

# Federal Education Stimulus Funds: A Summary of the Three Rounds of Funding

The federal government provided three rounds of education recovery funding through multiple funding streams in the Coronavirus Aid Relief and Economic Security Act (March 2020); the Coronavirus Response and Relief Supplemental Appropriations Act (December 2020); and the American Rescue Plan (March 2021). The major funding streams are ESSER (Elementary and Secondary School Emergency Relief fund), HEER (Higher Education Emergency Relief fund) and GEER (Governor’s Education Emergency Relief fund). Funding specifically for non-public schools also was provided in the latter two measures through Emergency Assistance to Non-Public Schools (EANS) dollars.

The federal measures also contained education-related funding for child care; Head Start; IDEA programs; broadband access; COVID-19 detection, diagnosis, tracking and monitoring; some specific postsecondary institutions; and for states and localities through the Coronavirus Relief Fund. The summary below focuses on the ESSER, HEER, GEER and EANS funding, including timelines for obligating and awarding the funds and the major differences between various iterations of each education fund.

SREB has also produced separate summaries for each of the three federal COVID-19 relief measures.

## Elementary and Secondary Schools Emergency Relief Funds

Funding is allocated based on a state’s proportion of Title I, Part A funding; states allot funds to local education agencies on that basis. At least 90% of the funding must go to LEAs. A state education agency may reserve up to 10% of funds to address emergency needs through subgrants and contracts.

Funding can be applied to a wide variety of uses, including activities permitted by federal education programs, activities to meet needs related to the coronavirus, maintaining continuity of education services, educational technology, responding to the unique needs of groups of students or sanitizing and cleaning education facilities.

### ESSER 1 (CARES Act)

**\$13,229,265,000**

#### Funding Timeline

- Available for obligation by SEA and subrecipients through September 30, 2022.
- SEA must award funds within one year of receiving (April-June 2021).
- The 90% of funds for LEAs are considered awarded when the SEA subgrants the funds to an LEA.
- For funds retained by the SEA, funds are awarded when the SEA awards a contract or subgrant, or when it retains funds to provide direct services.

#### Maintenance of Effort\*

A state that receives ESSER funds must maintain state support for K-12 and higher education in each of fiscal years 2020 and 2021 at least at the average level of state support for K-12 and higher education provided in fiscal years 2017, 2018 and 2019.

\* Maintenance of effort requirements under the CARES Act and CRRSAA apply to state receipt of both ESSER and GEER funds.

<p><b>ESSER 2 (CRRSAA)</b> <b>\$54,311,004,000</b></p>	<p><b><u>Funding Timeline</u></b></p> <ul style="list-style-type: none"> <li>• Available for obligation by SEA and subrecipients through September 30, 2023.</li> <li>• SEA must award funds within one year of receiving (January 2022).</li> <li>• The 90% of funds for LEAs are considered awarded when the SEA subgrants the funds to an LEA.</li> <li>• For funds retained by the SEA, funds are awarded when the SEA awards a contract or subgrant, or when it retains funds to provide direct services.</li> </ul> <p><b><u>Uses of Funds</u></b></p> <p>CARES Act funds could be spent on preventing, preparing for and responding to COVID-19. Department guidance emphasizes the additional uses for funds in CRRSAA that were already permitted under the CARES Act: addressing learning loss; preparing schools for reopening; coronavirus testing; and projects to improve air quality in school buildings. Funds can be used for costs incurred as far back as March 13, 2020, according to guidance from the U.S. Department of Education.</p> <p><b><u>Maintenance of Effort</u></b></p> <p>A state must provide support for K-12 and higher education for fiscal year 2022 at a level of spending that, proportional to overall state spending, is at least the average proportional amount directed to education over fiscal years 2017, 2018 and 2019. The U.S. Secretary of Education may waive this requirement.</p>
<p><b>ESSER 3 (ARP Act)</b> <b>\$122,774,800,000</b></p>	<p><b><u>Funding Timeline</u></b></p> <ul style="list-style-type: none"> <li>• Available for obligation by SEA and subrecipients through September 30, 2023.</li> <li>• SEA must award funds to LEAs, to the extent practicable, within 60 days of receiving funds.</li> <li>• LEA is required to develop and provide to public a plan for safe return to in-person instruction and continuity of services within 30 days of receiving funds from SEA.</li> <li>• 2/3 of ESSER 3 funding (\$81.3 billion) released to states on March 24, 2021; remainder to be released after states submit plans to use ESSER 3 funds in support of the safe reopening of schools and to address students' academic, social, emotional and mental health needs.</li> </ul> <p><b><u>Uses of Funds</u></b></p> <p>Provisions requiring LEAs to provide equitable services funding to nonpublic schools from ESSER or GEER funds were not included in ARP. Instead, funding was provided for nonpublic schools through the EANS fund (see below).</p> <p>From the funds reserved by an SEA, an amount equivalent to at least 5% of the total funds received by the state must be used to carry out activities that address learning loss through evidence-based intervention. In addition, an SEA must use at least 1% of the total funds received by the state to implement evidence-based summer enrichment programs and at least 1% for evidence-based comprehensive after-school programs. Each LEA that receives a grant must use at least 20% of the funds to address learning loss by implementing evidence-based interventions.</p>

