

CARES Act – ESSER Fund Questions & Answers

Uses of Funds

1. Any activity authorized by ESEA, IDEA, AEFLA, Perkins or McKinney Vento;
2. Coordination of preparedness and response efforts to COVID-19;
3. Providing principals and other school leaders with resources to address individual school needs;
4. Activities to address the unique needs of low-income children, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth, including outreach and service delivery;
5. Procedures and systems to improve LEA preparedness and response efforts;
6. Training and professional development for LEA staff on sanitation and minimizing the spread of infectious disease;
7. Purchasing supplies to sanitize and clean LEA facilities;
8. Planning for and coordinating during long-term closures, including how to provide the following: meals, technology for online learning, guidance for carrying out IDEA requirements and educational services consistent with applicable requirements;
9. Purchasing educational technology (including hardware, software and connectivity) for the LEA's students;
10. Providing mental health services and supports;
11. Planning and implementing summer learning and supplemental afterschool programs; and,
12. Other activities necessary to maintain LEA operations and services and employ existing LEA staff.
Nonpublic schools do not qualify as LEAs; therefore, the activity of maintaining LEA operations and services and employing existing LEA staff would not be considered an allowable activity for nonpublic schools.

For a full description of allowable activities, please see **Section 18003(d) of the CARES Act**.

Funds may not be used for:

- 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;
- Expenditures related to state or local teacher or faculty unions or associations; or
- Activities and or purchases religious in nature.

Allocations

Q: Can you clarify how the dollars will be distributed?

A: The available ESSER funds that will be distributed to an LEA are based on the percentage of the Title I.A allocations that the LEA received in 2019-20.

Funds for Neglected Institutions & other LEA partners

Q: Will an LEA receive ESSER funds for neglected institutions located within the LEA boundaries like they would with the Title I funding formula?

A: No, the allocation will not include a neglected set-aside as this is not a requirement in the CARES Act. An LEA may, however, use a portion of its allocated ESSER funds for services to these students.

Q: Will an LEA receive funds for partners, such as afterschool programs?

A: No, the allocation does not include additional funds for its partners. An LEA may, however, use a portion of its allocated ESSER funds for services to these students.

Allowable Uses

Q: Must ESSER funds be used for all buildings or only buildings that receive Title I funds?

A: These funds are based on your Title I allocation, but are not Title I funds. You may use the funds districtwide.

Q: Can funds be used to purchase sanitizing equipment?

A: Yes, purchasing supplies to sanitize and clean LEA facilities is an allowable expense under activity #7 of ESSER allowable uses: "Purchasing supplies to sanitize and clean the facilities of a local educational agency, including buildings operated by such agency."

Q: Can ESSER funds be used for classified staff wages for employees that were paid but were unable to perform their duties?

A: Yes, this would be allowable under activity #12 of ESSER allowable uses: "Other activities that are necessary to maintain the operation of and continuity of services in local educational agencies and continuing to employ existing staff of the local educational agency."

Q: Can the money from the CARES Act be used for paying salaries?

A: Yes, ESSER funds may be used to pay salaries for staff who were previously paid with state and local funds. This would fall under allowable activity #12: "Other activities necessary to maintain LEA operations and services and employ existing LEA staff. Nonpublic schools do not qualify as LEAs; therefore, the activity of maintaining LEA operations and services and employing existing LEA staff would not be considered an allowable activity for nonpublic schools."

Q: Are we able to charge back salaries and other services/materials purchased after March 13, 2020?

A: Yes, you will need to do journal voucher entries to record the expenditures with the appropriate project and source code for what you have paid to now reflect ESSER funds.

Q: Would class size reduction teachers be an allowable expense, as long as the district meets MSIP standards?

A: Yes, salaries for LEA teachers is an allowable expense, but the LEA must meet the MSIP standard first. Supplement not Supplant does not apply to CARES Act funds.

Q: Can dual enrollment courses be paid for with these funds?

A: Yes, it is allowable under ESEA and activity #1 of ESSER allowable uses: "Any activity authorized by ESEA, IDEA, AEFLA, Perkins or McKinney Vento."

Q: Can credit recovery and MOCAP courses be funded?

