



AMERICAN RESCUE PLAN

Guiding Principles & Essential Strategies for Education Funds
March 2021

The [American Rescue Plan](#) provides nearly \$1.9 trillion in stimulus funds to states, with an astounding [\\$123 billion](#) allocated to the Elementary and Secondary School Emergency Relief (ESSER) Fund for [safe school re-openings and recovering learning loss](#). State and local education agencies have enormous responsibility to ensure this money makes a difference for every student, especially those who need it most.

Federal Relief Funding 101

The American Rescue Plan (ARP) is the third federal stimulus package that includes funding for K-12 schools through ESSER. It was preceded by the [Coronavirus Aid, Relief, and Economic Security Act](#) (CARES) in March 2020 the [Coronavirus Response and Relief Supplemental Appropriations Act](#) (CRRSAA) in December 2020.

ARP is by far the largest COVID relief funding for K-12 schools to date and provides nearly double the amount of money as the first two stimulus packages (CARES and CRSSA) combined.

Of the \$122 billion provided in ARP, nearly \$110 billion (90%) will go directly to local education agencies (LEAs) and \$12 billion (10%) to state education agencies (SEAs). This is an unprecedented sum of money for local school districts. To put it in perspective, **Miami-Dade County in Florida will receive \$97 million more through ARP than the entire state of Florida received in Title I funding in 2019.**

K-12 Relief Funding Provided through ESSER				
Available to	CARES	CRRSAA	ARP	Total
SEAs	\$1.3 billion	\$5.4 billion	\$12.2 billion	\$18.9 billion
LEAs	\$11.9 billion	\$48.9 billion	\$109.8 billion	\$170.6 billion
Overall	\$13.2 billion	\$54.3 billion	\$122 billion¹	\$189.5 billion

SEAs and LEAs will have until September 2024 to obligate ARP funds. Many LEAs have not yet spent funds from previous relief packages; the [Congressional Budget Office](#) estimates that LEAs may not exhaust stimulus money until 2028.

ARP Funding Amounts & Requirements

Unlike [previous relief packages](#), which allocated flexible pots of money to governors to spend on education, ARP funds are earmarked only for SEAs and LEAs. ARP [requires](#) that states and LEAs spend the money on COVID-19-related needs and issues that have been highlighted or exacerbated by the pandemic. Most funds (90% of each state’s allocation) will flow to LEAs through sub-grants from SEAs. SEAs receive 10% of the state allocation, and ARP requires that most of it go to evidence-based interventions to address instructional loss, summer enrichment activities and after-school programming.

¹ [U.S. Department of Education Announces American Rescue Plan Funds for All 50 States, Puerto Rico, and the District of Columbia to Help Schools Reopen](#)
In addition to the ARP ESSER funding for states, the American Rescue Plan includes \$7.6 billion for special education, children and youth experiencing homelessness, Tribal educational agencies, Native Hawaiians, and Alaska Natives, emergency assistance to non-public schools, and the Outlying Areas (American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, and the U.S. Virgin Islands), as well as \$40 billion for higher education.



ARP Funding by State					
Alabama	\$2,020,070,466	Louisiana	\$2,605,463,325	Oklahoma	\$1,493,582,570
Alaska	\$358,707,134	Maine	\$411,303,282	Oregon	\$1,121,028,734
Arizona	\$2,582,098,697	Maryland	\$1,951,136,802	Pennsylvania	\$4,996,953,151
Arkansas	\$1,253,227,833	Massachusetts	\$1,830,128,073	Puerto Rico	\$2,965,938,760
California	\$15,068,884,546	Michigan	\$3,719,833,128	Rhode Island	\$415,015,610
Colorado	\$1,166,328,632	Minnesota	\$1,320,645,901	South Carolina	\$2,112,051,487
Connecticut	\$1,105,919,874	Mississippi	\$1,627,197,854	South Dakota	\$382,019,236
Delaware	\$410,733,965	Missouri	\$1,956,529,215	Tennessee	\$2,487,638,081
District of Columbia	\$386,317,154	Montana	\$382,019,236	Texas	\$12,418,588,778
Florida	\$7,038,246,438	Nebraska	\$545,908,619	Utah	\$615,526,070
Georgia	\$4,249,371,244	Nevada	\$1,071,998,392	Vermont	\$285,164,138
Hawaii	\$412,328,764	New Hampshire	\$350,501,633	Virginia	\$2,109,490,751
Idaho	\$439,942,041	New Jersey	\$2,764,587,703	Washington	\$1,852,501,071
Illinois	\$5,054,988,054	New Mexico	\$979,056,256	West Virginia	\$761,417,928
Indiana	\$1,994,734,056	New York	\$8,988,780,836	Wisconsin	\$1,540,784,854
Iowa	\$774,516,216	North Carolina	\$3,599,191,706	Wyoming	\$303,709,391
Kansas	\$830,585,182	North Dakota	\$305,266,879		
Kentucky	\$2,084,773,157	Ohio	\$4,472,067,097		

