institutions.
- Provides $113 million for institutions with the greatest unmet need related to the pandemic or those not served by the primary formula, such as independent graduate students.
- Institutions can use the stimulus money for lost revenue, reimbursement for expenses, technology costs due to the shift to online learning, financial aid for students and more. The bill directs schools to prioritize grants for students with exceptional need. Colleges and universities cannot use the funds for recruitment activities, athletics facilities, religious instruction or senior administrator salaries or bonuses.
- Provides $819 million to the Bureau of Indian Education-operated and funded schools and tribal colleges and universities.
- Maintenance of Effort (MOE): States must maintain spending on both K-12 and higher education in FY 2022 at least at the proportional levels of such state's support for elementary and secondary education and for higher education relative to such state's overall spending, averaged over FY 2018, FY 2019, and FY 2020. The MOE can be waived by the secretary of education.
- Schools that receive funding would have to continue to pay their employees and contractors during any closures, to the greatest extent practicable.

Additional Resources

State Stimulus Spending Trackers from the National Conference of State Legislatures:

- Elementary and Secondary School Emergency Relief Fund Tracker
- Governors Emergency Education Relief Fund Tracker
- State Actions on Coronavirus Relief Funds

Sources

- https://www.ncsl.org/ncsl-in-dc/publications-and-resources/covid-19-economic-relief-bill-stimulus.aspx
- https://covid-relief-data.ed.gov
- https://mdreducation.com/2021/01/06/new-funding-for-schools-through-the-covid-19-economic-relief-bill

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The ARP Act

The American Rescue Plan (ARP) Act of 2021, also called the COVID-19 Stimulus Package or American Rescue Plan, Public Law 117-2, is a $1.9 trillion economic stimulus bill passed by the 117th United States Congress and signed into law on March 11, 2021, to speed up the United States' recovery from the economic and health effects of the COVID-19 pandemic and the ongoing recession.

The package builds upon many of the measures in the CARES Act from March 2020 and in the CRRSA Act from December 2020, providing $168 billion for education:

- $123 billion for K–12 state education agencies (Elementary and Secondary School Emergency Relief (**ESSER III**))
- $39.6 billion for institutions of higher education (Higher Education Emergency Relief Fund III (**HEERF III**))
- $2.75 billion to governors for private schools (Emergency Assistance to Non-Public Schools (**EANS**))
- $3 billion for the Individuals with Disabilities Education Act (IDEA)

Uses of Funding

As per Page 2 of the U.S. Department of Education's ARP ESSER Fact Sheet, purchases of educational technology are eligible: “purchasing educational technology (including hardware, software, connectivity, assistive technology, and adaptive equipment) for students that aids in regular and substantive educational interaction between students and their classroom instructors, including students from low-income families and children with disabilities.”

Overview of the Educational Provisions of the ARP Act

- Provides $122.7 billion for the existing Elementary and Secondary School Emergency Relief Fund to remain available through Sept. 30, 2023.
    - States receive funds based on the same proportion that each state receives under the Elementary and Secondary Education Act (ESEA) Title-IA. State Education Agencies (SEAs) must distribute at least 90% of funds to local education agencies (LEAs) based on their proportional share of ESEA Title I-A funds.
    - The LEAs must reserve at least 20% of the funding they receive to address learning loss. Remaining funds are flexible and can address a variety of needs, including repairing ventilation systems, reducing class sizes and implementing social distancing guidelines, purchasing personal protective equipment, and hiring support staff to care for students’ health and well-being. School districts will be required to create and share plans publicly for returning to in-person instruction within 30 days.
    - The SEAs are also required to reserve their allocations to carry out activities: 5% to address learning loss, 1% for afterschool activities, and 1% for summer learning programs. Funds to the SEAs must be spent within one year of receipt.
- Provides $3.03 billion in additional FY 21 funding for Individuals with Disabilities Act (IDEA).
    - $2.58 billion for grants to states under Part B of IDEA.
    - $200 million for preschool grants under IDEA.
    - $250 million for programs for infants and toddlers under Part C of IDEA.

