



American Rescue Plan K-12 & Higher Education

Programs and Their Purposes

The ARP provides approximately [\\$130 billion to support K-12 education](#) mostly through the Elementary and Secondary Education Emergency Relief (ESSER) Fund, which will receive approximately \$123 billions of this funding. Most of these funds will flow through states to local school districts.

- **Approximately \$12.2 billion for State Education Agencies (SEAs)** to implement evidence-based activities to address the disparate impact of the pandemic on marginalized student populations, which include students of color, students from low-income backgrounds, students with disabilities, English language learners, students from immigrant families, students experiencing homelessness, and students and youth in foster care. Evidence-based is defined using the Every Student Succeeds (ESSA) four-tier definition of evidence. The SEA funds include three set-asides:
 - 5% to address learning loss (\$6.1 billion) through evidence-based interventions, such as summer learning or enrichment programs, comprehensive afterschool programs, extended day, or extended year. This approach must address students' academic and social/emotional needs.
 - 1% for evidence-based summer enrichment programs (\$1.2 billion)
 - 1% for evidence-based afterschool programs (\$1.2 billion)
 - SEAs can also hold up to 0.5% of funds for administrative costs.

The Department of Education released [state allocations](#) of funding on March 24, 2021. It also released [its guidance](#) on assurances states need to make to receive the remainder of their funding.

- **Approximately \$109.7 billion for Local Educational Agencies (LEAs)**, to be distributed using the Title I formula. Estimates of the funding each LEA will receive can be found [here](#). These dollars must be spent as follows:
 - At least 20% (approximately \$21.9 billion) on evidence-based interventions to address learning loss, such as summer learning or enrichment programs, comprehensive afterschool programs, extended day, or extended year. Evidence-based is defined using the ESSA four-tier definition. Additionally, these funds must be used to address academic as

well as social and emotional needs of students and must be directed, primarily at the same set of “marginalized student groups” described above.

- The remaining funds may be used to respond to the pandemic or for any activity authorized by ESEA, IDEA, or the Perkins Career and Technical Education Act. These activities should address the unique needs of low-income students, children with disabilities, English language learners, students of color, students experiencing homelessness, and foster care youth. Funds may also be used to purchase supplies to mitigate the spread of the coronavirus or to purchase educational technology. Allowable use list [here](#).
- LEAs must produce public plans for returning students to in-person instruction within 30 days of receiving their ARP ESSER funding.
- **\$800 million for homeless students.** The Department of Education is to use this funding to identify children and youth experiencing homelessness, provide them with wrap-around services and assistance to allow them to attend and participate in school to the fullest extent.
- **Other K12 funding:**
 - The ARP contains approximately \$3 billion in funding for the Individuals with Disabilities Education Act (IDEA), including \$200 million for preschool grants and \$250 million for infants and toddlers with disabilities.
 - [Non-public schools](#) receive \$2.75 billion in funding that goes through governors to support low-income students impacted by the pandemic.
 - \$850 million for the Bureau of Indian Education.
 - The bill extends the 15% increase in SNAP benefits through September, allows states to continue the Pandemic EBT program, and makes improvements in the WIC program including increases in allowances for vegetables and fruit and \$390 million for outreach to potentially eligible families. In addition, the US Department of Agriculture extended waivers to schools to allow them to distribute school lunches in alternative manners like over the summer and via grab and go.

Timing of Funding

The Department of Education has released \$81 billion in ESSER funding and will release the remaining funds will be released once states develop and submit plans for using the ARP funds for the purposes addressed in the statute. Once states receive their funding, they have 60 days to distribute 90% of it to LEAs. Any funding not

obligated within one year by the SEA must be returned to the Department of Education. All funds have to be used by September 30, 2023.

Maintenance of Effort and Equity

The ARP contains both a traditional maintenance of effort provision; this one requiring that states maintain the same financial support in FY22 and FY23 as they did (on average) in FY17, FY18, and FY19. It also contains a maintenance of equity provision that requires that SEAs maintain funding for their high-need districts. Specifically, the provision requires that states not reduce state funding for any high poverty LEA below the level provided in FY19 and not reduce their state and local per pupil funding or FTE staff for high poverty schools any more than these things are reduced for the rest of the schools in the district.

Higher Education Programs

The ARP provides [\\$40 billion in funding](#) for higher education institutions. 50% of this funding must be used to provide emergency financial assistance to students for non-profit and public institutions. For-profit institutions must use 100% of their funding to provide that support to students. Institutions may use their remaining funds to “implement evidence-based practice to monitor and suppress coronavirus in accordance with public health guidelines” or to conduct direct outreach to financial aid applicants about the opportunity to adjust their financial aid due to recent unemployment in the family or other circumstances.

The bill also closes the 90/10 loophole, meaning it would count all federal aid, including GI Bill benefits, as part of the 90% of funding that for-profit institutions may receive from federal loans and grants. In other words, schools can no longer count GI Bill benefits as part of their 10% of non-federal funds.

Leveraging Funds for Data and Evidence-Building Capacities

The ARP provides \$100 million in funding for the Institute of Education Sciences to support research on activities aimed at addressing learning loss and to share those findings with schools, districts and states. Moreover, the bill allows the Department of Education to hold onto \$15 million through September 30, 2024 for administrative uses, which could include data and evidence-building functions within the Department.

Learn more about the American Rescue Plan on the Results for America [website](#).