

#LATEACHERLEADERS



SUMMIT 2023

ACCELERATE TO SUCCESS



ESSER: Planning for a Successful Harvest

Objectives

- Participants will share successes and common challenges addressed with ESSER funding.
- Participants will develop an understanding of ESSER funding drawdowns, closeout and sustainability.
- Participants will leave the session with fiscal strategies to ensure they reap the benefits of receiving ESSER funding.

Agenda

- ESSER Funding
 - Construction/Renovation Projects
 - Drawdown
 - Release of ESSER II Funds
 - Late Liquidation
 - Monitoring
- Periodic Expenditure Reports
- Sustainability

Thoughts . . .

- Since receiving Pandemics funding, what has been the most rewarding accomplishments using this funding?
- What has been the most concerning or problematic aspects of of the Pandemic funding?



ESSER Funding



Construction/Renovation Projects

ESSER II and III - Construction

Construction is authorized under Title VII of the ESEA (Impact Aid) and therefore is an allowable use of GEER and ESSER funds under sections 18002(c)(3) and 18003(d)(1) of the CARES Act, sections 312(c)(3) and 313(d)(1) of the CRRSA Act, and section 2001(e)(2) of the ARP Act.

The broad Impact Aid definition of “construction” includes new construction as well as remodeling, alterations, renovations, and repairs under which many activities related to COVID-19 would likely fall.

Note: ED discourages LEAs from using ESSER and GEER funds for new construction because

- may limit an LEA’s ability to support other essential needs or initiatives.
- Remodeling, renovation, and new construction are often time-consuming
- Subject to a number of additional Federal requirements

ESSER II and III - Construction

While construction is generally allowable, it is the responsibility of a Governor, SEA, LEA, or other subgrantee to assure that individual costs:

- comply with the Cost Principles in 2 CFR Part 200, subpart E (e.g., the cost must be “necessary and reasonable” (2 CFR §§ 200.403-200.404));
- meet the overall purpose of the CARES Act, CRRSA Act, or ARP Act programs, which is “to prevent, prepare for, and respond to” COVID-19; and
- are consistent with the proper and efficient administration of those programs.

Under these general principles, any construction activities, including renovations or remodeling, that are necessary for an LEA to prevent, prepare for, and respond to COVID-19 could be permissible, though the burden remains on grantees and subgrantees to maintain the appropriate documentation that supports the expenditure.

ESSER II and III - Construction

As noted above, an LEA using ESSER or GEER funds for remodeling, renovation, and new construction must comply with additional federal requirements.

- require prior written approval by an LEA's Governor or SEA
- must comply with
 - applicable Uniform Guidance requirements,
 - [Davis-Bacon](#) prevailing wage requirements , and
 - all of the Department's applicable regulations regarding construction at [34 CFR §§ 76.600](#) and [75.600-75.618](#)



