Managing Relief Funds as Grants End

Jerri Beth Nave, Julia Hudson, and Michelle Harless
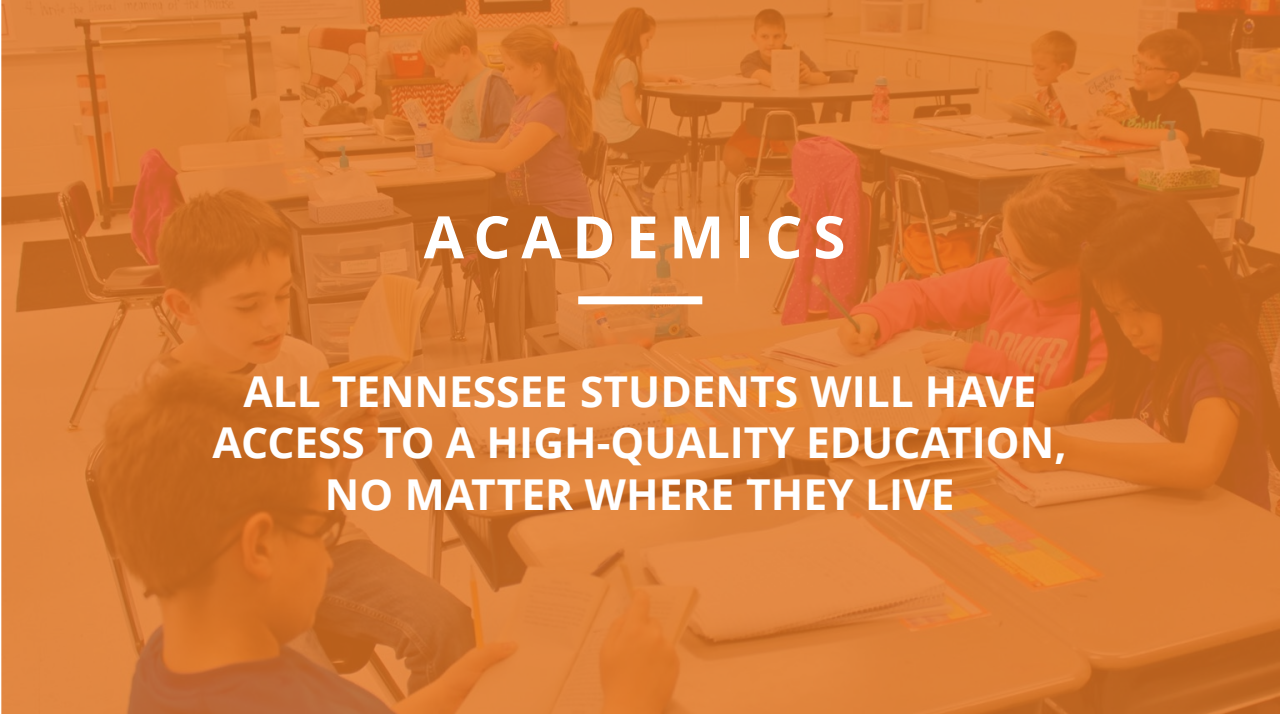
Relief Funding team, Federal Programs and Oversight

