American Rescue Plan Elementary and Secondary School Emergency Relief Fund (ARP ESSER)

Closeout and Sustainability

This guidance document is intended to answer questions that Local Education Agencies (LEAs) and other education stakeholders may have regarding the ending and closeout of the American Rescue Plan Act Elementary and Secondary School Emergency Relief Fund (ARP ESSER). If you have questions regarding the ARP ESSER program, please contact your federal programs consultant or email federalprograms@education.ohio.gov and/or check the CCIP Document Library for other relevant publications.

ARP ESSER Closeout Process

The table below presents key dates for LEAs to consider, particularly around the closeout of ARP ESSER grants which are nearing the end of their period of performance. This documentation contains new information about CCIP budget revision deadlines, PCR deadlines, and a proposed extension to the current liquidation deadline.

Grant	**FY24 CCIP Budget Revision Deadline**	**Obligation Deadline** (see 34 CFR §75.707)	**FY24 Project Cash Request (PCR) Deadline**	**FY24 Final Expenditure Report (FER) Deadline***
ARP ESSER	9/2/24	9/30/24	11/20/24	12/2/24

**Special Note: While the final due date for the FY24 FER is 12/2/24, the Department recommends that LEAs and educational entities submit the FER as soon as all expenditures are fully paid through the PCR process for the fiscal year. This is to facilitate the Department's FER review process to ensure expenditures are finalized in a timely manner. The subgrantee should ensure that expenditures listed in the Final Expenditure Report are complete and accurate to minimize revisions that would result in high-risk status and conditions placed on the subgrantee including but not limited to expenditures not being paid.*

OTHER ARP ESSER CLOSEOUT CONSIDERATIONS

FLEXIBILITY FOR STUDENT SUPPORT COSTS

Please note CCIP Note 554 outlines specific flexibility for the below:

- Subscriptions for the 2024-2025 school year
- Licenses for the 2024-2025 school year

Please see the note for more detailed information.

ARP ESSER LATE LIQUIDATION

The Department will be accepting late liquidation requests for funds under the American Rescue Plan (ARP ESSER). To be eligible for late liquidation for ARP ESSER, the funds must be obligated on or before September 30, 2024, and liquidated by **June 30, 2025**. Please see CCIP Note 554 and CCIP Note 556 for more information.

EDUCATION STABILIZATION FUND (ESF) REPORTING

Education Stabilization Fund Reporting (ESF) reporting is required and occurs a year in arrears. Reporting will occur at least through 2026. Reporting guidance is available here.

DISPOSITION

The district should follow their disposition procedures for the disposal of property or services. Disposition procedures should conform to the procurement and disposition standards identified in CFR 200.317 through 200.327.

RECORDING A NOTICE OF FEDERAL INTEREST (NFI) AND REPORTING ON REAL PROPERTY

On March 21, 2024, the United States Department of Education released guidance regarding recording and reporting requirements for Federal funds used to improve facilities, including school buildings. All grantees and subgrantees that have a renovation, major remodeling, construction (34 CFR §222.176(a)), or real property project (2 CFR § 200.1) in any Elementary and Secondary School Emergency Relief (ESSER) or Governor's Emergency Education Relief Fund (GEER) grant are subject to this recording and reporting.

Requirements to Record a Notice of Federal Interest (NFI)

Grantees who spent an excess of $1 million on a singular renovation, major remodeling, construction, or real property project in any Elementary and Secondary School Emergency Relief (ESSER) fund or Governor's Emergency Education Relief (GEER) fund are required to record the Notice of Federal Interest (NFI) to their local jurisdiction by January 28, 2025. LEAs should contact their county recorder and/or legal counsel for further information on filing the NFI.

Requirements on Real Property Reporting

The reporting requirement (2 CFR § 200.330), set by the Office of Management and Budget (OMB), provides that grant and subgrant recipients must report annually, for at least the first 15 years, on the status of the real property in which the Federal government has made a monetary investment and therefore has an ongoing interest. DEW will be releasing a survey and instructions in the coming months to all entities subject to this requirement.

IMPROPER PAYMENT REVIEW

ARP ESSER falls under Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement, implements the requirements for Payment Integrity Information

Act of 2019 (PIIA). LEAs do not need to take action unless requested by the Office of Federal Programs. If Ohio is chosen for Improper Payment review, the Office of Federal Programs will reach out to any effected LEAs on next steps.

Sustainability of ARP ESSER Funded Programs

With ESSER funding ending, LEAs may be considering leveraging Elementary and Secondary Education Act (ESEA) funding for sustainability of previously ESSER funded programming. The following sections will give considerations and outline basic requirements related to federal grants that the LEA may considering using to continue programming previously funded out of ESSER.

