ESSER Funding
CASE Summer Convention 2021

July 29, 2021

- CDE Team
  - ***Jennifer Okes***, Chief Operating Officer
  - ***Kate Bartlett,*** Executive Director of School District Operations
  - ***Nazie Mohajeri-Nelson***, Director of ESEA Programs Office
  - ***DeLilah Collins***, Assistant Director of ESEA Programs Office

- Purpose of Presentation
  - Overview of ESSER Funds
  - Responding to Questions
  - Determining How We Can Help

Purpose of Funds
- ESSER I, II, and III
- 10% State Set Aside

Uses of Funds
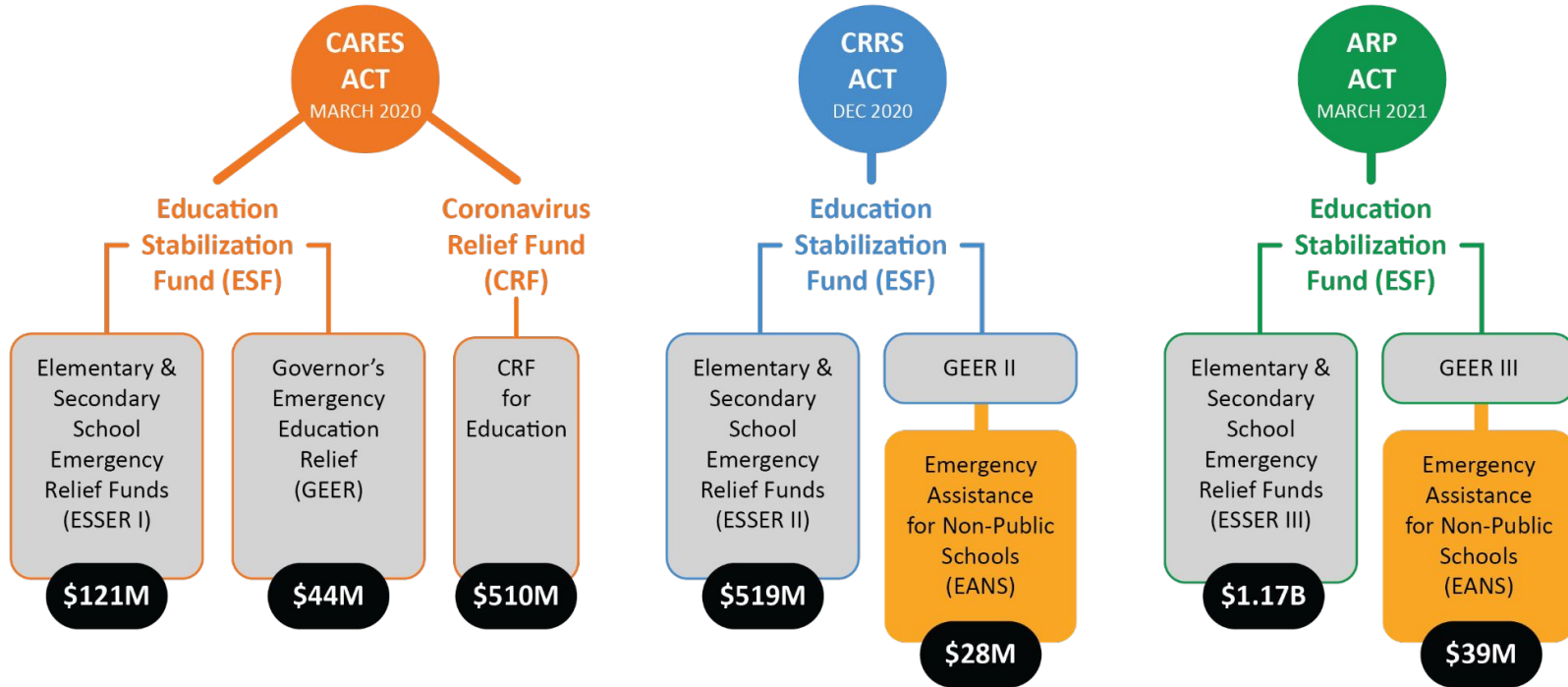- Allowable, Reasonable, and Allocable
- Guiding Questions

Applying for Funds
- ESSER I, II, & III Applications
- Additional Requirements Under ARP ESSER III
- Post Award Revisions (PAR)
- Timelines (ESSER I, II and III)
- Streamlined Reviews

