

## DPI Plan for the Elementary and Secondary School Emergency Relief Fund II (Consolidated Appropriations Act, 2021)

### Requirement for Submitting Plan to the Joint Committee on Finance

The Department of Public Instruction (DPI) submits this plan in accordance with Wis. Stat. sec. 115.295, which requires this plan to be submitted in the event federal legislation results in receipt of federal funds by the department in an amount that varies by five percent or more from the federal appropriations in the department's Chapter 20 schedule. Specifically, the statute under Wis. Stat. secs. 115.295 (2) (a) and (b) reads:

- (a) Subject to par. (b), annually by December 1 or within 30 days after the applicable federal appropriation bill for that federal fiscal year has been enacted, whichever is later, the state superintendent shall submit to the joint committee on finance a plan identifying how the state superintendent proposes to adjust the department's federal appropriations for that state fiscal year to reflect the most recent estimate of the amount of federal funds that the department will be appropriated in that state fiscal year.*
- (b) The state superintendent is required to submit a plan under par. (a) only if the department's most recent estimate of the amount of federal funds that the department will be appropriated under s. 20.255 in the current state fiscal year is less than 95 percent or more than 105 percent of the amount of federal revenue shown in the schedule for the appropriations under s. 20.255 in that fiscal year.*

### Federal Response to the COVID-19 Pandemic

The Consolidated Appropriations Act, 2021 [P.L. 116-260], also referred to as the federal stimulus package, was enacted on December 27, 2020, and is the federal government's response to the ongoing COVID-19 pandemic. The stimulus package appropriates funding to states to address the impacts of the COVID-19 pandemic on the economy.

Previously, in March 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act [P.L. 116-136]) was enacted in response to the COVID-19 pandemic, following the declaration by the President of the United States of a national emergency concerning the novel coronavirus disease (COVID-19) outbreak, on March 1, 2020. The CARES Act appropriated federal funding to address the impacts of the COVID-19 pandemic across many sectors of the economy, including education. Specifically, the CARES Act created the Education Stabilization Fund (ESF), which provided, in total, \$30.75 billion for institutions of higher education (IHEs) and for K-12 local educational agencies (LEAs). The term, LEA, includes public school districts and independent charter schools.

Like the CARES Act, the ESF in the recently enacted stimulus package allocates federal funding to states under the Governor's Emergency Education Relief Fund (GEER II), the Elementary and Secondary School Emergency Relief Fund (ESSER II), and a Higher Education Emergency Relief Fund (HEER II). The ESSER II fund is the only ESF allocation in the stimulus package awarded directly to DPI.

The ESSER II funding allocated to the State of Wisconsin under the stimulus package exceeds five percent of current federal funding appropriations in DPI's appropriations schedule under Wis. Stat. Chapter 20, thereby triggering the requirement under Wis. Stat. sec. 115.295. This plan outlines the DPI plan for distributing the ESSER II funding.

### **Elementary and Secondary School Emergency Relief Fund (ESSER II)**

The stimulus package provides a total of \$53.9 billion in the ESSER II fund to be distributed to states and territories proportionate to each state's (territory's) share of funds received in the most recent fiscal year (state FY20), under Title I, Part A (Title IA), of the Elementary and Secondary Education Act of 1965, which was reauthorized in December 2015 as the Every Student Succeeds Act (ESSA).

The ESSER II fund is structured the same way as the initial ESSER fund under the CARES Act. Under this fund, 90 percent of the allocation must be distributed to LEAs according to the Title IA formula, and state education agencies (SEAs) are allowed to use the remaining 10 percent of their allocation as a set aside for statewide activities, although the set aside portion can be distributed directly to LEAs by the SEA. Up to one-half of one percent of a state's total ESSER II allocation may be used for costs of administering the ESSER II fund program. The amount used for administrative purposes comes out of the 10 percent set aside for statewide activities.

The total ESSER II allocation for the State of Wisconsin is \$686,056,238, of which 90 percent (\$617,450,615) will be distributed to LEAs via the FY20 Title IA allocation formula. Title IA allocates funding to LEAs according to a formula based on the number and percentage of children from low-income families. The law delineates the purposes for which LEAs can claim the federal dollars under this program. Those uses of funds are contained in Appendix A to this plan.

#### 10 Percent SEA Set Aside

DPI proposes to distribute the majority of the 10 percent set aside portion of the state's ESSER II allocation (\$68.6 million) directly to LEAs, rather than using the set aside for statewide activities. If the initial ESSER II allocation (based on LEA's relative share of FY20 Title IA allocations) is less than \$100,000, the DPI plan provides an additional amount to raise the LEA's grant award to \$100,000.