Aug. 22-24, 2023

#TNBestforAll
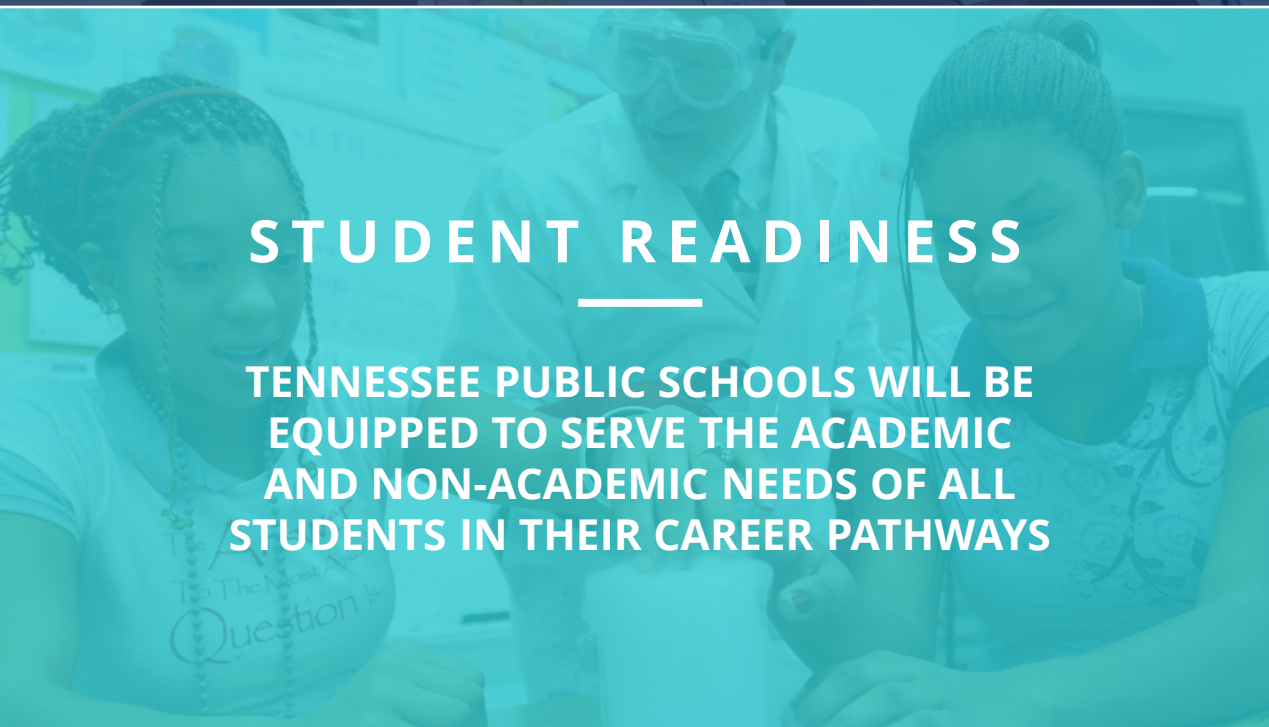
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BEST FOR **ALL**
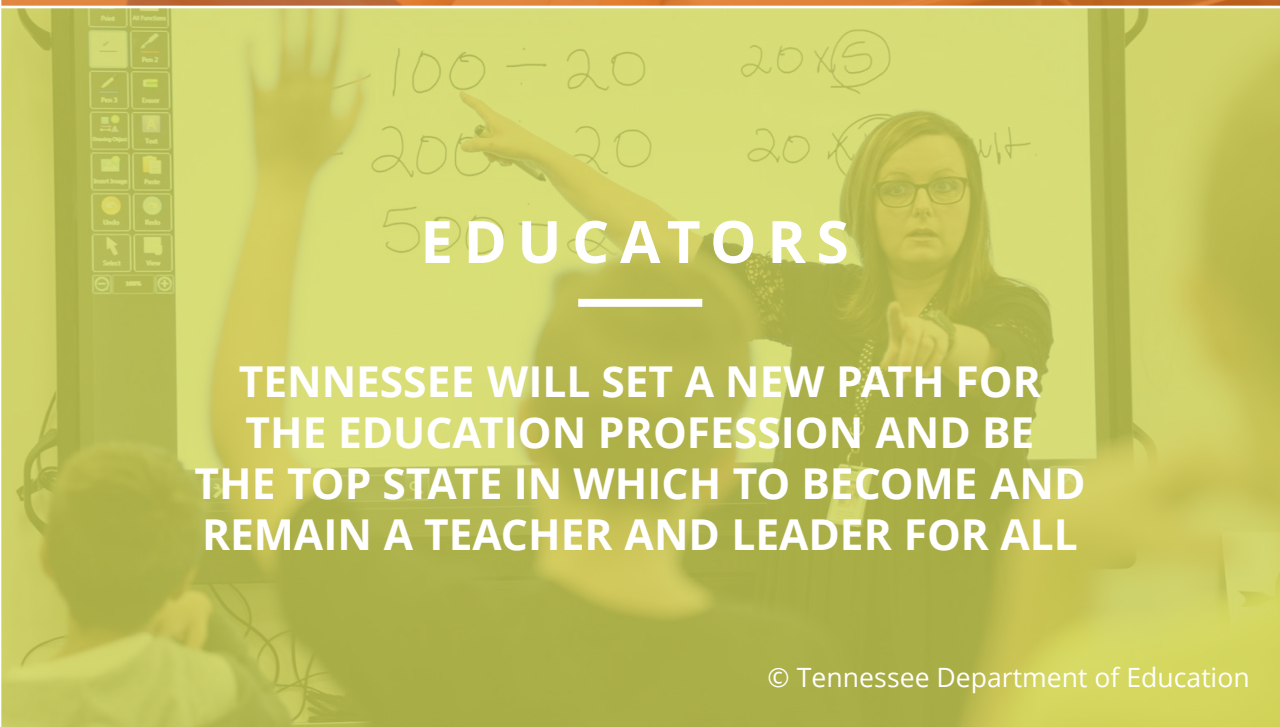We will set all students on a path to success.

