



STATE OF SOUTH CAROLINA
DEPARTMENT OF EDUCATION

ELLEN E. WEAVER
STATE SUPERINTENDENT OF EDUCATION

MEMORANDUM

TO: District Superintendents
District Chief Financial Officers
District ESSER Contacts

FROM: Kendra Hunt, Chief Financial Officer
Tonia Smith, Director of Office of Emergency Programs

DATE: April 9, 2024

RE: Data-Driven Financial Decision-Making for Post-ESSER Spending

This memorandum provides guidance to districts in navigating the close out of the American Rescue Plan (ARP) Elementary and Secondary School Emergency Relief (ESSER) ACT funding as school district FY2024–25 budgets are developed.

Over the past several years, ESSER funding has been instrumental in addressing the academic, safety, and behavioral needs of students posed by the COVID pandemic. As we approach the conclusion of this funding on September 30, 2024, it is crucial that our future planning not only addresses the financial shifts but also strengthens our commitment to improving student outcomes.

The expiration of ARP ESSER funds requires a strategic review of our programs and resources, with a heightened focus on data-driven decision-making and prioritizing initiatives that have a proven impact on student achievement and well-being. We must adopt a forward-looking approach to ensure our districts remain resilient and capable of delivering high-quality education.

This is a vital exercise we are undertaking within the Department, and we propose this moment is a strategic opportunity to employ a comprehensive budget strategy to optimize our resources, prioritize essential services, and identify alternative funding opportunities.

1. **Implementing Zero-Based Budgeting (ZBB):** Adopt a zero-based budgeting approach, where every expense must be justified, starting from a "zero base." This method requires a thorough examination and justification of costs and benefits, ensuring that spending is

aligned with our strategic goals of maximizing student outcomes. ZBB encourages innovation, efficiency, and the reallocation of resources to high-priority programs, free from the constraints of past budgeting practices.

2. **Comprehensive Budget Review:** Conduct a thorough analysis of current expenditures against ESSER allocations to identify programs critical to our mission of supporting student learning. This will help us understand which initiatives can be sustained by reallocating existing resources and which may need to be scaled back or redesigned.
3. **Evidence-Based Program Selection:** Emphasize the continuation and scaling of programs supported by empirical evidence of their effectiveness in enhancing student outcomes. This ensures our investments are targeted towards interventions with proven success in bridging learning gaps, and securing student safety.
4. **Efficiency and Innovation:** Seek ways to enhance operational efficiency and embrace innovative practices that can lead to cost savings. This may include reevaluating vendor contracts, exploring shared services with other districts, and investing in technology that streamlines administrative processes.
5. **Transparent Stakeholder Engagement:** Engage with teachers, staff, parents, and the wider community to set clear expectations about the changes ahead. Transparent communication will be key to managing these transitions smoothly and maintaining trust within our community.
6. **Exploration of Alternative Funding with a Focus on Outcomes:** Actively pursue alternative funding sources that align with our commitment to evidence-based initiatives and the principles of ZBB. Prioritize opportunities that offer support for scaling data-validated programs and practices. Collaboration with local businesses and community organizations may uncover new partnerships and resources.
7. **Digital Subscriptions:** ARP ESSER funds can be used to cover the cost of most digital subscriptions for students through June 30, 2025. The subscription costs must be a part of your most recently approved ARP ESSER Plan. If the subscription is for a multi-year contract, ARP ESSER funds can only be used to cover costs through June 30, 2025. Contract costs from July 1, 2025, must be paid from other funding sources. If this is an option your district is considering, it is recommended that the funds are obligated and invoices paid after July 1, 2024, during FY24-25.

It is recommended that districts reach out to the Office of Emergency Programs (OEP) at SCESSER@ed.sc.gov to confirm the allowability of the subscription.

As a tool to assist in this process, please reference the [ESSER Sustainability Toolkit](#).

In conclusion, while the close out of ARP ESSER funding presents challenges, it also offers an opportunity to reassess our priorities, strengthen our operations, and reaffirm our commitment to providing an exceptional education for all students. By acting strategically and collaboratively, we can navigate this transition effectively and emerge stronger on the other side.