

FISCAL BRIEF



CRRSA ACT EDUCATION-RELATED ALLOCATIONS

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FAST FACTS

- The CRRSA Act provides federal funds to states in response to the COVID-19 pandemic. In Michigan, \$2.4 billion is allocated for education-related purposes.
- \$1.7 billion is allocated to K-12 districts and ISDs.
- \$600.3 million is allocated to institutions of higher education.
- \$110.1 million is allocated to nonpublic schools, MDE, community-based organizations (CBOs), and an education-related nonprofit organization.

INTRODUCTION

The Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, signed December 27, 2020, was the fifth of six federal relief packages enacted in response to the COVID-19 pandemic and the second of three to authorize funds for education-related purposes.¹ The CRRSA Act includes \$81.1 billion Education Stabilization Fund (ESF) (**Michigan: \$2.4 billion**), allocated in four categories:

- \$54.3 billion Elementary and Secondary School Emergency Relief (ESSER) II Fund (**Michigan: \$1.7 billion**).
- \$22.7 billion Higher Education Emergency Relief Fund (HEERF) II (**Michigan: \$600.3 million**).
- \$4.1 billion Governor’s Emergency Education Relief (GEER) II Fund (**Michigan: \$125.7 million**).
- \$81.1 million for allocations to U.S. territories and programs operated by the Bureau of Indian Education.

This fiscal brief describes the education-related allocations for Michigan from funds established under the CRRSA Act.

FUND AUTHORIZATIONS

CRRSA Act funds related to education are allocated in Michigan through the following means:

- 2021 PA 3 authorized \$810.1 million ESSER II Fund and \$28.9 million GEER II Fund. Of this, \$45.4 million unobligated ESSER II Fund and \$6.6 million unobligated GEER II Fund were re-appropriated for new purposes under 2022 PA 144.
- 2021 PA 47 authorized \$846.2 million ESSER II Fund and \$86.8 million GEER II Fund.
- 2021 PA 133 authorized \$10.0 million GEER II Fund.
- \$600.3 million HEERF II is appropriated directly to institutions of higher education (IHEs).

¹ See the House Fiscal Agency [CARES Act Fiscal Brief](#) for details on the first federal package that authorized funds for education-related purposes.

FUND DISTRIBUTIONS

The education-related funds described above are allocated to K-12 districts and intermediate school districts (ISDs), IHEs, and other entities. **Table 1** groups each allocation by recipient type. Allocations are described in further detail in the following sections.

Table 1: Allocations by Recipient Type

Allocations	Amount (in millions)	Page
<u>K-12 Districts/ISDs</u>		
ESSER II: Subgrants to LEAs	\$1,490.7	4
ESSER II: Summer Programs	\$90.0	5
ESSER II: Credit Recovery Programs	\$45.0	5
ESSER II: Before/After School Programs	\$17.4	5
ESSER II: Benchmark Assessments	\$4.9	5
ESSER II Re-Allocation: Learning Loss	\$45.4	5
GEER II: Summer Program Teacher and Staff Incentives	\$21.3	6
GEER II: Benchmark Assessments	\$2.6	6
GEER II Re-Allocation: Learning Loss	<u>\$6.6</u>	6
Subtotal²	\$1,671.9	
<u>Institutions of Higher Education</u>		
HEERF II ³	<u>\$600.3</u>	3
Subtotal	\$600.3	
<u>Other Entities</u>		
ESSER II: MDE Administration	\$8.3	5
GEER II: Community-Based Organization Before/After School Programs	\$5.0	6
GEER II: Emergency Assistance for Nonpublic Schools (EANS)	\$86.8	6
GEER II: Teacher Talent Pipeline (MDE Budget)	<u>\$10.0</u>	6
Subtotal	\$110.1	
TOTAL	\$2,382.2	

² Subtotal does not include Learning Loss allocations because these were funded with unobligated funds originally appropriated for Summer Programs, Credit Recovery Programs, Before/After School Programs, and Summer Program Teacher and Staff Incentives.

³ Individual HEERF II breakdowns by state were not provided by the U.S. Department of Education.

HIGHER EDUCATION EMERGENCY RELIEF FUND II: \$22.7 BILLION (MICHIGAN: \$600.3 MILLION)

The Higher Education Emergency Relief Fund (HEERF) II is allocated in the following four categories.

