

The CRRSA Act

Elementary and Secondary School Emergency Relief Fund II

Technical Assistance Overview

John R. Payne, Deputy Superintendent

Molly M. Spearman – State Superintendent of Education

Purpose

The purpose of these sessions is to provide an overview of the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, and specifically the funds provided by it under the Elementary and Secondary Schools Emergency Relief (ESSER II) Fund that will be awarded to school districts as subgrants.

Disclaimer

This presentation is designed to help you understand state requirements and procedures for the new ESSER II Subgrant.

This presentation is *not a substitute* for reading the subgrant agreement, all assurances, terms, and conditions, and applicable state laws and federal regulations.

Objectives

- To provide a basic understanding of current existing federal relief funds
- To understand the ESSER funds including the state's responsibilities as well as districts' responsibilities
- To understand new allowable uses of the ESSER II funds
- To be prepared to apply for and implement the ESSER II funds

CRRSA Act – General Information

- On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) was signed into law
- The US Department of Education is providing an additional \$54.3 billion for the Elementary and Secondary School Emergency Relief Fund (ESSER II Fund)
- USED awarded grants to state educational agencies (SEAs) for the purpose of providing local educational agencies (LEAs) with emergency relief funds to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools

ESSER 2 Funds – School District Subgrants

- Based on FY21 (Summer 2020) Title I allocations
- South Carolina will receive \$940,420,782 in ESSER II funds from the Act
- 90 percent (\$846,378,704) will flow through to school districts
- The remaining funds (\$94,042,078) will be used for state-level activities to address issues caused by COVID-19

ESSER II – Subgrant Specifics

- Districts are **NOT** required to complete a new application; but must submit a spending plan and sign GAN for ESSER II funds
- Districts are **NOT** required to use any ESSER II funds for Equitable Services
- The ESSER II grant extends until **September 30, 2023**

ESSER II – Subgrant Specifics

- Districts should spend ESSER I funds **first** before spending ESSER II funds
- Districts will be monitored through a tiered system, just as with ESSER I funds

ESSER Funds – Subgrant Specifics, cont'd

- Funds cannot be used on:
 - Bonuses, merit pay, or similar expenditures, unless related to disruptions or closures related to COVID-19,
 - Subsidizing or offsetting executive salaries and benefits of individuals who are not LEA employees, or
 - Expenditures related to state or local teacher or faculty unions or associations
- Supplement not Supplant does not apply to these funds; however districts should ensure that the funds are spent on activities related to, caused by, or impacted by COVID-19 pandemic

15 Areas of Allowable Uses of Funds

1. Any activities authorized under
 - a. ESSA
 - b. IDEA
 - c. Adult Education and Family Literacy Act
 - d. Perkins Act
 - e. Subtitle B of McKinney-Vento Homeless Assistance Act
2. Coordinate emergency response
3. Address needs of highly vulnerable populations
4. Support school leaders and school needs
5. Ensure preparedness and coordination (systems & procedures)

15 Areas of Allowable Uses of Funds, continued

6. Training related to infectious diseases
7. Purchase cleaning supplies to sanitize and clean schools
8. Planning/coordinating for continued education during long-term closures
9. Purchase education technology
10. Mental health supports
11. Summer learning

Detailed descriptions online at <https://ed.sc.gov/policy/federal-education-programs/esser-funding-information/esser-2-funding-information/esser-ii-spending-categories/>

New Allowable Use of Funds

- 12. Addressing learning loss among students
- 13. Facility repairs and improvements to reduce the risk of virus transmission and exposure
- 14. Improvement of in-door air quality in school facilities
- 15. Other activities to ensure continuity of education and employment* (Same as ESSER I #12)

New Category 12

Addressing learning loss among students, including low-income students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and children and youth in foster care, of the local educational agency, including by—

- Administering and using high-quality assessments that are valid and reliable, to accurately assess students' academic progress and assist educators in meeting students' academic needs, including through differentiating instruction.
- Implementing evidence-based activities to meet the comprehensive needs of students

New Category 12, Continued

- Providing information and assistance to parents and families on how they can effectively support students, including in a distance learning environment.
- Tracking student attendance and improving student engagement in distance education

New Category 13

- School facility repairs and improvements to enable operation of schools to reduce risk of virus transmission and exposure to environmental health hazards, and to support student health needs.