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- Provides $2.75 billion to governors through the existing Emergency Assistance to Non-Public Schools Program to provide services or assistance to non-public schools that enroll a significant percentage of low-income students and are most impacted by the qualifying emergency.
- Provides $800 million to support the identification, enrollment, and school participation of children and youth experiencing homelessness, including through wrap-around services.
- Provides $850 million for grants to Bureau of Indian Education-operated and funded elementary and secondary schools and Tribal Colleges or Universities.
- Provides $40 billion through the existing Higher Education Emergency Relief (HEER) Fund.
    - $36 billion is allocated to public and private non-profit institutions to remain available through Sept. 30, 2023. Institutions must spend at least 50% of their allocation on emergency financial aid grants provided directly to students. Institutions can use remaining funds to replace lost revenue, reimburse for emergency expenses, and more. Funds are allocated as follows:
        - 37.5% based on full-time equivalent (FTE) enrollment of Federal Pell Grant recipients.
        - 37.5% based on headcount enrollment of Pell recipients.
        - 11.5% based on FTE enrollment of non-Pell recipients.
        - 11.5% based on headcount enrollment of non-Pell recipients.
        - 1% based on the relative share of FTE enrollment of students who were Federal Pell Grant recipients and who were exclusively enrolled in distance education courses prior to the qualifying emergency.
    - 1% based on the relative share of the total number of students who were Federal Pell grant recipients and who were exclusively enrolled in distance education courses prior to the qualifying emergency.
- Provides $3 billion to historically Black colleges and universities, tribal colleges and minority-serving institutions.
- Provides $400 million to for-profit colleges to provide financial aid grants to students.
- Provides $200 million for institutions with the greatest unmet need related to the pandemic or those not served by the HEER formula.
- Maintenance of Effort (MOE): States must maintain spending on both K-12 and higher education in FY 2022 and FY 2023 at least at the proportional levels relative to a state's overall spending, averaged over FY 2018, FY 2019 and FY 2020. The MOE can be waived by the secretary of Education.
- Maintenance of Equity: All provisions apply to FY 2022 and FY 2023.
    - State Maintenance of Equity:
        - States cannot cut per-pupil spending for "high-need" LEAs (group of LEAs that serve the highest percentages of low-income, which collectively serve at least 50% of state's total student enrollment) at a rate steeper than overall cuts in per-pupil spending across all local education agencies.
        - States cannot fund "highest poverty" LEAs (group of LEAs that serve highest percentages of low-income students which collectively serve at least 20% of state's total student enrollment) below their FY 2019 funding.
    - LEA Maintenance of Equity:
        - LEAs cannot cut per-pupil spending for any high-poverty school at a rate steeper than overall cuts in per-pupil spending across all schools served by the LEA.
        - LEAs cannot reduce per-pupil staffing for any high-poverty school at a rate steeper than overall cuts in per-pupil staffing across all schools served by the LEA.

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    - The provision does not apply if an LEA serves less than 1,000 students, or operates a single school, or serves all students in single grade span in one school, or is granted waiver by secretary of education.
- Makes changes to the federal 90/10 rule, which prohibits for-profit colleges from receiving more than 90% of their revenue from federal aid programs. Regulations would not take effect until January 2023.
- Treats any student loan forgiven or discharged on a tax-free basis from 2021 through 2026.

Additional Resources

Department of Education Announces American Rescue Plan Funds for All 50 States, Puerto Rico, and the District of Columbia to Help Schools Reopen

Funding for non-public schools under the ARP (ARP EANS):

- ARP EANS Summary from the Office of Elementary & Secondary Education
- State allocations of EANS funding
- EANS application and available assistance

Sources

- https://www.ncsl.org/ncsl-in-dc/publications-and-resources/american-rescue-plan-act-of-2021.aspx (click on Education tab)
- https://oese.ed.gov/files/2021/03/FINAL_ARP-ESSER-FACT-SHEET.pdf
- https://oese.ed.gov/files/2021/05/ESSER.GEER_.FAQs_5.26.21_745AM_FINALb0cd6833f6f46e03ba2d97d30aff953260028045f9ef3b18ea602db4b32b1d99.pdf
- https://covid-relief-data.ed.gov

