



Kansas Legislative Research Department

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COVID-19 FEDERAL FUNDS FOR K-12 EDUCATION

This memorandum provides an overview of the federal funding for K-12 education that Kansas received under federal COVID-19-relief legislation.

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Elementary and Secondary School Emergency Relief (ESSER) Funds

Allocation Requirements and Obligation Deadlines

In the Coronavirus Aid, Relief, and Economic Security (CARES) Act (PL 116-136), enacted on March 27, 2020, Congress appropriated \$13.2 billion to the ESSER Fund to aid K-12 educational entities in preparing for the COVID-19 pandemic. Funding was allocated to states in the same proportion as received by the state under Part A of Title I of the Elementary and Secondary Education Act (ESEA) in the most recent federal fiscal year (FY). Kansas was allocated \$84.5 million, which is the same proportion as received by Kansas under the Title I formula in federal FY 2019. This funding is generally referred to as ESSER I.

Congress appropriated additional ESSER Fund moneys totaling \$54.3 billion in the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), enacted on December 27, 2020, and \$122.7 billion in the American Rescue Plan Act (ARPA), enacted on March 11, 2021. As with ESSER I, this funding was based on the Title I formula, resulting in Kansas awards of \$369.8 million from CRRSAA (ESSER II) and \$831.2 million¹ from ARPA (ESSER III).

Under all three laws, state educational agencies (SEAs) must award at least 90.0 percent of the funding to local educational agencies (LEAs). The Kansas State Department of Education (KSDE) is the SEA, and unified school districts (USDs) are LEAs in Kansas. This 90.0 percent is also awarded using the Title I formula from the previous year. ESSER I was awarded to USDs based on the FY 2019 Title I formula, but ESSER II and ESSER III will be awarded using the FY 2020 Title I formula. With this change, USDs may not receive the same percentage of ESSER Funds under ESSER II and ESSER III as received under ESSER I, or USDs may receive a greater percentage. SEAs may reserve 0.5 percent for administrative costs. The remaining funding may be reserved for state emergency grants.

The table below provides the estimated total dollar amounts for each of these three funding sources in ESSER I, ESSER II, and ESSER III.

CARES Act (ESSER I)			CRRSAA (ESSER II)			ARPA (ESSER III)		
USDs	State Grants	Admin	USDs	State Grants	Admin	USDs	State Grants	Admin
76,076,155	8,030,261	422,645	332,846,815	35,133,830	1,849,149	748,053,499	80,261,204	2,855,853

In ARPA, Congress further dictated certain percentages of this funding be allocated to implement evidence-based programs that meet the academic, social, and emotional needs of students, and target the disproportionate impact of COVID-19 on certain student populations, including at-risk students, students with disabilities, English-language learners, students experiencing homelessness, and students in foster care.

