

FEDERAL STIMULAS FUNDS SUMMARY

March 2021

Draft

FEDERAL STIMULUS FUNDS ARE INTENDED TO HELP *BEGIN* COVERING RECOVERY COSTS

So far, there have been 3 rounds of federal stimulus dollars for education

1. The Coronavirus Aid, Relief and Economic Security (CARES) Act (March 2020) -- \$2 Trillion
2. Coronavirus Response and Relief Supplemental Appropriation Act or CARES II (December 2020) -- \$900 Billion
3. American Rescue Plan Act (ARPA) (February 2021)-- \$1.9 trillion
4. Executive Orders on Supporting the Reopening and Continuing Operation of Schools and Early Childhood Education Providers (January 21, 2021) & Pausing Federal Student Loan Payments

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Funding	CARES ACT (\$2 Trillion) <i>March 2020</i> Illinois Share	CRRSA Act or CARES II (\$900B) <i>December 2020</i> Illinois Share	American Rescue Plan Act (ARPA) Illinois Share
Child Care Development Fund	\$118.4M	\$331.95M	\$497.9M Temp + \$20M permanent increase
Child Care Stabilization Fund	N/A	N/A	\$796.3M
Paycheck Protection Program*	\$23B went to IL businesses	\$284B nationally Extended: 5/30/21 from 3/31/21	
ESSER (K-12)	\$569.5M (up to 10% for SEA)	\$2.25B (up to 10% for the SEA)	\$5.2B**** (up to 10% for the SEA)
GEER**	\$108.5M	\$47.9M ***	\$2.75B (while these funds are referred to as Governor's funds, 100% must go to non-public schools)
HEERF (Higher Ed)	\$462.5M	\$718M	~\$1.3B
IDEA			\$9M ECSE; \$9M Early Intervention; \$110M Part B (K-12) (estimates)
State & Local	\$4.9B (\$3.5B state/\$1.4B local) \$260M to ECE for Child Care Restoration Grants	---	\$13.7B (\$7.7B state/\$6B local)
Other		FAFSA simplification and expanded eligibility	E-rate \$7.1B (national) MIECHV - \$5M (est) Headstart- \$39.6M

*PPP was used to support ECE providers and other eligible businesses.

**GEERS Funds were used to support ECEC, K-12 and higher education

*** In CRRSA, \$132M was allocated for Illinois GEER II funding, the law requires that ~\$85M be set aside for non-public schools

****20% of LEA and 5% of SEA must be spent on learning recovery. 1% of SEA must be spent on summer school & 1% of SEA on after school.

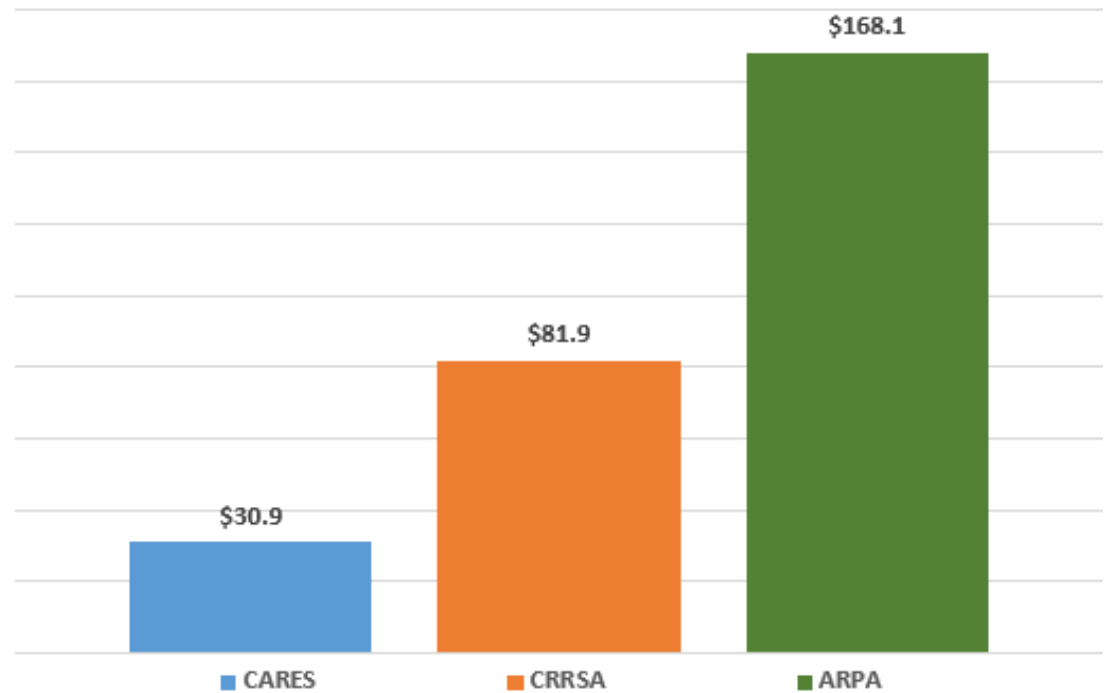
FEDERAL STIMULUS FUNDS ARE INTENDED TO HELP *BEGIN* COVERING RECOVERY COSTS (CONT)