**ESSER 3 (ARP Act)**  
**\$122,774,800,000**  
(continued)

ESSER funding is intended to help schools take the steps recommended by the Centers for Disease Control to ensure a safe return to the classroom for students and educators. An LEA is required to develop a plan for a safe return to in-person learning within 30 days of receiving funding and to put the plan on its website.

ARP also set aside \$800 million in ESSER funding for the U.S. Department of Education to identify and provide wrap-around services for homeless children and youth.

**State Maintenance of Effort**

A state must provide support for K-12 and higher education in fiscal years 2022 and 2023 that, proportional to overall state spending, is at least the average proportional amount directed to education over fiscal years 2017, 2018 and 2019. The U.S. Secretary of Education may waive this requirement.

**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 years 2022 or 2023 for any highest-poverty LEA below the level provided in fiscal year 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 reduction across the LEA. The LEA may not reduce the per-pupil FTE staff ratio in a high-poverty school by an amount that exceeds the reduction of that ratio across the LEA.

## Higher Education Emergency Relief Funds

HEER funds are allotted directly to institutions of higher education, and institutions must use a portion of the funds to provide emergency aid to students. From the portion for institutional use, CARES allowed funds to be used for any costs associated with significant changes to the delivery of instruction due to coronavirus and additional emergency aid grants. Emergency aid grants to students may assist with any part of cost of attendance or emergency costs arising from the pandemic such as tuition, food, housing, health care, mental health care and child care.

CRRSAA lists as acceptable uses for institutions: defraying expenses associated with coronavirus (including lost revenues, reimbursement for expenses already incurred, and technology costs associated with transitioning to distance education); faculty and staff training and payroll; carrying out student support activities authorized by HEA that address needs related to coronavirus; and making additional aid grants to students. CRRSAA funds can be used for costs incurred as far back as March 13, 2020, according to guidance from the U.S. Department of Education. Previously funds could only be used for costs incurred on or after December 27, 2020, the date CRRSAA was signed into law. CRRSAA added allocations for aid grants to students exclusively in distance learning; established a new funding stream for proprietary institutions; and emphasized that institutions should prioritize supporting students with exceptional needs. The expanded uses of funds authorized under CRSSAA also apply to CARES Act funds.

The institutional use portion of HEER funds may be used for reasonable administrative costs.

Institutions can use HEER fund grants — unspent CARES Act, CRRSAA and ARP funds — for grants to non-degree-seeking, non-credit, dual enrollment, or continuing education students, as well as for students who are qualified aliens.