Four other educational entities will be allocated \$100,000 under DPI's plan: the Wisconsin Center for the Blind and Visually Impaired (WCBVI); the Wisconsin Education Services Program for the Deaf and Hard of Hearing (WESP-DHH); the Syble Hopp School operated by the Brown County Children with Disabilities Board; and the Lakeland School operated by the Walworth County Children with Disabilities Board. Setting the minimum LEA grant amount to \$100,000 uses \$2,367,981 of the set aside funds.

If the LEA's allocation (with the \$100,000 minimum) provides less than \$395 per pupil, using the third Friday in September 2020 pupil headcount data, the DPI plan provides an additional amount to raise the LEA's grant to \$395 per pupil. This uses \$65,058,613 of the set aside funds. DPI's plan for distributing ESSER II funds is shown in Table 1 below. The amounts shown in the table reflect the state's whole allocation over the life of the ESSER II funds (funds can be obligated through September 30, 2023).

**Table 1. ESSER II Allocation – Authorized Amount and DPI Plan**

	Funding Amount		Percent of Allocation	
	Authorized	DPI Plan	Authorized	DPI Plan
Grants to LEAs (based on Title 1-A allocations)	\$617,450,615	\$617,450,615	90.0%	90.0%
10% Set Aside for Statewide Activities	\$65,175,342		9.5%	
Ensure all LEAs a minimum grant of \$100,000*		\$2,367,981		0.3%
Ensure all LEAs a minimum of \$395 per pupil*		\$65,058,613		9.5%
Administrative funds	\$3,430,281	\$1,179,029	0.50%	0.17%
<b>TOTAL</b>	<b>\$686,056,238</b>	<b>\$686,056,238</b>		

*\*The amounts used to ensure a minimum LEA grant of \$100,000 and a minimum of \$395 per pupil comes from the 10 percent SEA set aside.*

The amounts required to ensure a minimum LEA grant of \$100,000 and a minimum of \$395 per pupil totals to \$67,426,594. Thus, the total amount that will be awarded to LEAs under DPI's plan is \$684,877,209. The remaining \$1,179,029 (0.17 percent) would be used for administrative costs. As such, the DPI's plan reallocates more than half of its allowable administrative funding to the LEA grants.

### Administrative Costs

The federal government recognizes there are costs associated with implementing and maintaining federally-funded programs, and states should not have to absorb those costs with state funds. Like other federal grant programs and the CARES Act, the stimulus package permits states to reserve a share of the state's allocation for administrative costs. States may use up to one-half of one percent of the ESSER II allocation for administrative purposes (\$3,430,281). Under section 313(e) of the Act:

*“(e) STATE FUNDING.—With funds not otherwise allocated under subsection (c), a State may reserve not more than one-half of 1 percent for administrative costs and the remainder for emergency needs as determined by the state educational agency to address issues responding to coronavirus, including measuring and addressing learning loss, which may be addressed through the use of grants or contracts.”*

With respect to the ESSER II funds, this would include costs related to programming changes to DPI's online federal grants portal used by LEAs (WISEgrants) to reflect the parameters of the ESSER II funds, for ongoing maintenance while ESSER II grants are processed in WISEgrants, and for DPI staff time spent on administering the ESSER II fund.

### *WISEgrants*

DPI will use its federal grants portal, WISEgrants, as the platform to distribute these funds to LEAs. The use of WISEgrants has several advantages:

- This is an environment that LEAs are familiar with because all of DPI's federal formula grants are in WISEgrants, so LEAs will be able to access the funds quickly and efficiently, without having to learn a new technology.
- WISEgrants is programmed to meet all of the federal fiscal requirements for pass-through agencies defined in the Federal Uniform Grant Guidance (2 CFR 200) and in Education Department General Administrative Regulations 34 CFR Part 76 (EDGAR).
- WISEgrants will allow LEAs and DPI to meet the reporting requirements listed in the stimulus package. These reporting requirements are significant and WISEgrants can be programmed so that most of the reporting will be completed without additional work from LEAs.

DPI must create the application in WISEgrants to enable LEAs to use for ESSER II funds. While much of the application will be copied from the application for ESSER I, some modifications will be necessary to accommodate differences between ESSER I and II. Assuming ESSER II payments to LEAs are processed in WISEgrants as soon as March 2021, and potentially through December 2023, there will be close to three years of payment processing in WISEgrants for ESSER II funded grant awards to LEAs.

Maintenance of WISEgrants includes end-user technical support (helpdesk), as well as system developments that impact all grants running through WISEgrants (e.g., system enhancements related to claims processing, user access). These maintenance costs are charged back to the appropriate federal funds source based on a formula that captures the each program's "share" of WISEgrants operations (an individual program's share of total payments processed in WISEgrants in the prior year). These expenses will first impact the ESSER II fund in FY22, based on the ESSER II payments processed in WISEgrants during FY21, and will continue into FY24 for payments processed in FY23.