Construction Monitoring Preparation

Construction/Renovation Monitoring

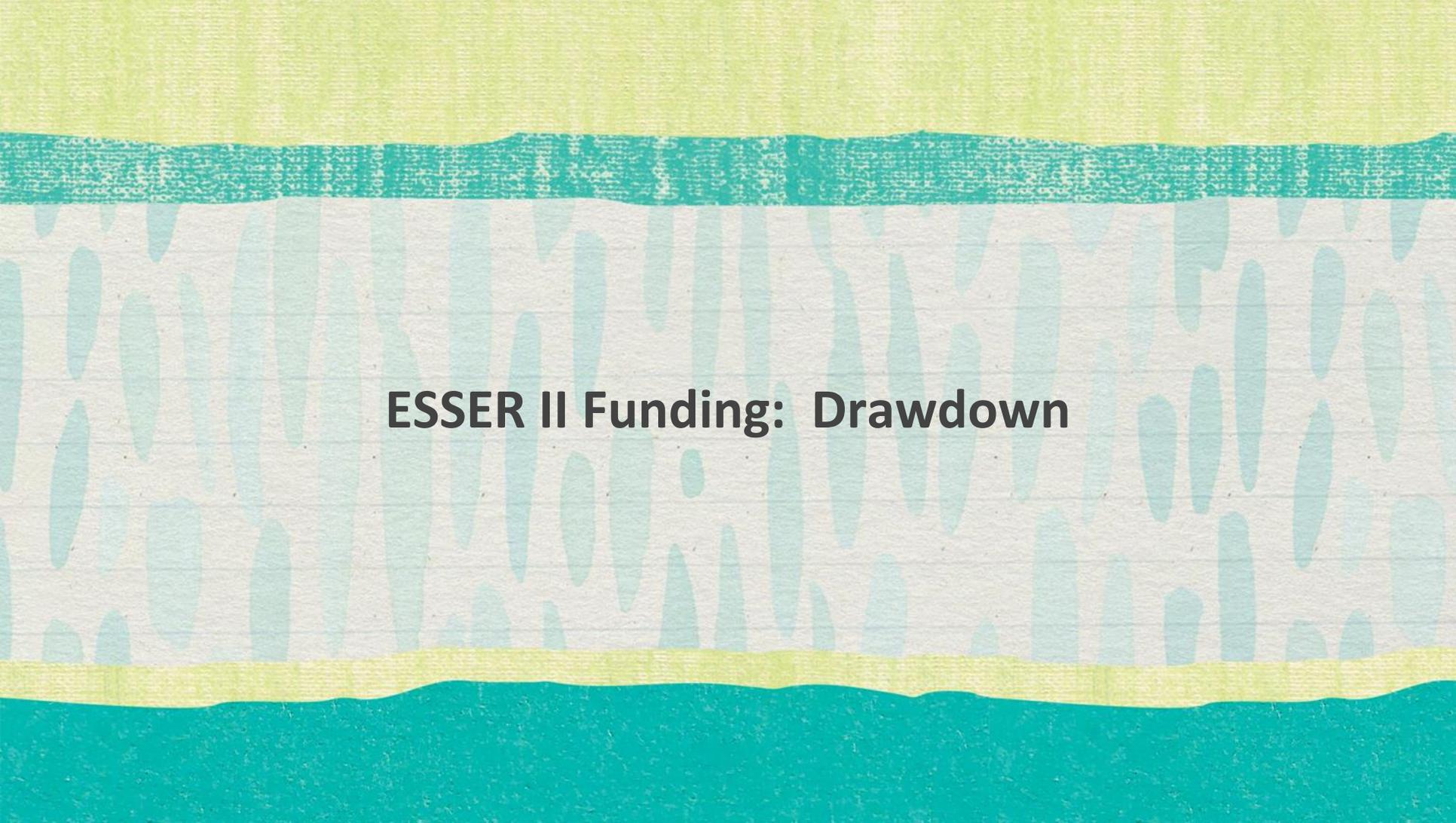
Supporting documentation:

- Copies of consultation with governmental agencies, architecture plans with building permits, and historic & environmental surveys
- Copies of Title & rental and insurance paperwork
- Plans for Maintenance of Operations
- Relevant RFP and solicitation documentation

Construction/Renovation Monitoring

Supporting documentation:

- Description of process for ensuring compliance with statutory and regulatory requirements when using ESSER funds for construction purposes.
- Copies of relevant contracts showing wage agreements.
- Written statements from contractors and accompanying documentation indicating research and compliance with prevailing wages in reference to payments of contractors and subcontractors (e.g., payment ledgers, prevailing wages scale for the area)