- **Executive Order** on Supporting the Reopening and Continuing Operation of Schools and Early Childhood Education Providers (January 21, 2021). Provisions include:
 - Fully reimbursing states for eligible costs necessary to reopening schools through the FEMA Disaster Relief Fund (PPE, sanitization, etc.)
 - Producing a Safer Schools and Campuses Best Practices Clearinghouse
 - Directing the Department of Education's Assistant Secretary for Civil Rights to deliver a report as soon as practicable on the disparate impacts of COVID-19 on students in elementary, secondary, and higher education
 - Directing the Institute of Education Sciences to facilitate, consistent with applicable law, the collection of data necessary to fully understand the impact of the COVID-19 pandemic on students and educators, including data on the status of in-person learning
- **Executive Order** on Pausing Federal Student Loan Payments
- ARPA also includes a new provision to prevent student loan forgiveness over the next five years from resulting in a tax bill for borrowers and resources to support COVID-19 testing in schools

APPENDIX

K-12 & HIGHER ED FEDERAL STIMULUS FUNDS

COVID-19 FUNDING FOR EDUCATION
in Billions of Dollars



Provision for the Maintenance of Effort and Equity

The ARP Act contains several provisions that help ensure that federal funds are used in addition to—and not in place of—state and local education funding. For both the 2021–22 and 2022–23 school years, states and districts must follow the following guidelines:

- **Effort:** States must continue to fund public elementary and secondary education and higher education at least at the proportional levels as the average annual funding over fiscal years 2017, 2018, and 2019. For example, if a state spent on average 26% of its total budget on k–12 and higher education between 2017 and 2019, then it must provide that same percentage of support in both 2022 and 2023.
- **Equity—State:** In the 2021–22 and 2022–23 school years, high-need school districts are protected from states’ spending reductions in two ways. First, state per-pupil funding for the neediest half of districts cannot be reduced by an amount that exceeds the overall decrease in state funds. Second, per-pupil state funding for the 20% of districts with the highest percentage of economically disadvantaged students may not be reduced below pre-pandemic levels (FY 2019).
- **Equity—LEAs:** LEAs shall not decrease either per-pupil funding (from state and local sources) or staffing levels for their high-poverty schools by an amount that exceeds districtwide reductions. The bill defines “high-poverty schools” as the 25% of schools serving the highest percentage of economically disadvantaged students in the LEA.

How ARP K-12 and Higher Education Funds Flow

Elementary and Secondary School Emergency Relief (ESSER) Fund

- **Distribution to states:** K-12 funds will be distributed to states based on the share of funding they receive under Title I of the Every Student Succeeds Act (ESSA), which is used to allocate federal education funding to states for students from low-income backgrounds
- **Distribution to districts:** Once states receive the money, they must distribute at least 90% of those funds to districts based on how much the district receives from Title I of ESSA
- **Uses of funds:** Funds can be used flexibly and can be used to address the impact of significant interrupted instruction; to prepare schools for physical reopening; to test, repair, and upgrade projects to improve air quality in school buildings; to purchase education technology; to provide mental health supports; as well as other activities authorized by existing law

Higher Education Emergency Relief Fund (HEERF)

- **Distribution of funds to institutions:** The vast majority (91%) of the funds will flow to [public and private nonprofit institutions](#)
- **Historically Black colleges and universities (HBCUs), Hispanic-serving institutions (HSIs), and other minority-serving institutions (MSIs)** will receive 5% of the remaining funds, while the rest will be split between [aid for students attending for-profit institutions](#) and for institutions that have the greatest unmet need related to COVID-19
- **Uses of funds:** Institutions receiving funds will have a wide range of accepted uses, but **will be obligated to spend at least** the same amount [on emergency grants to students](#) as they did with funds allocated by the prior two packages. Additionally, a portion of received allocations must be used to implement evidence-based practices to monitor and suppress COVID-19 and conduct direct outreach to applicants about their ability to receive a COVID-19 related financial aid adjustment

BUT COVID-19 HAS INCREASED PROGRAMS/SCHOOL AND CHILDREN/STUDENT NEED FAR ABOVE AND BEYOND NORMAL CIRCUMSTANCES

Health and safety and operations expenses alone could easily erode a significant portion of Stimulus funds this school year

- For example, the costs of safely resuming in-person learning - Although districts can now be reimbursed for the cost of PPE and cleaning/disinfecting as a result of President Biden's recent executive order, operations costs to enable a return to in-person schooling and maintain healthy and safe environments for students and staff are significant
 - **Ventilation:** Updating and maintaining HVAC systems for good ventilation
 - **Physical Distancing:** Additional staffing and space to reduce class sizes and allow for physical distancing
 - **Transportation:** A [CDC report](#) estimated a statewide cost of roughly \$500M for increased needs for school transportation, assuming a need for additional buses, drivers, and protocols to implement social distancing on buses.
- Districts/Institutions continuing to provide remote and hybrid learning also bear additional costs as they continue to work to close the digital divide and keep students engaged.
- Schools will need additional capacity and programming to support student recovery, like: reengagement and counseling, time, targeted supports and SEL & Mental Health supports.*

*National [cost modeling](#) by Education Resource Strategies suggests that providing these 3 research-backed recovery supports “would cost approximately \$12,000-\$13,500 per-pupil over the course of five years, or an average increase of approximately \$2,500 per-pupil (~21 percent) per year. We are working to unpack the assumptions and methodology used in this modeling and to better understand what the costs might look like for Illinois.