There are some requirements for how LEAs spend their funds as well. They must reserve at least 20% of their sub-grants to address instructional loss, and each LEA must develop and submit for public comment a plan for the “[safe return to in-person instruction and continuity of services](#).” ARP also includes [maintenance of effort and equity](#) provisions, which prevent states and LEAs from making severe budget cuts, especially to LEAs and schools that serve economically disadvantaged students.

Example of ARP Funding Breakdown in Florida				
Florida Receives \$7 Billion Overall				
LEA		State		
\$6.3 billion divided between 77 LEAs	Example LEA: Nearly \$1 billion to Miami-Dade County	\$704 million Overall		
\$1.3 billion Learning Loss (20%)	\$2 million Learning Loss (20%)	\$352 million Learning Loss	\$70 million Summer Enrichment	\$70 million After School
\$5 billion Other (80%)	\$8 million Other (80%)	\$35 million Administration		\$176 million Other



Guiding Principles & Essential Strategies for States

With such unprecedented funding and flexibility in spending, LEAs will need guidance on how to maximize their return on investment. **States** have an important role to play in **guiding LEAs** to evaluate the needs of their communities and **incentivizing them to adopt evidence-based reforms**. Governors, too, can use their positional authority to encourage districts in the right direction.

Guiding Principles

Though 90% of ARP funds go directly to LEAs, SEAs will still receive an extraordinary \$12 billion – nearly double what they received from the first two stimulus packages combined. SEAs should consider the following principles and ideas.



SEAs: Undertake Bold Initiatives

Use funds to start bold initiatives that might not be possible without the extra stimulus.

Invest in early literacy initiatives, as [Florida](#) did with its CARES funds.

Create public-private partnerships to provide more families Internet access, as [Alabama](#) did with its CARES funds.

Provide direct grants for supplemental education services, as [Texas](#) did with its GEER funds.



SEAs: Provide Incentives for LEAs to Align Spending with State Priorities

LEAs have great flexibility in how they spend ARP funds. SEAs should incentivize LEAs to spend ARP money in a way that aligns with state priorities.

Create a grant competition rewarding LEAs that prioritize state-approved initiatives.

Provide matching grants to LEAs that implement state-approved initiatives.

Create an innovation fund and provide financial support to LEAs that implement state-approved initiatives.



Center on the Needs of Parents & Students

Parents know what their children need, and those needs have only become clearer over the past year. If states prioritize communicating with and empowering parents, they will see a greater return on their ARP investments.

Provide funds directly to families to spend on state-approved academic and enrichment services.

Focus on data systems and communications tools that help parents understand student performance and progress.

Incentivize districts to guide parents in using existing and new learning management systems.



Essential Strategies

As SEAs boldly deploy ARP funds, they should consider modeling strategies and actions they hope LEAs will employ. If states focus on urgent priorities and make non-recurring investments, LEAs will be inclined to do the same.



Strategy 1: Address the Most Urgent Issues Now

With ARP funding, state and local education agencies can immediately address the most devastating impacts of the pandemic by creating one-time initiatives that prioritize assessing and recovering learning loss for every student, with an emphasis on students who have experienced the greatest disruptions in learning.

For example, a swift way to meet the immediate needs of families is to create a **statewide microgrant program**, like [Oklahoma](#), [Idaho](#) and [Texas](#) did with GEER funds. Microgrants are direct payments to families for use on a range of state-approved services that support the academic, physical and mental health of students. Other ideas to spur creative state thinking include:

