

Legislative Interim Committee on School Finance

ESSER COVID Recovery Funding for Education Update

August 30, 2022

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Today's Purpose and Agenda

PURPOSE

To provide an update on ESSER funds that have been used by Colorado school districts to assist with COVID response and recovery.

AGENDA

- Overview of funding
- Spending to date
- Uses of funds
- Monitoring & reporting
- Questions

Overview of Federal Funding

Overall Purpose of All ESSER Funds

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

Priorities of Each ESSER Funding Stream

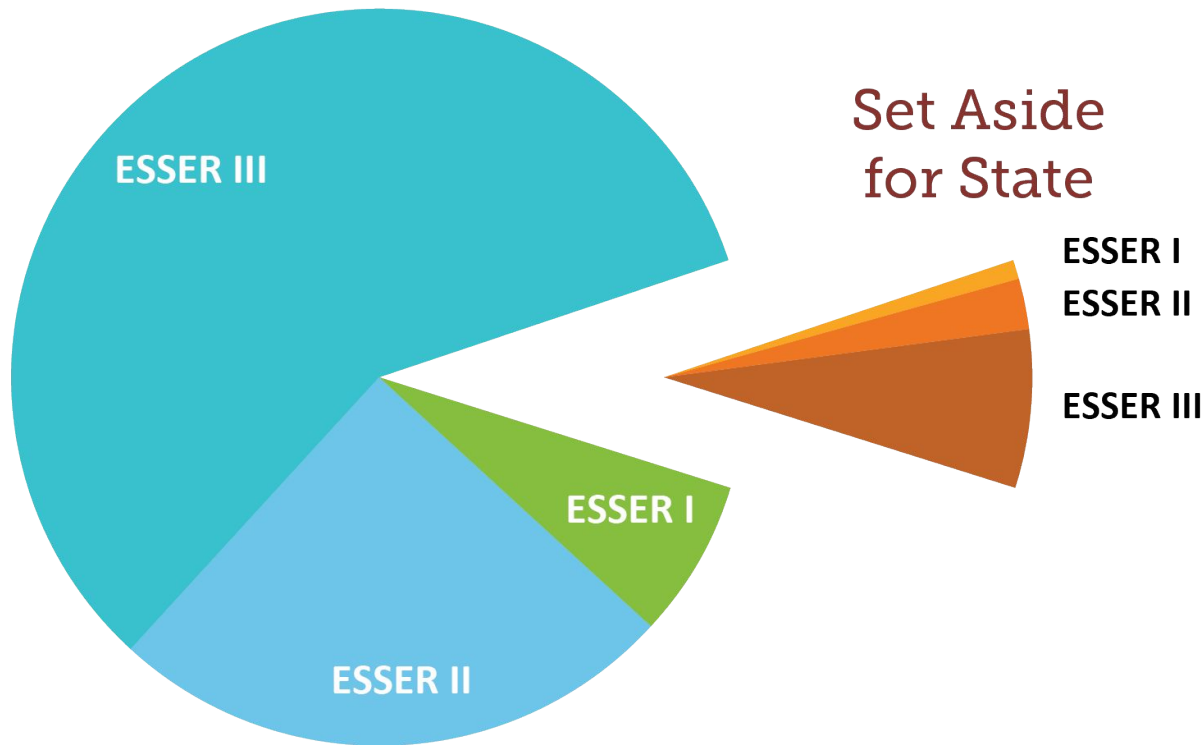
- **CARES Act: ESSER I – Crisis Response**
 - To provide schools, staff and students with the *technology and infrastructure to accommodate remote learning environments* caused by COVID-19.
- **CRRS Act: ESSER II – Resuming/Sustaining In-Person Instruction**
 - To provide schools staff and students with the resources and equipment to *safely return to in-person learning* environments for students.
- **ARP Act: 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.

Total ESSER Funding

	ESSER I (CARES Act) March 2020	ESSER II (CRRS Act) December 2020	ESSER III (ARP Act) March 2021
Total State Allocation	\$120,993,782	\$519,324,311	\$1,167,153,961
Allocation to LEAs	\$108,894,404 \$120.81 per pupil 90% of total funding Title I formula	\$467,391,880 \$518.70 per pupil 90% of total funding Title I formula	\$1,050,438,565 \$1,164.93 per pupil 90% of total funding Title I formula
State Reserve	\$12,099,378 10% of total funding (0.5% for admin)	\$51,932,431 10% of total funding (0.5% for admin)	\$116,715,396 10% of total funding (0.5% for admin)
Funding Period	Through Sept. 30, 2022	Through Sept. 30, 2023	Through Sept. 30, 2024