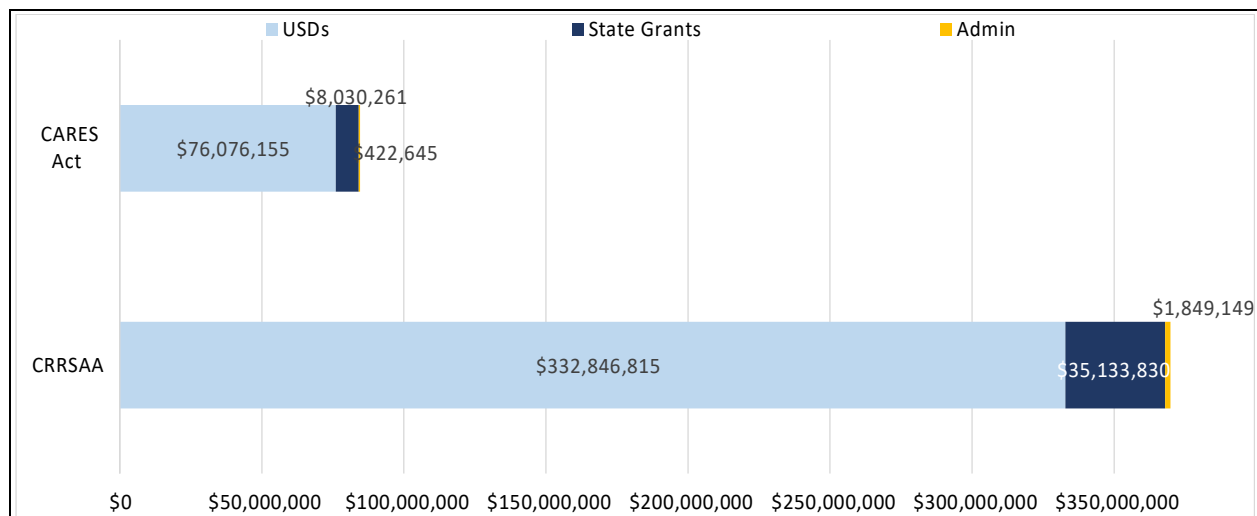
¹ Prior versions of this memorandum, and the corresponding spreadsheet, include the original allocation to Kansas of \$830.6 million. KSDE received an additional \$585,373 to correct a Title I calculation, resulting in a total allocation of \$831.2 million and increased funding for USDs and the state emergency grants. KSDE also decreased the administration funding from \$4.2 million, the maximum amount allowable.

“Evidence-based” has the same meaning as in §1801(21) of the Elementary and Secondary Education Act:

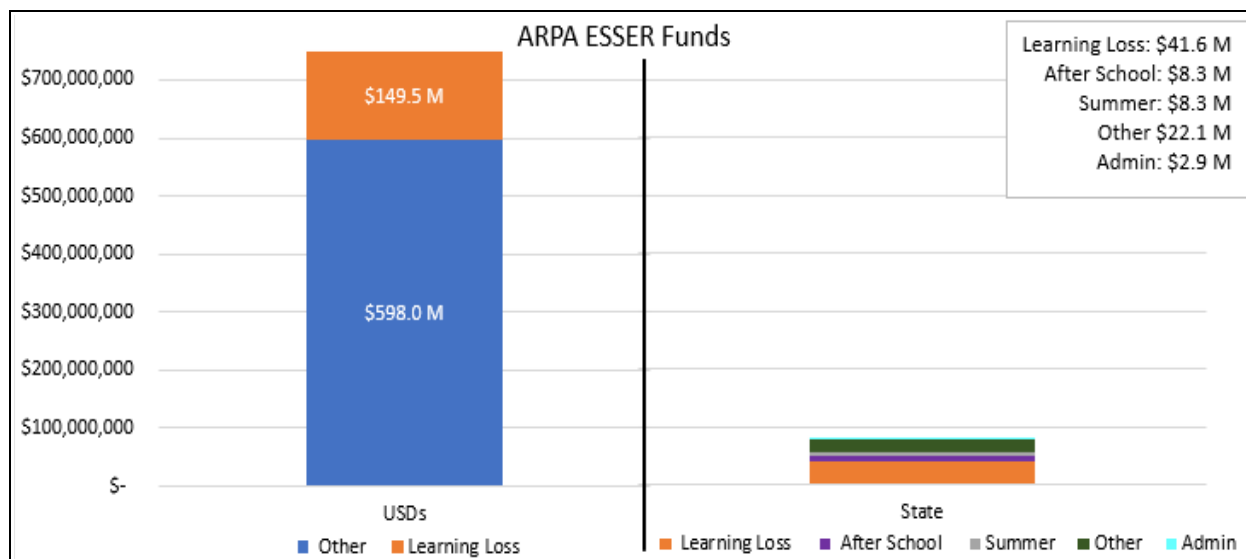
- “Demonstrates a statistically significant effect on improving student outcomes or other relevant outcomes based on—
 - Strong evidence from at least one well-designed and well-implemented experimental study (‘tier 1’);
 - Moderate evidence from at least one well-designed and well-implemented quasi experimental study (‘tier 2’); or
 - Promising evidence from at least one well-designed and well-implemented correlational study with statistical controls for selection bias (‘tier 3’); or
- Demonstrates a rationale based on high-quality research findings or positive evaluation that such activity, strategy, or intervention is likely to improve student outcomes or other relevant outcomes and includes ongoing efforts to examine the effects of such activity, strategy, or intervention (‘tier 4’).²

