Key points on American Rescue Plan funding

# Federal Funding Overview (March 2020 to March 2021)

There are three main federal laws providing emergency aid for public education.

# Allowable uses

All funds distributed through the Elementary & Secondary School Emergency Relief (ESSER) have extremely broad allowable uses. Anything that is already authorized under federal law is permitted. Our advice is to assume something is a permissive use of funds, including expenditures related to collective bargaining agreements and additional staffing.

Funds from the Governor’s Emergency Education Relief (GEER) program are granted to districts for purposes set by the state including technology access (hot spots, devices, broadband upgrades), staffing and transportation for summer school, and wraparound services for children in underserved communities. They are slightly more restricted than ESSER funds.

For more information about allowable uses, please contact field staff and the Education Minnesota negotiations department.

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| **CARES Act Funding to Minnesota for Education (March 2020)** | **Dollars** |
| Coronavirus Relief Funds (CRF) | $244,800,000 |
| Governor’s Emergency Education Relief (GEER I) | $38,127,249 |
| Elementary and Secondary School Emergency Relief (ESSER I)  | $140,137,253 |

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| **CRRSA Act Funding (December 2020)** | **Dollars** |
| Elementary and Secondary School Emergency Relief (ESSER II) | $588,036,257 |
| Governor’s Emergency Education Relief (GEER II) | $61,390,849 |

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| **American Rescue Plan Funding (March 2021)**  | **Dollars** |
| Elementary and Secondary School Emergency Relief (ESSER III) | $1,320,000,000 |

* 90% allocation ($1.2 billion) is granted directly to schools; schools must reserve at least 20% to be used for learning loss
* Note: the state must reserve:
	+ 5% for interventions to address learning loss at the state level
	+ 1% for summer enrichment programs
	+ 1% for comprehensive after school programs
	+ 2.5% for other state activities (flexible use)
	+ 0.5% for grant administration

# Timelines for spending

The period of availability is the length of time that ESSER funds are available for obligation by SEAs and LEAs and other education-related entities. ESSER funds are “obligated” when the SEA or LEA commits those funds to specific purposes.

The Tydings period is a term in federal law that says any funds not obligated and expended during the period for which they were awarded become **carryover** funds into the next fiscal year. For example, the March 2020 CARES Act funds must be spent or designated by September 30, 2021. Districts actually have a grace period of a full additional year where unspent funds carry over and can be spent or obligated by September 30, 2022.

# Important points

**Locals unions can and should be involved in decisions over the use of these funds.** Some districts are claiming very narrow uses are allowed for this funding and that they have sole discretion on its use.

* We believe that those closest to student need can best direct investments of these resources.
* We have a responsibility to advocate for smart, targeted spending to help both recover from the pandemic and use resources to create better educational outcomes.

**This money can be used for just about anything, including staffing & salary.** Though this is one-time money, we do not believe that districts should make that argument to not use these funds to support staffing or student support services; plainly speaking, these funds can be used to fund staff and be used to prevent layoffs and non-renewals.

* These funds may be an opportunity to offer some compensation to employees to support retention. The last two years have been difficult and many staff are leaving education. Using ESSER funds to increase or create compensation options or invest in health insurance is allowable and encouraged.

**Treat this money as “seed money” or “experimental money.”** Districts have three additional years to spend ARP dollars. We should ask educators what ideas they have that could be sustained with a combination of federal and state money to try new things.

* Districts should instead look at these funds as an opportunity to see what would happen if our students had access to the supports they need and get to learn in environments where their teachers and school staff are also getting what they need.
* If there are changes that worked this year (smaller class sizes during a hybrid schedule, team-teaching across teams or modes of instruction, more targeted support from ESPs), these funds are an appropriate and necessary resource for sustaining or introducing changes into the next several school years.