A: Yes, however, LEAs must ensure that expenses are above and beyond what is being paid on a student's ADA.

Q: Will indirect costs be allowed?

A: Yes, indirect costs are allowable under ESEA and activity #1 of ESSER allowable uses: "Any activity authorized by ESEA, IDEA, AEFLA, Perkins or McKinney Vento."

Q: Can we hire a social worker with ESSER funds?

A: Yes, a social worker would fall under activity #10 of ESSER allowable uses: "Providing mental health services and supports."

Q: During the statewide stay at home order by the Governor, we paid people "hazard" pay to leave their home to take care of the children of healthcare and first-responder workers so they could still go to work on the front lines. Does this extra "hazard" pay count as a CARES Act expense?

A: Yes, extra duty pay would be allowable, as it relates to disruptions or closures related to COVID-19.

Q: May ESSER funds be used to purchase virtual/online courses for summer school (i.e., grades 3-5, 6-8, 9-12)?

A: Yes, it is allowable under activity #11 of ESSER allowable uses: "Planning and implementing activities related to summer learning and supplemental afterschool programs, including providing classroom instruction or online learning during the summer months and addressing the needs of low-income students, students with disabilities, English learners, migrant students, students experiencing homelessness, and children in foster care." LEAs must ensure that expenses are above and beyond what is being paid on a student's ADA.

Q: Some of our staff experienced data overages on their home internet, resulting in extra fees. Would this be considered an allowable expense?

A: Yes, it is allowable under activity #3 of ESSER allowable uses: "Providing principals and others school leaders with the resources necessary to address the needs of their individual schools."

Q: We have continued to host virtual school and pay all of our employees. Some have worked virtually and others have physically come in. Is it ok to use the ESSER funds to pay for all of our salaries, even if some of those employees worked from home?

A: Yes, this would be allowable under activity #12 of ESSER allowable uses: "Other activities that are necessary to maintain the operation of and continuity of services in local educational agencies and continuing to employ existing staff of the local educational agency."

Q: Is it probably the best idea to attribute all of the ESSER money to LEA teacher salaries, as this could allow the LEA to build fund balances to use at their discretion with an expected shortfall in future state funds?

A: LEAs have flexibility in how the funds are used.

Q: Would the cost of additional bus drivers or extra routes be allowable with ESSER funds so that we can follow social distancing procedures?

A: Any additional cost for transportation due to COVID-19 that is not reimbursed through the State Transportation Aid Payment or paid for with Food Service fund balances can be claimed as an expenditure for ESSER funds.

Q: Would the purchase of a bus be an allowable cost for an extra route to enable more social distancing?

A: Yes, this would be allowable under activity #12 of ESSER allowable uses: "Other activities that are necessary to maintain the operation of and continuity of services in local educational agencies and continuing to employ existing staff of the local educational agency."

Q: Our district is very interested in purchasing a van for food distribution during the COVID crisis, as well as for teachers and administration to use for home visits for students we are not reaching through phone calls, emails or other methods. At our district, we have been working to meet both our students' academic needs and mental health needs during this crisis, which is our reasoning behind home visits.

A: Yes, this would be allowable under activity #12 of ESSER allowable uses: "Other activities that are necessary to maintain the operation of and continuity of services in local educational agencies and continuing to employ existing staff of the local educational agency." The LEA will have different inventory and disposition requirements due to the larger purchase price than is customary.

Q: Does a district have to continue to pay a contracted company when the district is not receiving services from that contractor?

A: We recommend LEAs consult with their legal counsel on this question.

Q: Would we still qualify for ESSER funds if we have not paid our transportation contractor during the time we have been out of school?

A: Your LEA would still qualify for ESSER funds.

Q: Are legal expenses related to items related to COVID-19, allowable under ESSER? The legal expenses were incurred because of discussions regarding contract issues with contracted transportation (school bus company) for payment to the vendor during the time of school closure. Discussions were about how to pay transportation companies to the greatest extent possible.

A: Yes, this would be allowable under activity #12 of ESSER allowable uses: "Developing and implementing procedures and systems to improve the preparedness and response efforts of local educational agencies." 2 CFR 200.459(a) & 2 CFR 200.435(2)

Q: Can a capital project such as renovating the nurse's office to include an isolation room for symptomatic students be done with ESSER funds?