Under this ARPA requirement, at least 20.0 percent of the 90.0 percent awarded to USDs must be used to implement evidence-based programs to address learning loss. Similarly, of the 10.0 percent set aside at the state level, certain amounts must be directed to evidence-based programs at the following levels: 5.0 percent for learning loss, 1.0 percent for summer school, and 1.0 percent for after-school programs.

The charts below show the breakdown of the ESSER funds by the different allocation requirements of each federal law.



2 U.S. Department of Education, Frequently Asked Questions, May 2021, https://oese.ed.gov/files/2021/05/ESSER.GEER_FAQs_5.26.21_745AM_FINALb0cd6833f6f46e03ba2d97d30aff953260028045f9ef3b18ea602db4b32b1d99.pdf.



In addition to allocation requirements, all three federal laws set award and obligation deadlines. Under the CARES Act and CRRSAA, SEAs have up to one year to award the 90.0 percent amount to LEAs. This time line was accelerated under ARPA to within 60 days of receipt to the extent practicable. Any funding not awarded within a year of the SEA's receipt is required to be returned to the U.S. Department of Education (USDE) for reallocation.

School districts, and recipients of state emergency grants, have one year to obligate the funding after it is received. Under the Tydings Amendment adopted in the General Education Provisions Act, education agencies have an additional 12 months to obligate federal education funds. Under these requirements, ESSER I funds must be obligated by September 30, 2022; ESSER II funds must be obligated by September 30, 2023; and ESSER III funds must be obligated by September 30, 2024.

Funding appropriately obligated for grant activities that extend beyond the obligation date is allowable.

Congress also added planning requirements in ARPA for ESSER III. SEAs were required to work with stakeholders to develop and submit a plan to the USDE that includes how the state emergency grants will be used. A portion of ESSER III was withheld until this plan was submitted and approved. The USDE approved the Kansas State Plan on July 22, 2021. LEAs are required to submit two plans. The first is a plan to the SEA explaining how ESSER III funds will be used, including how they will be used to address learning loss. The deadline for these plans in the Kansas State Plan was August 20, 2021. The second is a plan on in-person instruction and continuity of services, to be made publicly available within 30 days of being awarded ESSER III funds. LEAs are expected to seek public comment and revise the plan regularly (no less than every six months).

Both the state and USD ESSER awards are subject to other federal law requirements, including regulations on cost principles, pre-award costs, time distribution records, cash management, construction, and prior approval. These regulations require certain employment payment records be maintained, grantees limit the amount of time between when the funds are transferred and disbursed, and the USDE or SEA provide written approval for certain costs such as the purchase of property, equipment, and other capital expenditures. In its guidance, the

USDE noted the prior approval requirement for those LEAs considering the use of ESSER for school improvement or construction projects.

Allowable Purposes

The CARES Act set out 12 allowable purposes for the funding allocated to LEAs:

- “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.*);
- Coordination of preparedness and response efforts of local education 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;
- Providing principals and other school leaders with the resources necessary to address the needs of their individual schools;
- 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;
- Developing and implementing procedures and systems to improve the preparedness and response efforts of local educational agencies;
- Training and professional development for staff of the local educational agency on sanitation and minimizing the spread of infectious diseases;
- Purchasing supplies to sanitize and clean the facilities of a local educational agency, including buildings operated by such agency;
- Planning for and coordinating during long-term closures, including for how to provide meals to eligible students, how to provide technology for online learning to all students, how to provide guidance for carrying out requirements under the Individuals with Disabilities Education Act (20 U.S.C. 1401 *et seq.*) and how to ensure other educational services can continue to be provided consistent with all federal, state, and local requirements;
- Purchasing educational technology (including hardware, software, and connectivity) for students who are served by the local education agency, including low-income students and students with disabilities, that aids in regular and substantive educational interaction between students and their classroom

instructors; the technology may include assistive technology or adaptive equipment;

