



AFSCME Facts

American Rescue Plan Funding for Higher Education Institutions and Students June 1, 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 for colleges and universities and students who attend those institutions. This fact sheet provides an overview of the new federal funding for higher education.

How Much Funding Has Congress Provided for Higher Education?

Congress provided an additional \$39.6 billion for higher education institutions and students. The funds are divided into four categories:

- \$36 billion for the Higher Education Emergency Relief Fund (HEERF).
- \$2.9 billion to historically Black colleges and universities (HBCUs), Hispanic Serving Institutions and other minority serving institutions (MSI).
- \$396 million in emergency aid at for-profit institutions.

This is in addition to the nearly \$23 billion provided for higher education in the Consolidated Appropriations Act (CAA), enacted in December of 2020, and the \$14 billion in the CARES Act, enacted in March of 2020. Information about the CAA funding can be found in AFSCME's January 13, 2021, fact sheet available [here](#).

How Will the Federal Funding be Distributed?

As with earlier COVID relief, the HEERF money will be allocated based upon several measures of an institution's enrollment, including the number of Pell and non-Pell students, full-time enrollments and the number of students who were or were not exclusively on-line at the start of the pandemic.

How Can Colleges and Universities Use These Federal Funds?

Institutions are required to use the same amount of funding for student emergency aid as they were under the CARES Act and the CAA. This is approximately half of the federal funding an institution receives. Institutions will need to refer to their CARES Act distributions to comply. Student emergency funding can be used for a broad range of purposes, including anything that is covered under the cost of attendance.

The institutional portions of the HEERF monies can be spent for a wide range of purposes. This includes replacing lost funds or spending on new expenses, such as testing, enhanced cleaning procedures, new technology costs associated with greater remote learning and payroll costs.

How Much Will Each Institution Get From the American Rescue Act?

The U.S. Department of Education has released a list of the amounts that each institution will receive, including the minimum amounts that must be spent on student grants. Those amounts can be found on-line [here](#). Additional information provided by the Department, including frequently asked questions, can be found on the department's website [here](#).

Are There Maintenance of Effort (MOE) or Funding Requirements for States?

Yes. States must maintain the same proportion of higher education expenditures in their FY 2022 and FY 2023 budgets as the average proportional support they provided over FY 2017 – 2019, not including capital expenditures.