

**EducationCounsel Overview of Key U.S. Department of Education
and U.S. Department of Health and Human Services
Funding and Language in the December 2020 COVID Relief Package¹**

Issue Area	Overall Funding Level	Detailed Description
Education	\$81.96 billion	<ul style="list-style-type: none"> • \$81.88 billion for an Education Stabilization Fund to provide relief to states, K-12 schools, and higher education institutions that have been significantly impacted by coronavirus. These funds are flexible and can be used for a variety of purposes, including to provide educational services to students and to support the on-going functionality of school districts and colleges and universities. The funds will remain available through September 30, 2022. Similar to the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the education funding is split into three funds as follows: <ul style="list-style-type: none"> ○ Relief for outlying areas and the Bureau of Indian Education: \$818.8 million ○ Governors Emergency Education Relief Fund: \$4.05 billion (\$3 billion included in the CARES Act) <ul style="list-style-type: none"> ▪ Similar to the CARES Act, states will receive funding based on their relative share of individuals aged 5-24 (60%) and their relative number of children eligible for Title I, ESEA (40%). ▪ Includes a \$2.75 billion set aside for services to private K-12 schools to be administered by public agencies. Funds may not be used to provide direct or indirect financial assistance to scholarship granting organizations or financial assistance to students or families. ○ Elementary and Secondary School Emergency Relief Fund (Public K-12 schools): \$54.3 billion (\$13.5 billion included in the CARES Act) <ul style="list-style-type: none"> ▪ Similar to the CARES Act, states will receive funding based on their same proportion of funds received under Title I, Part A of ESEA. ▪ LEAs (including charter schools that are LEAs) will receive at least 90% of the funds allocated to states and will receive funds based on their Title I, Part A of ESEA allocation. ▪ The allowable uses track closely to those allowed in the CARES Act. ○ Higher Education Emergency Relief Fund: \$22.7 billion (\$14.25 billion included in the CARES Act)

¹ Information contained in this summary is from the legislative text of H.R.133, the “Consolidated Appropriations Act of 2021,” which includes supplemental appropriations and provisions to support recovery and response from the COVID-19 pandemic. Additionally, information contained here is also in part based on summaries as provided by congressional committees. This summary is only of key education and related provisions. It is not a full analysis of every education-related provision or of the entire bill.

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		<ul style="list-style-type: none"> ▪ \$20.2 billion to be distributed to all public and private non-profit institutions of higher education. <ul style="list-style-type: none"> • Institutions will receive funding based on the following formula: <ul style="list-style-type: none"> ○ 37.5% based on their relative share of full-time equivalent enrollment of students who were Federal Pell Grant recipients and were not exclusively enrolled in distance education, prior to the pandemic. ○ 37.5% based on their relative share of total students who were Federal Pell Grant recipients and were not exclusively enrolled in distance education, prior to the pandemic. ○ 11.5% based on their relative share of full-time students who were not Federal Pell Grant recipients and were not exclusively enrolled in distance education, prior to the pandemic. ○ 11.5% based on their relative share of total students who were not Federal Pell Grant recipients and were not exclusively enrolled in distance education, prior to the pandemic. ○ 1.0% based on their share of full-time students who were Federal Pell grant recipients who were exclusively enrolled in distance education, prior to the pandemic. ○ 1.0% based on their total number of students who were Federal Pell grant recipients and were exclusively enrolled in distance education, prior to the pandemic. • Institutions must provide at least the same amount of funding in emergency financial aid grants to students as was required to be provided under the CARES Act (CARES Act required that institutions use not less than 50% of their funds on financial aid grants for students).² The relief bill does not clearly state who would be an eligible student to receive financial aid grants. ▪ \$680.9 million to be distributed to for-profit colleges to provide financial aid grants to students. ▪ Includes a set-aside of an additional \$1.7 billion for HBCUs, tribal colleges, and Minority-Serving Institutions

² This is an initial review of this language and may require further analysis and revision.