The amount for administrative costs in DPI's plan will support WISEgrants programming, testing, and maintaining the application, claims, and report collection tools throughout the life of the grant. Work will be conducted by IT staff, whose time will be charged back to the program area.

### *DPI Staff*

Additionally, staff time will have to be dedicated to performing work related to the ESSER II funds. Responsibilities include:

- Reviewing and approving budgets
- Collecting and reporting required data
- Implementing monitoring procedures to meet federal requirements
- Providing technical assistance and training to LEAs
- Reviewing and paying LEA claims
- Developing communications for LEAs pertaining to the ESSER II grant (website, listserv)

While LEAs have until September 30, 2023, to obligate ESSER II funds, DPI staff will continue to conduct ESSER II related work after that point, to process final claims or payment adjustments as necessary during the financial close out period, and to produce reports required under federal law. Typically, an SEA will need additional time after the deadline for subgrantees (LEAs) to submit claims for reimbursement to conduct these grant close out activities. Therefore, common practice is to request a no-cost extension of administrative funds to allow the SEA to charge the grant close-out activities to the federal grant (“no-cost” means no additional federal funds are received; rather, it is the ability to spend down allotted administrative funds).

Federal law (2 CFR 200.403 – 200.405) requires recipients of federal monies to use the federal award only for the purpose of the federal grant program. Therefore, DPI employees working directly on ESSER II activities would charge their time back to the ESSER II grant award, and should not charge their time back to other federal grants, (e.g., Title IA administrative funds), even if the employee normally works with the Title IA program. This regulation applies to all federal grant awards, including the other Title grants under ESSA and IDEA. Federal law requires grant recipients to maintain time and effort documentation demonstrating compliance with these regulations.

As DPI anticipates it will not require the full amount permitted for administrative purposes under the ESSER II funds for implementation and overseeing the program, the plan reallocates over half of the \$3.4 million allowed for administration to the LEA grants, leaving \$1,179,000 for costs of administrative activities. DPI is using just 0.17 percent of the total ESSER II grant for administration.

#### *Reporting Requirements*

DPI will be required to report back to the U.S. Department of Education (USDE) on use of the ESSER funds made available to the state. DPI will have to submit a report to the USDE, no later than six months after receiving the ESSER II funds, providing a detailed accounting of the use of funds, including how the state is using funds to measure and address learning loss among students who have been disproportionately affected by coronavirus and school closures, including low-income students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and children and youth in foster care. Additionally, DPI will be required to submit financial and programmatic report reports required by USDE and approved by the Office of Management and Budget.

#### LEA Use of ESSER II Funds

Though the amounts distributed to LEAs is based on Title IA allocations, the ESSER II funds are to be used by LEAs for responding to the COVID-19 pandemic, and for supporting educational programming and general functioning of schools. LEAs may use ESSER II funds for similar purposes as for ESSER I under the CARES Act, including the following activities (new uses are noted in italics):

- Any allowable activity under Elementary and Secondary Education Act, Individuals with Disabilities Education Act, Carl Perkins Act – Career Technical Education, and McKinney-Vento Act.
- Coordination of COVID preparedness and response.
- *Addressing learning loss, including through assessment, evidence-based activities, parent*

*engagement, tracking attendance, and improving student engagement.*

- *School facilities repairs and improvements to enable schools to reduce the risk of virus transmission and exposure to environmental health hazards, and to support student health needs.*
- Other activities that are necessary to maintain the operation of and continuity of services in LEAs.

A full listing of purposes and activities for which LEAs may use ESSER II funds can be found in Appendix A to this plan.

### Modification to DPI’s Federal Appropriations

To expend the additional federal funds from its federal appropriations, DPI will need to increase the budget authority levels in those appropriations. Currently, DPI has five appropriations designated to receive federal funds.

**Table 2. Federal Appropriations (DPI)**

<b>Alpha</b>	<b>Appropriation Title</b>	<b>FY21 Appropriation</b>
(1) (me)	Federal aids; program operations	\$52,733,000
(1) (pz)	Indirect cost reimbursements	\$4,819,500
(2) (m)	Federal aids; local aid*	\$760,633,500
(3) (mm)	Federal funds; local assistance**	\$1,300,000
(3) (ms)	Federal funds; individuals and organizations***	\$62,868,500

\*Federal aid distributed to public schools (includes independent charter schools, as well as other public entities, e.g., institutions overseen by the Wisconsin Department of Health Services).