ESSER II Funding: Drawdown

ESSER II: Drawdown

ESSER II Funding Availability: 1/5/2021 - 9/30/23

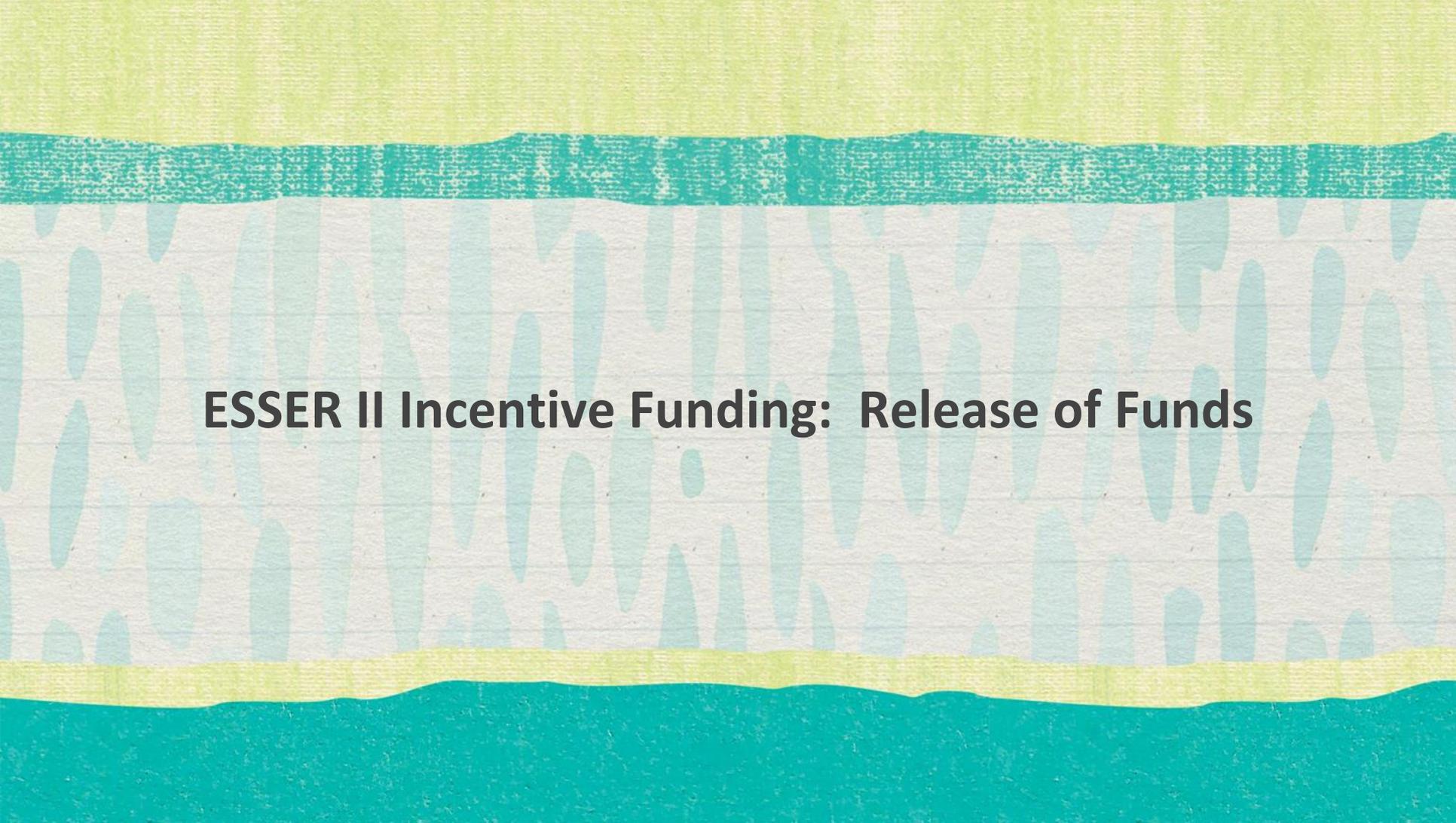
- Note: Pre-awards costs are allowable for expenses incurred from March 13, 2020.