ACADEMICS

ALL TENNESSEE STUDENTS WILL HAVE ACCESS TO A HIGH-QUALITY EDUCATION, NO MATTER WHERE THEY LIVE

STUDENT READINESS

TENNESSEE PUBLIC SCHOOLS WILL BE EQUIPPED TO SERVE THE ACADEMIC AND NON-ACADEMIC NEEDS OF ALL STUDENTS IN THEIR CAREER PATHWAYS

EDUCATORS

TENNESSEE WILL SET A NEW PATH FOR THE EDUCATION PROFESSION AND BE THE TOP STATE IN WHICH TO BECOME AND REMAIN A TEACHER AND LEADER FOR ALL

Agenda

- Relief Funds: Periods of Performance
- Relief Funds: Closeout Procedures
- Relief Funds: Reflecting on Investments
- Closing

Relief Funds

Periods of Performance

Federal Grants Period of Performance

- The Uniform Guidance in 2 C.F.R. § 200.77 defines "period of performance" as the time during which the non-Federal entity (grantee) may incur new obligations to carry out the work authorized under the Federal award.

- Federal guidance specifies that grant funds may not be used for activities outside of the period of performance (2 C.F.R. § 200.344). Materials, supplies, and/or services received outside of the period of performance would not be allowable.

Relief Funding Periods of Performance

Grant	Obligation	Liquidation
ESSER 2.0 (CRSSA)	Sept. 30, 2023	Dec. 15, 2023*
ARP IDEA	Sept. 30, 2023	Dec. 15, 2023*
ESSER 3.0 (ARP ESSER)	Sept. 30, 2024	Dec. 15, 2024*
ARP Homeless 1.0 ARP Homeless 2.0 Systems Navigator	Sept. 30, 2024	Dec. 15, 2024*

Recommended deadline to ensure funds are reimbursed in ePlan for adequate time for grants to close. The Tennessee Department of Education (the department) is awaiting guidance from the U.S. Department of Education (ED) on the extension of liquidation for ESSER 2.0 and ESSER 3.0. Extension of liquidation will provide an additional 14 months for local education agencies (LEAs) to draw down these funds, which will extend the period of performance for each grant.

Obligation of Funds

- **Obligation:** Funds are obligated when the local education agency (LEA) commits those funds to specific purposes (e.g., contracts, services, subscriptions, materials) (34 C.F.R. § 76.707). Funds are not obligated until the LEA commits the funds to specific purposes.

- Specifically, for services or assistance provided through a contract, <u>the obligation is made on the date that the State or subgrantee makes a binding written commitment to obtain the services, work, or products.</u> For the rental or lease of real or personal property, the obligation is made when the property is used.

Obligation of Funds

If the obligation is for:	The obligation is made:
Acquisition of real or personal property	On the date on which the subgrantee makes a binding written commitment to acquire the property.
Personal services by an employee of the State or subgrantee	When the services are performed.
Personal services by a contractor who is not an employee of the State or subgrantee	On the date on which the subgrantee makes a binding written commitment to obtain the services.
Performance of work other than personal services.	On the date on which the subgrantee makes a binding written commitment to obtain the work.
Public utility services	When the subgrantee receives the services.
Travel	When the travel is taken.
Rental of real or personal property	When the subgrantee uses the property.

Liquidation of Funds

- **Liquidation:** To liquidate an obligation, the purchased item or service has occurred, payment has been made to the vendor or provider, and a request made to the state for reimbursement, net any discounts, rebates, etc.

  - A grantee must liquidate all obligations incurred under the award no later than 120 days after the end of the funding period or as specified in a program regulation (34 C.F.R. § 80.23).

- For ESSER 2.0 and ARP IDEA, **Dec. 15, 2023,** is the recommended deadline for liquidation to ensure funds are reimbursed in ePlan for adequate time for the grant to close.

ESSER Funds, Textbooks, and Periods of Performance

- An LEA may only pay for the textbooks and any supplemental materials or supplies that accompany the texts that will be **received** during the period of performance for the respective grant.

