



American Rescue Plan Act – Elementary and Secondary Emergency School Relief Fund

Introduction

On March 11, 2021, President Biden signed the American Rescue Plan (ARP) Act of 2021 into law. The ARP Act authorized a third round of emergency coronavirus relief to schools across the country through the Elementary and Secondary School Emergency Relief Fund (ARP ESSER or ESSER III). The ESSER III Fund allocates nearly \$123 billion to states and school districts to help safely reopen pre-kindergarten through 12th grade (PK-12) schools, sustain the safe operation of schools, and address the impact of the coronavirus pandemic on students.

Table 1. Appropriations of ESSER III Funds and Required Reservations of Funds Under the ARP Act of 2021

Program	Appropriation
ESSER III Grants to State Education Agencies (SEAs)	\$121,974,800,000
Reservation of Funds for Identifying Homeless Children and Youth	\$800,000,000
Subtotal for ESSER III	\$122,774,800,000
Emergency Assistance to Nonpublic Schools	\$2,750,000,000
Higher Education Emergency Relief Fund	\$39,584,570,000
Total Appropriation	\$165,109,370,000

Source: [American Rescue Plan Act, H.R. 1319, 117th Cong.](#) (2021).

Iowa ESSER III Funds

Federal Distribution of ESSER III Funds

The U.S. Department of Education (USED) is releasing ESSER III funds in [two awards](#): the first is two-thirds of the total award, which the Iowa Department of Education (Department) has already received. The second award for the remaining funds will be allocated to the Department upon USED receipt of Iowa’s ARP ESSER III Plan detailing Iowa’s use of the relief funds.

Iowa’s ESSER III Allocation

Iowa will receive \$774,516,216 from this fund, with 90% (\$697,064,594) going to local education agencies (LEAs; see Table 2). To determine state ESSER III Fund allocations, USED used the fiscal year 2020 state shares of Title I, Part A allocations as required by the ARP Act. **The fiscal year 2020 Title I, Part A district shares are also used to calculate allocations to Iowa districts. This is required by ARP Act, and the Department has no authority to alter the formula for allocating funds.**

The first allocations to Iowa district will reflect two-thirds of the total ESSER III award. The remaining funds will be allocated to districts once the Department receives the second award from USED.

Table 2. Iowa’s ESSER III Allocation and Reservations Compared to the Total National Allocation and Reservations

Award	Total ESSER III Fund Allocation	Minimum LEA Distribution (90%)	Maximum SEA Reservation (10%)	Maximum for SEA Administration (0.5%)
Award 1	\$516,344,144	\$464,709,730	\$51,634,414	\$2,581,721
Award 2	\$258,172,072	\$232,354,864	\$25,817,208	\$1,290,860
Total Iowa Award	\$774,516,216	\$697,064,594	\$77,451,622	\$3,872,581
National Total	\$121,974,800,000	\$109,777,320,000	\$12,197,480,000	\$609,874,000

Source: Adapted from U.S. Department of Education’s (2021) [ESSER III Methodology for Calculating Allocations](#).

ESSER III Required Reservations and Allowable Uses

State Requirements, Administration, Reservations, and Allowable Uses

REQUIREMENTS

The Department must submit an ARP ESSER Plan that includes information required by the Secretary of Education, including the following:

- How the SEA will support LEAs in safely returning to in-person instruction, maximizing in-person instruction time, and sustaining the safe operation of schools, consistent, to the extent practicable, with Centers for Disease Control and Prevention (CDC) guidance;
- How the SEA will use the funds that it must reserve for evidence-based activities to address learning loss, implement summer learning and enrichment programs, and implement comprehensive after-school programs, and how those activities will respond to the academic, social, and emotional needs of students and address the disproportionate impact of COVID-19 on student groups most impacted by the pandemic and for whom the pandemic exacerbated pre-existing inequities;
- How the SEA will support LEAs in addressing learning loss through the implementation of evidence-based interventions and ensure that such interventions respond to students’ academic, social, and emotional needs and address the disproportionate impact of COVID-19 on student groups most impacted by the pandemic and for whom the pandemic exacerbated pre-existing inequities;
- How the SEA will support LEAs in:
 - Building capacity to promote healthy and safe learning environments and support students’ social, emotional, mental health, and academic needs;
 - Making evidence-based, equity-driven ARP ESSER spending decisions;
 - Engaging a diverse range of stakeholders, including students, families, and educators;
 - Tracking how resources are targeted and outcomes achieved; and
 - Ensuring appropriate fiscal monitoring and controls; and
- How the SEA consulted with stakeholders and the public, including students, families, civil rights organizations including disability rights organizations, school administrators, superintendents, and educators and their unions, and provided an opportunity for and incorporated, as appropriate, input in development of its ARP ESSER plan.

