



AFSCME Facts

K-12 Education Supplemental Funding From the American Rescue Plan Act March 31, 2021

The American Rescue Plan Act of 2021, which was signed into law by President Biden on March 11, includes significant additional federal financial support to help reopen elementary and secondary schools safely and address the social, emotional and academic impact of the coronavirus pandemic on students. This fact sheet provides an overview of the new funding for K-12 education.

How Much Funding Has Congress Provided for Elementary and Secondary Schools?

The American Rescue Plan provides \$122.8 billion for the Elementary and Secondary School Emergency Relief (ESSER) Fund, to be available through FY 2023. Also referred to as the Education Stabilization Fund, this fund was established by the CARES Act in March 2020 to support K-12 schools in all 50 states, the District of Columbia and Puerto Rico. ESSER received two previous rounds of support from Congress. AFSCME's summary of the \$54.3 billion Congress provided to ESSER at the end of 2020 can be found [here](#).

The legislation also gives just over \$4 billion to U.S. governors to provide support to all levels of education. Some of these funds can be used to support elementary and secondary education. However, \$2.75 billion is reserved for private school support. The remaining \$1.3 billion can be used to support both K-12 and state higher education.

The American Rescue Plan also provides \$850 million for territories through FY 2023, to be allocated by the U.S. Department of Education; and \$2.58 billion for FY 2021 grants to assist states in providing a free appropriate public education in the least restrictive environment for children with disabilities ages three through 21, under part B of the Individuals with Disabilities Education (IDEA) Act.

How Will ESSER Funding be Allocated?

The vast majority of the ESSER funding is allocated to local educational agencies, with states retaining a share for specified purposes and the U.S. Department of Education retaining \$800 million to provide homeless children and youth with assistance needed to participate in school activities.

In total, just under \$121.98 billion goes to state education agencies. These funds are allocated to states based upon the federal Title I education formula. Each state in turn must provide subgrants

for 90% of what they received to local education agencies (including charter schools that are local education agencies) in proportion to the distribution of Title I funds in the most recent fiscal year.

States must reserve at least 5% of the ESSER funds to address learning loss, 1% for summer enrichment activities and 1% for after school programs. States may use up to 2.5% for other state activities, and up to 0.5% for administrative costs and emergency needs related to COVID-19.

Are State-Specific Allocations Available?

The following table provides the U.S. Department of Education’s estimates of ESSER funding for each state.

American Rescue Plan Act ESSER Funds to States
(dollars in thousands)

State	Allocation	State	Allocation
Alabama	\$2,020,070	Montana	\$382,019
Alaska	\$358,707	Nebraska	\$545,909
Arizona	\$2,582,099	Nevada	\$1,071,998
Arkansas	\$1,253,228	New Hampshire	\$350,502
California	\$15,068,885	New Jersey	\$2,764,588
Colorado	\$1,166,329	New Mexico	\$979,056
Connecticut	\$1,105,920	New York	\$8,988,781
Delaware	\$410,734	North Carolina	\$3,599,192
District of Columbia	\$386,317	North Dakota	\$305,267
Florida	\$7,038,246	Ohio	\$4,472,067
Georgia	\$4,249,371	Oklahoma	\$1,493,583
Hawaii	\$412,329	Oregon	\$1,121,029
Idaho	\$439,942	Pennsylvania	\$4,996,953
Illinois	\$5,054,988	Puerto Rico	\$2,965,939
Indiana	\$1,994,734	Rhode Island	\$415,016
Iowa	\$774,516	South Carolina	\$2,112,051
Kansas	\$830,585	South Dakota	\$382,019
Kentucky	\$2,084,773	Tennessee	\$2,487,638
Louisiana	\$2,605,463	Texas	\$12,418,589
Maine	\$411,303	Utah	\$615,526
Maryland	\$1,951,137	Vermont	\$285,164
Massachusetts	\$1,830,128	Virginia	\$2,109,491
Michigan	\$3,719,833	Washington	\$1,852,501
Minnesota	\$1,320,646	West Virginia	\$761,418
Mississippi	\$1,627,198	Wisconsin	\$1,540,785
Missouri	\$1,956,529	Wyoming	\$303,709
		Total	\$121,974,800

Are School District-Specific Allocations Available?

While actual allocations will depend partly on decisions made by state education agencies, estimates for how much each school district will receive are available [here](#). In the upper left, you can select a state from the “State” drop down menu or search for a particular district in the “District Search” box.

When Will the ESSER Funding be Distributed?

The U.S. Department of Education has announced that funds will be distributed to states sometime this month (March). States must allocate American Rescue Plan ESSER funds within 60 days of receiving those funds. Within 30 days of receiving funds, local school districts must design and make public their plans to return to in-person instruction and continuity of services, if they have not already.

How Can Schools Use These Federal Funds?

The American Rescue Plan's ESSER funding may be used for a wide range of coronavirus-related purposes and other purposes authorized by existing laws such as the Elementary and Secondary Education Act of 1965 (ESEA). These include, among other things, avoiding layoffs and hiring additional staff; repairing school facilities and improving air quality; providing training on how to minimize the spread of infectious disease; purchasing PPE; improving preparedness and response efforts; addressing learning loss; providing mental health services; and purchasing educational technology. A U.S. Department of Education [fact sheet](#) provides more information about the permissible uses of ESSER funding.

Each local school district is required to reserve at least 20% of its total ESSER allocation to address learning loss through evidence-based interventions, such as summer learning, extended day and after-school programs. In addition to responding to all students' needs, these interventions are intended to confront the disproportionate impact of COVID-19 on underrepresented subgroups and expand opportunities for students from low-income backgrounds, students of color, students with disabilities, English learners, housing-insecure students and those with limited access to technology.

Are There Protections Against States Reducing K-12 Funding?

Yes. The American Rescue Plan includes state **Maintenance of Effort** and **Maintenance of Equity** requirements as a condition of accepting the ESSER funding:

- **Maintenance of Effort** — States must maintain the same proportionate level of state funding on K-12 education in FY 2022 and FY 2023 as the average overall support from FYs 2017, 2018 and 2019 but do not need to maintain the same absolute funding levels. In other words, if budget cuts result in lower absolute state dollars on K-12 education in the FY 2022 budget but the spending represents the same percentage of overall state spending as previous years, a state will meet the requirements.
- **Maintenance of Equity** — A state cannot reduce per-pupil funding levels for its highest poverty local educational agencies in FY 2022 and 2023 below what the per-pupil levels were in FY 2019 for each of those highest poverty agencies. Further, a state cannot reduce per-pupil funding to high-need local education agencies in FY 2022 and FY 2023 by more than the statewide average per-pupil reduction in state aid. The Department of Education will provide further guidance on the methodology for determining which high-need local educational agencies and highest poverty local educational agencies are protected under this maintenance of equity provision.

Are There Protections Against School Districts Reducing K-12 Funding?

Yes. As a condition of accepting the American Rescue Plan's ESSER funding, local education agencies must accept **Maintenance of Equity** requirements governing how they resource high-poverty schools in FY 2022 and FY 2023. These requirements generally prohibit a school district from reducing per-pupil funding (from combined state and local funding) in a high-poverty school compared to the prior fiscal year by more than the district-wide reduction in per-pupil funding. Further, a school district may not reduce per-pupil staffing levels in a high-poverty school by more than the district-wide reduction in per-pupil staffing levels. The Department of Education will provide further guidance on the methodology for determining which high-poverty schools are protected under this maintenance of equity provision.