\*\*Federal aid distributed to public libraries. \*\*\*Federal aid distributed to private schools.

Based on the allocation of federal funds under the Act, DPI would need to modify two of its federal appropriations to increase budget authority, as shown below.

**Table 3. Modifications to Federal Appropriations Resulting from the CARES Act**

<b>Alpha</b>	<b>Appropriation Title</b>	<b>FY21 – Current Appropriation</b>	<b>December 2020 Stimulus Package</b>	<b>FY21 – Adjusted Appropriation</b>	<b>Percent Change</b>
(1) (me)	Federal aids; program operations	\$52,733,000	\$1,379,000	\$54,112,000	2.6%
(2) (m)	Federal aids; local aid	\$760,633,500	\$684,677,200	\$1,445,310,700	90.0%

The amount indicated for DPI’s appropriation under s. 20.255 (1) (me) is \$200,000 greater than the amount allocated for administrative costs under DPI’s plan. This is because the payments made to the WCBVI and the WESP-DHH cannot be made as an aid (grant) payment, as a state

agency cannot make grants to itself. Instead, the allocation for the state's residential schools must flow through DPI's federal appropriation for program operations.

All of DPI's federal appropriations are "continuing" appropriations: the uncommitted budget authority remaining at the end of the state fiscal year automatically carries forward into the following state fiscal year. In this way, the budget authority (ability to spend) for federal funds that cannot be fully expended or encumbered by June 30 of a given state fiscal year are still available for use by DPI in the subsequent fiscal year. Under federal law, the ESSER II funds can be obligated through September 30, 2023.

## **Request**

In consideration of the information provided in this plan, DPI respectfully requests approval for modifying the two federal appropriations under s. 20.255 (1) (me) and (2) (m). Under the plan, DPI's federal appropriations would be increased by the full amount of federal funding available under the ESSER II fund created by the Consolidated Appropriations Act, 2021 (stimulus package) to distribute to LEAs.

Pending approval of this plan by the Joint Committee on Finance, DPI will begin distributing ESSER II funding to LEAs in FY21. The ESSER II funds that are not distributed by June 30, 2021, would be distributed to LEAs in state FY22 (2021-22 school year, and potentially into the 2022-23 school year (through September 30, 2023, at the latest).

DPI awaits the Joint Committee on Finance's action and looks forward to continuing our work with stakeholders and education partners to ensure children will continue to learn and thrive educationally, and schools will be safe and healthy throughout this unprecedented time of the extended COVID-19 pandemic.

## **APPENDIX A – Allowable Uses for ESSER II Funds**

Under the Appropriations Consolidation Act, 2021, an LEA may use ESSER II funds for any of the following purposes:

1. Any activity authorized by the ESEA of 1965, including the Native Hawaiian Education Act and the Alaska Native Educational Equity, Support, and Assistance Act (20 U.S.C. 6301 et seq.), the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) (“IDEA”), the Adult Education and Family Literacy Act (20 U.S.C. 1400 et seq.), the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.) (“the Perkins Act”), or subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.).
2. Coordination of preparedness and response efforts of local educational agencies with State, local, Tribal, and territorial public health departments, and other relevant agencies, to improve coordinated responses among such entities to prevent, prepare for, and respond to coronavirus.
3. Providing principals and others school leaders with the resources necessary to address the needs of their individual schools.
4. Activities to address the unique needs of low-income children or students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth, including how outreach and service delivery will meet the needs of each population.
5. Developing and implementing procedures and systems to improve the preparedness and response efforts of local educational agencies.
6. Training and professional development for staff of the local educational agency on sanitation and minimizing the spread of infectious diseases.
7. Purchasing supplies to sanitize and clean the facilities of a local educational agency, including buildings operated by such agency.
8. Planning for, coordinating, and implementing activities during long-term closures, including providing meals to eligible students, providing technology for online learning to all students, providing guidance for carrying out requirements under the IDEA and ensuring other educational services can continue to be provided consistent with all Federal, State, and local requirements.
9. Purchasing educational technology (including hardware, software, and connectivity) for students who are served by the local educational agency that aids in regular and substantive educational interaction between students and their classroom instructors, including low-income students and children with disabilities, which may include assistive technology or adaptive equipment.
10. Providing mental health services and supports.
11. 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, children with disabilities, English learners, migrant students, students experiencing homelessness, and children in foster care.



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:
  - a. 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.
  - b. Implementing evidence-based activities to meet the comprehensive needs of students.
  - c. Providing information and assistance to parents and families on how they can effectively support students, including in a distance learning environment.
  - d. Tracking student attendance and improving student engagement in distance education.
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.
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.
15. 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.