LEVERAGING ESEA FUNDING FOR SUSTAINABILITY

The Office of Federal Programs (OFP) administers the following ESEA grants. LEAs should consider a number of factors when determining if a cost could be funded out of these ESEA grants. All activities must align with the purpose of the grant.

TITLE 1, PART A: IMPROVING BASIC PROGRAMS

Purpose: To provide all children significant opportunity to receive a fair, equitable, and high-quality education, and to close educational achievement gaps.

- Examples of allowable activities:
    - Staff and fringe benefits for staffing
    - Professional development
    - Parent and family engagement activities
    - Supplies and instructional materials need to support programs and activities
    - Capital outlay for materials needed for programs and activities.
    - For other information please see: Title I-A Spending Guidance

TITLE I, PART C: MIGRANT EDUCATION PROGRAM

Purpose: Designed to help migratory children overcome disruptions in education, cultural and language barriers, social isolation, health-related problems and other factors that inhibit their abilities to do well in school. This prepares them to make successful transitions to higher education or employment.

- Examples of allowable activities:
    - Tutoring and mental health supports for migrant students
    - Parent and family engagement to support migrant students
    - Wrap around services addressing the unique needs of migrant students
    - For other information please see: Title I, Part C

TITLE I, PART D: NEGLECTED AND DELINQUENT

Purpose: To provide for prevention and intervention programs for children and youth who are neglected, delinquent, or at risk that serve youth in district across the state who reside, short or long term, in local institutions and facilities.

- Examples of allowable activities:
  - Academic programs at the facilities (including career tech education)
  - Transition programs that serve children and youth return from facilities to school environment
  - Dropout prevention services
  - Coordination of health and social services
  - Mentoring and peer mediation
  - For other information please see: Title I, Part D: Neglected and Delinquent

TITLE II, PART A: SUPPORTING EFFECTIVE INSTRUCTION

Purpose: Increase student achievement consistent with state standards by building staff capacity; improve the quality and effectiveness of teachers, administrators, and other school leaders; increase the number of teachers and administrators who are effective at improving student achievement and provide greater access to effective teachers, principals, and other school leaders.

- Examples of allowable activities:
  - Evaluation and support systems
  - Recruiting, hiring and retaining effective teachers
  - Implementing supports for principals and other school leaders
  - Supporting awareness and treatment of trauma and mental illness, etc.
  - For other information please see: Title II-A Spending Guidance

TITLE III LANGUAGE INSTRUCTION FOR ENGLISH LEARNERS & IMMIGRANT

Purpose: Ensure that English Learners, including immigrant children and youth, attain English proficiency and develop high levels of academic achievement; and assist teachers (including preschool teachers), administrators, and other school leaders in developing and enhancing their capacity to provide effective instructional programs.

- Examples of allowable activities:
  - Improve Instruction for English Learners
  - Increase parent and family engagement in education of EL students
  - Provide professional development to teachers and administrators serving EL students.
  - For other information please see: Title III Language Instruction for English Learners and Immigrant Children and Youth Subgrants

TITLE IV, PART A: STUDENT SUPPORT AND ACADEMIC ENRICHMENT

Purpose: Improve students' academic achievement by increasing the capacity of States, local educational agencies, schools, and local communities to provide all students with access to a well-rounded education; improve school conditions for student learning; and improve the use

of technology in order to improve the academic achievement and digital literacy of all students.

- Examples of allowable activities:
  - Well-rounded education: STEM, arts, civics, college/career counseling, Advancement Placement (AP) or International Baccalaureate® (IB) programs
  - Safe and Healthy Students: Counseling, drop-out prevention, drug and violence prevention, restorative practices
  - Effective Use of Technology: Blended or personalized learning programs, digital literacy and limited purchases of infrastructure
  - For other information please see: Title IV-A Spending Guidance

TITLE V, PART B: RURAL EDUCATION ACHIEVEMENT PROGRAM (REAP)

Purpose: Provides supplemental funding to support eligible rural districts that do not have the capacity to compete for federal competitive grants and receive smaller allocations in Federal entitlement funds. The REAP funds are used to implement effective federal programs to improve student academic performance.

- Examples of allowable activities:
  - Activities authorized under Title I-A, Title, Title III, and Title IV-A
  - Parent engagement activities
  - For other information please see: Title V-B Spending Guidance

The table below illustrates some common ESSER uses and eligible Title funds that have a similar allowable use. LEAs should remember to always consider specific requirements for each grant.