Student Aid and Institutional Portions for Public and Nonprofit Institutions

89% is allocated to each IHE using the following formula:

- 75% is distributed according to the enrollment of federal Pell Grant recipients who are not exclusively enrolled in distance education courses, split evenly between the calculated measure of full-time equivalent (FTE) enrollment and total enrollment.
- 23% is distributed according to the enrollment of students who are not federal Pell Grant recipients and who are not exclusively enrolled in distance education courses, split evenly between the calculated measure of FTE enrollment and total enrollment.
- 2% is distributed according to the enrollment of federal Pell Grant recipients who were exclusively enrolled in distance education courses, split evenly between the calculated measure of FTE enrollment and total enrollment.

Similar to the federal funds provided under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the institutions may use funds to cover costs associated with significant changes to the delivery of instruction due to the coronavirus. However, institutions needed to use at least the same amount of funding as received under the CARES Act towards providing emergency financial aid grants directly to students for expenses related to the disruption of campus operations due to the coronavirus, such as food, housing, technology, or health care expenses.

Institutions are prohibited from using HEERF appropriations for the following costs:

- Payment to contractors for the provision of pre-enrollment recruitment activities.
- Endowments.
- Capital outlays associated with facilities related to athletics, sectarian instruction, or religious worship.

For Student Aid and Institutional awards for Michigan IHEs, public community colleges received \$205.9 million and public universities received \$304.2 million. See **Appendix A** for allocations to Michigan public IHEs.

Awards to Historically Black Colleges and Universities (HBCUs), Minority-Serving Institutions, and Strengthening Institutions Program

7.5% is allocated for additional awards to IHEs under Parts A (Strengthening Institutions Program) and B (Strengthening Historically Black Colleges and Universities Program) of Title III, Parts A (Developing Hispanic-Serving Institutions Program) and B (Promoting Postbaccalaureate Opportunities for Hispanic Americans) of Title V, and Subpart 4 of Part A of Title VII (Master's Programs at HBCUs and Predominantly Black Institutions) of the Higher Education Act. These funds are allocated in proportion to the funding of such programs in the 2020 Further Consolidated Appropriations Act.

Awards may be used for:

- Defraying expenses, including lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff trainings, and payroll.
- Carrying out student support activities that addresses needs related to the COVID-19 pandemic.
- Grants to students for any component of the student's cost of attendance, including food, housing, course materials, technology, health care, and child care.

Michigan public community colleges received \$5.9 million, and public universities received \$3.1 million. See **Appendix A** for allocations to eligible Michigan public IHEs.

Supplemental Assistance to Institutions of Higher Education

0.5% is allocated to IHEs that the U.S. Department of Education (U.S. ED) determines have the greatest unmet needs related to the coronavirus. Funds may be used for the same purposes described under the HBCU 7.5% allocation. Priority must be given to any institution that is not otherwise eligible for at least \$500,000 under the 90% formula-based allocation and that demonstrates significant unmet needs related to expenses associated with the coronavirus.

Proprietary Institutions Grant Funds for Students

3.0% is allocated to IHEs that are defined as proprietary schools under the Higher Education Act of 1965. Institutions must apply to receive their allocated funding. All grant funding received under this category must be used towards financial aid grants to students.

ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF (ESSER) II FUND: \$54.3 BILLION (MICHIGAN: \$1.7 BILLION)

ESSER II funds are allocated to each state in the same proportion as the state's FY 2019-20 Title I, Part A allocation under the Elementary and Secondary Education Act (ESEA).

Subgrants to Local Educational Agencies (LEAs)

90% (**Michigan: \$1.5 billion**) of a state's grant is allocated for formula subgrants to LEAs in proportion to Title I, Part A allocations. The [Federal COVID K-12 Education-Related Allocations Spreadsheet](#) details the subgrant amount allocated to each eligible district in Michigan.

An LEA may obligate funds through September 30, 2023 for any of the following allowable expenses incurred on or after March 13, 2020:⁴

1. Any activity authorized by the ESEA, including the Native Hawaiian Education Act and the Alaska Native Educational Equity, Support, and Assistance Act; the Individuals with Disabilities Education Act (IDEA); the Adult Education and Family Literacy Act; the Carl D. Perkins Career and Technical Education Act; or Title VII-B of the McKinney-Vento Homeless Assistance Act.
2. Coordination of preparedness and response efforts of LEAs with state, local, tribal, and territorial public health departments, and other relevant agencies, to improve coordinated responses among such entities to prevent, prepare for, and respond to coronavirus.
3. Providing principals and other school leaders with the resources necessary to address the needs of their individual schools.
4. Activities to address the unique needs of low-income children or students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth, including how outreach and service delivery will meet the needs of each population.
5. Developing and implementing procedures and systems to improve the preparedness and response efforts of LEAs.