Drawdown

- Any remaining balance in Formula, Incentive, and/or School Choice will be reverted to ED
- Begin assessing the amount of funding left for drawdown and planned expenditures through 9/30/23
- If there appears to be funding that will be unexpended:
 - Amend the Achieve! in order to be in a posture to submit claims on or before November 15, 2023
 - Review any ESSER III expenditures that have not yet been reimbursed that could be coded back to ESSER II funding

Thoughts . . .

- As we look toward closeout of the Pandemics funding, what are some immediate concerns you have?



ESSER II Incentive Funding: Release of Funds

ESSER II: Release of Funds

New Tab: Release of Funds

- Release of Funds tab made available on Friday, April 28, 2023.
- Release of Funds tab only applies to ESSER II Incentive and ESSER II School Choice funding.

When to use the Release of funds

- If an LEA has incentive funds that will not be expended on or before September 30, 2023

Deadline to Release Funds: August 4, 2023

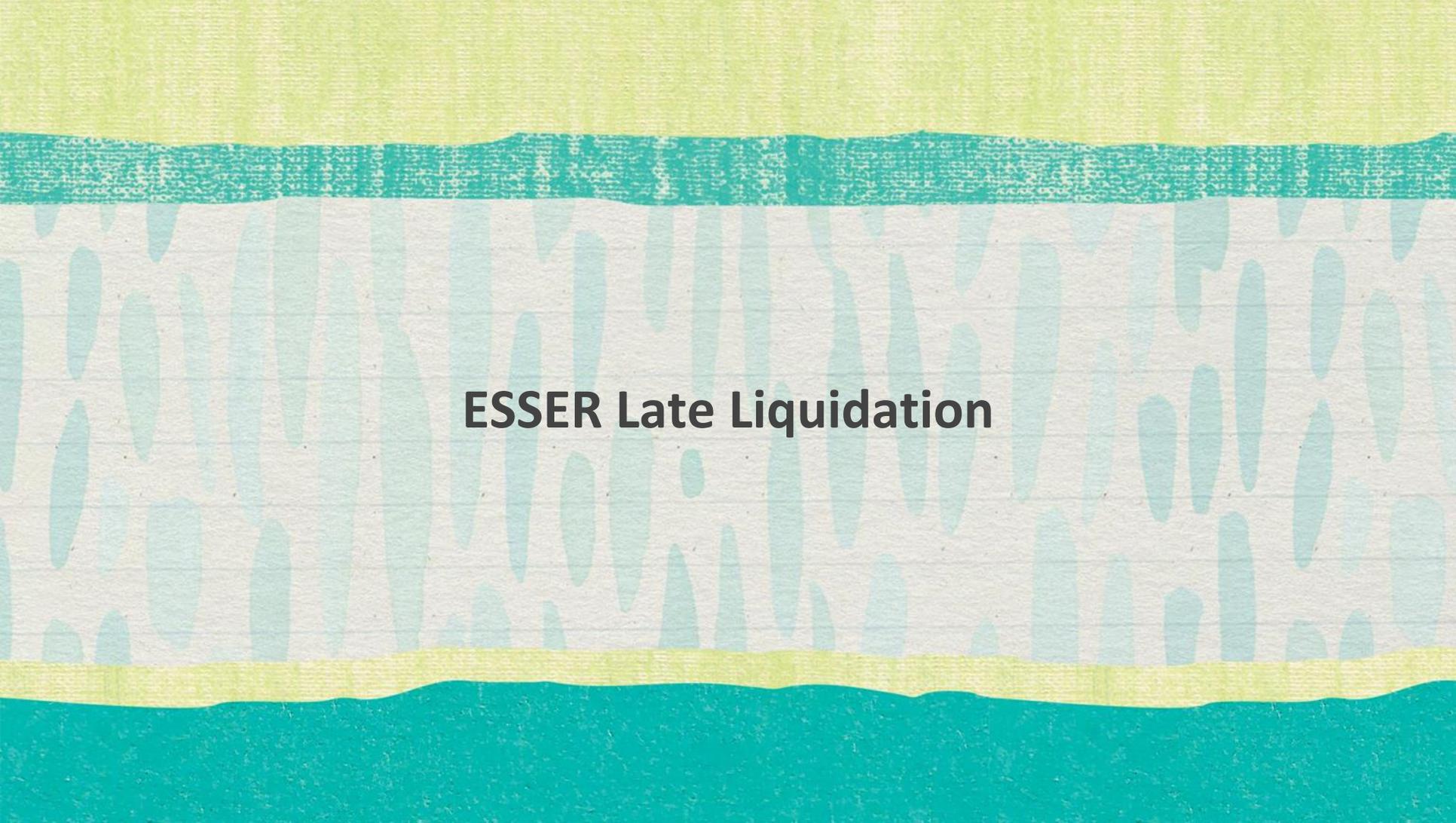
Note: If the Achieve application is in an “Approved” posture, an amendment will need to be created to utilize the Release of Funds page.

