



# **Federal Stimulus Aid to Public Schools**

Presentation to Legislative Education Study Committee

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# Presentation Overview

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- Overview of Federal Stimulus Aid for Education
- Eligible Expenditures and Allocation Requirements
- Budgeted Expenditures and Plans
- Spending Trends



# Education Stabilization Fund (ESF)

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In response to Covid-19, Congress established three major sub-funds of ESF to support emergency education needs:

- **Elementary and Secondary School Emergency Relief (ESSER) Fund:** for K-12 schools to maintain operations and respond to Covid-19 emergencies. Up to 10 percent can be withheld by the Public Education Department (PED).
- **Higher Education Emergency Relief (HEER) Fund:** for student financial aid and higher education institution responses to Covid-19 emergencies.
- **Governor's Emergency Education Relief (GEER) Fund:** for governors to provide emergency education services, including support to nonpublic schools.



# Three Rounds of Federal ESSER Aid

## Round 1: CARES

(Mar. 2020)

**\$108.6 million**

- Deadline for expenditure: Sep. 30, 2022
- For operational costs and Covid-19 emergencies
- Includes a provision requiring allocations to nonpublic schools
- Includes maintenance of effort (MOE) requirements

## Round 2: CRRSA

(Dec. 2020)

**\$435.9 million**

- Deadline for expenditure: Sep. 30, 2023
- For operational costs, Covid-19 emergencies, and facility improvements
- Nonpublic school allocation earmarked in GEER funding
- Includes MOE requirements

## Round 3: ARP

(Mar. 2021)

**\$979.1 million**

- Deadline for expenditure: Sep. 30, 2024
- For operational costs, Covid-19 emergencies, facility improvements, and addressing learning loss
- Nonpublic school allocation earmarked in GEER funding
- Includes MOE and maintenance of equity (MEQ) requirements



# ESSER Eligible Uses

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At least 90 percent of ESSER funds flow through PED\* directly to districts and charters based on federal Title I (poverty) rates for:

- Activities authorized by federal education law,
- Covid-19 response systems and procedures,
- School leader support,
- Activities to support at-risk student populations,
- Training on sanitation and minimizing infections,
- Supplies to sanitize and clean facilities,
- Planning during long-term closures,
- Educational technology for students,
- Mental health services and supports,
- Facility improvements and systems to reduce virus transmission\*\*,
- Extended learning programs to address learning loss, and
- Other activities that are necessary to maintain LEA operations and continue employment of existing staff.

\*PED can withhold 9.5 percent of ESSER funds to reallocate for statewide needs and use 0.5 percent for overhead

\*Eligible use added for CRSSA and ARP funds (not CARES)



# ESSER Allocations

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- The 90 percent CARES, CRRSA, and ARP awards are allocated to each district and charter based on their **federal Title I formula**
  - Roy and Mosquero did not receive Title I funding; PED provides these districts an allocation from the department's 9.5 percent set-aside
- ARP's **maintenance of effort (MOE)** provision requires the state's share of K-12 and higher education spending in FY22 and FY23 to be proportional to the average spending between FY17 to FY19
- ARP's **maintenance of equity (MEQ)** provision prohibits:
  - PED from disproportionately reducing per-pupil funding to high-need LEAs
  - PED from reducing per-pupil funding to the highest-poverty LEAs below FY19 levels
  - LEAs from disproportionately reducing per-pupil funding in high-poverty schools
  - LEAs from disproportionately reducing FTE in high-poverty schools