- Providing mental health services and supports;
- 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;
- 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.”³

Congress clarified in CRRSAA these funds could also be used for three additional purposes:

- “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—
 - 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.
 - Implementing evidence-based activities to meet the comprehensive needs of students.
 - Providing information and assistance to parents and families on how they can effectively support students, including in a distance learning environment.
 - Tracking student attendance and improving student engagement in distance education.
- 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.
- 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.”⁴

3 HR 748, 116th Cong. 286-287.

4 HR 133, 116th Cong. (2021) 1870-1871.

ARPA added language allowing the use of funds to develop and implement public health protocols for reopening and operating schools. The law noted these protocols should align with guidance from the Centers for Disease Control to the greatest extent practicable.

Guidance published by the USDE recommends LEAs prioritize how funds can be used to safely open schools and return to full-time in-person instruction.⁵ LEAs can enter into agreements consistent with procurement requirements, but are not authorized to award subgrants with this funding.

ESSER funds can be combined with other funding sources, including ESEA, IDEA, and McKinney-Vento funds, to support programs. However, ESSER funds must be tracked individually. Additionally, there is not a supplement rather than supplant requirement for ESSER funds, i.e. the funds can be used for pre-existing programs so long as the expenditure is related to COVID-19. States are required to maintain certain levels of funding for schools and certain school districts under maintenance of effort (MOE) and maintenance of equity requirements.⁶

Legislation and Appropriations

In **2021 HB 2134**, which amended statutes relating to public schools and school finance and appropriated funds to KSDE for FY 2021, FY 2022, and FY 2023, the Legislature included proviso language stating expenditures shall be made from federal ESSER Fund moneys received under federal COVID-19-relief legislation as follows:

- \$5.0 million for School Safety and Security grants;
- \$4.9 million for the Mental Health Intervention Team (MHIT) Pilot Program; and
- \$100,000 for Communities in Schools.

However, the language allowed that those expenditures would not be made if KSDE certified to the Division of the Budget and the Kansas Legislative Research Department that these ESSER Fund moneys could not be used for these programs or purposes under federal guidance. The MHIT Pilot Program and Communities in Schools were appropriated other funding; the ESSER funding could be used for the expansion of both programs. Additionally, the Center for READING was appropriated \$80,000 from the State General Fund (SGF), to be lapsed if federal COVID-19 funding could be used instead.

In a letter dated July 14, 2021, Deputy Commissioner Craig Neuenswander certified that KSDE would not be expending any of the ESSER funds for the School Safety and Security Grants, MHIT Pilot Program, or Communities in Schools. Per the letter, it is the opinion of KSDE and the State Board of Education (State Board) that the funding is not available for the following reasons:

- The School Safety and Security Grants program cannot receive funding because it does not fit an allowable purpose. Per the agency, these grants, which would allow for the purchase and installment of security cameras, security doors and windows, and services for security monitoring, do not meet the ESSER funds allowable use for school facilities and repairs to reduce transmission and exposure to environmental hazards;

5 See USDE, FAQs, May 2021.

6 *Supra*

- The Communities in Schools program cannot receive funding because the funds would be used to support existing programs and not services related to COVID-19. The agency stated it is the role of KSDE and the State Board to allocate the ESSER funds per the federal legislation, and the State Board had already allocated funding for summer and after-school programming, which are the same services provided by Communities in Schools. Further, the agency cited testimony from Communities in Schools that additional funding would be used to support programs currently being operated; and
- The MHIT Pilot Program cannot receive funding because KSDE and the State Board already allocated the entirety of the State ESSER funds, pursuant to the federal legislation. Again, the agency noted the federal legislation provides the State ESSER Funds can be used for emergency needs “as determined by the State educational agency.” KSDE did state it encourages USDs to join the MHIT Pilot Program and use the ESSER funds for mental health services — an explicitly allowable purpose.