- Materials, supplies, and/or services **received** after the period of performance would not be allowable.

  - ESSER 2.0 and ARP IDEA, **Dec. 2023**

  - ESSER 3.0, **Dec. 2024**

- Please see the Period of Performance Overview for specific examples with timelines.

How Long May ESSER-Funded Activities Continue?

- According to the United States Department of Education (ED), in [question E-3.d. of the ESSER and GEER Use of Funds FAQs](#) it **may** be allowable after the obligation and liquidation period.
  - Fact specific and should be considered by the SEA on a case-by-case basis*
- Factors to consider:
  - Whether the funds were properly obligated and liquidated in a timely manner
  - Whether the extended activities constitute a reasonable and necessary use of Federal funds
  - Whether prudent business practices (2 CFR §200.404(b) & (d)) and internal controls would support the continued activities for the length of time proposed
  - Whether the educational services to students or supports for learning are disrupted (not salaries).*

How Long May ESSER-Funded Activities Continue?

- Other Factors for LEAs to consider:
  - Contractor's history of performance
  - Discounted costs
  - Service/product is an identified need
  - Data demonstrating success of service/product

How Long May ESSER-Funded Activities Continue?

FOR EXAMPLE:

- It **may** be reasonable and necessary for an LEA to enter into a multi-year software licensing contract with a vendor during the period of performance of ARP ESSER
  - The LEA could pay for the **contract portion** within the liquidation period.
  - Under the contract, the vendor would continue to provide the services for some time after the funds have been liquidated.
  - The contract would then be paid out of another funding source for any remaining years.

How Long May ESSER-Funded Activities Continue?

ESSER 2.0 PERIOD OF PERFORMANCE EXAMPLE

	IF Obligated by Sept. 30, 2023	AND Received and paid for by Dec. 2023	THEN May be utilized until the end of 2023-2024 school year and through summer programming	BUT NOT Continued in the 2024-2025 school year and beyond
Benchmarking Software	YES	YES	YES	NO – Use other funding source
Textbook Consumables	YES	YES	YES	NO – Use other funding source

Relief Funds and Employee Pay

- Services provided by an employee are considered obligated when the services are rendered, or the work is performed [34 C.F.R. § 76.707(b)].

- Payroll expenses for employees may only be charged to the grant for services provided through the end of the obligation period (Sept. 30, 2024, for ESSER 3.0).

Relief Funds and Employee Pay Example

An LEA may not use ESSER 2.0 or ARP IDEA funding to pay an employee's salary and benefits after Sept. 30, 2023, since the obligation of funds for an employee does not occur until the work is performed. Thus, payroll expenses for employees of the state or subgrantee may only be charged to the grant for services provided through the end of the obligation period (Sept. 30, 2024, for ESSER 3.0).

Relief Funds and Employee Pay Example

ESSER 2.0 EXAMPLE

Examples of personal services for the 2023-2024 school year	When are these services obligated?	Are these personal services allowable after Sept. 30, 2023?
Teacher employed by LEA	When the work occurs	NO
Company under contract to provide ongoing PD to teachers	On the date on which there is a binding written commitment to obtain the services.	YES
ESSER Administrator hired by LEA	When the work occurs	NO
Company under contract to place substitutes	On the date on which there is a binding written commitment to obtain the services.	YES

Extensions

- **Obligation period may not be extended.**
  - Set in statute and requires Congressional action.
- **Liquidation Extension**
  - U.S. Department of Education (ED) allowed requests for CARES Act (ESSER 1.0)
  - ED Liquidation Extension Letter from Sept. 29, 2022
  - CARES Act Liquidation Extension Request Template
  - ED does not encourage planning for the granting of an extension.
  - Tennessee did not apply for a CARES Act liquidation extension.
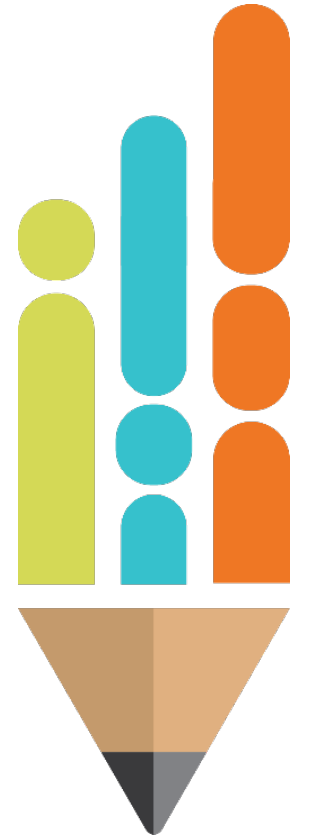
Extensions

- ESSER 2.0
  - ED released guidance on Friday, May 5, 2023.
    - The information and request template are similar to that for CARES Act (ESSER 1.0).
    - Tennessee is seeking information and guidance to determine the next steps if an extension request is necessary.
    - Approximately 91 percent of ESSER 2.0 funds have been liquidated.
- ESSER 3.0
  - No guidance has been released by ED about liquidation extensions.

