

May 13, 2022

Dr. Daniel Domenech Executive Director AASA, The School Superintendents Association 1615 Duke Street Alexandria, VA 22314

Dear Dr. Domenech:

Thank you for the January 21, 2022, letter from your organization and other interested parties inquiring about spending flexibility under the American Rescue Plan's Elementary and Secondary School Emergency Relief (ARP ESSER) Fund. The U.S. Department of Education (Department) acted with great urgency to provide \$122 billion in relief and recovery funds to assist states and local educational agencies (LEAs) across the country in reopening schools and recovering from the disruption caused by the COVID-19 pandemic. As the nation moves beyond reopening, the Department urges states and districts to act with that same urgency in continuing to put ARP ESSER dollars to use in schools and classrooms—to meet the immediate needs of students and to address the long-term impact of the pandemic on academic growth and student mental health. Overcoming the challenges of lost instructional time and meeting critical social, emotional, and mental health needs should be a top priority of every state and district receiving ARP ESSER funds.

Your letter pertains to flexibility for school districts seeking to use ARP ESSER funds to address school infrastructure projects. As described in the <u>Department's Frequently Asked Questions</u> (FAQs) on ESSER and Governor's Emergency Education Relief (GEER) funds, school infrastructure projects related to addressing the pandemic and its impacts are generally an allowable use of funds. However, the Department discourages LEAs from using these funds for new construction, as this use of funds may limit an LEA's ability to support other more pressing needs related to the impact of the pandemic on learning and the emotional and mental health and well-being of our children and youth. It is the responsibility of the grantee and subgrantee to assure that, among other Federal requirements, any project is targeted to the overall purpose of the ARP ESSER program, which is "to prevent, prepare for, and respond to" COVID-19.

The Department does understand the need for schools to address urgent and pressing projects, including school infrastructure projects, intended to safeguard the health and safety of students, educators, and staff during this pandemic. Fifty million students and nearly 6 million adults spend their day learning, teaching, and working in schools. Indoor air quality plays a crucial role, not only in the spread or mitigation of COVID-19 but also in student achievement. We know that, even prior to this pandemic, more than half of the country's public school districts needed to update or replace multiple building systems, particularly heating, ventilation, and air conditioning (HVAC) systems, and that the pandemic has compounded these critical issues and

made addressing them more urgent given the importance of environmental health during the pandemic. The Department is pleased that, in order to ensure the safety of students and staff, so many districts are using ARP ESSER funds to make necessary investments in improving indoor air quality, as intended by ARP.

The September 30, 2024, deadline for obligation of ARP ESSER funds is based on statutory and regulatory requirements, which reflect the intent of both the Administration and Congress to ensure that funds are spent expeditiously to address the impact of COVID-19 on students, educators, and schools. The <u>Department's FAQs</u> on this topic provide additional information on when ARP ESSER funds must be obligated for specific purposes consistent with the regulations in 34 CFR § 76.707. Thus, grantees and subgrantees must obligate those funds by September 30, 2024, and, by regulation, must liquidate the funds within 120 calendar days after that date per 2 CFR § 200.344(b).

The Department has the authority to approve liquidation extension requests for properly obligated funds upon review of written requests made by the state educational agency (SEA). Should funds be properly and timely obligated—including the requirement a construction project meets the COVID-related purposes stated above—and liquidation becomes an issue closer to the obligation deadline, the Department has the authority to approve liquidation extension requests based upon the specific facts and circumstances of a given obligation and upon written request of an SEA grantee, in accordance with 2 CFR § 200.344(b). If approved, grantees may have up to 18 months beyond the end of the obligation period, although requests for longer may be considered related to extraordinary circumstances. Under a liquidation extension, the delivery of goods and services may continue to be provided through the end of the liquidation period, so long as a timely and valid obligation had been made pursuant to 34 C.F.R. § 76.707.

We look forward to continuing to work in close partnership with state and local education leaders in the response to and recovery from the COVID-19 pandemic. Please share this response with the co-signers of your letter.

Sincerely,

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Roberto J. Rodríguez Assistant Secretary, Office of Planning, Evaluation and Policy Development U.S. Department of Education

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