New Category 14

- Inspection, testing, maintenance, repair, replacement, and upgrade projects to improve the indoor air quality in school facilities, including mechanical and non-mechanical heating, ventilation, and air conditioning systems, filtering, purification and other air cleaning, fans, control systems, and window and door repair and replacement.

Spending Plan

- As with ESSER I, districts must budget by the fifteen allowable categories
- ESSER II spending plan is in Excel format
- Districts should download the Excel spending plan from the ESSER II webpage
- The ESSER II Excel spending plan and GEPA statement should be submitted together to the scesser@ed.sc.gov

Spending Plan

South Carolina Elementary and Secondary School Emergency Relief II (ESSER II) Subgrant Spending Plan Form

LEA Information

LEA Name:	Please choose...	▼
Total number of employees in full time equivalency as of March 13th, 2020:		

Superintendent Information

Name:			
Phone:		Ext.:	
Email:			

Spending Plan (cont.)

Please provide a brief description on how the district determined, and how the ESSER II funds will meet, the district's needs.

Describe in Text Box

- How LEA determined needs
- How LEA will use ESSER II funds to meet those needs

Tip:

- Draft, revise, and finalize statement in Word document
- Cut & paste statement into Spending Plan text box

Attestation and Signature of Superintendent

I attest that the information contained in this document is, to the best of my knowledge, correct and the agency named above has authorized me as its representative to file this application. By typing my name below, I affirm that I am authorized to submit this form on behalf of the Subgrantee.

--	--

Electronic Signature of Superintendent

Date

Spending Plan (cont.)

LEA Name: Please choose...

Select LEA from
dropdown menu

Use of Funds

1a. Individuals with Disabilities Education Act

Local educational agencies that receive funds under this title may use the funds for any activity authorized by the ESEA of 1965, including the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) ("IDEA")

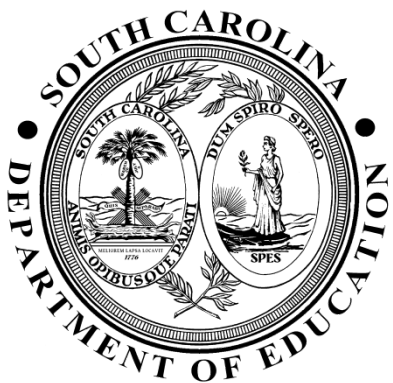
Describe activities for
1.a.

Description of Activities

	Object	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other	Indirect Costs	Pre-award Expense	Total
Function	Code	100	200	300	400	500	600	700		
Instruction	100								<input type="checkbox"/>	\$0.00
Support Services	200								<input type="checkbox"/>	\$0.00
Community Services	300								<input type="checkbox"/>	\$0.00
Other Charges	400								<input type="checkbox"/>	\$0.00
Total		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00

Process Flow

- Districts may complete and submit a new ESSER II Spending Plan and GEPA statement for review and approval to scesser@ed.sc.gov
- Once approved, districts will be sent Grant Award Notification (GAN) and Assurances
- Districts sign and return signed GAN to scesser@ed.sc.gov
- Districts may then proceed with uploading budget into GAPS



Budget Approval, Reimbursement and Reporting Procedures Specific to ESSER II Subgrant

Sequoyah Burden, Grants Accounting Manager
Office of Finance

Molly M. Spearman – State Superintendent of Education

Managing ESSER II Subgrant

- Important changes for using Grants Accounting Processing System (GAPS)
- Reporting Requirements

Grant Award Notification (GAN) Must Be Fully Executed

Superintendent has to:

- sign subaward GAN
- return signed GAN to scesser@ed.sc.gov
- retain copy (both signatures) for records

Setting up Budget in GAPS

- Create budget in GAPS that matches approved Spending Plan Summary Page
- Budget will be at the high-level function and object codes

Spending Plan Budget Summary

LEA Name:

Use of Funds Budget Summary

	Object	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other	Indirect Costs	Total
Function	Code	100	200	300	400	500	600	700	
Instruction	100								
Support Services	200								
Community Services	300								
Other Charges	400								

Allocation Amount	Budgeted Amount	Remaining Balance

(Must be \$0.00 for approval)

SCDE Approval of GAPS Budget

- Verify receipt of signed GAN
- Review budget to ensure match to approved Spending Plan Summary
- Subgrantee should refer to GAPS approved budget or if a revision is needed.