Relief Funds

Closeout Procedures

TN Department of Education

Relief Funds Period of Performance vs. State Fiscal Year

Grant	State Fiscal Year End	Relief Funds Period of Availability Ends
ESSER 2.0 (CRSSA)	June 30, 2023	Sept. 30, 2023
ARP IDEA	June 30, 2023	Sept. 30, 2023
ESSER 3.0 (ARP ESSER)	June 30, 2024	Sept. 30, 2024
ARP Homeless 1.0 ARP Homeless 2.0 Systems Navigator	June 30, 2024	Sept. 30, 2024

See also: List of FY23 Grant FER Deadlines

ESSER 2.0, ARP IDEA, and ARP Homeless Final Closeout

- All remaining ESSER 2.0 and ARP IDEA funds must be obligated by **Sept. 30, 2023**.

- All ESSER 2.0, and ARP IDEA funds liquidated by Dec. 15, 2023.*

  Recommended deadline to ensure funds are reimbursed in ePlan for adequate time for grants to close. The department is awaiting guidance from ED on the extension of liquidation for ESSER 2.0 and ESSER 3.0. Extension of liquidation will provide an additional 14 months for LEAs to draw down these funds, which will extend the period of performance for each grant.

- LEAs had two options for closing out these funds (next slides).

Option 1: Relief Funds Closeout by June 30, 2023

- Submit budget revisions to the department in a timely manner to obtain necessary local and state approvals.
- Submit reimbursement requests timely.
- All funds must be obligated and liquidated by **June 30, 2023**.
- Complete the Final Expenditure Report (FER) in ePlan; beginning **July 1, 2023.**
  – To date, **47 LEAs have chosen this option and closed out ESSER 2.0.**
- Several FERs are still in the process of closeout.
- ESSER 2.0 is currently **91% reimbursed to LEAs**.

Option 2: Relief Funds Closeout if funds are not obligated and liquidated by June 30, 2023

- FY23 FER submitted no later than **July 28, 2023**
  - Allowed for budgeting of carryover, if applicable
  - To release funds that are not used
    - [The Release of Funds](#) form must be uploaded in ePlan, and the applicable grant manager must be notified if any funds are being released.
- FER approved by the department
- FY24 ESSER 2.0 carryover funds became available in ePlan as soon as the department approved the FER

FY24 ESSER 2.0 Carryover Funding Application

- The [ESSER Fund 2.0 Technical Application Guide](#) was updated for FY24 carryover funds.
- Changes in the FY24 funding application that included changes to ESSER 2.0-funded capital projects, required changes also to be made in the ESSER Pre-Approval Request.
- FY24 ESSER 2.0 carryover funding applications are due on or before **Aug. 25, 2023**.
- **The <u>final</u> obligation date for ESSER 2.0 carryover funding is Sept. 30, 2023.**
- To date**, 61 FY24 ESSER 2.0 carryover applications have opened with 33 of those fully approved by the department.**
- The remaining ones are in the approval process

ARP IDEA

Grant	Obligation Date	Liquidation Date
ARP IDEA, Part B and Preschool	Sept. 30, 2023	Dec. 15, 2023*
Recommended deadline to ensure funds are reimbursed in ePlan for adequate time for grants to close.		