Additional School Finance Topic
- Mill Levy Correction

Overview of Federal COVID Relief for K-12 Education

Additional Federal Money for Education

Individuals with Disabilities Education Act Funding ($41.5M)

Library Services and Technology Funds ($3.4M)

Funds to Support Homeless Children & Youth ($7.6M)

Emergency Costs for Child Nutrition Program ($9.9M)

Purpose of ESSERs

Overall Purpose of All ESSER Funds

To address the impact that COVID-19 has had on education

Priorities of Each ESSER Funding Stream

- **ESSER I – Crisis Response**
  - To provide schools, staff and students with the *technology and infrastructure to accommodate remote learning environments* caused by COVID-19.
- **ESSER II – Resuming/Sustaining In-Person**
  - To provide schools staff and students with the resources and equipment to *safely return to in-person learning* environments for students.
- **ESSER III – Recovery**
  - To support schools, educators and students with resources and programming that *address learning loss* caused by COVID 19 and remote learning environments.

ESSER I, II & III Awards

Topic	ESSER I (CARES Act)	ESSER II (CRRSA Act)	ESSER III (ARP Act)
Colorado Award	$120,993,782	$519,324,311	$1,167,153,961
2/3 Immediate*	NA	NA	$778,102,641
1/3 Delayed**	NA	NA	$389,051,320
LEA Award	90% direct allocation to LEAs		
90% to LEAs	$108,894,404	$467,391,880	$1,050,438,565
SEA Award	10% state reserve (up to .5% for administration)		
10% to CDE	$12,099,378	$51,932,431	$116,715,396
SEA Admin Max	No more than 0.5% of the total award		
CDE Admin	$604,969	$2,596,622	$5,835,770

*Grant Award for 2/3 of the state's allocation received on 3/24/21.
**States will receive remaining 1/3 of allocation after submitting to the U.S. Department of Education the state's plans for use of funds to safely reopen schools and meet the needs of students.

Total ESSER Funding

	ESSER I	ESSER II	ESSER III
Total State Allocation	$120,993,782	$519,324,311	$1,166,328,632
Allocation to Districts	90% of total funding through Title I formula $108,894,404 $120.81 per pupil	90% of total funding through Title I formula $467,391,880 $518.70 per pupil	90% of total funding through Title I formula $1,049,695,769 $1,164.93 per pupil
State Set Aside	9.5% of total funding $11,494,409	9.5% of total funding $49,335,810	9.5% of total funding $110,801,220
State Administrative Funds	0.5% of total funding $604,969	0.5% of total funding $2,596,622	0.5% of total funding $5,831,643
Funding Period	Through September 30, 2022	Through September 30, 2023	Through September 30, 2024

ESSER State Reserve (10%)

Grantees	ESSER I	ESSER II	ESSER III
Formula grants to BOCES with gaps in their special education funding: Any activity allowable under ESSER **in support of students w disabilities**	X	X	TBD
Formula grants to BOCES with brick-and-mortar schools: Any activity allowable under ESSER to **support the operation of the school**	X	X	TBD
Formula grants to Colorado Tribes: any activity allowable under ESSER	X	X	TBD
Formula grants to Districts with small or no allocation: any activity allowable under ESSER	X	X	TBD
Competitive grants for connectivity to districts, BOCES, and Tribes: **connectivity**	X		TBD
Formula grant to Colorado Digital BOCES for online courses: **online courses**	X		TBD
Formula grants to facility schools: any activity allowable under ESSER	X		TBD
Formula grants to districts with Native American students: any activity allowable under ESSER **in support of Native American students**	X	X	TBD
Formula grants to Administrative Units: any activity allowable under ESSER **in support of students with disabilities**		X	TBD

All ESSER-funded activities, including the above, must be reasonable and necessary to respond to, prepare for, or prevent the spread of COVID-19

ESSER III State Set Aside Stakeholder Engagement

The remaining funds to be allocated at the state level equates to approximately $132 million:

- We want to ensure we stop, think big and creatively, gather input, and use this funding to truly make a difference for our students in Colorado.

- Our top priority is to close the opportunity and achievement gaps that have been exacerbated by the pandemic.

In July, we had 9 listening sessions. In August, the stakeholder input will be shared with the State Board of Education. The State Plan is due to the US Department of Education at the end of August.

