

TO: AASA Members  
FROM: AASA Advocacy (Sasha Pudelski, Chris Rogers, Noelle Ellerson Ng)  
DATE: March 12, 2021  
RE: American Rescue Plan Summary Memo

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*On March 11, 2021, President Joe Biden signed the American Rescue Plan (ARP) into law. This nearly \$2 trillion federal emergency supplemental appropriation is the sixth emergency package in response to the enduring COVID-19 pandemic.*

**OVERVIEW:** The bill signed into law bears a striking resemblance to President Biden’s initial proposal. The funding is far reaching, and includes supports for vaccines, schools, small businesses, and anti-poverty programs. ARP includes almost \$220 billion for education, child care, and education-related programs, plus \$362 billion for local and state fiscal relief, much of which could ultimately support education. The total for the Department of Education is more than twice the fiscal year 2021 regular funding total of \$73 billion.

#### **Additional Resources:**

- State Totals for Education Relief Funds: [Congressional Research Service memo with estimates of Education Stabilization Fund totals for states and institutions of higher education](#) (IHE). It breaks out funding by state for the K-12 fund, the non-public schools, and the higher education fund (by state and by type of IHE). The last pages aggregate each state’s total from all three emergency relief funds.
- Check out a summary of key provisions from NCSL [here](#).
- Access the full text of the bill [here](#).
- EdWeek has a quick graphic representation of what ARP means for education. [Check it out](#).

#### **Education Funding and Related Provisions**

- ARP provides \$125.8 billion for K-12 state education agencies, \$40 billion for institutions of higher education, and \$2.75 billion to governors for private schools. \$110 billion will go directly to LEAs.
- Funding Allocation: ARP funding will flow to the state and local level just like CARES I and CARES II, based on respective share of Title I.
- Availability of Funds: ARP requires states to move money to the local level within 60 days of receiving funds, but we do not see a timeline for how quickly USED has to move the money to states.
- Timeline for Funds: ARP allows for district allocations to remain available through September 23, 2023. This is expected to be interpreted to allow LEAs to spend these allocations through the end of the 2023-24 school year.
- State Requirements:
  - State education agencies (SEAs) must subgrant at least 90% of their funding to local education agencies (LEAs). From their state set aside, an SEA must set-aside funds as listed here:
    - 5% to address learning loss; 1% for evidence-based comprehensive after school programs; and 1% for evidence-based summer enrichment.
  - Maintenance of Effort: States must provide at least as much funding for K12/higher education in fiscal years 2022 and 2023 as a proportion of the state’s overall spending (Averaged over fiscal years 2017, 2018, and 2019). Waivers will be available.

- There is no prohibition that would stop a state from supplanting funds outside of the Maintenance of Effort provisions.
- Local Education Agency Details:
  - Allowable uses for ARP closely mirror those of CARES I and CARES II:
    - Any allowable use under the Elementary and Secondary Education Act, Individuals with Disabilities Education Act; Carl D. Perkins Career and Technical Education Act; and Adult Education and Family Literacy Act.
    - Coordinating with public health departments;
    - Conducting activities to address the needs of students from low-income families, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth;
    - Purchasing educational technology (including hardware, software, and connectivity as well as assistive technology or adaptive equipment);
    - Summer learning, and supplemental after-school programs;
    - Providing meals to eligible students;
    - Mental health services;
    - Addressing learning loss;
    - School facility repairs to reduce risk of virus transmission and support student health; and
    - Implementing public health protocols including policies in line with guidance from the Centers for Disease Control and Prevention for school-reopening
    - Implementing activities to maintain the operation and continuity of services and to employ existing staff.
    - Additional language in ARP allows LEAs to use ARP funding for inspection, testing, maintenance, repair, replacement, and upgrade projects to improve the indoor air quality in school facilities; as well as school facility repairs and improvements to enable operation of schools to reduce risk of virus transmission.
    - Learning Loss Set Aside: LEAs must use at least 20% of their ARP funds to address learning loss via evidence-based interventions that focus on students' academic, social and emotional needs. Note: we are not clear on how evidence-based interventions will be interpreted by ED, but they will likely have to issue some guidance.
- IDEA Funding: ARP includes \$2.5 billion for IDEA. This is a 20% increase over the current annual appropriation and would bring the federal share to 15.5% (of the authorized 40%).
- McKinney Vento: ARP includes \$800 million to support homeless students.
- Maintenance of Equity: ARP includes a new policy requirement for SEAs and LEAs, maintenance of equity (MoEq). This is a provision for which AASA has some clarifications and considerations we are relaying to USED and Congress. For summary purposes though, in ARP, under MoEq,
  - States cannot reduce their per-pupil funding in high needs LEAs for the next two years by more than any overall per pupil reduction in state funding; and states cannot reduce state funding for the highest poverty LEAs in their state below the state funding those LEAs receive in 2018-19. This would apply to both the 2022 and 2023 fiscal years.
  - LEAs cannot reduce combined state and local per-pupil funding and per pupil full-time equivalent (FTE) staffing for high poverty LEAs by more than any district-wide reductions. LEAs enrolling less than 1,000 students; and/or operating only one school building; and/or serving all students in a grade span in a single school would be exempt. For context, this would exempt nearly half of the nation's LEAs from this provision.

- Revised: There are NOT waivers—for neither state nor local education agencies—for maintenance of equity.
- Opening Plan Requirement: Within 30 days of receiving funds, LEAs have to develop and make public a plan for the safe return to in-person instruction and continuity of educational services.

## Other Provisions

- Homework Gap/Broadband: ARP includes \$7.2 billion to the E-Rate program for home internet access and connected devices.
- Head Start: ARP provides \$1 billion for Head Start.
- Childcare Development Block Grant: ARP includes \$15 billion for CCDBG.
- Relief to State and Local Governments:
  - ARP provides \$219.8 billion (available through December 31, 2024) for states, territories and tribal governments to address fiscal impacts stemming from the COVID-19 pandemic. Within this amount, \$195.3 billion is set aside for direct federal aid to states and DC.
  - ARP provides \$130.2 billion (available through December 31, 2024) for metropolitan cities, municipalities and counties.
- Child Tax Credit: ARP includes a temporary expansion of the child tax credit, raising the amount to \$3,600 for children under the age of six, and to \$3,000 for children ages 6 to 17.
- Child and Dependent Care Tax Credit: ARP expands the CDCT, allowing households to receive a total of up to \$4,000 for one child or \$8,000 for two children or more.
- Direct Payments: ARP provides a third economic impact payment (stimulus) for qualifying Americans, up to \$1,400 each.
- Unemployment Benefits: Federal unemployment insurance payments will remain at \$300 per week until through September 6, 2021.
- Paycheck Protection Program: ARP provides \$7.25 billion in new money for PPP, and would allow more non-profits to apply, including groups that engage in advocacy and some limited lobbying (for example, some of the AASA state affiliates).
- Medicaid: ARP requires Medicaid and the Children's Health Insurance Program (CHIP) to fully cover the cost of COVID-19 vaccines.
  - Mental Health: ARP includes funding on children within the overall funding level for mental health programs, including \$10 million for the National Child Traumatic Stress Network; \$30 million for Project AWARE; and \$20 million for youth suicide prevention.
  - Nutrition Assistance: ARP includes several nutrition related items, including 15% increase in SNAP benefits through September 2021; funding for the fruit/vegetable outreach and innovation in Women Infants Children (WIC); \$1 billion of additional funding for nutrition programs in the territories; and \$25 million for SNAP online purchasing and technology improvements.

## Questions?

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