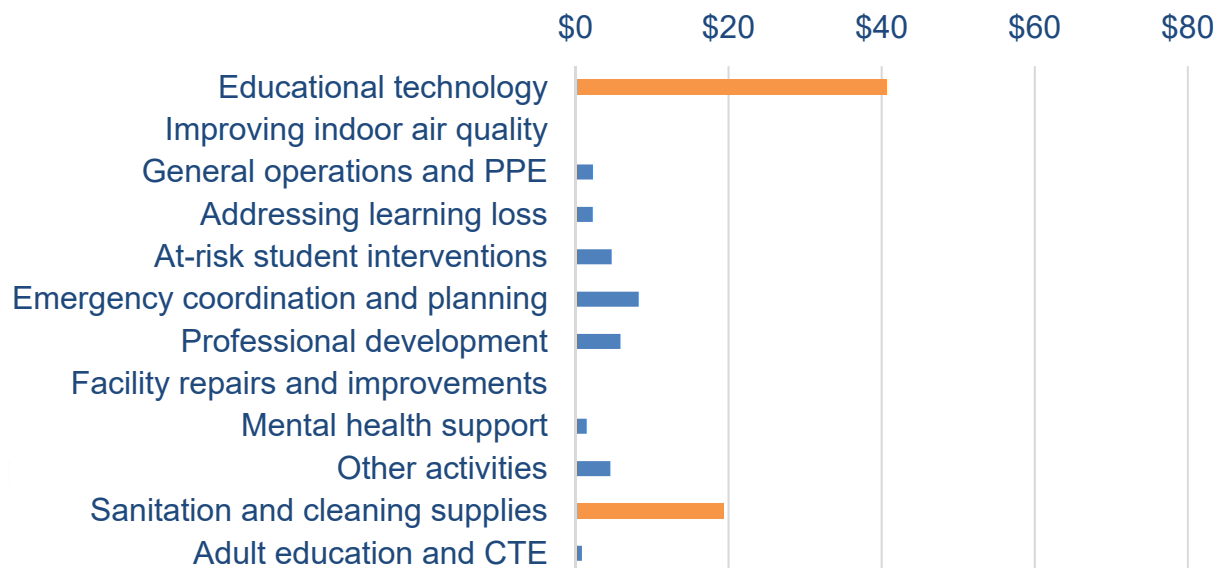


# Round 1: CARES Budget

- Schools budgeted **\$60 million**, or 66 percent, of sampled CARES funds for educational technology and facility upkeep

## CARES ESSER Budget

(in millions)



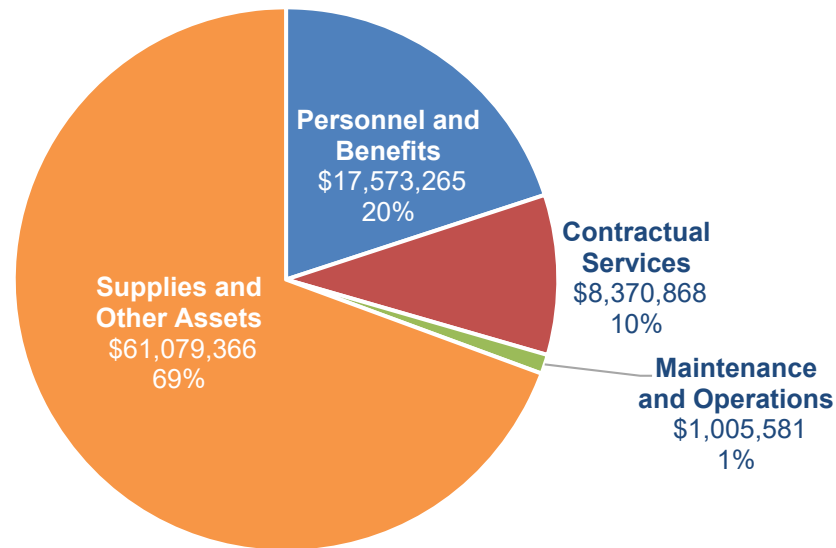
Source: PED



# Round 1: CARES Budget

- Schools budgeted \$61 million, or 69 percent, of sampled CARES funds for general supplies and materials, particularly supply assets valued less than \$5,000

## CARES ESSER Budget





# Round 2: CRRSA Budget

- Schools budgeted **\$155 million**, or 41 percent, of sampled CRRSA funds for educational technology and facility upkeep or upgrades

## CRRSA ESSER Budget

(in millions)



Source: PED



# Round 2: CRRSA Budget

- Schools budgeted **\$103 million**, or 27 percent, of sampled CRRSA funds for at-risk student interventions, extended learning, mental health, engagement programs, and specialists

## CRRSA ESSER Budget

(in millions)