$58.3 M for evidenced based interventions to address learning loss	**$11.7 M** for summer programming	**$11.7 M** for after school programming	**$50.5 M** for other allowable activities in response to COVID-19

Allowable Uses of Funds

ESSER I, II, & III funds MUST be used to address the impact of COVID-19

Funded Activities must be ***Allowable, reasonable, and allocable***

Funds must be budgeted and obligated during the award period and fully spent prior to the end of the tydings period

Allowable Uses of Funds

Any activities allowed under *ESEA, IDEA,*

AEFLA, or Perkins CTE

Coordinating preparedness and response efforts with State, local, Tribal, and territorial public health departments

Training and professional development on *sanitizing and minimizing the spread of infectious diseases*

Purchasing *supplies* to sanitize and clean the LEA's facilities

Repairing and improving school facilities to reduce risk of virus transmission and exposure to environmental health hazards

Improving indoor air quality

Addressing the needs of children from low-income families, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth

Developing and implementing procedures and systems to *improve the preparedness and response efforts of LEA*

Allowable Uses (Cont.)

Planning for or implementing *activities during long-term closures*, including providing meals to eligible students and providing technology for online learning

Purchasing *educational technology* (including hardware, software, connectivity, assistive technology, and adaptive equipment) for students that aids in regular and substantive educational interaction between students and their classroom instructors

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*;

Addressing learning loss; and

Other activities that are necessary to *maintain operation of and continuity of services*, including continuing to employ existing or hiring new LEA and school staff

LEAs may also take their unrestricted indirect cost rate from any of the ESSER grants
https://www.cde.state.co.us/cdefinance/icrc

List of allowable activities:
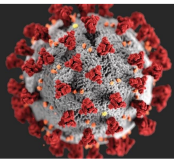**http://www.cde.state.co.us/caresact/crf-allowableexpenditures**

Reasonable and *Allocable* Uses of Funds

$ **Reasonable**

A prudent person would determine that the amount spent is reasonable
- Fair market value for the regions
- Based on period of use

COVID-19 RESPONSE **Allocable**

Necessary to respond to, prepare for, or prevent the spread of COVID-19

- What process was used to identify the needs of students, educators, and staff?

- What activities, supports, or services would help meet those needs the best?

- Are these activities/items listed as allowable under ESSER?

  - [CARES Act 18003(d); CRRSA 313(d)]

- How does this activity/item help prevent, prepare for, or respond to COVID-19?

- Is this a cost-effective way to do this work?

  - Would a prudent person say this was a reasonable expense?

  - What is the fair market value for this activity/item?

- Does this activity/item meet district policies?

- Does this activity/item meet state requirements?

- For capital expenditures, was prior written approval obtained?

- Is proper documentation in place to demonstrate the above in the event of monitoring or an audit?

Common Uses of ESSER Funds

Purchasing educational technology for students and staff, including both software and hardware

Remote learning supports including electronic media curriculum

Preparedness and response activities and supplies, including PPE and sanitation

Repairing/improving school facilities to reduce health hazards including air-filtration and ventilation

Mental health supports for students including counselors

Instructional support to counter learning loss, including curriculum purchases and intervention, e.g. tutoring and intervention staff
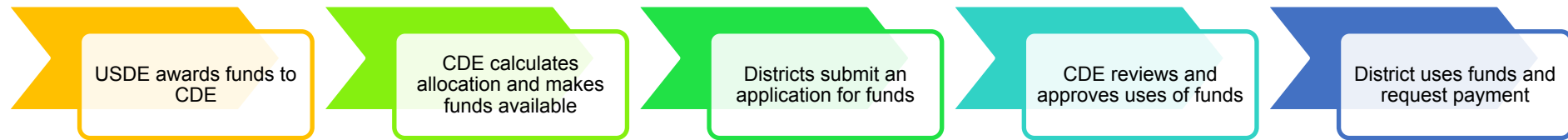
Summer learning and supplemental after-school programs

Augmenting staff salaries including extra duty pay or stipends for supplemental instructional time

Other activities that are necessary to maintain the operation and continuity of services including hazard pay for teaching in-person and salaries to maintain staff

Applying for Funds

Reimbursement Grants

| USDE awards funds to CDE | CDE calculates allocation and makes funds available | Districts submit an application for funds | CDE reviews and approves uses of funds | District uses funds and request payment |

Substantial Approval – can plan for and obligate funds
Final Approval – can draw down funds (request reimbursement)
- Must spend general or other funds and then request reimbursement