Quarterly Reporting Requirements

Subgrantees must report the following quarterly:

- Amount of subgrant funds expended for each authorized activity at both detail function and object level
- The amount expended is the amount claimed during a reporting period

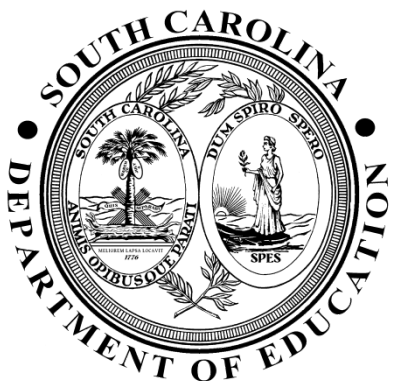
Reminder

- Spend ESSER I funds before ESSER II funds. However, cost associated with student learning loss, facility repairs and improvements, and projects for improving indoor air quality can be reimbursed from 7/1/2020.

Reporting Due Dates for ESSER II

Reporting Period	Reporting Due Date
April 1 - June 30, 2021	July 5, 2021
July 1 - September 30, 2021	October 5, 2021
October 1 – December 31, 2021	January 5, 2022
January 1 – March 31, 2022	April 5, 2022

The SCDE will release a reporting tool soon



Revenue Codes, Time & Effort and Bonuses Specific to ESSER II Subgrant

Nancy Williams, Chief Financial Officer
Office of Finance

Molly M. Spearman – State Superintendent of Education

Revenue Codes for ESSER II

- Revenue Code: 4977
- Sub Fund: 225

Time and Effort

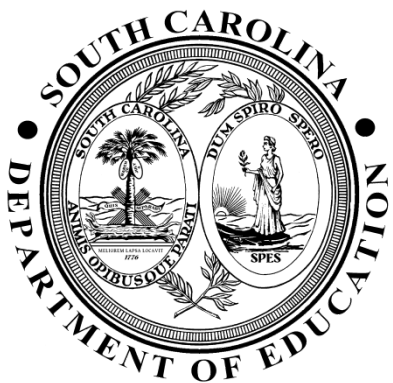
- All employees who are paid in full or in part with federal funds must keep specific documents to demonstrate the amount of time they spent on grant activities or cost objectives. (2 C.F.R. Part 200.430(i)(1))
- A personnel activity report (PAR) should be used to track time charged from multiple cost objectives
- A semi-annual certification can be used to track time that is 100% charged to a cost objective in that period

Time and Effort Cont'd

- Leave can be charged to ESSER I and ESSER II as long as it's supported by time and effort documentation and is included in the district's pay policy
- The district should create immediately an emergency pay policy and procedure that addresses compensation of salaries (including leave) from ESSER II funds

Bonuses

- According to federal ESSER requirements, “funds generally will not be used for bonuses, merit pay, or similar expenditures, unless related to disruptions or closures resulting from COVID-19”
- Determinations for bonuses should be made on an individual basis, with documentation that the employee has undertaken hazardous work or has gone above and beyond their duties compared to their peers within the district



Indirect Costs and Inventory

Melissa Myers

Director, Office of Auditing Services

Molly M. Spearman – State Superintendent of Education

What are Indirect Costs?

- Indirect costs are those expenses of doing business that are not readily identifiable with the activities of a grant or contract but are, nevertheless, incurred for the joint benefit of those activities or programs of the organization

What are Indirect Costs? (Cont.)

- Two Criteria
 - They are incurred for a common or joint purpose benefiting more than one cost objective and
 - They are not readily assignable to the cost objectives specifically benefited.

Examples of Indirect Cost Functions

- Accounting
- Auditing
- Budgeting
- Payroll
- Personnel
- Purchasing

Examples of Direct Costs

- Salaries and Wages
- Supplies and Materials
- Other employee fringe benefits for direct labor employees
- Travel of direct labor employees
- Equipment for a specific program or grant
- Consultant services for a particular program or grant

Types of Indirect Cost Rates

- Unrestricted – Used for programs without the supplement, not supplant requirement
- Restricted – Used for programs with the supplement, not supplant provision

Type of Indirect Cost Rate – ESSER Funds

- ESSER Funds are not subject to the supplement, not supplant requirement
- The unrestricted rate can be charged to this program; Lower rate can be charged
- Do not double dip! (Charge an expenditure as a direct cost and claim as an indirect cost also)

Other Types of Costs

- Excluded costs – Extraordinary or distorting expenditures that require minimal administrative support; Indirect cost should not be applied to these costs
- Direct Costs – Costs incurred specifically for one activity and can be identified specifically with that activity

