



Montana

Office of Public Instruction

ACCEPTABLE USES OF ESSER FUNDS

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Montana ESSER Funding

Elementary and Secondary School Emergency Relief Fund (ESSER):

- 3 Rounds of ESSER funds have been authorized by Congress in response to COVID-19 pandemic.



ESSER Grant structure

- There are three ESSER grants, CARES, CRRSA, and ARP.
- Each requires 90% of the state total to be awarded to school districts proportionate to the most recent Title I awards.
 - Sometimes referred to as the “base allocation”, school districts have total say on how this money is spent with two exceptions:
 - ESSER III or ARP requires 20% be used to address learning loss through summer learning or enrichment, after school programs, and/or extended school year.
 - HB 630 allows districts to use up to 10% of ESSER II & III funds in place of state BASE Aid that would have been awarded through the anticipated and unanticipated enrollment increase processes.

ESSER Grant structure

- The remaining 10%, sometimes referred to as the “SEA reserve,” can be used in the manner determined by the SEA to be most beneficial within the state.
 - The uses of the reserve were implemented by the Superintendent for ESSER I.
 - For ESSER II & III the uses of the reserve were put into statute through HB 630 and HB 632 during the 2021 legislative session.



Who or what determines acceptable uses of ESSER funds?

- **The COVID-19 relief acts that funded ESSER:**
 - Each carries the requirement that funds be used “... to prevent, prepare for, and respond to coronavirus ...”
 - Each contains a list of acceptable uses that are very broad and permissive. See <https://opi.mt.gov/Portals/182/COVID-19/ESSER/ESSER%20Funds%20Review%20PDF.pdf?ver=2021-05-26-092010-910>

Who or what determines acceptable uses of eSSER funds?

- **The Department of Education:**
 - Publishes rules, guidance and FAQ documents that interpret and clarify the federal statutes.
 - Holds online webinars to review their publications and answer questions from states.
 - Answers questions emailed from state administrators.
 - Sets acceptable administration procedures and prohibitions for all federal education grants (Education Department General Administrative Regulations, or EDGAR, and Uniform Grant Guidance, or UGG.)

Who or what determines acceptable uses of eSSER funds?

- **The Montana Legislature**
 - Specified the uses of the 10% funding reserve for ESSER II and ESSER III in HB 630 and HB 632 from the 2021 legislative session.
- **The OPI:**
 - Publishes guidance on all of the ESSER grants.
 - Administers grant budgets and funds dispersal through Egrants.
 - Monitors LEA expenditures and activities.

Method for determining acceptability – **BASE allocation**

- State the link to COVID-19 that makes this expenditure necessary and reasonable.
- Based on which grant is the source of the funds, state the acceptable use category in which this expenditure falls.
- Determine if EDGAR or UGG considerations are being followed for this expenditure.

Method for determining acceptability – SEA Reserve

- Follow the same steps used for the base allocation.
- Additionally, determine which layer of the reserve is the source of the funds and ensure the expenditure is aligned with the use specified for the source of funds.

Issues: Salary and Benefits

- ESSER funds can be used to pay salary and benefits for staff:
 - That are added or incur overtime as a direct result of COVID-19.
 - That are awarded extra pay for added duties due to COVID-19.
 - That have a change of duties because of COVID-19. The portion of time spent on COVID-19 related work can be paid with ESSER funds.
 - That are paid sick leave due to contracting COVID-19.
 - That are hired to substitute for staff who are ill with COVID-19.
 - That are not working due to COVID-19 (ie, maintain full employment during school closures.)

Issues: Construction

- Montana has had little prior experience with education construction projects funded by federal grants, but requirements have been published in UGG and EDGAR for some time.
- Guidance from the Department of Education on use of ESSER funds for construction has evolved over time.
- Construction projects require pre-approval from the OPI.
- The OPI has established a process for requesting approval of ESSER funds for construction. See <https://youtu.be/dljoRbCp8rE>

Addressing the use of ESSER funds for construction, renovation, and minor remodeling.

Examples of allowable projects from ED:

- Servicing or upgrading HVAC systems,
- Repairing windows and/or doors so they can open to let fresh air in,
- Installing or upgrading indoor air quality tools like filtering, purification, fan, and control systems,
- Roof repairs or replacement to improve indoor air quality,
- Mold, radon, and asbestos remediation,
- Creating outdoor spaces for learning and other activities like eating lunch,
- Replacing carpet with easier-to-clean flooring,
- Renovations to facilitate physical distancing, and
- Constructing new schools when renovations to an existing building would not be cost effective.

Addressing the use of ESSER funds for construction, renovation, and minor remodeling.

ED also encourages school districts to “do what they can to address other infrastructure issues, such as ensuring that preexisting ventilation, roofing, and plumbing needs do not inhibit healthy learning environments.” (COVID-19 Handbook, Vol. 2, p. 16)

Thank you!

For questions or additional information please contact
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