Total ESSER Funding

Funding Direct to Districts



**LEA 90% ESSER
Funding \$1.6 Billion**

**State ESSER Funding
\$180 Million**

**Total ESSER Funding
\$1.8 Billion**

ESSER Funding Directly to Districts



ESSER I:
~\$109M
90% Allocation



- Applications due December 31, 2020
- Funds must be spent by **September 30, 2022**

ESSER II:
~\$467M
90% Allocation



- Applications due September 30, 2021
- Funds must be spent by **September 30, 2023**

ESSER III:
~\$1B
90% Allocation*



- Applications due due March 24, 2022
- Funds must be spent by **September 30, 2024**

*At least 20% of ESSER III funding must be used to address the learning impacts of COVID-19 through interventions, summer programming, and after-school opportunities

ESSER State Set Aside Funds (9.5%)

ESSER I & ESSER II



ESSER I: \$11.5 Million

**Supplemental
Funding
(~\$3.1 M)**

**Statewide
Capacity Building
(~\$5 M)**

**Expand Learning
Opportunities
(~\$2.2 M)**

**Provide
Broadband
(~\$1.3 M)**

ESSER II: \$49.3 Million

**Supplemental
Funding
(~\$16.8 M)**

**Expand Learning
Opportunities
(~\$10.5 M)**

**High Impact
Tutoring
(~\$6.4 M)**

**Integrated Data
Systems
(~\$6 M)**

**Educator
Workforce
Supports
(~\$3.8 M)**

**Other Allowable
Uses
(~\$5.7 M)**

ESSER State Set Aside Funds (9.5%)

ESSER III



ACADEMIC ACCELERATION

- Tutoring / Before & After School Programs
- **Supplemental Funding**
- EASI Grant
- Curricular/Instructional Materials
- Ed Workforce
- Professional Learning

~\$76
Million

ENGAGE & EXPAND LEARNING

- Before & After School Programs
- Academic Enrichment
- Rural Coaction
- Technical Assistance

~\$29
Million

STRENGTHEN STATE CAPACITY

- Integrated Data Systems
- Data & Evaluation

~\$5
Million



Additional Federal Funds for Education

Governor's
Emergency
Education
Relief
(~\$44M)



Included in
the first
stimulus bill

Coronavirus
Relief Funds for
Education
(~\$550M)



Included in
the first
stimulus bill

Emergency
Assistance for
Non-Public
Schools
(~\$57M)



Funding available
for non-public
schools in the
second and third
stimulus bills

Additional Federal Funds for Education

Individuals with
Disabilities
Education Act
Funding
(\$41.5M)



Library Services
and Technology
Funds
(\$3.7M)



Funds to Support
Homeless
Children & Youth
(\$11.9M)



Emergency
Costs for Child
Nutrition
Program
(\$9.9M)



Included in the third stimulus bill

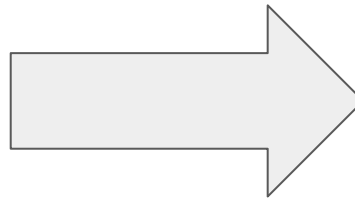
Included in
a separate
stimulus bill

Spending to Date

Total ESSER Allocations Snapshot

- Colorado school districts have received **\$1.63 billion** from the 90% formula allocations of ESSER Federal COVID recovery funds to be spent for allowable uses between March 2020 and September 2024
 - *To put that in perspective, the total school finance (local and state share) allocation for 2022-2023 is projected to be \$8.42 billion*
- Total ESSER I, II & III 90% allocations to districts range from:

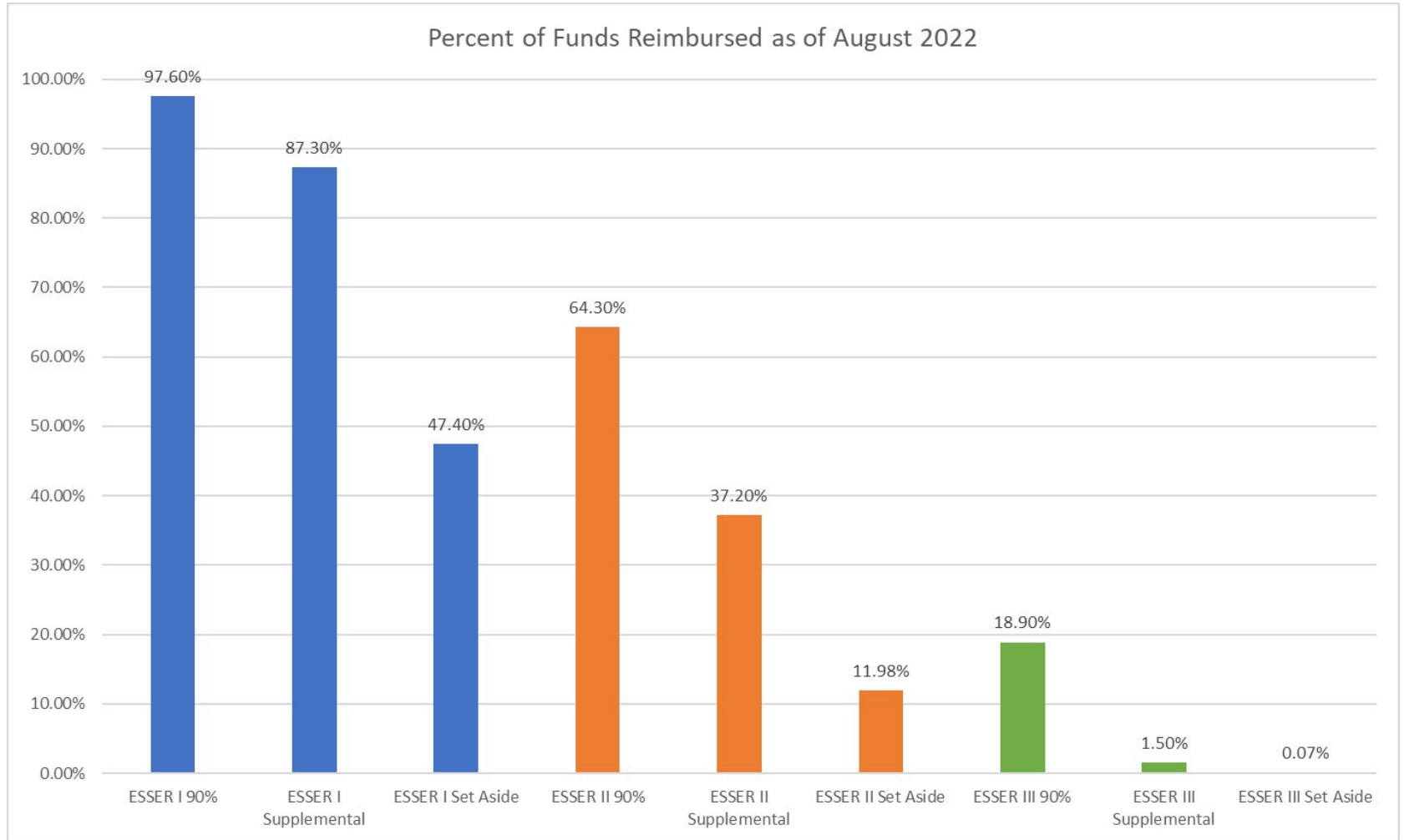
**\$9,605 total
allocation**
(58 funded pupils)



**\$325,729,033 total
allocation**
(89,410 funded pupils)

- The average district ESSER total allocation is **\$9.08 million**

Reimbursements to Date



Uses of Funds

Allowable Uses of District ESSER Funding

ESSER I	ESSER II	ESSER III
<p style="text-align: center;">Addressing the impact of COVID-19 on schools, such as:</p> <ul style="list-style-type: none"> ● Coordination with public health departments ● Purchasing educational technology ● Planning for long term closures ● Training and supplies for sanitation ● Mental health support ● Summer school and afterschool programs ● Funds for principals to address local needs ● Other activities to continue school operations and employment of existing staff 	<p style="text-align: center;">Same as ESSER I with emphasis on:</p> <ul style="list-style-type: none"> ● Addressing learning loss ● School facility repairs and improvements ● Other activities that are necessary to maintain the operation of schools 	<p style="text-align: center;">Same as ESSER I with a requirement to direct at least 20% of funding to address the learning impacts of COVID-19 through interventions</p>

All ESSER funds may be used for activities allowable under ESEA, IDEA, the Adult Education and Family Literacy Act, the Perkins CTE Act, or the McKinney-Vento Homeless Assistance Act, in response to COVID-19.

