

# Navigating the COVID-19 Stimulus Package





On Monday, December 22nd, Congress passed the 2021 Consolidated Appropriations Act providing \$900 billion in COVID-19 relief and \$1.4 trillion for FY 2021 appropriations for the Federal Government. The combined \$2.3 trillion package is among the largest spending bills ever considered by Congress and follows the \$2.2 trillion CARES Act passed in late March. Below are key details about education and workforce matters.

## **The stimulus has not been signed by President Trump, therefore is not law.**

### **COVID-19 Relief**

#### **Education Stabilization Fund**

The bill provides \$81.8 billion through a slightly modified version of the Education Stabilization Fund included in the CARES Act.

- \$54.3 billion provided to state education agencies and local educational agencies for K-12 related expenses. State education agencies can reserve up to 10% and must distribute the rest to school districts. Based on the CARES Act funding formula, which is based on Title I, funding is provided to states and districts to help schools respond to coronavirus based on the flexible CARES Act uses of funds, AND new allowable uses of funds for:
  - o addressing learning loss among students, including low-income students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and children and youth in foster care; and
  - o school facilities repairs and improvements, including heating, ventilation, and air conditioning systems projects to improve indoor air quality; and
- \$4.1 billion provided to governors, with a set aside of \$2.75 billion administered by each state educational agency for private schools.
  - o Bill language prohibits states from using any funds to support vouchers or tax credit scholarship programs.
- \$22.7 billion provided to institutions of higher education for institutional expenses and financial aid grants to students using a formula that differs from the CARES Act by incorporating factors of total enrollment and distance education student counts versus only full time equivalency.
  - o \$20.2 billion for public and private, non-profit institutions of higher education, including those that serve students exclusively in distance education; and
  - o \$1.7 billion for Historically Black Colleges and Universities, Tribal Colleges and Universities, Hispanic Serving Institutions, and certain other institutions.

#### **Child Care**

The bill provides \$10 billion in child care funding to assist both providers and families. Head Start provided \$250 million.

#### **Broadband**

\$3.2 billion for low-income families to access broadband through an FCC fund and a \$1 billion tribal broadband fund. Individuals are eligible for a \$50 monthly internet subsidy and providers can be reimbursed up to \$100 for issuing a Wi-Fi connected device (one per household). Individuals/families are also eligible if they or a member of their family has participated in the free and reduced price lunch program or received a Federal Pell grant. In addition, \$300 million is provided for a broadband deployment program to support broadband infrastructure deployment to areas lacking broadband, especially rural areas.

## Coronavirus Relief Fund Extension

The bill extends the deadline by which state and local governments must make expenditures with CARES Act Coronavirus Relief Fund awards from December 30, 2020 to December 31, 2021. Administered by the Treasury Department, the CARES Act provided \$150 billion for state and local governments to cover expenses that –

- are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19);
- were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the state or government.

This flexibility allows state and local governments to continue expending funds for activities they had already planned through next year, as well to avoid having to return funds they have not otherwise obligated or spent.

## FY21 Appropriations (non-stimulus)

### U.S. Department of Education Funding

- |                              |                                     |
|------------------------------|-------------------------------------|
| • Title I                    | +\$227 million to \$16.537 billion  |
| • Title II (ESSA)            | +\$11.25 million to \$2.143 billion |
| • Title III (ESSA)           | +\$10 million to \$797.4 million    |
| • Title IV blog grant (ESSA) | +\$10 million to \$1.22 billion     |
| • 21st CCLC                  | +\$10 million to \$1.260 billion    |
| • Charter Schools            | level funded at \$440 million       |
| • IDEA Part B State Grants   | +\$173 million to \$12.937 billion  |
| • CTE State grants           | +\$52.25 million to \$1.335 billion |

### U.S. Department of Health and Human Services

- |                                      |                                     |
|--------------------------------------|-------------------------------------|
| • Child Care Development Block Grant | +\$85 million to \$5.911 billion    |
| • Head Start                         | +\$135 million to \$10.748 billion. |

### U.S. Department of Labor

- |                         |                                    |
|-------------------------|------------------------------------|
| • WIOA grants to States | +\$25.5 million to \$2.845 billion |
| • Apprenticeship Grants | +\$10 million to \$185 million     |
| • YouthBuild            | +\$2 million to \$96.5 million     |

## Significant Higher Education Policy Provisions

The bill contains provisions reducing the number of FAFSA questions and changing poverty thresholds guaranteeing the receipt of the maximum and minimum Pell grants. In addition, the bill eliminates the 150% cap on the receipt of subsidized undergraduate student loans, restore Pell grant eligibility for individuals who have a successful borrower defense to repayment claim, and discharge existing HBCU capital financing loan balances at institutions with such loans.

**For more information or to see how MGT Consulting can help you navigate the stimulus package, please email us at [info@mgtconsulting.com](mailto:info@mgtconsulting.com).**