- ESSER I and II
  - A full application submitted by the due date (December 31, 2020 and September 30, 2021, respectively) = substantial approval
  - Spend and submit Request for Funds (RFF)

- ESSER III
  - Preliminary application – assurances, acceptance, and GEPA – May 23, 2021
  - LEA Plan – budget and responses to narrative questions – December 16, 2021
    - Can submit just narrative questions and then submit budget by March 24, 2022

Information in Each ESSER Application

Application Component	ESSER I	ESSER II	ARP ESSER III
Application Contacts • Authorized Representative • Fiscal Manager • Other	Required Optional NA	Required Optional Optional	Required Optional Optional
Non-Public Schools Participating in Services	Required	NA	NA
GEPA Statement – General Education Provisions Act	Required	Required	Required
Budget	Required	Required	Required
Set Aside for Evidence Based Interventions	NA	NA	Required
Safe In-Person Plans	NA	NA	Required
LEA Plan Describing Use of Funds	NA	NA	Required
Beneficiaries or Recipients of Services (Whole District/School or Portion)	NA	Required	Required

- ESSER I
  - https://www.cde.state.co.us/caresact/esserapplication
- ESSER II
  - https://www.cde.state.co.us/caresact/esser2application
- ESSER III
  - https://www.cde.state.co.us/caresact/esser3

- Resources
  - General Information regarding all federal stimulus funds
  - Information about each ESSER program
  - Allowable uses of funds for all ESSER program

ARP ESSER III – Additional Requirements

ARP ESSER III has three additional requirements that were not in ESSER I or II

Set Aside for Evidence-Based Interventions

- A minimum of **20%** set aside to provide evidence-based interventions to address the academic impact of lost instructional time (or impact of the pandemic)
- Evidence-based interventions (ESSA Section 8101(21)(A)) – Resources
  - Summer Learning Programs
  - Summer Enrichment Programs
  - Extended Day/School Year
  - Comprehensive afterschool programs

Safe Return/Remain In-Person Plan

- Mitigation strategies to ensure safety and health of students and staff
- Posted on LEA website within 30 days of award
- Must be updated every 6 months

LEA Plan for Use of Funds

- Use of at least 20% set aside
- Use of at most 80%
- Ensuring that evidence-based interventions are addressing the academic, social, emotional, and mental health needs of students

- LEAs may submit Post-Award Revisions after receiving final approval and recommended to do so for the following reasons:
  - Any changes to equipment purchases require program approval
  - To update indirect costs if the LEA:
    - Overrode the indirect amount allocated, or
    - Will now take the full indirect cost rate
  - To reflect changes in the project/program scope or objective, such as:
    - PD activities to purchasing Instructional materials
    - PD activities to hiring an Interventionist
  - Changes among direct cost programs (Instructional, Support, Improvement of Instructional Services, or Administrative) or object categories (Salaries, Benefits, etc.) that exceed, or are expected to exceed, 10% of the total budget for that category as last approved

Timelines Associated with ESSER I, II, and III

	ESSER I (CARES Act)	ESSER II (CRSSA Act)	ARP ESSER III (ARP Act)
Award Period	03/13/20 – 09/30/21	03/13/20 – 09/30/22	03/13/20 – 09/30/23
Tydings Period – all funds must be spent by	9/30/22	9/30/23	9/30/24
USDE Award to CDE	05/07/20	01/06/21	3/24/21
CDE Must Make Subgrants to LEAs (90%) – LEAs must have final approval on ESSER I and II and substantial approval on ESSER III	05/07/21 Final Approval	01/06/22 Final Approval	05/23/21 Substantial Approval
All awards must be final	05/07/21	01/06/22	03/24/22
LEA Applications Opened by CDE	05/31/20	02/12/21	4/27/21
Preliminary Application (T&A, assurances, GEPA) due	NA	NA	5/23/21
LEA Use of Funds Plan (budget in ESSER I & II; budget/narrative questions in ESSER III)	12/31/20	9/30/21	*12/16/21*
CDE Application Closed/Closes	12/31/20	09/30/21	03/24/22
PAR Open – Rolling Basis	Date of Final Approval	Date of Final Approval	Date of Final Approval
PAR Closes	06/30/21	06/30/22	06/30/23
Carryover Application Will Open (Unexpended Funds Carried Over to Next Year)	07/01/21	07/01/22	06/30/23
Carryover Application Will Close	06/30/22	06/30/23	06/30/24
Monthly Deadline for Requesting Funds (LEA's Request for Funds, RFF)	First Day of Month	First Day of month	First Day of Each Month
Deadline for Final Spending	09/30/22	09/30/23	9/30/24
Deadline for Final Draw Down of Funds (RFF)	October/November 2022	October/November 2023	October/November 2024

Request for Reimbursement

- Payment requests received by first of the month will be processed for payment that month.