Most Frequent ESSER Uses	Eligible Title Funds
Personal Protective Equipment (PPE)	Title IV-A
Supplemental Instructional personnel	Title I-A, II, III, IV-A, V-B
Social and Emotional Learning (SEL)	Title I-A, II-A and IV
Educational Technology	Title I-A, II-A, III, IV-A, V-B
Extended learning opportunities	Title I-A, II-A, III, IV-A, V-B
Professional Development	Title I-A, II-A, III, IV-A, V-B

FACTORS TO CONSIDER

An important factor to consider when moving programs from ESSER to ESEA is that ESEA funds are specific in use. They must meet the purpose of the grant, allowable uses, must be

reasonable, necessary, and meet all other Uniform Guidance provisions. The CARES Act, CRRSA Act and ARP funds were available for broad uses to prevent, prepare and respond to COVID. It is important to understand the requirements for each of the ESEA grants. For more information, see our federal programs resource guide.

ESEA FISCAL TESTS

- **Supplement, Not Supplant**
    - Any funding into ESEA grants must follow that grants supplement, not supplant requirements. Districts must ensure the use of their federal education funds supplement, not supplant the state and local resources used for education. Generally, the compliance test for districts meeting supplement, not supplant is based on three presumptions of supplanting:
        - Federal funds are used to provide services required under other federal, state or local laws;
        - Federal funds are used to provide services provided with non-federal funds in the prior year;
        - Federal funds are used to provide services to eligible students, while those same services are provided to non-eligible students with non-federal funds.
    - These three presumptions still apply to all ESEA programs except Title I, Part A. The compliance test for supplement, not supplant for Title I, Part A has been changed under the Elementary and Secondary Education Act (ESEA), as amended by the Every Student Succeeds Act (ESSA). The Ohio Department of Education and Workforce has updated this guidance to conform with the U.S. Department of Education's final non-regulatory guidance issued in late June 2019.
    - Supplement not Supplant in Title IA
        - Title IA allocation neutrality methodology test (not an expenditure test)
        - Based on building methodology for budgeting state and local funds
        - Must demonstrate Title I-A neutrality when budgeting
        - Methodology can be based on PPA Student Characteristics, resource allocation, or mixture.
        - District must be able to show methodology and application.
        - Some districts may be exempt from this requirement
        - Guidance on Supplement, Not Supplant Under ESSA

The chart below illustrates some additional supplement not supplant considerations.

Funds	SNS State and Local Funds	SNS State, Local, and Federal Funds	Allowable Admin costs
Title I-A	X		5% *
Title I-C		X	5%*
Title I D and N			5%*
Title II-A	X		5%*
Title III – EL and IM		X	2%
Title IV-A	X		2%
Title V-B		X	5%*

* Recommended: Above percentage must be prior approved and reasonable and necessary.

- Supplement, not Supplant Guidance
  - Department Guidance on ESEA Supplement Note Supplant July 2019
  - Department ESEA Supplement Not Supplant PowerPoint
  - U.S. Department of Education: Guidance Supplement, Not Supplant Non-Regulatory Guidance

- **Comparability**
  - Comparability is a fiscal requirement that is intended to demonstrate that a local school district is using Title I funds to supplement, and not supplant, non-Federal funds that would otherwise be used for authorized activities under Title I-A. To be eligible to receive Title I funds, a Local Educational Agency (LEA) must use state and local funds to provide services in Title I schools that are at least comparable to services provided in non-Title I schools. If the LEA serves all of its schools with Title I funds within a particular grade span, the LEA must use state and local funds to provide services that are substantially comparable in each school, ESEA 1118(c)(d).
    - Generally, comparability is an annual requirement that impacts around 200 LEAs in Ohio.
      - If an LEA is required to demonstrate comparability, the LEA should consider the allocation of those resources to ensure they are Title I neutral across buildings post ESSER.
    - The Local Educational Agency (LEA) demonstrates through the Comparability system that they are using state and local funds to provide services in Title I schools that are at least comparable to services provided in non-Title I schools.
    - LEA must have written procedures for demonstrating comparability.
    - Three ways to demonstrate comparability:
      - Student/Teacher ratio
      - Expenditures per pupil,
      - Student to instructional staff salary ratio.

        - For more information see Comparability Guidance

- **Maintenance of Effort (MOE)**
    - Maintenance of Effort requires districts to demonstrate that the level of state and local funding remains relatively constant from year to year in order to receive the district's full allocations of the grants under ESEA. A district's education expenditures from general fund must be at least 90 percent of the prior year amounts. It is the State's responsibility to determine annually whether a district has maintained effort. If an LEA fails to meet the MOE requirement, DEW shall reduce the amount of funds allocated under programs covered by the MOE requirement. This reduction is proportionate to the LEA's failure to maintain effort, using the measure most favorable to the LEA.
        - As ESSER is ending and the LEA is considering how to fund programming, ensure that the LEA is still meeting 90% of state and local funding requirement.
        - MOE calculation: pulls data from period H in EMIS
        - There are limited exceptions for MOE
        - For more information see MOE Guidance

For more information on the ESEA grants, please contact your federal programs specialist from the CCIP address book.