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		<ul style="list-style-type: none"> ▪ Includes a set-aside of \$113.5 million for institutions with the greatest unmet needs or those not served by the primary formula, such as independent graduate schools. ▪ Institutions that received funding under the CARES Act are permitted to repurpose their funds under specific terms and conditions in the bill; however, an institution repurposing funding must ensure that not less than 50% of their funds are used to provide financial aid grants to students.³ ○ The Education Stabilization Fund also includes a Maintenance of Effort (MOE) provision that requires states, who receive funds, must maintain financial support through fiscal year 2022 for K-12 schools and for institutions of education equal to the average of the 2017, 2018, and 2019 fiscal years. However, the bill also includes an authority for the U.S. Department of Education (USED) Secretary to waive this provision if a state has experienced a precipitous decline in financial resources. <p>Other Education Funding (not comprehensive):</p> <ul style="list-style-type: none"> • \$30 million for the Student Aid Administration to prevent, prepare for, and respond to the pandemic, domestically or internationally. • \$28 million for the Institute of Education Sciences to prevent, prepare for, and respond to the pandemic domestically or internationally, and for carrying out the National Assessment of Education Progress (NAEP). • \$20 million for USED Management, including: <ul style="list-style-type: none"> ○ \$15 million for Program Administration and ○ \$5 million for the Office of the Inspector General • NOTE: The final proposal DOES NOT include a suspension of student loan payments and interest accrual, as previously included in the CARES Act. The current suspension of student loan payments and interest accrual was recently extended by the USED Secretary without congressional action. The suspension currently will expire on Jan. 31, 2021, unless additional action is taken.
Child Care and Head Start	\$10.25 billion	<ul style="list-style-type: none"> • \$10 billion in emergency funds for child care providers through the Child Care and Development Block Grant (CCDBG) program. (\$3.5 billion included in the CARES Act).

³ Ibid.

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		<ul style="list-style-type: none"> ○ These funds maintain the flexibility given to states through the CARES Act and can be used to provide child care assistance to families, and to help child care providers cover their increased operating costs during the pandemic. • \$250 million for Head Start providers to ensure they are able to continue to safely serve low-income children and families throughout the pandemic. (\$750 million included in the CARES Act).
Miscellaneous Funding Provisions	See Detailed Description	<ul style="list-style-type: none"> • \$7 billion for broadband, including \$3.2 billion for an Emergency Broadband Connectivity Fund to support low-income families to gain access to high-speed internet. • \$166 billion for Direct Payments to individuals and families: <ul style="list-style-type: none"> ○ \$600 for individuals making up to \$75,000 per year and \$1,200 for couples making up to \$150,000 per year, and \$600 for each qualifying child. ○ Expands the direct payments to mixed-status households, providing payments retroactively to the CARES Act for certain immigrant families. • \$120 billion for Unemployment Insurance: <ul style="list-style-type: none"> ○ Provides an additional \$300 per week to supplement state and federal unemployment benefits through March 14, 2021. ○ Provides additional weeks of federally-funded benefits to workers who have exhausted their regular state unemployment benefits. • Temporarily increases Supplemental Nutrition Assistance Program (SNAP) monthly benefits by 15%. The bill also includes a temporary suspension of work requirements for SNAP-eligible college students while work-study programs may not be operating during the pandemic. • \$325 billion for Small Business support. <ul style="list-style-type: none"> ○ Of which, \$284 billion for the Paycheck Protection Program (PPP), which is extended through March 31, 2021. • \$25 billion for Emergency Rental Assistance and includes an extension of the Centers for Disease Control and Prevention (CDC) rental eviction moratorium until Jan. 31, 2021.
Miscellaneous Provisions	Not specified	<ul style="list-style-type: none"> • Extends the availability by one year (until Dec. 31, 2021) for funds provided to states and localities by the Coronavirus Relief Fund in the CARES Act. • Directs the Treasury Department to issue regulations or guidance that clarifies that educators who purchased personal protective equipment (PPE), disinfectant, and other supplies used for the prevention of COVID-19 spread may include those costs in their annual \$250 deduction for school supplies purchased out-of-pocket.

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		<ul style="list-style-type: none">• Allows individuals to carryover any unused health and dependent care Flexible Savings Accounts (FSAs) benefits from 2020 into the 2021 plan year, along with other FSA plan flexibilities.• Extends the refundable payroll tax credits for paid sick and family leave that were established in the Families First Coronavirus Response Act, through March 31, 2021.

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