ESSER II: Release of Funds

Process for Release of Funds:

- LEA creates an amendment, completes the Release of Funds page indicating the amount to be released, and submits the amendment for approval. (Funding is not automatically removed from Allocations page.)
- On or before August 11, 2023, the reduction of funds indicated by the LEA will be completed in eGMS.
- LEA will create an amendment to adjust the budget detail and submit for approval.

Overview	Release of Funds	Allocations	GEPA Requirement	Re
Release of Funds to LDOE				
ESSER II Incentive Funding				
ESSER II Incentive Allocation			15,900	
Amount to be Released to LDOE				
ESSER II Incentive Adjusted Allocation				
ESSER II SC Funding				
ESSER II SC Allocation			0	
Amount to be Released to LDOE				
ESSER II SC Adjusted Allocation				



ESSER Late Liquidation

ESSER Late Liquidation

Each of the three ESSER grants – CARES ESSER, CRRSA ESSER and ARP ESSER – has two distinct timelines:

- An **obligation period**, during which SEAs and LEAs can:
 - Enter into contracts that will be paid with ESSER funds,
 - Have employees work on ESSER activities, and
 - Take other actions described in [federal regulations](#).
 - A **liquidation period**, during which SEAs can draw down ESSER funds from ED to pay off expenses incurred during the obligation period.

ESSER Late Liquidation

ESSER's obligation periods, including the "Tydings Period" which gives most ED programs one-additional year to obligate funds, ended/end on:

- September 30, 2022, for CARES ESSER,
- September 30, 2023, for CRRSA ESSER, and
- September 30, 2024, for ARP ESSER.
- These ESSER obligation deadlines cannot be extended except by Congress.

ESSER's liquidation periods ended/end on:

- January 28, 2022, for CARES ESSER (which fell on a weekend, so ED permitted drawdowns through January 30, 2023),
- January 28, 2024, for CRRSA ESSER, and
- January 28, 2025, for ARP ESSER
- These ESSER liquidation deadlines can be extended by ED at its discretion.

ESSER Late Liquidation

How Long Can ESSER-Funded Services Continue?

- Commonly been understood that **grant funded services may only occur during the obligation period**, also known as the period of availability or period of performance.
 - An [OMB regulation](#) requires that expenses paid with federal grant funds be incurred during the grant's budget period.
 - OMB rules require services be delivered only during the obligation period is reflected in audits conducted by ED's Office of Inspector General (OIG) of a COVID relief program for higher education.

ESSER Late Liquidation

How Long Can ESSER-Funded Services Continue?

- ED's [ESSER and GEER guidance](#), however, advises that ESSER-funded services can continue for up to four additional years beyond the end of the obligation period.
- It is not clear to what extent this guidance can be relied on because it does not address the OMB regulation and related audit findings mentioned above.
- ED's guidance suggests it is up to SEAs to determine whether services can continue since ESSER is a state-administered program, but this is an issue of federal law that SEAs do not have authority over.
- This is an issue OMB should address since it involves an OMB regulation and has implications beyond ESSER or ED. For example, there have been recent Single Audit findings for services delivered outside the period of performance.