- Provide **one-time incentive bonuses** to districts that **administer the state's assessment to at least 80% of students** in Spring 2021.
- **Sponsor a statewide tutoring program focused on learning recovery** that attracts and rewards qualified tutors by providing debt relief and/or one-time stipends. **Match district investments in tutoring**, especially initiatives that embed tutoring into the school day.
- Use one-time funds to **remove financial barriers to participating in exams and programs** such as SAT/ACT; AP/IB exams; dual enrollment tuition; industry certification exam fees; and transportation costs for work-based learning experiences.
- Establish an innovation fund to assist LEAs in creating **inventive summer school and school vacation acceleration academies** and/or **intensive academic bootcamps** for students on the cusp of graduation. Provide additional incentives to LEAs that create community partnerships with out-of-school providers.
- **Make one-time investments in technological infrastructure**, such as technology-enabled classrooms and internet connectivity for school buses and other school services/out-of-school programs. Negotiate **multi-year contracts for affordable rates for home connectivity**.
- **Create a statewide digital equity plan**, including a process for ensuring 1:1 device and connectivity, that LEAs can adapt to local needs. **Match LEA investments in creating local digital equity plans** and providing 1:1 connectivity.
- **Create a data system for locating and reconnecting disconnected students** in coordination with social service, food assistance and other state agencies. Prioritize reconnected students for support and **provide guidance and matching grants to LEAs** that launch personalized efforts to get students back in school.
- Create a library of high-quality public and private service-providers that can partner with schools to provide **wrap-around services** (academic, physical and mental health supports) for families. Create a grant competition that **rewards LEAs for partnering with state-approved providers**.



Strategy 2: Make Non-Recurring Investments with Long-Term Impact

A very large, one-time infusion of funds, ARP is a tremendous opportunity for states and districts to invest in systems and programs that would have been unaffordable before the pandemic. The opportunity also comes with risk: if districts create initiatives that require ongoing financial support, they might not have the means to continue them when stimulus funds are spent. States should consider emphasizing the importance of non-recurring investments to districts and model this principle in their own spending.

For example, SEAs can use ARP funding **create, improve and connect various data systems**, including those built for reporting, such as assessment and school finance. States can also create or improve **data dashboards that connect K-12, postsecondary and labor market data at state and regional levels** and report on postsecondary outcomes for students. Investing in **student information and learning systems** is crucial, too. States can use federal funds to **match LEA investments** in adapting or integrating state and local systems. Other ideas to spur creative state thinking include:

- **Procure or build secure remote testing** systems and create an innovation fund for districts that pilot them.
- Invest in data, analytics and communication **tools to help parents understand test results**, such as personalized videos explaining student performance. Provide matching **grants to LEAs that build their own tools** for communicating test results to parents.
- Train teachers in the **science of reading**, develop assessment tools based in the science of reading and upgrade teacher certification examinations to reflect the science of reading.
- Invest in **high-quality instructional materials**, including subscriptions for high-quality **digital content**.
- Create **digital citizenship standards** and provide matching grants to districts that implement them.
- Match LEA investments **to provide professional development in areas that align with state priorities**, such as the science of reading, data and computer science, AP/IB preparation classes and technology-enabled instruction.
- Create a short-term initiative to **attract and retain teachers** from diverse communities and teachers with experience in high-wage, high-skill and high-demand jobs, such as a loan forgiveness or bonus program.
- Conduct a **career and technical education (CTE) audit** and invest in **high-quality CTE programs** that lead to high-skill, high-wage and high-demand jobs. Include **supports for students and families to navigate new pathways** and offer matching **grants to LEAs that retire dead-end CTE offerings** and adopt new programs.
- Award competitive grants to LEAs that **create teacher externships in CTE areas** of need and partner with local employers to train and hire graduates. Provide grants and/or matching **grants for apprenticeships** for higher-skill and higher-wage jobs. Offer competitive grants to LEAs to **establish new early college schools and programs**.
- **Develop a state process for recognizing credit-earned in non-traditional settings**, like the [Learn Everywhere](#) program in New Hampshire. Offer grants to LEAs that help students access such opportunities.
- Develop a state **library of out-of-school time learning opportunities** and create one-time program grants to help LEAs design curricular and extra-curricular out-of-school-time learning opportunities, both during school and over the summer.
- Attract and create more high-quality charter schools by **providing bridge funding and facilities funds for new and existing charter providers**. Create a reserve fund for a state guarantee of charter school facilities bonds and/or create an innovation fund to draw high-quality providers to the state.



Additional Resources

The following resources have additional context and information on ways SEAs and LEAs can work together to leverage and strategically invest their funds.

- [Brief: How to Target GEER Funding](#) – May 2020
- [2021 Brief Update: How to Target GEER Funding](#) – February 2021