USED will release a plan template, at which time further information will be released by the Department, including plans to collect input from education stakeholders. The plan must be submitted to USED on a date determined by the Secretary of Education.

ADMINISTRATION

Iowa may use up to 0.5% of its total ESSER III allocation for administrative costs and emergency needs as determined by the Department to address issues related to COVID-19 (see Table 2).

RESERVATIONS

The ESSER III Fund includes three state-level reservations for activities and interventions that respond to students' academic, social, and emotional needs and address the disproportionate impact of COVID-19 on underrepresented student subgroups, including each major racial and ethnic group, children from low-income families, children with disabilities, English learners, migrant students, students experiencing homelessness, and children and youth in foster care. Reservations are detailed in Table 3 and include:

- 5% of the total ESSER III allocation for the implementation of evidence-based interventions aimed specifically at addressing learning loss, such as summer learning or summer enrichment, extended day, comprehensive after-school programs, or extended school year programs.
- 1% of the total ESSER III allocation for evidence-based summer enrichment programs.
- 1% of the total ESSER III allocation for evidence-based comprehensive after-school programs.

Table 3. Iowa's ESSER III Maximum State Reservation (10%) by Required Reservation

Reservation	Percent of Total Award	Award 1	Award 2	Total Award
Maximum Reservation for Administration	0.5%	\$2,581,721	\$1,290,860	\$3,872,581
Minimum Reservation to Address Learning Loss	5.0%	\$25,817,207	\$12,908,604	\$38,725,811
Minimum Reservation for Summer Enrichment	1.0%	\$5,163,441	\$2,581,721	\$7,745,162
Minimum Reservation for Afterschool Programs	1.0%	\$5,163,441	\$2,581,721	\$7,745,162
Maximum Reservation for Other State Activities	2.5%	\$12,908,604	\$6,454,302	\$19,362,905
Maximum SEA Reservation	10%	\$51,634,414	\$25,817,208	\$77,451,622

Source: Adapted from U.S. Department of Education's (2021) [ESSER III Methodology for Calculating Allocations](#).

ALLOWABLE USES FOR STATE-LEVEL ACTIVITIES

After the three required reservations (7%) and administration (0.5%), the Department may reserve up to 2.5% for other state-level activities. Allowable uses of ESSER III funds for state-level activities are the same as those listed for LEAs with the additional restrictions on reservations in the categories listed in Table 3.

LEA Requirements, Reservation, and Allowable Uses

Requirements

A district that receives ESSER III funds must, within 30 days of receiving the funds, make a plan for the safe return to in-person instruction and continuity of services publicly available on its website. Before making the plan publicly available, the LEA must seek public comment on the plan.

All Iowa districts submitted a compliant Return-to-Learn Plan by July 1, 2020 that meets the requirements of ARP Act for the "safe return to in-person instruction and continuity of services." All Iowa districts also used the materials provided by the Department on garnering public input on Return-to-Learn Plans. **The Department presumes that all Iowa districts are in compliance with this requirement of ARP Act at**

this time. If further information is needed as USED releases requirements for the ARP ESSER III Plan, we will provide updated guidance.

Reservation

Of the total amount allocated to a district from Iowa’s ESSER III award, the LEA must reserve at least 20% of funds to address learning loss through the implementation of evidence-based interventions (e.g., summer learning or summer enrichment, extended day, comprehensive after-school programs, extended school year programs) 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 (i.e., each major racial and ethnic group, children from low-income families, children with disabilities, English learners, migrant students, students experiencing homelessness, children and youth in foster care).

Table 4. Iowa’s ESSER III LEA Reservations

Iowa Award	Amount Available to LEAs (90%)	Minimum Reservation of LEA Funds to Address Learning Loss (20%)
Award 1	\$464,709,730	\$92,941,946
Award 2	\$232,354,864	\$46,470,973
Total Iowa Award	\$697,064,594	\$139,412,919

Source: Adapted from U.S. Department of Education’s (2021) [ESSER III Methodology for Calculating Allocations](#).

Allowable Uses

The ESSER Fund III, like ESSER I and ESSER II, may be used by PK-12 schools for a broad set of possible purposes, with substantial local authority and discretion in prioritizing relief spending. Although the permitted uses of ESSER II under the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act and use of ESSER III funds are similar, there are some differences worth noting. **Additions in the ARP Act are underlined.**

NEW AND MODIFIED ALLOWABLE USES

(e) Uses of Funds.—A local educational agency that receives funds under this section—

- (1) shall reserve not less than 20 percent of such funds to address learning loss through the implementation of evidence-based interventions, such as summer learning or summer enrichment, extended day, comprehensive afterschool programs, or extended school year programs, and ensure that such interventions respond to students' academic, social, and emotional needs and address the disproportionate impact of the coronavirus on the student subgroups described in section 1111(b)(2)(B)(xi) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311(b)(2)(B)(xi)), students experiencing homelessness, and children and youth in foster care; and
- (2) shall use the remaining funds for any of the following:
 - (A) Any activity authorized by the Elementary and Secondary Education Act of 1965
 - (B) Any activity authorized by the Individuals with Disabilities Education Act.
 - (C) Any activity authorized by the Adult Education and Family Literacy Act.
 - (D) Any activity authorized by the Carl D. Perkins Career and Technical Education Act of 2006.
 - (E) Coordination of preparedness and response efforts of local educational agencies 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.
 - (F) 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.

