



FROM: Jonathan Nurse, Director of Federal Relations
DATE: March 9, 2021
RE: American Rescue Plan Act of 2021 Resources for FSU and the State of Florida

The Majority Leader of the U.S. House of Representatives has indicated that the American Rescue Plan Act of 2021 (ARP) will be given final approval tomorrow and sent to President Biden. The [legislation](#) will be signed into law shortly thereafter.

The \$1.9 trillion bill is the latest in a series of federal aid packages aimed at individuals and sectors experiencing negative financial impacts from the COVID-19 pandemic. Two sections of primary relevance to FSU are summarized below.

Higher Education Emergency Relief (HEERF) Fund

ARP contains \$39.6 billion for the Higher Education Emergency Relief Fund. The HEERF is intended to help institutions of higher education prevent, prepare for and respond to COVID-19. Institutions are required to provide 50% of their ARP HEERF allocation to students in the form of emergency financial aid grants. The specific allowable uses of HEERF are similar to those contained in the [last phase](#) of COVID-19 relief, signed on December 27, 2020. Funds must be used to:

1. defray expenses associated with COVID-19 including lost revenue, reimbursement for expenses already incurred, technology costs associated with distance education, faculty and staff trainings, and payroll;
2. implement evidence-based practices to monitor and suppress COVID-19;
3. carry out student support activities that address needs related to COVID-19;
4. provide need-based financial aid grants to students, which may be used for any part of their cost of attendance or for emergency costs due to COVID-19, such as tuition, food, housing, health care, or childcare; and
5. conduct direct outreach to students on the opportunity to receive financial aid adjustments.

The HEERF cannot be used to support marketing or recruitment, endowments, capital outlays associated with athletics facilities, or senior administrator or executive salaries or benefits.

HEERF allocations will be determined by formula and distributed utilizing established mechanisms in the U.S. Department of Education. The Association of Public and Land-grant Universities provided [estimates](#) of HEERF allocations. Florida institutions of higher education will receive approximately \$2.19 billion from the package. Florida allocations will range from roughly \$30,348 to \$175,111,165. **The FSU share is projected to be \$80,429,930.59. The total COVID-19 recovery resources allocated to FSU and its students across three federal packages is approximately \$155 million.**

The legislation requires state governments to maintain support for higher education in FY22 and FY23 at least at the proportional levels of such support provided relative to the state's overall spending in an average of FY17 through FY19.

Coronavirus State and Local Fiscal Recovery Funds

ARP includes \$219.8 billion for a new Coronavirus State Fiscal Recovery Fund to mitigate the fiscal effects from the public health emergency. Additionally, \$130.2 billion is provided for a new Coronavirus Local Fiscal Recovery Fund to help cities and counties to mitigate the fiscal impacts of the crisis. *USA Today*, referencing data received

from the House Committee on Oversight and Reform, [estimated](#) the two formula funds would yield **\$17.3 billion for Florida**. State funds must be used to:

1. respond to or mitigate the public health emergency or its negative economic impacts;
2. cover costs incurred as a result of such emergency;
3. replace revenue that was lost, delayed, or decreased as a result of such emergency; and
4. address the negative economic impacts of such emergency.

The overall appropriation for HEERF falls well short of the [estimated](#) \$97 billion in remaining COVID-19 related need across all colleges and universities. Additionally, the legislation fails to provide \$26 billion for research recovery. While the ARP may be the last major COVID-19 specific financial relief bill, a significant economic stimulus package focusing largely on infrastructure is likely to move forward later in the year. Research and student financial aid investments are candidates for inclusion in the bill.