Top 10 Budgeted Uses of Funds



Totalling ESSER I, II and III, these are the top 12 budgeted uses of funds as of August 2022*:

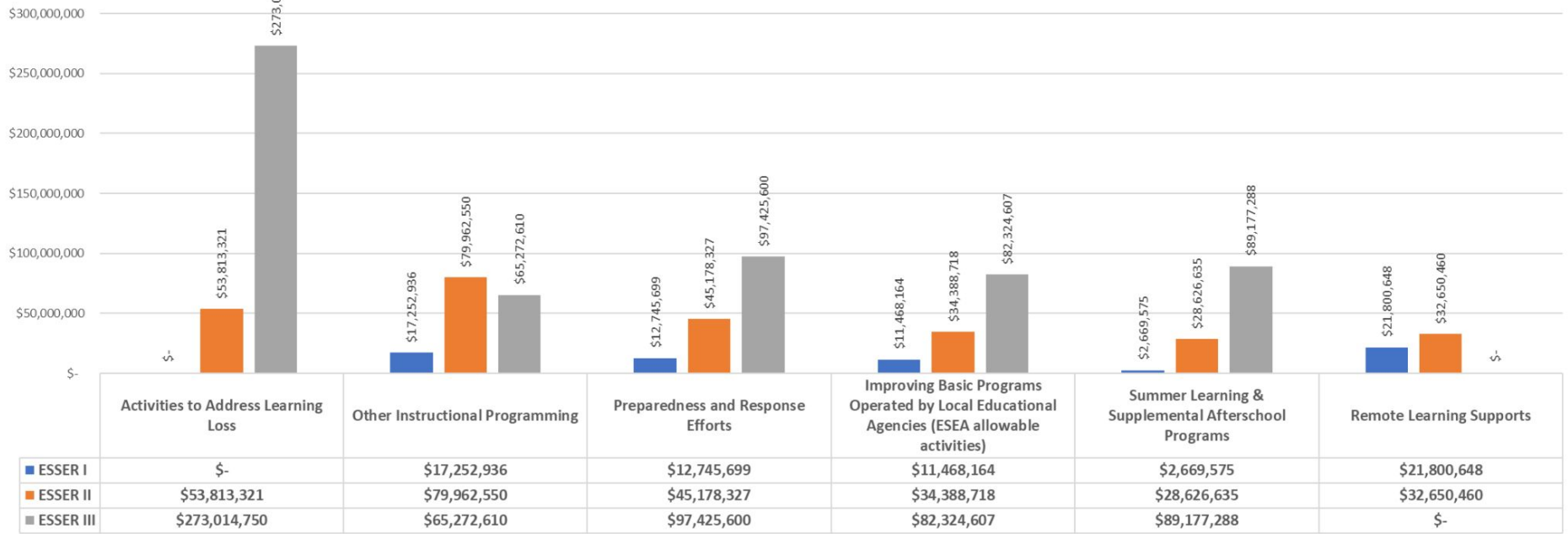
Category	Total Budgeted - ESSER I, II, III	% of Overall Total Budgeted
Activities to Address Learning Loss	\$ 326,828,071	21%
Other Instructional Programming	\$ 162,488,096	11%
Preparedness and Response Efforts	\$ 155,349,626	10%
Improving Basic Programs Operated by Local Educational Agencies (ESEA allowable activities)	\$ 128,181,488	8%
Summer Learning & Supplemental Afterschool Programs	\$ 120,473,498	8%
Other Support Programs	\$ 101,100,604	7%
Improving Indoor Air Quality	\$ 97,245,324	6%
Educational Technology	\$ 78,214,258	5%
Facility Repairs and Improvements	\$ 73,045,597	5%
Other Administration Activities	\$ 66,336,215	4%
Mental Health Services & Supports	\$ 65,974,683	4%
Remote Learning Supports	\$ 54,451,109	4%

*budgeted uses of funds for ESSER 90% and supplemental allocations; does not include set-aside grants or indirect costs