- (G) Developing and implementing procedures and systems to improve the preparedness and response efforts of local educational agencies.
- (H) Training and professional development for staff of the local educational agency on sanitation and minimizing the spread of infectious diseases.
- (I) Purchasing supplies to sanitize and clean the facilities of a local educational agency, including buildings operated by such agency.
- (J) 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 the IDEA and ensuring other educational services can continue to be provided consistent with all Federal, State, and local requirements.
- (K) Purchasing educational technology (including hardware, software, and connectivity) for students who are served by the local educational agency 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.
- (L) Providing mental health services and supports, including through the implementation of evidence-based full-service community schools.
- (M) 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.
- (N) 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, of the local educational agency, including by—
 - (i) administering and using high-quality assessments that are valid and reliable, to accurately assess students' academic progress and assist educators in meeting students' academic needs, including through differentiating instruction;
 - (ii) implementing evidence-based activities to meet the comprehensive needs of students;
 - (iii) providing information and assistance to parents and families on how they can effectively support students, including in a distance learning environment; and
 - (iv) tracking student attendance and improving student engagement in distance education.
- (O) 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.
- (P) 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.
- (Q) Developing strategies and implementing public health protocols including, to the greatest extent practicable, policies in line with guidance from the Centers for Disease Control and Prevention for the reopening and operation of school facilities to effectively maintain the health and safety of students, educators, and other staff.
- (R) Other activities that are necessary to maintain the operation of and continuity of services in local educational agencies and continuing to employ existing staff of the local educational agency.

Evidence-Based Interventions

Both SEA and LEA funds must be used on evidence-based interventions. The definition of “evidence-based” adopted by the ARP Act is the same as the definition under section 8101(21)(A) of the Elementary and Secondary Education Act (ESEA), as amended by the Every Student Succeeds Act (ESSA). The definition includes four tiers of support for the evidence-base of any activity or intervention, including interventions for students or professional development for educators.

Evidence-based activities, strategies, or interventions are those that **demonstrate a statistically significant effect on improving student outcomes or other relevant outcomes based on the following criteria**. All tiers require ongoing efforts to examine the effects of such activity, strategy, or intervention.

Table 5. Evidence-Based Tiers

Tier	Evidence Level
Tier I	Strong evidence from at least one well-designed and well-implemented experimental study.
Tier II	Moderate evidence from at least one well-designed and well-implemented quasi-experimental study.
Tier III	Promising evidence from at least one well-designed and well-implemented correlational study with statistical controls for selection bias.
Tier IV	Demonstrates a rationale based on high-quality research findings or positive evaluation that such activity, strategy, or intervention is likely to improve student outcomes or other relevant outcomes.

SELECTING EVIDENCE-BASED ACTIVITIES INTERVENTIONS: STATE SUPPORT AND WEBINARS

Districts do not need to select evidence-based activities and interventions on their own. The Department will be issuing guidance, professional learning, and coaching resources on evidence-based interventions for all Iowa districts and schools to use for COVID-19 recovery. Guidance and professional development will be released over the next several months beginning in May 2021 and will be accompanied by statewide webinars around the following topics:

- Academic acceleration for unfinished learning;
- Social-emotional-behavioral and mental health supports;
- Integration of the Teacher Leadership and Compensation (TLC) system into recovery planning;
- Planning for summer school in 2021 and 2022;
- Before and afterschool programming;
- Connecting COVID-19 recovery to future ready work; and
- Providing the Iowa e-Learning Central’s Course Exchange for continued online learning supports.

EVIDENCE-BASED RESOURCES

For a quick reference on evidence-based definitions, districts can use [this large-print definition](#) provided by the Institute for Education Sciences (IES). [This tool](#) provided by the Midwest Regional Education Lab (REL) provides a crosswalk between ESSA levels of evidence and existing clearinghouses, such as the What Works Clearinghouse (WWC) commonly used by educators.

ESSER III Changes At-a-Glance

For a quick comparison of ESSER III (ARP Act) and the other emergency ESSER packages, see the U.S. Department of Education’s [fact sheet](#). A side-by-side table is provided on page 4.