LEA Calculation of Indirect Cost Rates

- The SCDE LEA Auditing Reporting System is programmed to calculate unrestricted and restricted indirect cost rates
- Data used to calculate rates is received from the SCDE supplemental templates uploaded annually with the audit submission
- Expenditures are identified in one of three categories: Excluded, Indirect, and Direct

Excluded Costs – Unrestricted Rate

- Facilities Acquisition/Construction(Function 253)
- Food Services (Function 256, Object 400 food/supplies and Object 393, food service direct purchased services)
- Other Charges (Function 400 series, transfer expenditures)
- Debt Service (Function 500 series)
- Equipment (Object 540 series)
- Unused Leave (Object 140)
- Subawards in excess of \$25,000 (Function 265)

Indirect Costs – Unrestricted Rate

- Board of Education (only account 231-318 audit services)
- **Fiscal Services (Function 252)**
- Operation and Maintenance of Plant (Function 254)
- Internal Services (Function 257)
- Internal Auditing Services (Function 259)
- Central Support Services (Function 260 series)
- Depreciation or Use Allowance on Buildings and Equipment (Data Supplied by LEAs)

Direct Costs – Unrestricted Rate

- Instruction (Function 100 series)
- Pupil Services (Function 210 Series)
- Instructional Staff Services (Function 220 series)
- Board of Education (Function 231, except Object 318, Audit Services)
- Office of Superintendent (Function 232)
- School Administration (Function 233)

Inventory Control

- Like with all other federal funds, all capital assets purchased with ESSER II funds must be inventoried
- Low valued technology assets, such as laptops, must also be inventoried

Reminder!

- Do not double dip!
- The unrestricted rate is the maximum rate that is allowed (a lower rate can be used)



SC ESSER II Subgrant Requirements under the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act

Cathy Hazelwood, General Counsel
Division of Legal Services

Molly M. Spearman – State Superintendent of Education

What You'll Learn

- Purpose of subgrant
- Requirements of receiving a subgrant
- SCDE's requirements
- Quarterly reporting items

Purpose of SC ESSER II Subgrant

- Provide local educational agencies (LEAs) with emergency relief funds to mitigate the impact COVID–19 has had, and continues to have, on elementary and secondary schools in South Carolina.

Purpose of Subgrant, continued

- Includes *all*
- safely reopen elementary and secondary schools as soon as possible,
- restore and maintain high-quality learning environments, and
- take comprehensive action to mitigate learning loss.

Emergency Funds

- Not stimulus funds (like SC CARES/ESSER funds from June 2020)
- Allowable expenditures dating back to July 1, 2020, but *spend down SC CARES/ESSER funds first*
- LEA must complete a spending plan (no application)
 - "Strings Attached"
 - Specific activities in 15 "buckets"
- Quarterly reporting

Continue to Compensate Employees/Contractors

- Subgrantee must, to the greatest extent practicable, continue to compensate employees and contractors during period of any disruptions or closures related to COVID-19
- Subgrantee will continue to pay employees and contractors to greatest extent practicable based on LEA's unique financial circumstances

Not Allowable Use of Funds

- Subsidizing or offsetting executive salaries and benefits of individuals who are not employees of the LEA
- Across-the-board bonuses for district employees
- Expenditures related to state or local teacher or faculty unions or associations.

A Change for CRRSA Act ESSER

- LEA *does not* provide equitable services to students and teachers in non-profit, non-public schools
- Instead, the SCDE, as the state education agency, is charged with providing services to non-public schools.

Other Requirements: Federal Regulations

- EDGAR: 34 CFR Part 76, 77, 81, 82, 84, 97, 98 and 99, and 2 CFR Part 200
- 2 CFR Part 170, Reporting Subaward and Executive Compensation Information
- 2 CFR Part 175, Award Term for Trafficking in Persons
- 2 CFR Part 180, Nonprocurement Debarment and Suspension as adopted at 2 CFR 3485.

Federal Regulations/Laws that May Apply

- 34 CFR Part 300, Assistance to States for the Education of Children with Disabilities
- 34 CFR Part 463, Adult Education and Family Literacy Act
- Carl D. Perkins Career and Technical Education Act of 2006, as amended by the Strengthening Career and Technical Education for the 21st Century Act (Perkins V)
- McKinney-Vento Homeless Assistance Act, Subtitle VII-B (42 U.S.C. § 11431 *et seq.*)
- Every Student Succeeds Act (ESSA).