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Comparison of ESSER I Fund (CARES Act), ESSER II Fund (CRRSAA), and ARP ESSER (ARP Act)

Award and Distribution of Funds

ESSER I (CARES Act)	ESSER II (CRRSAA)	ARP ESSER (ARP Act)
Funds must be awarded within 1 year of receiving them, between April and June 2021, depending on the original award date.	Funds must be awarded within 1 year of receiving them, January 2022.	With respect to making local educational agency (LEA) subgrants (90% of the total ARP ESSER allocation), the State educational agencies (SEAs) must allocate ARP ESSER funds in an expedited and timely manner and, to the extent practicable, not later than 60 days after the SEA receives those funds. An SEA must award ARP ESSER funds not allocated to LEAs within one year of the date the SEA receives those funds.
90% must go LEA. States will have 10% to utilize for specific purposes.	Same as ESSER I Fund (CARES Act): 90% must go to local education agencies. States will have 10% to utilize for specific purposes.	Same as ESSER: For the 90 percent of funds for local education agencies, funds are generally considered “awarded” when the state education agency subgrants the funds to a local education agency.

Obligation of Funds

ESSER I (CARES Act)	ESSER II (CRRSAA)	ARP ESSER (ARP Act)
Available for obligation by SEAs and subrecipients through September 30, 2021.	Available for obligation by SEAs and subrecipients through September 30, 2022.	Available for obligation by SEAs and subrecipients through September 30, 2023.
May be used for pre-award costs dating back to March 13, 2020, when the national emergency was declared.	Same as ESSER I Fund (CARES Act): May be used for pre- award costs dating back to March 13, 2020, when the national emergency was declared.	May be used for pre-award costs dating back to March 13, 2020, when the national emergency was declared.

Spending of Funds

ESSER I (CARES Act)	ESSER II (CRRSAA)	ARP ESSER (ARP Act)
SEAs must spend funds by September 30, 2022.	SEAs must spend funds by September 30, 2023.	SEAs must spend funds by December 31, 2024.

Reporting of Funds

ESSER I (CARES Act)	ESSER II (CRRSAA)	ARP ESSER (ARP Act)
Under the CARES Act, each SEA that receives ESSER I funds must meet the reporting requirements of section 15011 of the CARES Act, which are satisfied through the Federal Funding Accountability and Transparency Act (FFATA) reporting, and other reporting as the Secretary may require (Annual Reporting).	Under the CRRSAA, each SEA that receives ESSER II funds must meet the CARES Act reporting requirements that apply to ESSER funds and submit a report to the Secretary within six months of award that contains a detailed accounting of the use of ESSER II funds, that includes how the State is using funds to measure and address learning loss among students	An SEA must comply with all reporting requirements at such time and in such manner and containing such information as the Secretary may reasonably require. FFATA reporting requirements apply.

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	disproportionately affected by the coronavirus and school closures.	
ESSER I funds must be tracked separately from ESSER II funds.	ESSER II funds must be tracked separately from ESSER I funds.	ARP funds must be tracked separately from other funds (including from ESSER and ESSER II funds).

Additional Notes

- ESSER funds are subject to all provisions of the Education Department General Administrative Regulations (EDGAR) and Uniform Grant Guidance (UGG) of the Office of Management and Budget (OMB). Districts should adhere to their state's processes and will be required to report use of ESSER funds.

Sources

- https://oese.ed.gov/files/2021/03/FINAL_ARP-ESSER-FACT-SHEET.pdf
- https://oese.ed.gov/files/2021/05/ESSER.GEER_.FAQs_5.26.21_745AM_FINALb0cd6833f6f46e03ba2d97d30aff953260028045f9ef3b18ea602db4b32b1d99.pdf

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