



ESSER III: Receiving and spending your district's dollars

May 14, 2021

The federal government has allocated three rounds of relief funds to public schools during the course of the pandemic. Its most recent legislation, the American Rescue Plan Act of 2021 enacted on March 11th, will funnel an additional \$4.5 billion to Ohio school districts. These monies, commonly referred to as ESSER III or ARP ESSER can be applied toward school district needs arising between March 13, 2020 and September 30, 2024.

On April 16th, the Ohio Department of Education released local school district allocations of ESSER III funds through CCIP Note #470 and then announced the release of the ESSER III application through CCIP Note #472 on May 7th. The formal application became available on May 10th.

Local school districts should be aware of the following deadlines applicable to their receipt of ESSER III monies:

- By May 17: Districts must agree to and submit the ESSER III assurances through CCIP.
- By May 24: ODE's Office of Federal Programs will acknowledge receipt of the assurances, and districts can begin the process of budgeting and completing the necessary ESSER III reporting and planning requirements. Districts will have 90 days to submit a completed ESSER III application to ODE.
- By June 24: Districts must post their plan for returning to in-person instruction and continuity of services ("ARP Plan") on their website. This ARP Plan will require meaningful consultation with stakeholders and the solicitation of their input about the needs of district students. More information about these plans is expected as the school year draws to a close.
- By August 20: Districts must submit all parts of their completed ESSER III application to ODE. This date is the end of the previously-mentioned 90 day period.

ODE's Office of Federal Programs will begin reviewing completed applications on May 24th and approve them on a rolling basis, allowing districts to begin drawing their funds as soon as possible. Although ESSER III funds will be available soon—and because ESSER I and ESSER II funds expire before ESSER III—ODE is encouraging school districts to use those prior allocations first.

ESSER III funds have a broad spectrum of potential uses, but a district may not simply spend its allocation on anything it chooses. Instead, school districts must align their use of these monies with the fifteen categories of legislatively-established allowances, which range from the purchasing of cleaning supplies and technology, to school facility repairs and improvements, to activities necessary to maintain district operations and continue providing services. Districts must also reserve not less than 20 percent of their ESSER III funds to specifically address learning loss through the implementation of evidence-based interventions that respond to the academic, social, and emotional needs of underrepresented student groups. When it is unclear whether an expenditure is permissible, ODE recommends considering five core questions:

- Will the proposed use of funds prevent, prepare for, and respond to coronavirus?
- Is it an allowable use of funds under the various ESSER funds?
- Is it reasonable and necessary?
- Does it promote equity?
- Does it support returning students to the classroom?

Since many districts are at the bargaining table this spring, questions are arising about the use of ESSER monies for employee costs. In that regard, ODE has suggested that ESSER funds may generally be used to:

- Address recruitment or retention challenges in light of the pandemic,
- Provide additional compensation to teachers and other staff that work in-person,
- Provide additional compensation to teachers and other staff that have assumed new duties because of COVID,
- Incentivize effective teachers to move to schools with vulnerable students that have been disproportionately impacted by the pandemic, or
- Provide additional pay to substitute teachers where there is a shortage.

ODE guidance also suggests that other pay strategies could be permissible uses of the funds if the school district can connect the strategy to issues resulting from COVID-19.

ODE guidance further suggests that ESSER funds may be used to purchase real property and perform construction for improvements to land, buildings, or equipment that meet the overall purpose of ESSER, which is “to prevent, prepare for, and respond to” the COVID-19 pandemic. To that end, districts can couple ESSER monies with other district dollars to fund the project, being mindful that if ESSER monies are planned for school facility construction, repairs and improvements, federal Davis-Bacon prevailing wage requirements will apply to the entirety of the project.

Regardless of the funds' use, school districts should remain mindful that they must adhere to federal Uniform Grant Guidance and Education Department General Administrative Regulations when spending these federal dollars and recognize that federal procurement requirements differ from those existing under Ohio law.

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