ESSER Late Liquidation

Extending the Liquidation Period:

- Assuming it is permissible to extend the service delivery period beyond the obligation deadline (but see unresolved concerns above), extending the liquidation period would be the soundest way to pay for extended services.
- It would permit SEAs and LEAs to maintain control of ESSER funds so they only pay for services that are actually provided.

ESSER Late Liquidation

Extending the Liquidation Period:

ED's current process for extending the liquidation period is infeasible for many reasons:

- ED will only consider extensions on a transaction-by-transaction basis,
- ED will only consider extension requests close to the end of the obligation period - cannot rely on getting an extension from ED when planning ESSER services,
- ED does not consider wanting more time to perform services to be a valid reason for requesting an extension, and

ESSER Late Liquidation

Extending the Liquidation Period:

- ED requires SEAs to attest to a variety of things when submitting an extension request, including on behalf of its LEAs, including (but not limited to):
 - All activities and services are allowable and were properly obligated.
 - Sufficient supporting documentation has been collected and is available and on file with the SEA.
 - LEAs covered by the extension request are “low-risk based on a review of data.”

ESSER Late Liquidation

Extending the Liquidation Period:

- This process is not required by [OMB regulations](#), but it does make it difficult for SEAs and LEAs to plan in advance for extended services.
 - For example, state and local procurement rules often require SEAs and LEAs to identify in the contract which funding sources will pay for the services. In those cases, SEAs and LEAs could not contract for services that extend beyond their access to ESSER funds. (There are other procurement and related barriers to consider.)

ESSER Late Liquidation

Prepaying for ESSER Services:

- ED's ESSER guidance advises that SEAs may, in certain circumstances, permit prepayment of services that will continue after the liquidation period ends, so long as the contract is entered into before the obligation deadline.
 - ED notes, however, this is neither "good stewardship" of funds nor "prudent practice." ED also warns that SEAs must consider, among other things, potential internal control and procurement issues.
- Whether or not prepayment is a reasonable option given the risks of paying for services before they are provided, ED's guidance raises a direct conflict for SEAs:
 - On the one hand, ED's guidance says an SEA could choose to permit an LEA to prepay for a multiyear software license that continues after ESSER ends