<p><b>HEER 1 (CARES Act)</b> <b>\$13,952,505,000</b></p>	<p><u>Funding Timeline</u></p> <ul style="list-style-type: none"> <li>• Institutions must spend HEER funds within one year from the date of the award.</li> </ul> <p><u>Allocation of Funds</u></p> <ul style="list-style-type: none"> <li>• Institutions must use at least 50% of their total allotment for emergency aid to students.</li> <li>• Funds are allocated 75% based on the relative percentage of Federal Pell Grant recipients enrolled, and 25% based on the relative percentage of students who do not receive Pell grants.</li> <li>• Students exclusively enrolled in distance education courses before the COVID-19 emergency are excluded from the formula.</li> </ul>
<p><b>HEER 2 (CRRSAA)</b> <b>\$22,697,136,000</b></p>	<p><u>Funding Timeline</u></p> <ul style="list-style-type: none"> <li>• Institutions must spend HEER funds within one year of the date of the award.</li> <li>• Institutions that receive a supplemental award under CRRSAA have one additional year to spend all remaining CARES funds and CRRSAA funds. No-cost extensions for one year are available in certain circumstances.</li> </ul> <p><u>Allocation of Funds</u></p> <ul style="list-style-type: none"> <li>• The minimum amount an institution must provide as emergency aid to students is the same dollar amount required under their CARES allocation.</li> <li>• Funds are allocated according to a formula based on relative percentages of the FTE count of Pell students, the headcount of Pell students, the FTE count of non-Pell students not exclusively in online instruction, the headcount of non-Pell students not exclusively in online instruction, the FTE count of Pell recipients exclusively in online instruction, and the headcount of Pell students exclusively in online instruction.</li> </ul>

<p><b>HEER 3 (ARP Act)</b>  <b>\$39,584,570,000</b></p>	<p><u>Allocation of Funds</u></p> <ul style="list-style-type: none"> <li>• Public and private nonprofit institutions of higher education receive 91% of the total funding; institutions must use at least half of these HEER funds for emergency aid to students.</li> <li>• Funding is allocated according to the same formula as CRRSAA (above).</li> <li>• Institutions must use a portion of their allocation to implement evidence-based practices to monitor and suppress coronavirus.</li> <li>• Institutions must use a portion of their allocation for outreach to financial aid applicants who may be eligible for financial aid adjustments.</li> </ul>
---	--

<p><b>Governor’s Emergency Relief Funds</b></p> <p>GEER funds are allocated to states based 60% on a state’s proportion of the population age 5-24 nationally and 40% on the proportion of children counted under Title I of ESEA.</p> <p>Funds are to provide emergency grants to LEAs that the SEA deems most significantly impacted by the pandemic; institutions the governor determines have been most significantly impacted by the pandemic; and any other institution of higher education, LEA, or education-related entity the governor deems essential for carrying out emergency educational services authorized under federal education programs. Funds may also be allocated to support child care and early education, provide social and emotional learning services to students, and protect education jobs.</p>	
<p><b>GEER 1 (CARES Act)</b>  <b>\$2,953,230,000</b></p>	<p><u>Funding Timeline</u></p> <ul style="list-style-type: none"> <li>• Governors must award within one year of receiving (April-June 2021).</li> <li>• Available for obligation by governors and subrecipients through September 30, 2022.</li> </ul>
<p><b>GEER 2 (CRRSAA)</b>  <b>\$1,303,060,000</b></p>	<p><u>Funding Timeline</u></p> <ul style="list-style-type: none"> <li>• Governors must award within one year of receiving (January 2022).</li> <li>• Available for obligation by governors and sub-recipients through September 30, 2023.</li> <li>• States with approved applications under CARES automatically received funding.</li> </ul>

## Emergency Assistance to Non-Public Schools Funds

EANS (Emergency Assistance to Non-public Schools) funds are available to schools that enroll a significant percentage of low-income students and are most impacted by the pandemic. Funding is allocated based on a state's proportion of children in poverty enrolled in non-public schools relative to the number of such children nationwide.

- \$2,750,000,000 in CRSSA, as a funding stream within GEER
- \$2,750,000,000 in ARP

Allowable uses include: purchases of personal protective equipment and cleaning supplies; ventilation improvements; installation of physical barriers to facilitate social distancing; expanding capacity to administer coronavirus testing and perform contact tracing; purchases of educational technology to assist students, educators and staff with remote or hybrid learning; and providing education and support services for remote or hybrid learning or to address learning loss.

### Funding Timeline

- Funds must be allocated to schools within six months of their receipt by the state. Funding is allocated based on the state's proportion of children in poverty enrolled in non-public schools relative to the number of such children nationwide.

### Allocation of Funds

- Non-public schools apply to SEA for funding, and 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.
- A state that used CARES Act GEER funds for financial assistance to private school students is permitted continue the program through the 2020-21 school year.