

## FISCAL ROAD TO RECOVERY BRIEF SERIES

### A Look at How States are Spending Stimulus Funds

# Helping Schools Reopen and Recover

BY EMILY MAHER, LEO GARCIA, PATRICK LAWLER AND AUSTIN REID

The pandemic disrupted American education systems at every level. A McKinsey [report](#) estimates that K-12 students were on average five months behind in mathematics and four months behind in reading at the end of the 2021 school year. The same report estimates the impact of unfinished learning on the US economy could range from \$128 to \$188 billion each year pandemic-impacted students enter the workforce. Adding to these concerns, total enrollment in higher education dropped by 5.1% since the pandemic began. The problems aren't just academic. Students of all ages also [report](#) dealing with mental health challenges.

Recognizing the detrimental effect the pandemic had on learning and mental health, policymakers across the country have made education a priority for federal stimulus funds. Twenty-seven states and territories have invested \$7.3 billion of Coronavirus State Fiscal Recovery Funds (CSFRF) for education, including \$4.4 billion for K-12 and \$2.9 billion for higher education, or [almost 6%](#) of all allocated funds. This brief outlines common ways states used the funds to address educational priorities.

## Broad Latitude in the Use of Recovery Funds Towards Education

Under the U.S. Department of Treasury's [final rule](#), states and territories are encouraged to create temporary education recovery programs to address ongoing disruptions, negative impacts of disrupted education, educational shocks to student well-being, and accelerate academic recovery. Considerable latitude is provided to state leaders to meet a diverse range of child, adult, and community educational needs. Broadly, recipients can use funds toward revenue replacement for government services related to education.

Treasury guidance emphasizes addressing educational disparities

### Flexible Funds Under the American Rescue Plan Act

The \$1.9 trillion [American Rescue Plan Act](#) (ARPA) was enacted to help mitigate challenges associated with the COVID-19 pandemic. A cornerstone within ARPA, the [Coronavirus State Fiscal Recovery Funds \(CSFRF\) program](#) provides \$199.8 billion for states, the District of Columbia and the territories to respond to the public health emergency and its economic impacts, and for the provision of government services and infrastructure. The CSFRF is the second round of flexible federal stimulus funds provided to state, territories, local and tribal governments. The first round came from the \$150 billion [Coronavirus Relief Funds](#) (CRF).

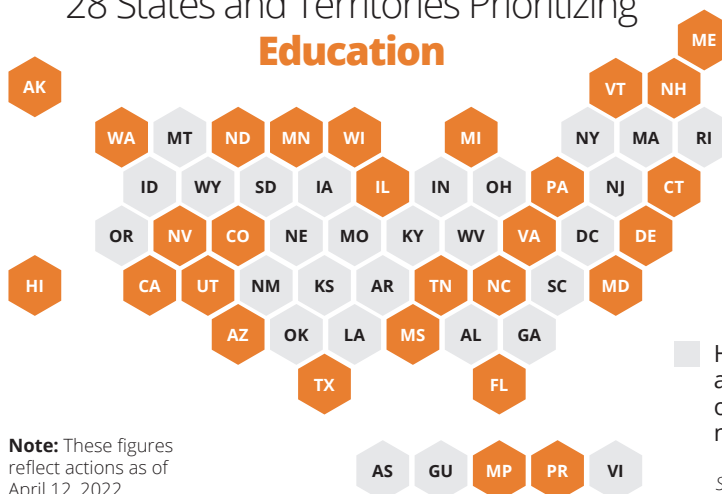


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**6**  
percent  
of all CSFRF devoted  
to education

## 28 States and Territories Prioritizing Education



**Note:** These figures reflect actions as of April 12, 2022.

Have not made allocations or information not available

Source: NCSL, 2022

for households and communities disproportionately impacted by the pandemic. Policymakers are also encouraged to invest in evidence-based interventions, like tutoring programs. The ruling also stresses “broader pre-existing disparities” in educational outcomes exacerbated by the pandemic.

## Priorities In Education

### K-12 ACADEMIC SUPPORTS

Recent [data](#) from Curriculum Associates, a provider of K-12 diagnostic tests, suggests nearly all elementary and middle school students are performing below grade level in reading and math compared to historic averages, with low-income students and students of color being disproportionately affected by these trends. States have responded by allocating recovery fund dollars to support academic recovery efforts, such as:



**Maryland:** \$435 million to support the “[Blueprint for Maryland’s Future](#),” a 2021 piece of legislation that invests in comprehensive changes in five policy areas across the state’s education system.