A: Minor remodeling is allowable. As defined in 34 CFR §77.1(c), minor remodeling means minor alterations in a previously completed building. The term also includes the extension of utility lines, such as water and electricity, from points beyond the confines of the space in which the minor remodeling is undertaken but within the confines of the previously completed building. The term does not include building construction, structural alterations to buildings, building maintenance or repairs.

Q: Can ESSER funds be used for teachers to attend college courses specifically designated as Dyslexia training?

A: Yes, it is allowable under IDEA and activity #1 of ESSER allowable uses: "Any activity authorized by ESEA, IDEA, AEFLA, Perkins or McKinney Vento."

Obligation of Funds

Q: Can obligations begin March 13, 2020, regardless of application approval?

A: Yes, you may obligate funds from March 13, 2020, through September 30, 2022.

Application Submission and Deadline

Q: If we submit all the necessary paperwork completed for the ESSER funds, what fiscal year do you expect these to be paid into, FY 2019-20 or FY 2020-21?

A: ESSER funds will be paid as follows: 75% in FY 19-20 and 25% in FY 20-21.

Q: Is there a deadline to submit the application and assurance? Is it possible for us to submit and receive the funds in July 2020 for FY 2020-21?

A: There is no deadline to submit the application and assurance. We suggest submitting the application and assurance when funds are needed, as Cash Management Improvement Act (CMIA) does apply to these funds.

Application Approval and Revisions

Q: Does DESE have a timeline for application approval?

A: DESE anticipates application approval and payment will occur within seven days of submitting a completed application and assurance.

Q: Can an LEA revise its original application after approval, if desired.

A: Yes, if a revision is necessary, please contact ESEA Finance at federalfinancial@dese.mo.gov.

Schoolwide Pool, Indirect Costs and Carryover

Q: Our district uses a districtwide schoolwide pool. ESSER funds would allow us to pay teachers that provided virtual and distance learning opportunities after March 13 using ESSER funds. How would this affect us with schoolwide pool?

A: A budget amendment may be needed to your ESEA Consolidated Application to reduce the amount of state and local funds. Funds cannot be reduced to what has already been paid.

Q: How will ESSER funds "carryover" from this year to next?

A: ESSER funds do not carryover, but funds can be obligated through September 30, 2022.

Miscellaneous

Q: Can ESSER funds be used to make up the amount that FEMA funds do not cover?

A: Yes, ESSER funds may be used to make up the amount that FEMA does not cover. LEAs must ensure it is not being reimbursed for the same expense twice.

Payments

Q: How and when will LEAs receive the funds?

A: LEAs will receive the funds through a school payment. The payment amount will be reflected on payment transmittal. We anticipate LEAs will receive 75% of their payment within seven days of submitting a completed application and assurance.

Q: Can you provide a bit more information on when/how the final 25% of ESSER funds will be able to be received/accessed? I just want to be able to explain it to my Board of Education.

A: Upon submission and approval of your application, 75% of funds will be paid. The remaining funds will be transmitted after the public notice for nonpublic school participation.

Maintenance of Effort and Cash Management Improvement Act (CMIA)

Q: If a district pays salaries and benefits, will it impact maintenance of local effort?

A: Using the funds for salaries and benefits may reduce an LEA's state and local funds and increase its federal funds, which will impact maintenance of effort. A waiver may be requested if an LEA does not meet maintenance of effort.

Q: If the funds are automatically sent to schools, should we assume that the CMIA does not apply to these funds (i.e. funds expended prior to receipt of funds)?

A: Yes, on May 21, 2020, we received guidance from the U.S. Department of Education (USED) that CMIA does apply to ESSER funds. Before a payment is made to LEAs, DESE is contacting LEAs to ensure that 75% of funds has been expended, if the LEA will journal voucher payments upon receipt of the funds, or the LEA will expend the funds the same day of receipt of the funds.

Documentation and Reporting Requirements

Q: If the LEA continues to pay staff during the COVID-19 closure, what documentation would be required to use ESSER funds to cover those salary expenses?