Allocations, Applications, and Reimbursement Claims

District Allocations

Allocations are posted publicly on the Department's [COVID-19 webpage](#). The allocations will be available to claim against in the ESSER/GEER – Quarterly Report and Claim for Reimbursement during the fourth claim period, which opens June 1. The ESSER/GEER – Quarterly Report and Claim for Reimbursement collection is found in the COVID-19 folder in the Consolidated Accountability and Support Application (CASA).

Equitable Services: Emergency Assistance for Nonpublic Schools

Similar to ESSER II, the ARP Act does not include equitable services as a portion of ESSER III but does include a separate program of Emergency Assistance for Nonpublic Schools (EANS II) for which eligible nonpublic schools may apply for services or assistance. Additional information on the EANS II Fund will be provided at a later date.

Reimbursement Claims

In order to receive the ESSER III funds, districts must submit claims for reimbursement in the CASA. Please refer to the following Reporting and Accounting section for more information.

Reporting and Accounting

Required Reporting

Districts will need to provide year-end reports to the Department documenting the amount of ESSER III funds they have spent in each of the allowable categories, including the required set-aside to address learning loss. Districts should account for their ESSER III expenditures on an ongoing basis, as USED may require additional reports from states on a more frequent basis.

Accounting and Applicable Laws

FINANCIAL MANAGEMENT

ESSER III funds are subject to all applicable provisions of the Education Department General Administrative Regulations (EDGAR) and Uniform Grant Guidance (UGG) of the Office of Management and Budget (OMB). Agreement to abide by these provisions is included in the LEA's ESSER application assurances. Districts should be particularly aware of the cash management (2 CFR § 200.305) and other post federal award requirements in [2 CFR part 200, subpart D](#). The Department must ensure that LEAs use ESSER III funds for activities allowable under 2001(e) of the ARP Act and will monitor LEAs as needed.

Also, please be advised that due to the amount of funding provided, additional districts may fall within the single audit threshold (i.e., expending \$750,000 or more of federal funds during the fiscal year).

SUPPLEMENT NOT SUPPLANT

ESSER III funds are not subject to a supplement not supplant requirement. These are emergency relief funds and may be used to supplant state and local funds.

MAINTENANCE OF EFFORT AND MAINTENANCE OF EQUITY

Under section 2004(a) of the ARP Act, there is a state maintenance of effort (MOE) requirement for each of the fiscal years 2022 and 2023 (based on percentages of Iowa's overall spending used to support education).

Section 2004(b) and (c) of the ARP Act contains state and LEA maintenance of equity requirements for each of the fiscal years 2022 and 2023. USED intends to provide additional guidance on these requirements.

PERIOD OF AVAILABILITY

The period of availability for the ESSER III funds begins retroactively on March 13, 2020 and closes on September 30, 2023. While the period of availability for these funds runs from March 13, 2020 to September 30, 2023, districts may use these funds for expenses from July 1, 2020 to June 30, 2023.

NEW FUNDING CODES

ESSER III funding must be tracked separately from ESSER I and II funding. In addition, all ESSER I funds must be expended before using ESSER II, then ESSER III funds. **The exception to this rule is the district's requirement to reserve 20% of each ESSER III award for addressing learning loss through evidence-based interventions. This 20% will be available to claim against immediately during the fourth claim period, which opens June 1.** The following new source and project code has been added to the Iowa Chart of Account Coding for federal funding provided through ESSER III.

[4045 American Rescue Plan Elementary and Secondary School Emergency Relief \(ARP ESSER\) \(CFDA 84.425U\) \(Apr21\)](#)

This revenue, which is miscellaneous income in the year expended, is recorded in the General Fund. Transfers to other funds may occur based on actual expenditures, provided the expenditure is more appropriate to another fund. The project number will be used in all parts of the transaction. If it is unclear whether an expenditure is allowable under the ESSER Fund III, continue to track this expenditure in project 0019 (as described in earlier [guidance on school finance](#)).

Additional Education-Related Funding from the ARP Act

The ARP Act included additional education funding of interest to Iowa schools. Information on these funds will be provided in future guidance.

- \$3 billion for special education,
- \$2.75 billion to support nonpublic schools through the Emergency Assistance to Nonpublic Schools (EANS II) program,
- Additional funding to support efforts to identify homeless children and youth, provide them with comprehensive, wrap-around services that address needs arising from the COVID-19 pandemic, and allow them to attend school and participate fully in all school activities.

Questions and Additional Guidance

If you have questions, please contact one of the following members of our team to supply you with information on relief funds:

- Steve Crew at steve.crew@iowa.gov,
- Meredith MacQuigg at meredith.macquigg@iowa.gov,
- Hannah Walsh at hannah.walsh@iowa.gov, and
- Tom Cooley at tom.cooley@iowa.gov.

For additional COVID-19 guidance and information, please visit the Department's [COVID-19 webpage](#).