The American Rescue Plan allocates funds to states proportional to Title I distribution. States must then distribute at least 90 percent of funds to districts, also using the Title I formula. States are required to reserve at least:

- 5 percent to address “learning loss,”
- 1 percent for summer enrichment, and
- 1 percent for afterschool programs.

School districts must reserve at least 20 percent to address “learning loss.” Remaining funds to school districts are flexible and can be used for:

- Repairing ventilation systems,
- Reducing class sizes and implementing social distancing guidelines,
- Purchasing personal protective equipment, and
- Hiring support staff to care for students’ health and well-being.

• Within 30 days of receiving funds, districts will be required to create and share plans publicly for returning to in-person instruction.
The Fine Print: Help for K-12
What Else Is In It?

The American Rescue Plan also includes:

• Additional IDEA funding for students with special needs; $3.03 billion
• Funding to identify and provide children & youth experiencing homelessness with wrap-around services and assistance to attend and fully participate in school activities; $800 million
• Funding for the Emergency Assistance to Non-Public Schools Program for governors to provide services or assistance to non-public schools that enroll a significant percentage of low-income students; $2.75 billion
• Targeted aid for Bureau of Indian Education schools and Tribal Colleges or Universities; $850 million
• An Emergency Connectivity Fund to reimburse schools and libraries for connectivity and devices to be used in the home; $7.17 billion
• And a dedicated Emergency Connectivity Fund to reimburse rural, urban and suburban schools and libraries for connectivity and devices to be used in the home. $7.17 billion
The Bottom Line: Help for K-12
How American Rescue Plan K-12 Funds Can Be Spent

• Money can be spent on any activity already allowed under Every Student Succeeds Act (ESSA), the Individuals with Disabilities Education Act (IDEA), or Perkins.

• Expenditures can be used to allow school districts continue operations and retain existing staff.

• Money can be spent on programs or activities for low-income children or students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth, including community schools.

• Funds can be used for infrastructure needs including cleaning supplies, physical upgrades and repairs to reduce COVID transmission, including ventilation.

• Funds can be used for improved technology to support remote instruction.

• Funds can also be used for mental health services, summer or after-school programs. And efforts to address “learning loss.”
The Fine Print: Maintenance of Effort. Maintenance of Equity.

Maintenance of Effort:
• States must maintain spending on both K-12 and higher education in FY22 and FY23 at least at the proportional levels relative to a state’s overall spending, averaged over FYs 2017 to 2019. This can be waived by the Education Secretary.

Maintenance of Equity (States):
• States cannot cut per-pupil spending for “high-need” districts at a rate steeper than overall cuts in per-pupil spending across all districts. “High need” is defined as the 50 percent of districts with the highest percentage of economically disadvantaged students.
• States cannot fund the 20 percent highest poverty districts below their FY 2019 funding amounts.

Maintenance of Equity (Districts):
• Districts cannot cut per-pupil spending or staffing for any high-poverty school at a rate steeper than overall cuts in per-pupil spending across all schools served by the district. It includes exemptions for districts serving <1,000 students, operating a single school or serving all students in single grade span in one school or those granted a waiver.