- ARP-IDEA Technical Application Guide
- ARP IDEA: Allowable Uses of Funds
- Questions?
  Contact IDEA Oversight Coordinators
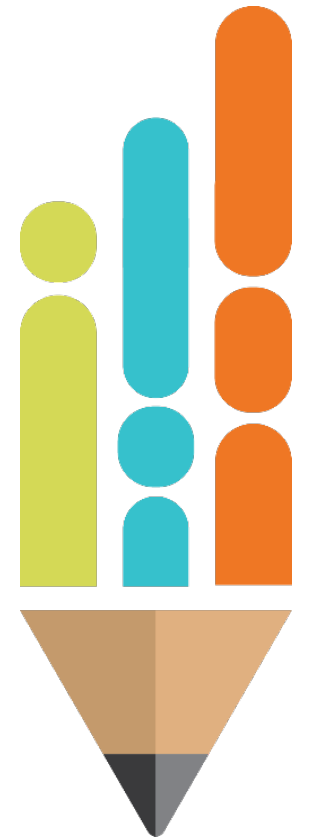
ARP Homeless

Grant	Obligation Date	Liquidation Date
ARP Homeless 1.0	Sept. 30, 2024	Dec. 15, 2024*
ARP Homeless 2.0	Sept. 30, 2024	Dec. 15, 2024*
Systems Navigator	Sept. 30, 2024	Dec. 15, 2024 *

Recommended deadline to ensure funds are reimbursed in ePlan for adequate time for grants to close.

- ARP Homeless 2.0 Technical Guide
- Questions?
  - Please contact:
    Vanessa Waters | McKinney-Vento and Immigrant Grant Manager
    Vanessa.Waters@tn.gov
    (615) 917-3750

Relief Funds

Reflecting on Investments

What is your LEA's ESSER story?

As we near the end of the three ESSER funds, are you ensuring your stakeholders know your story?

- Why did your LEA decide to spend the funds in the ways that it has?
  - What needs did you immediately meet?
  - What needs are you still currently addressing?
  - How did you determine the subgroups most impacted by the pandemic?
  - How have the perspectives of students, families, community, and others shaped the priorities?

What is your LEA's ESSER Story?

How are you assessing your investments?

- What is working?

- What is not working?

- What does your latest data show for student outcomes?

- Do you see a need for changes in your implementation efforts in the remaining months of the grants?

What is your LEA's ESSER Story?

How are you communicating the end of ESSER investments to your stakeholders?

- Will the investments have a lasting impact?
- Which activities will be sustained? Which will not?
- Can you explain how ESSER-funded activities have addressed student learning loss? Have they been successful?

Closing

Thank You!

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Director of IDEA Oversight
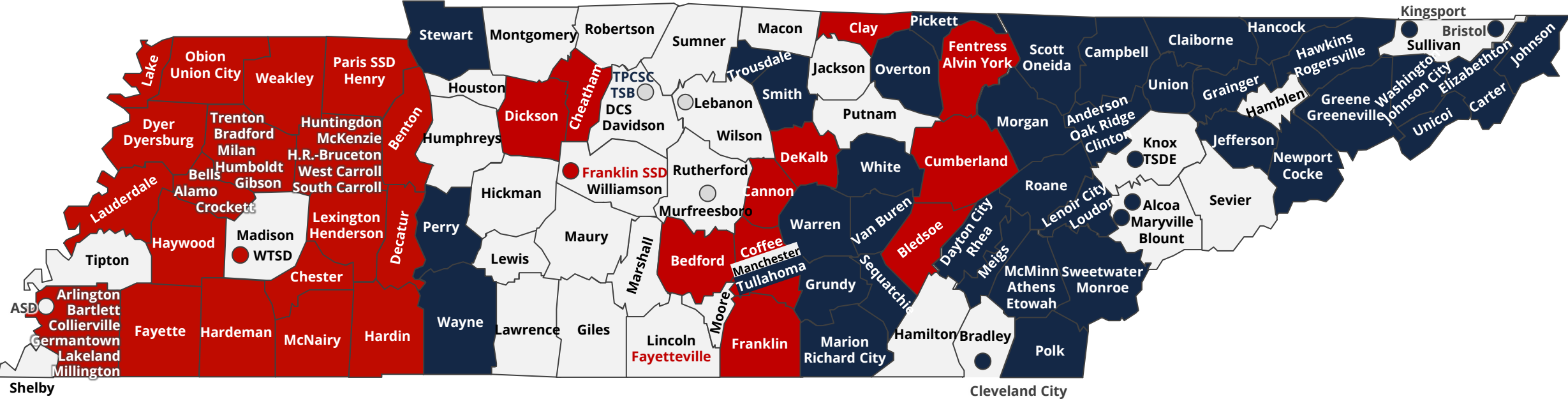Jamie.Eldridge@tn.gov