- Formsite/RFF links can be found here:
  http://www.cde.state.co.us/cdefisgrant/requestforfundsforms

- Please refer to the Grants Fiscal website to see remaining balances of ESSA funds:
  http://www.cde.state.co.us/cdefisgrant/grant_distribution_reports

Cash Flow Needs

- CDE recognizes that districts may encounter cash flow issues related to ESSER
- We are investigating several possible solutions if / when these issues arise
- Please reach out if / when you are concerned about cash flow to:
  - Kate Bartlett, bartlett_k@cde.state.co.us and
  - DeLilah Collins, collins_d@cde.state.co.us
- The best hedges against cash flow issues are:
  - For approved applications, draw down funds regularly!
  - Submit your application and partner with us to get it to final approval as quickly as possible so that you can begin to request reimbursement

ESSER Reviews: Feedback & Streamlining

Feedback we have received
- Timeliness of response
- Level of detail required
- Consistency of response

Impacts
- Delays in review, extensive back and forth, then delay implementation of the strategies
- Delays in final approval, GALs are starting to cause cash flow issues
- Inconsistency in response causes frustration

Actions we are taking toward solutions
- Reduction in level of detail and feedback required during reviews, particularly in the areas of program code and object code
- Clarification and simplification for review teams on how to determine "reasonableness" of a budget line in different categories. Example: software
- Shifting some feedback from needing to be addressed before final approval, toward an ability to address during post award revision
- Continued and expanded development of consistent responses for reviewers to include when providing feedback
- Development of standardized budget entries for various common activities

June 2020:   HB20-1418 signed (see Section 33). Required districts to levy the number of mills specified by the requirements in the bill, including the establishment of temporary tax credits, if necessary, to correct historical errors.

December 2020: If required, districts included temporary tax credits when certifying property tax mills related to the local share of total program for the 2020 tax year.

March 2021:   HB21-1164 introduced. Required CDE to implement a correction plan for districts with temporary tax credits. Specifically, the plan must ensure that districts incrementally reduce the temporary tax credits "as quickly as possible but by no more than one mill each property tax year," beginning in the 2021 tax year.

May 2021:   Colorado Supreme Court ruled in an interrogatory that HB21-1164 is constitutional.

June 2021:   HB21-1164 signed into law.

Confirmation of Mill Levy Tax Credits

- CDE is following up with individual districts to confirm the mill levy credit, including supporting documentation for the tax credit.
- Districts have been asked to consider submitting a copy of their documentation to schoolfinance@cde.state.co.us by October 15

Correction Plan Subcommittee

CDE has formed a stakeholder group to advise the department on the development of the correction plan. If you would like to participate, please let us know.

Communication Support

Districts with temporary tax credits begin to ratchet them down in the December 2021 mill levy certification

District A has a mill levy target of 27 mills based on the requirements of HB20-1418. In 2020, it was levying 25.0 mills. Taxpayers in District A will see the following changes in their property taxes for the local share of Total Program:

2020 Tax Year:	25.0 mills, 2 temporary tax credits
2021 Tax Year:	26.0 mills, 1 temporary tax credit
2022 Tax Year:	27.0 mills, 0 temporary tax credits
2023 Tax Year on:	27.0 mills

Any Remaining Questions?

Requests for Future Topics?

CDE Team Contact Information

ESSER

- Nazie Mohajeri-Nelson, Director of ESEA Office (mohajeri-nelson_n@cde.state.co.us)

- DeLilah Collins, Assistant Director of ESEA Office (collins_d@cde.state.co.us)

Fiscal Experts

- Jennifer Okes, Chief Operating Officer (okes_j@cde.state.co.us)

- Kate Bartlett, Executive Director of School District Operations (Bartlett_k@cde.state.co.us)

- Jennifer Austin, Director of Grants Fiscal Management (Austin_j@cde.state.co.us)

- Robert Hawkins, Grants Fiscal Analyst (Hawkins_s@cde.state.co.us)

- Steven Kaleda, Grants Fiscal Analyst (Kaleda_s@cde.state.co.us)