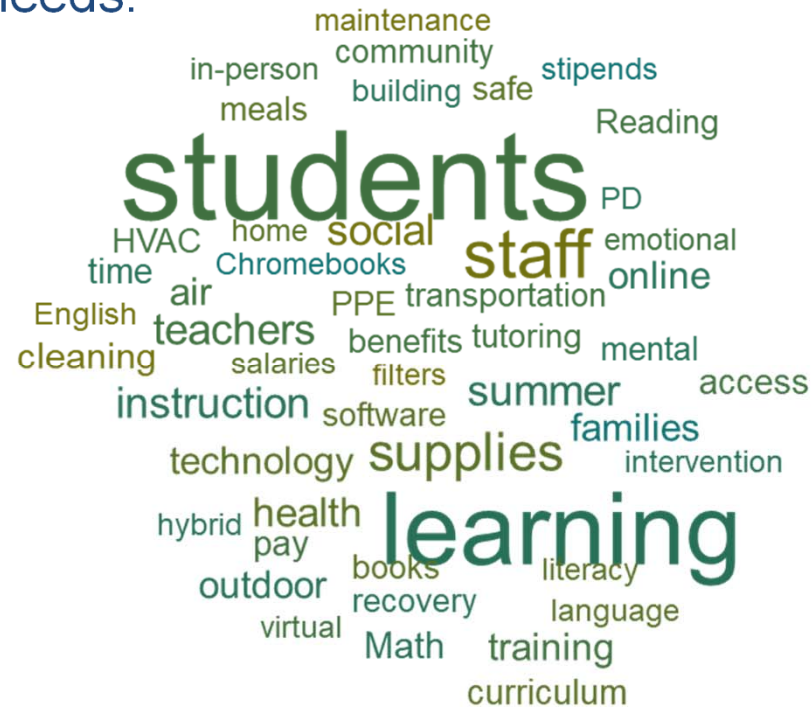


Source: PED



## Round 2: CRRSA Plan

- Schools reported various justifications and descriptions for budgeted items, primarily to address student learning, staffing, and infrastructure needs.



Source: LEA CRRSA Justification Word Cloud



## Round 2: PED CRRSA Awards

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- In FY21, PED made awards from the department's CRRSA set-aside, including:
  - \$2.3 million to provide \$100 retention stipends to school employees that worked in-person
  - \$286 thousand to schools for social emotional learning
  - \$3.2 million for air filters (additionally, the governor allocated \$3 million from GEER funds for this purpose)



## Round 3: ARP Plan

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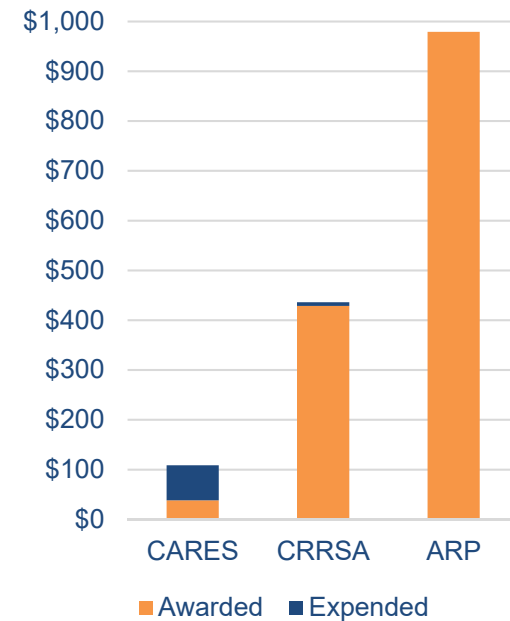
- Schools are in the planning phase for the largest federal aid portion (Round 3: ARP provides \$979 million)
- On July 21, 2021, U.S. Department of Education approved PED's ARP plan and released the remaining third of ARP funds (\$327 million). PED's plan for its 10 percent set-aside includes:
  - \$39 million to establish a teacher fellows program;
  - \$22 million for training on accelerating learning, tutoring, and mentoring;
  - \$6 million for student internships and at-risk youth re-engagement; and
  - \$3.8 million for school and partner organization summer programs.
- LEA plans were scheduled to be submitted to PED on August 24, 2021.



# Spending Trends

- New Mexico has spent **\$78 million**, or **5.1 percent**, of total ESSER awards
- Schools view ESSER funds as a **nonrecurring** revenue source
- ARP requirements may create **local variations** of extended learning time

**New Mexico ESSER Funds and Spending**  
(in millions)



Source: USDE



# FY22 Fun Federal Funds Facts

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- New Mexico appropriated **\$230 million** for K-5 Plus and ELTP; ARP will require the state to spend **\$181 million** to address learning loss
- New Mexico appropriated **\$3.3 billion** to SEG; total ESSER funding is **\$1.5 billion**
- Current, unrestricted school cash balances are budgeted at **\$449 million**, similar in total to federal CRRSA (Round 2) funds of **\$436 million**



# Thank You

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<https://www.nmlegis.gov/Entity/LFC/Default>

