



**Supporting Schools, Communities, and Nutrition Programs  
in Recovery from the COVID-19 Pandemic  
American Rescue Plan Analysis and Guidance  
Updated June 30, 2021**

**Coronavirus State and Local Fiscal Recovery Funds**

The American Rescue Plan (ARP) provides \$350 billion in flexible funds to states, localities, tribes, and territories to help with COVID-related challenges and expenses. States and other governments have fairly wide discretion in how to spend these funds, but the U.S. Treasury has issued [broad guidelines](#) to assist states and localities in determining the best use of funds. Generally, these funds are intended to address the ongoing health and economic impacts from COVID-19 (including assistance to households, nonprofits, and small businesses), provide additional pay for essential workers, and invest in crucial infrastructure projects.

According to the Center on Budget and Policy Priorities, *more than half of states* will receive their ARP funds in 2 allocations, with the second half coming in 2022. [States](#) with a March 2021 unemployment rate that is 2 points higher than the rate from February 2020, Puerto Rico, other territories, and tribal governments will receive their funds in 1 allocation. All *cities and counties* will receive half of their funds in May 2021 and the other half a year later.

Child nutrition programs, emergency food providers, and school nutrition agencies can benefit greatly from these funds. For example, state grants can help to mitigate financial hardship for nonprofits, such as offsetting declines in revenue, supporting payroll and benefits costs as well as costs to retain employees, and paying mortgage, rent, or utilities. These funds could also be used to provide additional “Premium Pay” to essential workers, which includes school nutrition staff, and those employed in grocery stores, restaurants, food production and delivery. “Premium Pay” is defined as up to an extra \$13 per hour (in addition to regular pay/wages the worker is already receiving) up to \$25,000 per annum. Individuals and households facing continued financial hardship could also be eligible for additional direct cash assistance or food, rent, mortgage, or utility assistance.

In recognition of the disproportionate impacts of the pandemic on health outcomes in low-income and Native American communities, a broader range of services and programs will be eligible for funding when provided in these communities. Eligible communities include those in a Qualified Census Tract, Tribal communities, and populations or areas disproportionately impacted by the pandemic. These funds can be used to facilitate access to resources that improve health outcomes, and include funding public benefits navigators to assist community members with navigating and applying for available Federal, state, and local public benefits or services.

The examples provided are **non-exclusive**, and state and local governments have “broad latitude to choose” how to utilize these funds. Additional details on the initial guidance from the U.S. Treasury Department on authorized use of ARP funds by states and localities can be found [here](#). Below are some additional examples of how ARP funds can impact food insecurity and financial hardship:

- Alleviate widespread school nutrition staffing shortages by increasing pay for workers
- Assist schools and nonprofit food service programs in the purchase of cleaning products, hand sanitizer, and PPE
- Provide food assistance dollars directly to individuals or households
- Invest in schools and nonprofits in lower-income areas that are distributing meals to students and families
- Enhance COVID-19 safety protocols in schools related to meal programs, including investing in infrastructure (such as with thermal bags to maintain required food temperatures, carts, and trash receptacles) needed to provide meals in classrooms and alternative locations outside the cafeteria



Allowable State & Local Expenses by Type of Organization	Childcare Centers	Nonprofits	Schools	State Agencies (Child Nutrition Programs, SNAP, WIC)
Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment	X	X	X	X
Expenses for disinfections of public areas and other facilities in response to the COVID-19 public health emergency	X	X	X	X
Expenses for quarantining or isolation of individuals	X	X	X	X
Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions	X	X	X	X
Expenses related to establishing or enhancing public health data systems				X
Payroll and covered benefits expenses for public safety, public health, health care, human services, and similar employees, to the extent their services are devoted to mitigating or responding to the COVID-19 public health emergency		X		X
Payroll, covered benefits, and other costs associated with the recipient increasing the number of its employees up to the number of employees that it employed on January 27, 2020.				X
Assistance programs, including cash assistance programs, that respond to the COVID-19 public health emergency		X		X
Administrative costs associated with the recipient's COVID-19 public health emergency assistance programs, including services responding to the COVID-19 public health emergency or its negative economic impacts, that are not federally funded.	X	X	X	X
Premium Pay of up to an additional \$13/hour for eligible essential workers	X	X	X	X

### **ESSER and GEER Funds**

The Elementary and Secondary School Emergency Relief (ESSER) Fund was established in the Coronavirus Aid, Relief, and Economic Security (CARES) Act and further funded under the American Rescue Plan (ARP). Under ESSER, the Department of Education awards grants to state educational agencies (SEAs) to distribute to local educational agencies (LEAs) for the purpose of addressing the impact the COVID-19 pandemic has had on elementary and secondary schools. LEA is defined as a public board of education or other public authority that maintains administrative control of public elementary or secondary schools in a city, county, township, school district. School districts and county offices of education are both LEAs.

There are some restrictions on how the ESSER funds appropriated under ARP are allocated and spent. For example, of the \$1.2 billion in total ESSER funds under ARP, \$800 million must be spent by the Department of Education to help identify and support students experiencing homelessness. Of the remaining funds allocated to SEAs, 90 percent must be sub-granted to LEAs. Also, at least five percent of the funds allocated to SEAs must be spent addressing learning loss, and at least one percent must be spent on both summer and afterschool enrichment programs. Of funds allocated to LEAs, at least 20 percent must be dedicated to addressing learning loss, such as through summer or afterschool enrichment programs or extended day or school-year programs. In all cases, learning loss interventions and enrichment programs are expected to address students' academic, social, and emotional needs and support the student populations disproportionately affected by the pandemic. There is an opportunity for state officials to ensure that summer and afterschool programs funded through ESSER meet students' needs by leveraging the federal child nutrition programs.

The Governor's Emergency Education Relief (GEER) Fund was also established under the CARES Act, and further funded under the Coronavirus Response and Relief Supplemental Appropriations Act. These



funds awarded Department of Education grants to Governors for the purpose of providing local educational agencies, institutions of higher education, and other education-related entities with emergency support. GEER funds may be used for childcare, Pre-K through 12<sup>th</sup> grade education, adult education, and higher education support.

Beyond the ARP's specific ESSER fund restrictions detailed above, ESSER and GEER funds are available for a wide range of activities and costs to address diverse needs stemming from or exacerbated by the COVID-19 pandemic OR to "emerge stronger post-pandemic." These funds can be used for health and safety reasons, as well as on measures that improve students' social, emotional, and mental health in addition to meeting the academic needs of students. These funds are allocated with special focus on addressing issues with resource equity, to include support services that address the disproportionate impact of the pandemic on communities of color and those experiencing poverty.

The Department of Education has issued [guidance](#) to clarify the acceptable use of these funds, especially as they pertain to use in support of school nutrition programs and their operation. The following are examples of ways ESSER and GEER funds can be utilized:

- Increase staff capacity through hiring of staff or cover additional labor costs associated with serving meals
- Support pandemic related expenses, including school meal equipment/supplies, meal packaging, and transportation
- Provide "Premium Pay" or additional compensation for school nutrition staff
- Maximize enrollment in summer programs, to include meal services
- Purchase PPE, cleaning and sanitizing materials, and necessary emergency supplies

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