ESSER Late Liquidation

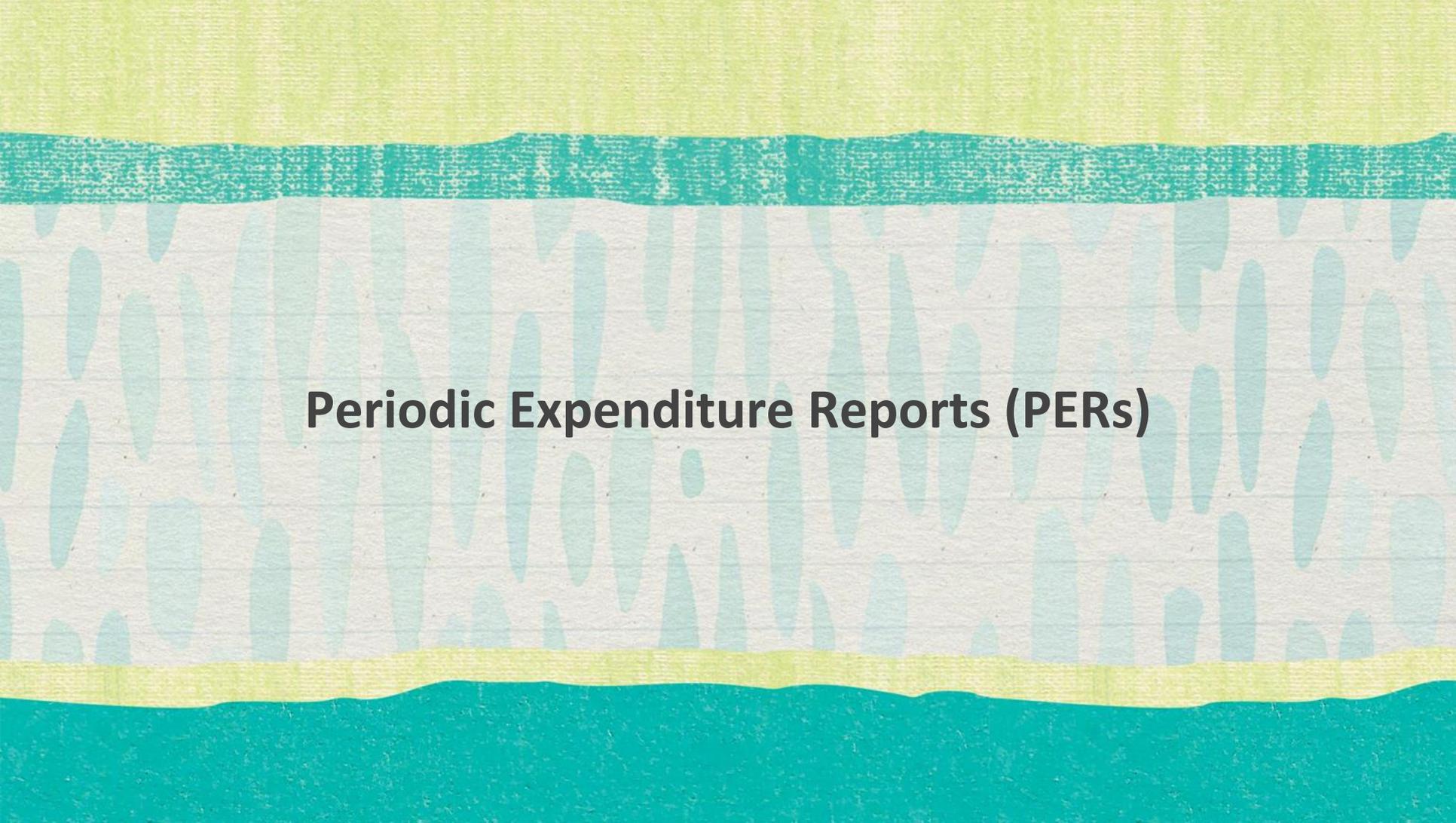
Prepaying for ESSER Services:

- On the other hand, this is a scenario ED's OIG has specifically said is unallowable. In citing an institution of higher education for prepaying for a multiyear license, OIG said:
 - *It is critical that grantees not prepay costs that extend beyond the grant performance period. Properly allocating costs to the grant performance period helps to protect taxpayer dollars; minimize the risk of fraud, waste, and abuse; and ensure Federal funds are used for allowable and intended purposes. (p. 23 of [this PDF](#))*
- ED's guidance is not binding and is no guarantee against audit or other enforcement action.

ESSER Late Liquidation

LDOE's Position on Late Liquidation:

- Based on the information currently available, LDOE will only request Late Liquidation of ESSER funds for LEAs that need more time to submit claims for expenditures for goods/services provided within the period of availability.



Periodic Expenditure Reports (PERs)

Periodic Expenditure Reports

How does PER Submission support ED requirements for Federal Funding?

- Program implementation protocols
- Data Reporting for federal funds
- Used to calculate carryover funding
- Title I Excess Funds/District notification of Title I Waiver
- Dashboard updates for Transparency
- Late liquidation application decisions

Note: The process used by the 9/30 PER for calculating carryover should be used with non-public funding.

PERs & Reimbursement Claims

PER Submission

- Are PERs being submitted on or before deadline?
- Is there a pattern of late submission or lack of submission of PERS?

PER Submission Deadlines

- **3/31**
- **6/30**
- **9/30**
- **12/31**

Reimbursement Claims:

- Is funding being drawn down in a timely manner?
- Is there a pattern of funding only being drawn down at the end of the grant cycle?
- Does your school system average at least one reimbursement claim per quarter?