⁴ Allowable expenses for ESSER II Fund under the CRRSA Act are similar to those for ESSER I Fund under the CARES Act. The CRRSA Act adds items #12 through #14, although U.S. ED guidance notes that these additional allowable uses already were permitted under the CARES Act.

6. Training and professional development for staff of LEAs on sanitation and minimizing the spread of infectious diseases.
7. Purchasing supplies to sanitize and clean the facilities of an LEA, including buildings operated by such agency.
8. Planning for, coordinating, and implementing activities during long-term closures, including providing meals to eligible students, providing technology for online learning to all students, providing guidance for carrying out requirements under IDEA, and ensuring other educational services can continue to be provided consistent with all federal, state, and local requirements.
9. Purchasing educational technology (including hardware, software, and connectivity) for students that aids in regular and substantive educational interaction between students and their classroom instructors, including low-income students and children with disabilities, which may include assistive technology or adaptive equipment.
10. Providing mental health services and supports.
11. Planning and implementing activities related to summer learning and supplemental afterschool programs, including providing classroom instruction or online learning during the summer months and addressing the needs of low-income students, children with disabilities, English learners, migrant students, students experiencing homelessness, and children in foster care.
12. Addressing learning loss among students by administering and using high-quality assessments; implementing evidence-based activities to meet students' comprehensive needs; providing information and assistance to parents and families on how they can effectively support students, including in a distance learning environment; and tracking student attendance and improving student engagement in distance education.
13. School facility repairs and improvements to enable operation of schools to reduce risk of virus transmission and exposure to environmental health hazards, and to support student health needs.
14. Inspection, testing, maintenance, repair, replacement, and upgrade projects to improve the indoor air quality in school facilities, including mechanical and non-mechanical heating, ventilation, and air conditioning systems, filtering, purification and other air cleaning, fans, control systems, and window and door repair and replacement.
15. Other activities that are necessary to maintain the operation of and continuity of services and continuing to employ existing staff.

State Education Agency (SEA) Reserve

Up to 10% (**Michigan: \$165.6 million**) of a state's grant may be reserved for the SEA to address emergency needs. Out of this allocation, an amount not to exceed 0.5% (Michigan: \$8.3 million) of the total state grant may be reserved for administrative costs; the remainder (Michigan: \$157.3 million) is allocated as determined by the SEA⁵ to respond to the coronavirus, including measuring and addressing learning loss.

The state initially appropriated the remaining \$157.3 million as follows:

- \$90.0 million for K-12 summer programs (\$550 per student).
- \$45.0 million for high school credit recovery programs (\$550 per student).
- \$17.4 million for before and/or after school programs (up to \$25,000 per program).

⁵ In Michigan, funds may not be appropriated without legislative authorization. Therefore, the SEA cannot solely determine ESSER II Fund appropriations.

- \$4.9 million for benchmark assessments (this section also included GEER II Fund and School Aid Fund appropriations).

Of the total appropriated above for K-12 summer programs, high school credit recovery programs, and before and/or after school programs, \$45.4 million was unobligated and re-appropriated for addressing learning loss (\$37 per pupil; this section also included re-appropriated GEER II Fund). The [Federal COVID K-12 Education-Related Allocations Spreadsheet](#) details the estimated amount allocated to each district.

GOVERNOR’S EMERGENCY EDUCATION RELIEF (GEER) II FUND: \$4.1 BILLION (MICHIGAN: \$125.7 MILLION)

Supplemental GEER Grants to Governors

\$1.3 billion (**Michigan: \$38.9 million**) of total GEER II Fund is awarded to governors in the same way as GEER I Fund was awarded under the CARES ACT. The governor receives an allocation based on the following formula:

- 60% based on the state’s relative population of individuals aged 5 through 24.
- 40% based on the state’s relative number of children counted under Sec. 1124(c) of ESEA.