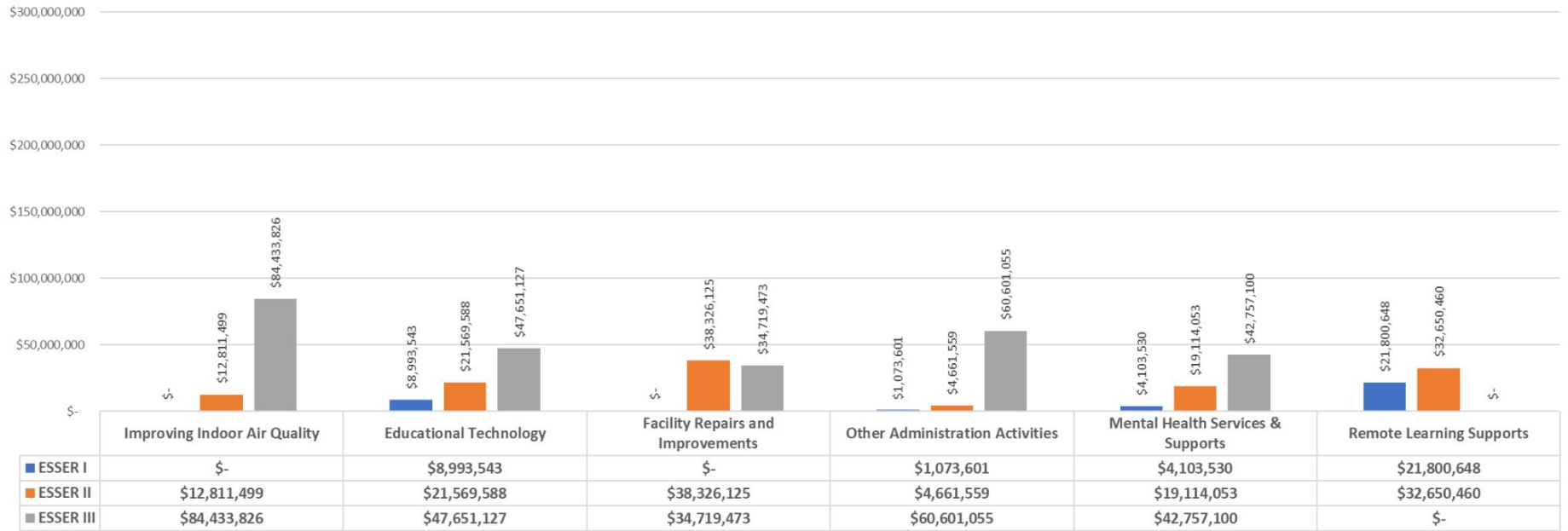
Budgeted Uses of ESSER Funds in Colorado to Date

Top 12 Budgeted Activities (As of August 19, 2022) - 1-6



Budgeted Uses of ESSER Funds in Colorado to Date

Top 12 Budgeted Activities (As of August 19, 2022) -7-12





- In general, districts have used these funds for purposes they otherwise would not have been able to support.
 - ESSER does not have a “supplement not supplant” provision, meaning districts *can* use ESSER to fund ongoing expenditures, as long as they can tie those expenditures to the pandemic.
 - These funds have also allowed districts to scale activities they were already doing, to higher levels.
- Districts have been strategic in using funds as intended, and evolving those uses through the different phases of the pandemic.
- Districts continue to adapt their investments to respond to current and emerging needs.
- Districts are thinking strategically about how to make investments that will deliver long-term benefits.

Watch For's

- ESSER expenditures fall into two broad categories:
 - **One-time:** examples include capital improvements, curriculum purchases, technology purchases.
 - **Recurring:** examples include staffing, software subscriptions, summer and afterschool programs.
- Particularly related to recurring expenditures (such as staff), ESSER presents a real and significant “fiscal cliff” concern for districts starting in FY24.
 - Districts will have continuing needs, and will need to start evaluating how or if to replace funding for recurring expenses once ESSER funds expire.
- Particularly with regard to ESSER III, spending the funds by the deadline could be challenging.
 - The Feds are currently developing a process that would offer late liquidation considerations on a case-by-case basis.
- Due to how funds were allocated, the end of ESSER funding will disproportionately impact districts with higher percentages of students in poverty.

Monitoring & Reporting

- **44 Districts & BOCES were monitored in 2021-22**
 - Monitored on spending from 2020-21
 - ESSER & ESEA monitoring combined
 - No districts or BOCES were required return funds
 - Typical corrective actions are related to written policies and procedures, such as for purchasing and tracking staff time
- **82 Districts & BOCES will be monitored in 2022-23**
 - Monitored on spending from 2021-22
 - ESSER & ESEA monitoring combined
 - Using a risk-based approach to balance requests for information from districts and BOCES, with risk level

Reporting

- The U.S. Department of Education (USDE) has been authorized by Congress to collect data from all ESSER I, II, and III grantees, including but not limited to the uses and impact of the funds.
- For 2020-2021 reporting, CDE was able to use the ESSER I, II, and III applications to provide the vast majority of the requested data (809 out of 811 data elements) on behalf of districts and BOCES.
- As a result of public requests for information about these funds, USDE has recently announced some data elements for 2022-2023 that will require additional collections from districts and BOCES.

Questions?