Periodic Expenditure Report Non-Compliance

Proposed Next Steps:

- January 2023: Received Stakeholder Feedback
- March 31, 2023 PER: Notifications began.
 - Notifications will be sent on a weekly basis until the delinquent PER is submitted.
- Timeline: January 2024
 - Conditions will be added to individual LEA GANs as indicated by lack of adherence to submission of PERs and Reimbursement Claims guidelines

Resources for Periodic Expenditure Reports

TRAINING

5) Use the reviewer comments as a guide for making changes or corrections.

Tips & Reminders: Preparing the Periodic Expense Report (PER)

- 1) From the GMS Select page, go to the chosen Application and select Payments.
- 2) View Reimbursement Requests/Expenditure Reports.
- 3) Select Create Expense Report.
- 4) View the Expenditure/Obligation Summary (1st tab).
- 5) On the Expenditure/Obligation by EIC page (2nd tab), enter the amount of the expense(s). Press the Save Page button to retain the entered information.
- 6) On the Certification page (3rd tab), certify the report by checking on the Certification of Report button. Save the page.

ACCOUNT INFORMATION

[eGMS Login Page](#)

[FSGR Library](#)

[eGMS 102](#)

- Provides instructions on completion of PERs



Sustainability

ESSER II and III Program Completion Considerations

- School Systems Identifying ESSER programs that are effective
- Sustainability - Use of entitlement funding (i.e. Title I, Title IV Part A, etc.)
- Projects and program completion within required timelines (i.e. construction/renovations, online subscriptions ending)
- School systems making Achieve! Application budget shifts to ensure funds are obligated within the required timelines. (i.e. transferring ESSER III expenditures to ESSER II).

Sustainability

How does the district sustain effective programs after the availability of ESSER funds?

- Ensure alignment of district's needs across all federal programs
- Identify federal program with similar purpose
- Reassess activities effectiveness of existing programs
- Align federal funds to only support the prioritized needs of the district

Braided Funding

Benefits

- No statutory authority required
 - Allows you to leverage funding from multiple sources to complete projects/programs that could otherwise not occur
- ## Challenges

- Each funding stream maintains its identity including eligibility criteria and scope of authorized activities
- Supplement not supplant requirements
- Clearly document allocability
- Loss of “ownership” / “territory”

Braided Funding

Step 1

Create a braided project plan. (Include program administrators from the programs utilized.)



Step 2

Develop a budget for the project that shows the share of funds provided from each contributing program.



Step 3

Monitor accountability, outputs and outcomes for each program that contributes to the project.

Braided Funding

Questions to Consider

- **Can we clearly articulate the scope of the project and how each program will contribute?**
 - Determine whether this is a new project or program or whether the goal is to expand the scope of an existing project.
 - Articulate how braiding funds would help accomplish what you want to achieve.
 - Address long term sustainability, as applicable.

Braided Funding

Questions to Consider

- **Have we verified that sufficient resources will be available to accomplish our goals?**
 - Requires clear budgets.
 - Documentation demonstrating that funding is available to accomplish and complete the program.
 - Verification each program contribution is allowable.
 - Clearly identify how any matching or in-kind services required will be met and documented.

Braided Funding

Questions to Consider

- **Have we identified potential barriers or challenges to implementation and determined how we can overcome them?**
 - Does the entity have the financial capability to track the braided funding?
 - Each program should clarify all limitations on funding or allowable uses.
 - Administrative caps, allowable use limitations, supplanting, etc.
 - Inevitably adjustments will need to be made, it must be clear how adjustments must occur

Braided Funding

Questions to Consider

- **How do we demonstrate project completion/goals have been met?**
 - Make sure all programs understand and agree to common goals and how success will be measured.
 - Agree how the project will be overseen and resources tracked.

Closing

- Participants evaluate and plan for the ESSER II closeout.
- Participants look toward next steps for ESSER III closeout.
- Participants being in the process of developing plans for sustainability.

Contact Information

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Thank you