Other Applicable Regulations/Requirements

- Tydings Amendment makes funds available until September 30, 2023
- SCDE's Assurances and Terms and Conditions for Federal Subawards
- Program-specific assurance in prior slide

Required In Email

- Spending Plan:
 - Brief descriptions of LEA's plan to use funds for any of 15 allowable activities;
 - Budget for each planned use of funds by allowable activity; and
 - Overall budget.
- GEPA Statement

LEA's Assurances

- Comply with all applicable federal requirements, including allowable uses of funds, reporting, financial management, recordkeeping, and equitable services requirements
- Continue to compensate current employees and contractors to the greatest extent practicable
- All relevant provisions and requirements of CARES Act, Pub. L. No. 116-136 and the CRRSA Act
- Any other applicable law or regulation may result in liability under the False Claims Act, 31 U.S.C. § 3729, *et seq.*
- 18 USC § 1001, as appropriate

SCDE has to Ensure LEAs Will

- Use ESSER II funds for activities allowable under section 18003(d) of Division B of the CARES Act
- Also use ESSER II funds for additional activities allowable under section 313(d) of the CRRSA Act
- Continue to compensate employees/contractors to the greatest extent practicable

GEPA Statement Requirement

- GEPA Section 427 requires an applicant for federal funds include a description of steps they will take to ensure equitable access to and participation in subgrant activities
- Statute highlights six types of barriers that can impede equitable access or participation: gender, race, national origin, color, disability, or age (may be others locally)
- See instructions on ESSER II web page.

Instructions for GEPA

OMB Control No. 1894-0005 (Exp 06/30/2023)

NOTICE TO ALL APPLICANTS

The purpose of this enclosure is to inform you about the following provision in the Department of Education's General Education Provisions Act (GEPA) that applies to applicants for new grant awards under Department programs. This provision is Section 427 of GEPA, enacted as part of the Improving America's Schools Act of 1994 (Public Law (P.L.) 103-382).

To Whom Does This Provision Apply?

Section 427 of GEPA affects applicants for new grant awards under this program. **ALL APPLICANTS FOR NEW AWARDS MUST INCLUDE INFORMATION IN THEIR APPLICATIONS TO ADDRESS THIS NEW PROVISION IN ORDER TO RECEIVE FUNDING UNDER THIS PROGRAM.**

(If this program is a State-formula grant program, a State needs to provide this description only for projects or activities that it carries out with funds reserved for State-level uses. In addition, local school districts or other eligible applicants that apply to the State for funding need to provide this description in their applications to the State for funding. The State would be responsible for ensuring that the school district or other local entity has submitted a sufficient section 427 statement as described below.)

narrative, or, if appropriate, may be discussed in connection with related topics in the application.

Section 427 is not intended to duplicate the requirements of civil rights statutes, but rather to ensure that, in designing their projects, applicants for Federal funds address equity concerns that may affect the ability of certain potential beneficiaries to fully participate in the project and to achieve to high standards. Consistent with program requirements and its approved application, an applicant may use the Federal funds awarded to it to eliminate barriers it identifies.

What are Examples of How an Applicant Might Satisfy the Requirement of This Provision?

The following examples may help illustrate how an applicant may comply with Section 427.

- (1) An applicant that proposes to carry out an adult literacy project serving, among others, adults with limited English proficiency, might describe in its application how it intends to distribute a brochure about the proposed project to such potential participants in their native language.
- (2) An applicant that proposes to develop instructional materials for classroom use might

GEPA Statement

- Create a statement that
 - Identifies at least one barrier that would prevent someone from participating in SC ESSER II subgrant activities
 - Explains what will be done to overcome the barrier.
- Must align with proposed uses of funds/activities.

Questions?

- Please enter any questions you may have into the Q&A box

ESSER Resources

- SCDE main ESSER II webpage
 - <https://ed.sc.gov/policy/federal-education-programs/esser-funding-information/esser-2-funding-information/>
 - Links to resources, allocations, and information
- USED main ESSER II webpage
 - <https://oese.ed.gov/offices/education-stabilization-fund/elementary-secondary-school-emergency-relief-fund/>
- SCDE ESSER II e-mail account (Same as ESSER I)
 - scesser@ed.sc.gov

Thank You!

- Please email scesser@ed.sc.gov with any questions or issues regarding ESSER I or ESSER II
- Email grantsaccounting@ed.sc.gov with any questions related to GAPS
- Please submit all quarterly reports to the grantsaccounting@ed.sc.gov account