Governors may obligate funds⁶ through September 30, 2023 for any of the following allowable expenses incurred on or after March 13, 2020:

- Providing emergency support through grants to LEAs that the SEA deems have been most significantly impacted by coronavirus to support the ability of such LEAs to continue to provide educational services and to support the ongoing functionality of the LEA.
- Providing emergency support through grants to IHEs serving students within the state that the governor determines have been most significantly impacted by coronavirus to support the ability of such institutions to continue to provide educational services and to support the ongoing functionality of the institution.
- Providing support to any other IHE, LEA, or education-related entity within the state that the governor deems essential for authorized activities; providing child care and early childhood education, social, and emotional support; and protecting education-related jobs.

The state initially appropriated \$38.9 million GEER II Fund as follows:

- \$21.3 million for incentives for teachers and staff to participate in the summer programs or credit recovery programs funded with ESSER II Fund (\$1,000 per teacher and \$250 per staff member).
- \$10.0 million for a grant to an organization that supports a teacher talent pipeline through teacher recruitment, training, development, and retention (MDE budget).
- \$5.0 million for community-based organizations to provide before and/or after school programs.
- \$2.6 million for benchmark assessments (this section also included ESSER II Fund and School Aid Fund appropriations).

Of the \$21.3 million appropriated above for teacher and staff incentives, \$6.6 million was unobligated and re-appropriated for addressing learning loss (\$37 per pupil; this section also included re-appropriated ESSER II Fund). The [Federal COVID K-12 Education-Related Allocations Spreadsheet](#) details the estimated amount allocated to each district.

⁶ As noted above for ESSER II Fund, appropriations must be authorized through the legislative process. Therefore, the governor cannot solely determine GEER II Fund appropriations.

Emergency Assistance to Nonpublic Schools (EANS)

Under the CRRSA Act, \$2.8 billion (**Michigan: \$86.8 million**) of total GEER II Fund is reserved for providing emergency assistance to nonpublic schools. A state's EANS allotment is based on the number of nonpublic school students aged 5 to 17 who are at or below 185% of the federal poverty guidelines.

SEAs are required to administer the EANS program, including distributing information, approving or denying applications within 30 days of receipt, and obligating funds within 6 months. SEAs must prioritize assistance to nonpublic schools that enroll low-income students and are most impacted by the COVID-19 emergency. An SEA may reserve the greater of \$200,000 or 0.5% of funds for administration.

The CRRSA Act requires EANS funds that are unobligated after 6 months to be returned to the governor to be spent as GEER II Fund. In Michigan, MDE made additional rounds of EANS distribution available to nonpublic schools in order to fully spend down the state's allocation.

Previously, under the CARES Act, an LEA that received ESSER I Fund was required to provide equitable services to nonpublic schools in the same manner as under the ESEA. Because of the GEER-EANS program under the CRRSA Act, LEAs that receive ESSER II Fund are not required to provide equitable services to nonpublic schools.

OTHER MAJOR PROVISIONS RELATED TO THE EDUCATION STABILIZATION FUND

The following provisions apply to entities receiving HEERF II, ESSER II, and/or GEER II funds (as applicable).

Maintenance of Effort

A state receiving ESSER II or GEER II funds must maintain support for elementary and secondary education and higher education in FY 2021-22 at least at the average level of such support relative to the state's overall spending in FY 2016-17 through FY 2018-19. For this calculation, state support for higher education includes funding to IHEs and need-based financial aid, but does not include support for capital projects, support for research and development, or tuition and fees paid by students.

The U.S. ED may waive this requirement for states that have experienced a precipitous decline in financial resources. Michigan did not submit a waiver request under the CRRSA Act.

Employee Pay

Any entity that receives Education Stabilization Fund must, to the greatest extent practicable, continue to pay its employees and contractors during the period of any disruptions or closures related to coronavirus.

RELATED SAF ALLOCATIONS

In conjunction with federal funds, 2021 PA 3 also appropriated \$150.2 million SAF for the following purposes:

- \$136.0 million for districts that received less than \$450 per pupil through the ESSER II Fund formula grants.
- \$10.0 million for ESSER II-funded summer programs or credit recovery programs that were identified as "innovative" (additional \$100 per student).
\$4.2 million for benchmark assessments (this section also included ESSER II Fund and GEER II Fund appropriations).

