



SUMMARY OF THE 2021 AMERICAN RESCUE PLAN

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On March 11, 2021, President Biden signed the American Rescue Plan (ARP) Act of 2021. The ARP is the third federal relief package related to COVID-19 enacted by Congress within the past 12 months. It is also the largest grant of federal dollars thus far to individuals and entities, totally nearly \$1.9 trillion.

K-12 public schools across the country are slated to receive a little more than \$122 billion, while nearly \$40 billion will go to post-secondary educational institutions and \$2.75 billion will go to nonpublic schools. Additional distributions include \$3 billion to the Individuals with Disabilities Education Act, for meeting the needs of students with a disability, and approximately \$7 billion to the E-Rate Program, for providing devices and broadband connections to students, educators, and public libraries.

The funding for K-12 education will be allocated to each state education agency, which must in turn subgrant at least 90% of the dollars to public schools, including charter schools. As with the other relief packages, the amounts distributed to local school corporations will be based on the Title I funding formula.

Shortly after the enactment of the ARP, the U.S. Secretary of Education, Dr. Miguel Cardona, issued a letter to all chief state school officials, advising that the Department would begin to make the

ARP funds available in March. According to the letter, the Indiana Department of Education will receive \$1,994,734,056 in federal dollars, and as required by the Act, a minimum of \$1,795,260,650 will be distributed to public schools.

The new legislation gives schools broad discretion in how to use the money, but does require a school corporation to reserve at least 20% of its allocation to address learning loss “through the implementation of evidence-based interventions and ensure that those interventions respond to students’ social, emotional, and academic needs and address the disproportionate impact of COVID-19 on underrepresented student subgroups.” Schools are encouraged to use the money to develop strategies and implement health protocols and policies consistent with guidance from the Centers for Disease Control and Prevention in order to reopen schools and return to in-person learning.

OTHER PERMISSIBLE USES OF THE FUNDS INCLUDE:

- **Purchasing supplies** to clean and sanitize school buildings;
- **Repairing and improving school facilities** to reduce the risk of virus transmission and exposure to environmental health hazards;
- **Improving ventilation systems** and indoor air quality;
- **Planning for or implementing activities during long-term closures**, including providing meals to eligible students and providing technology for online learning;
- **Purchasing educational technology** that aids in regular and substantive educational interaction between students and teachers, including students from low-income families and children with disabilities;
- **Providing mental health services and supports**, including through the implementation of evidence-based full-service community schools and the hiring of counselors;
- **Planning and implementing activities related to summer learning** and supplemental after-school programs; and
- **Other activities necessary to maintain operation of and continuity of services**, including continuing to employ existing or hiring new school personnel.

School corporations will have the ability to use these funds for obligations through September 30, 2023.

With the receipt of this money, school boards will have significant flexibility to determine how to best use these new federal dollars. Clearly, the monies can be directed to students, to personnel, to the purchase of supplies and materials, and to the

modification of school buildings. But, as a reminder, some of these decisions will trigger either bargaining or discussion obligations on the part of the school employer.

For example, if school officials plan to use the money to pay teachers or other members of the bargaining unit, the school board will have to bargain the amount of money that goes to the teacher or other member with the exclusive representative. If the board would elect to pay this money immediately or in the near future, the board would have to enter into a memorandum of understanding (MOU) as outlined in the rules of the Indiana Education Employment Relations Board (IEERB). Alternatively, if an increase in compensation would not take effect until the following school year, the board could engage in the traditional bargaining process in the fall.

Additionally, if the school board would like to create new positions, the board will have to consider whether the new positions will be added to or excluded from the bargaining unit in accordance with IEERB’s rules.

Lastly, given the list of mandatory subjects of discussion in statute, it is likely that many plans as to how to use the ARP monies will trigger the duty of the school employer to engage in discussion with the exclusive representative. Some of the mandatory subjects of discussion that may be impacted include curriculum development and revision, assignment of certificated employees (especially if new positions are being created), safety issues for students and employees in the workplace, hours, and funding for a plan for a remediation program for any subset of students enrolled in kindergarten through grade 12. So decisions regarding health and safety protocols, indoor air quality, programs that address learning loss, and addressing social and emotional needs of students will likely have to be discussed with the exclusive representative before final decisions are made by the school board.

Further guidance on the use of ARP monies by federal agencies and the Indiana Department of Education is expected in the next several weeks. Given that this relief package is nearly double in the amount of money that school corporations have previously received, it would be wise for school officials to begin to identify how COVID-19 has impacted their students and employees and to assess school building needs in order to determine how the federal dollars could be used to overcome any negative impact and prepare for possible implementation of new strategies to continue educating students and ensuring the safety of students and employees. 🏠