A: The LEA's general ledger would be acceptable documentation for salaries.

Q: It states in the DESE guidance, "...entities that receive more than \$150,000 in CARES Act funds to report certain information about their spending quarterly." What about entities that receive less than \$150,000? What are the reporting requirements?

A: LEAs will need to report the amount received, expended or obligated for each project or activity; a detailed list of all projects or activities for which funds were expended or obligated including the name of the project/activity; a description of the project/activity; the estimated number of jobs created or retained by the project or activity; and, detailed information on any level of subcontracts awarded. USED may impose additional reporting requirements and more information about these requirements is expected. As we get more information, we will share that with LEAs. This information will be collected in the Tiered Monitoring System.

Q: Will there be a Final Expenditure Report (FER) to account for all ESSER funds or will the expenditures reported in the ASBR by the project code be used?

A: There will not be an FER, as we are not collecting an actual budget. LEAs will be required to report on certain requirements at the end of the grant period.

Nonpublic Schools

Q: Will the nonpublic schools receive their own allocation or will it be a portion of the LEA's allocation?

A: Equitable services for nonpublic schools are provided as services through the public LEA. Nonpublic schools will not receive funds, but rather services. A proportionate share of the LEA allocation will be calculated for each nonpublic school.

Q: Can nonpublic schools pool their funds?

A: Appropriate nonpublic schools and LEA officials may agree during consultation to pool the equitable share of the CARES Act funds for some or all of the nonpublic schools within the LEAs boundaries.

Q: If on nonpublic bypass for Title I, will the funds be sent to NESI, the third party provider, or does the LEA manage (though we don't manage their Title I funds)?

A: The bypass provision does not apply to the CARES Act funds. Therefore, LEAs who are on bypass for Title I.A services will be responsible for consultation and services to nonpublic schools.

Q: What's the requirement to work with nonpublic schools who enroll students at grade levels not served by the district's Title I program (secondary students).

A: While CARES Act funds are distributed to LEAs like Title I.A funds, they are not Title I.A funds; therefore, services apply to all students and teachers in nonpublic schools.

Q: Do charter schools have to post the public notice or does that fall under St. Louis School District and/or Kansas City Public Schools?

A: Charter schools are public LEAs, but are not public school districts. Nonpublic schools are the responsibility of public school district. Public school districts such as St. Louis School District and/or Kansas City Public Schools will be required to post the public notice

Food & Nutrition Services

Q: Our district is being reimbursed for COVID meal deliveries through SFSP. I received DESE's updated list of codes to use for those reimbursements and need to know if I use the new codes or the regular DHSS code of 5481.

A: The new Food and Nutritional Services revenue codes are specifically for funds received from DESE for the Seamless Summer Option (SSO). Any funds received from DHSS would remain coded to 5481. LEAs should contact Food & Nutrition Services at webreplyadmfo@dese.mo.gov.

Q: Can CARES funds be used to fund food to families over the summer?

A: LEAs should work with Food & Nutrition Services on providing food to families over the summer. There are separate CARES funds for food services through the Department of Agriculture. CARES Act funds are used to reimburse eligible schools for meals served through the SSO program to children 18 and under. LEAs should contact Food & Nutrition Services at webreplyadmfo@dese.mo.gov.

Q: Are ongoing operating costs of a Food Service program that is provided in a model consistent with CDC guidelines and state and local mandates (different from normal operations) allowable costs under CARES Act?

A: LEAs should work with Food & Nutrition Services on providing food to families over the summer. There are separate CARES funds for food services through the Department of Agriculture. CARES Act funds are used to reimburse eligible schools for meals served. This money can be used for allowable direct expenses to serving reimbursable school meals i.e. food, salaries, transportation and supplies. LEAs should contact Food & Nutrition Services at webreplyadmfo@dese.mo.gov.

Q: Can an LEA use the CARES funds to pay unpaid lunch balances?

A: Unpaid meal balances are not an allowable cost out of the school food service account. The CARES Act funds are to be treated the same as normal school food service revenue, therefore these funds couldn't be used to pay unpaid student balances. LEAs should contact Food & Nutrition Services at webreplyadmfo@dese.mo.gov.