Vanessa Waters
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FPO Divisional Coordinator Map for ESSER Funds
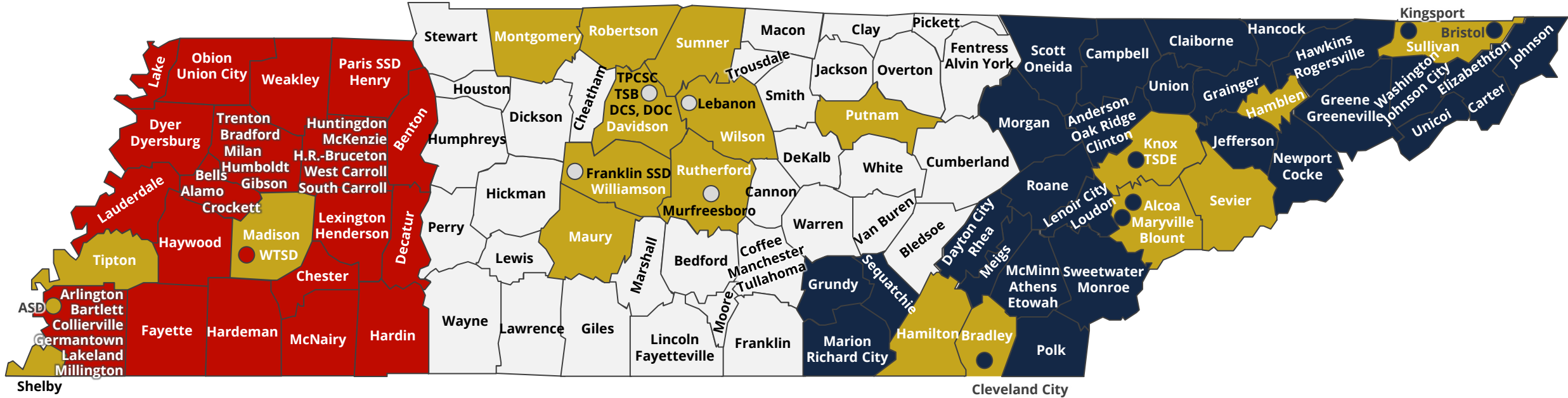
(effective March 15, 2023)

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Regional Finance Consultant District Map
As of 7/1/2023

CENTRAL TIME ZONE ← → EASTERN TIME ZONE

Northwest	Southwest	Mid Cumberland	Upper Cumberland	South Central	Southeast	East TN	First TN
Joshua Dehnz	Holly Kellar	Rob Mynhier		Taffe Bishop		Jill Lewis	
Joshua.Dehnz@tn.gov	Holly.Kellar@tn.gov	Robert.Mynhier@tn.gov		Taffe.Bishop@tn.gov		Jill.Lewis@tn.gov	
*Districts that are assigned to a finance consultant in a different CORE region.							

TN Department of Education

Regional Finance Consultant District Assignment
As of 7/1/2023

Northwest	Southwest	Mid Cumberland	Upper Cumberland	South Central	Southeast	East TN	First TN
Joshua Dehnz	**Holly Kellar**	**Rob Mynhier**		**Taffe Bishop**		**Jill Lewis**	
Joshua.Dehnz@tn.gov	Holly.Kellar@tn.gov	Robert.Mynhier@tn.gov		Taffe.Bishop@tn.gov		Jill.Lewis@tn.gov	

Districts:

Northwest	Southwest	Mid Cumberland	Upper Cumberland	South Central	Southeast	East TN	First TN
Alamo City	Achievement Schools	Cheatham County	Alvin York Institute	Bedford County	Athens City	Alcoa City	Bristol City
Bells City	Arlington SSD	Charter Schools	Bledsoe County	Coffee County	Bradley County	Anderson County	Carter County
Benton County	Bartlett SSD	Commission	Cannon County	Fayetteville City	Cleveland City	Blount County	Cocke County
Bradford SSD	Chester County	Dickson County	Clay County	Franklin County	Dayton City	Campbell County	Elizabethton City
Carroll County	Collierville SSD	Dept. of Children Services	Clay County	Giles County	Etowah City	Claiborne County	Greene County
Crockett County	Fayette County	Dept. of Corrections	Cumberland County	Hickman County	Grundy County	Clinton City	Greeneville City
Dyer County	Germantown SSD	Franklin SSD	DeKalb County	Lawrence County	Hamilton County	Jefferson County	Hamblen County
Dyersburg City	Hardeman County	Houston County	Fentress County	Lewis County	Marion County	Knox County	Hancock County
Gibson County SSD	Haywood County	Humphreys County	Jackson County	Lincoln County	McMinn County	Maryville City	Hawkins County
Henry County	Henderson County	Lebanon SSD	Macon County	Manchester City	Meigs County	Morgan County	Johnson City
Hollow Rock-Bruceton SSD	Lakeland SSD	Metro-Nashville	Overton County	Marshall County	Polk County	Oak Ridge	Johnson County
Humboldt SSD	Lauderdale County	Montgomery County	Pickett County	Maury County	Rhea County	Oneida SSD	Kingsport City
Huntingdon SSD	Lexington City	Murfreesboro City	Putnam County	Moore County	Richard City	Roane County	Newport City
Lake County	McNairy County	Robertson County	Smith County	Perry County	Sequatchie County	Scott County	Rogersville City
McKenzie SSD	Millington	Rutherford County	Trousdale County	Tullahoma City		Sevier County	Sullivan County
Milan SSD	Shelby County	Stewart County	Van Buren County	Wayne County	*Lenoir City	TSDK	Unicoi County
Obion County	Tipton County	Sumner County	Warren County		*Loudon County	Union County	Washington County
Paris SSD	WTSD	TN School for Blind	White County	*Decatur County	*Monroe County		
South Carroll SSD		Williamson County		*Hardin County	*Sweetwater City		*Grainger County
Trenton SSD		Wilson County					
Union City							
Weakley County		*Jackson-Madison County					
West Carroll SSD							

*Districts that are assigned to a finance consultant in a different CORE region.

Questions?

TN Department of Education

Tuesday-Thursday
Please Share Your Feedback:

You may access the PD by navigating here:
https://stateoftennessee.formstack.com/forms/2023fpi_pd_survey

TN Department of Education
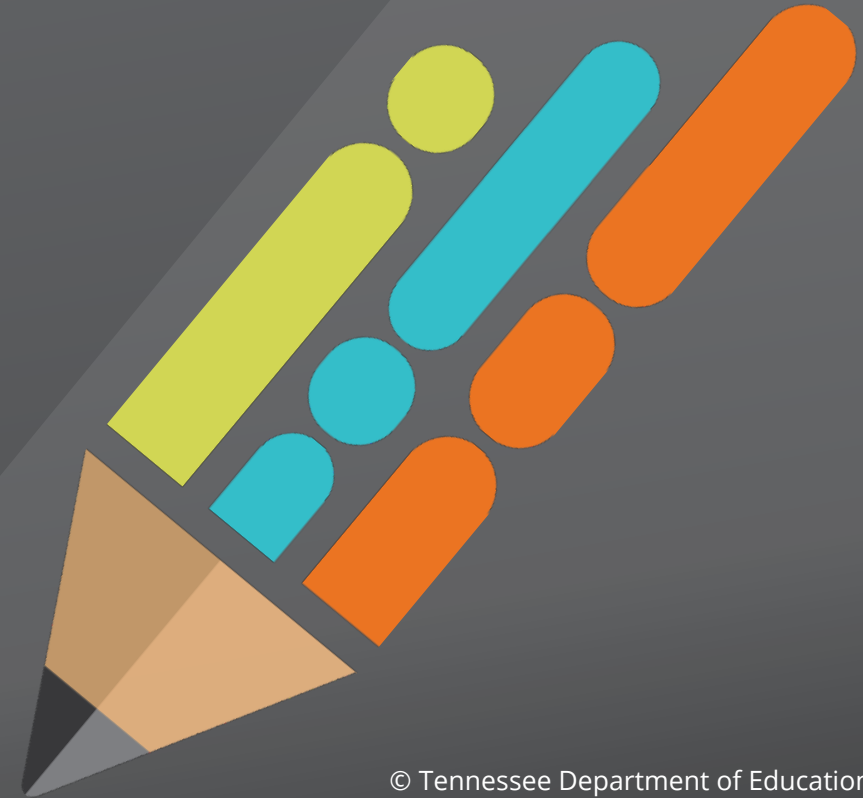
Fraud, Waste or Abuse

Citizens and agencies are encouraged to report fraud, waste, or abuse in State and Local government.

NOTICE: This agency is a recipient of taxpayer funding. If you observe an agency director or employee engaging in any activity which you consider to be illegal, improper or wasteful, please call the state Comptroller's toll-free Hotline:

1-800-232-5454

Notifications can also be submitted electronically at:

http://www.comptroller.tn.gov/hotline