Appendix A: HEERF II Allocations to Michigan Public IHEs

Institution	Total Student Aid and Institutional Awards (Sec. 314(a)(1))	Minimum for Student Aid Portion	Maximum for Institutional Portion	Minority Serving Institutions & Strengthening Institutional Programs (Sec. 314(a)(2))	Total Allocation under HEERF II
Alpena Community College	\$1,717,931	\$379,927	\$1,338,004	\$72,288	\$1,790,219
Bay De Noc Community College	1,757,060	389,058	1,368,002	72,412	1,829,472
Central Michigan University	22,642,806	7,161,097	15,481,709	-	22,642,806
C. S. Mott Community College	11,499,149	2,689,375	8,809,774	476,096	11,975,245
Delta College	10,658,617	2,573,303	8,085,314	442,926	11,101,543
Eastern Michigan University	23,256,060	6,866,995	16,389,065	982,340	24,238,400
Ferris State University	16,169,673	4,573,407	11,596,266	682,086	16,851,759
Glen Oaks Community College	1,232,639	288,341	944,298	52,120	1,284,759
Gogebic Community College	1,259,603	330,636	928,967	52,368	1,311,971
Grand Rapids Community College	14,722,172	3,403,086	11,319,086	618,211	15,340,383
Grand Valley State University	28,990,835	9,166,714	19,824,121	-	28,990,835
Henry Ford College	19,312,149	4,576,559	14,735,590	801,603	20,113,752
Jackson College	8,114,820	1,946,067	6,168,753	333,031	8,447,851
Kalamazoo Valley Community College	9,456,126	2,124,650	7,331,476	397,638	9,853,764
Kellogg Community College	4,855,538	995,711	3,859,827	-	4,855,538
Kirtland Community College	1,629,004	356,370	1,272,634	65,339	1,694,343
Lake Michigan College	3,566,805	566,602	3,000,203	148,950	3,715,755
Lake Superior State University	2,845,606	801,132	2,044,474	120,601	2,966,207
Lansing Community College	11,559,366	2,902,158	8,657,208	-	11,559,366
Macomb Community College	20,872,067	4,808,649	16,063,418	-	20,872,067
Michigan State University	45,964,753	15,028,856	30,935,897	-	45,964,753
Michigan Technological University	6,991,814	2,302,890	4,688,924	-	6,991,814
Mid Michigan College	5,077,764	1,320,530	3,757,234	210,451	5,288,215
Monroe County Community College	2,818,764	650,258	2,168,506	118,372	2,937,136
Montcalm Community College	1,861,770	430,982	1,430,788	-	1,861,770
Muskegon Community College	4,751,064	1,123,675	3,627,389	199,342	4,950,406
North Central Michigan College	2,034,633	417,714	1,616,919	85,725	2,120,358
Northern Michigan University	9,891,128	2,997,309	6,893,819	-	9,891,128
Northwestern Michigan College	4,118,115	1,062,108	3,056,007	172,049	4,290,164
Oakland Community College	16,298,327	3,737,183	12,561,144	-	16,298,327
Oakland University	22,347,727	6,898,412	15,449,315	-	22,347,727
Saginaw Valley State University	11,372,114	3,455,532	7,916,582	484,355	11,856,469
Schoolcraft College	10,389,325	2,338,413	8,050,912	-	10,389,325
Southwestern Michigan College	2,956,093	761,058	2,195,035	-	2,956,093
St. Clair County Community College	3,923,106	954,739	2,968,367	163,663	4,086,769
University of Michigan - Ann Arbor	36,174,408	12,622,026	23,552,382	-	36,174,408
University of Michigan - Dearborn	12,130,348	3,494,565	8,635,783	513,253	12,643,601
University of Michigan - Flint	8,146,874	2,300,078	5,846,796	342,604	8,489,478
Washtenaw Community College	11,902,486	2,484,445	9,418,041	500,503	12,402,989
Wayne County Community College District	16,399,714	3,079,045	13,320,669	916,379	17,316,093
Wayne State University	32,377,451	9,653,092	22,724,359	-	32,377,451
West Shore Community College	1,225,927	282,376	943,551	-	1,225,927
Western Michigan University	24,878,439	7,743,152	17,135,287	-	24,878,439
TOTAL	\$510,150,170	\$142,038,275	\$368,111,895	\$9,024,705	\$519,174,875

Source: U.S. Department of Education (last updated 1/13/2021)