**Nevada:** \$200 million for grants to school districts and charter schools to address learning loss.



**Florida:** \$125 million for the New Worlds Reading Initiative which delivers free books to students in grades K-5.

### K-12 STUDENT MENTAL HEALTH SUPPORT

A recent Center for Disease Control [survey](#) of high school students taken in 2021 showed that more than a third of high school students reported experiencing poor mental health during the COVID-19 pandemic and 44% reported they persistently felt sad or hopeless during the past year. States have responded to student mental health challenges by expanding access to mental health in schools, examples include:



**Minnesota:** \$34.6 million to develop partnerships to expand student access to mental health services. Additionally, the legislature appropriated \$6 million to fund mental health services for students and educators through School-linked Mental Health Grants administered by the Department of Human Services.



**Wisconsin:** \$50 million for Beyond the Classroom Grants which funds programming for school-aged children to help increase enrollment capacity, provide additional learning opportunities, or increase mental health support.



**Arizona:** \$12 million to establish the Leading Men Fellowship to recruit and train students in minority communities to provide evidence-based social-emotional education.

## More Federal Funds in the Pipeline

During the pandemic, Congress established the \$279 billion [Education Stabilization Fund](#) to support K-12 and higher education systems across three separate pieces of legislation. The stabilization fund includes:

- The \$189.5 billion Elementary and Secondary School Emergency Relief (ESSER) Fund provides flexible relief aid to states and schools to respond to the effects of the pandemic. States can set aside up to 10% of ESSER funding for [statewide use](#). Local school districts have spending authority over 90% of ESSER funding and have broad discretion over how the funds are distributed and spent in schools. ESSER funds must be spent by January 2025.
- The \$76 billion Higher Education Emergency Relief Fund [provides](#) relief to nearly every higher education institution in the country. At least 50% of these funds must be distributed as emergency aid to students, which can fund anything under a student's cost of attendance, including food, housing, course materials, technology, health care and child care. The remaining 50% can be used to defray the impact of lost revenue or expenses required to respond to the pandemic, among other uses.
- States also invested in education through the CRF. According to NCSL's [analysis](#), 38 states allocated \$9.8 billion in relief funds for education, including \$6.6 billion for K-12 education and \$2.5 billion for higher education.

Educational recovery is critical to repair damages from the pandemic. Federal stimulus funds provide additional resources for states to work alongside local school districts to repair learning losses. Whether the funds are used to fill long-standing needs exacerbated by the pandemic or to meet emerging concerns, state and local leaders are making significant investments in education.

## HIGHER EDUCATION STUDENT FINANCIAL AID AND STUDENT SUPPORTS

College affordability was a significant issue prior to the pandemic. For some students, losing a job during the pandemic disrupted their ability to continue funding their education. States have responded to college affordability concerns by investing CSFRF funds to provide increased need-based student financial aid, such as:



**Connecticut:** \$40 million for the Roberta Willis Need-Based Scholarships, which provides financial support to students with demonstrated need to attend Connecticut public or non-profit private colleges.



**Virginia:** \$100 million to the State Council of Higher Education for need-based financial aid for in-state undergraduate students from low- and moderate-income households at public colleges.



**Colorado:** \$49 million to the Colorado Opportunity Scholarship Initiative Fund, which provides institution-based scholarships and support services.

## HIGHER EDUCATION FACILITIES AND PROGRAM DEVELOPMENT

States have allocated a significant amount of higher education recovery funds to address deferred maintenance or make long-term facility investments at colleges and universities. Maintenance efforts especially focused on improving the health and safety of facilities for students and faculty.



**Texas:** \$325 million directed to the Higher Education Coordinating Board for university construction.



**Florida:** \$350 million to address deferred maintenance needs in the state's college and university facilities that will improve the health and safety of such facilities.



**North Dakota:** \$89 million to expand facilities at institutions. Projects included renovations at Minot State University, a laboratory remodel at Dickinson State University, and funding for renovations and space education and research initiatives at the University of North Dakota.

This brief lists only some of the ways recipients have used the CSFRF program to support educational needs related to COVID-19. Additional examples and program details can be found in [NCSL's allocation database](#).

States, territories and the District of Columbia must obligate federal recovery funds by December 2024 and spend them by December 2026. Until then, NCSL will continue tracking how these funds are prioritized and allocated.

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### About the Fiscal Road to Recovery Brief Series

*This six-part brief series examines state CSFRF spending priorities a year after the program launched and showcases examples to help inform policymakers as they combat the ongoing impacts of the COVID-19 pandemic.*

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