KSDE did not address the \$80,000 for the Center for READING grant in its letter.

In addition, 2021 HB 2134 also appropriated state aid to USDs of approximately \$4.2 billion for FY 2022. In **2021 SB 159**, the Legislature added \$53.0 million for the State Board of Regents (KBOR) budget for FY 2022 for the purpose of receiving a waiver of the MOE requirements from the USDE by increasing postsecondary funding. The budget appropriations are discussed in the MOE section.

Other state legislatures have taken action on ESSER funds. According to information compiled by the National Conference of State Legislatures, six state legislatures appropriated at least a portion of ESSER funds.⁷ This includes the following:

- Idaho’s Joint Finance-Appropriations Committee required the \$19.6 million received by the state in ESSER II be expended for charter schools, for offsetting a budget reduction from the prior year, and for school districts that received little or no ESSER II funds;
- Michigan’s legislature appropriated \$160.1 million of the State ESSER II funds for summer programs, credit recovery, before- and after-school programs, assessments, and administrative costs;
- In HB 630, Montana’s legislature appropriated the approximately \$17.1 million ESSER II funds for additional allocations to certain school districts, special education funding, SEA database modernization, state educational leadership, and administration. The Montana Legislature appropriated the ESSER III funds for similar uses in a separate bill;
- As part of its 2020-2021 budget, the New York Legislature appropriated ESSER I funds to offset state aid decreases. The legislature also appropriated ESSER II funds for a minimum per-pupil allocation for school districts of lower wealth;

⁷ Elementary and Secondary School Emergency Relief Fund Tracker, Published June 23, 2021, <https://www.ncsl.org/ncsl-in-dc/standing-committees/education/cares-act-elementary-and-secondary-school-emergency-relief-fund-tracker.aspx>.

- North Carolina's legislature appropriated ESSER II funds for 15 different line items, including per-pupil minimums (\$10.0 million), mental health supports (approximately \$70.0 million), and learning loss summer programs (\$56.0 million); and
- Vermont's legislature appropriated a portion of ESSER III funds for literacy initiatives (\$3.5 million) and wrap-around services (\$3.4 million).

USDE's guidance does not consider state-level appropriation authority for the state ESSER funds, only noting that parts of the state's total ESSER funds may be reserved for emergency needs as determined by the SEA. This language is derived from the federal laws, and USDE's guidance provides that neither a state legislature or SEA may dictate how LEAs expend their ESSER funds or limit the time to expend the funds.

State Board Action

Kansas Commissioner of Education Randy Watson, in February 2021, created a 19-member task force regarding the distribution of ESSER and Emergency Assistance for Nonpublic Schools (EANS) Money (Task Force). The purpose of the Task Force is to assess and make recommendations on the applications for EANS funding from private schools in Kansas and review the USD ESSER Plans for compliance with federal law. The recommendations and USD ESSER Plans will then be sent to the State Board.

In addition to approving the USD ESSER II Plans, the State Board also approves the state-level ESSER Fund expenditures. For the ESSER I state emergency grants, the State Board approved the use of 9.5 percent of ESSER I funds, or approximately \$8.0 million, for special education aid and the remaining 0.5 percent, or \$422,645, for administration. Following the passage of CRRSAA and ARPA, KSDE again sought guidance from the State Board, which approved expenditures for the ESSER II and ESSER III state emergency grants on April 19, 2021. These approved expenditures have been amended as actual funding has been received.

ESSER II

From the State ESSER II funds (\$37.0 million), the State Board approved four major expenditures: "True Up" for certain districts, special education, Kansas State Schools for the Deaf and Blind, and administration.

"True Up" funding totals approximately \$11.5 million and ensures every USD received \$300 per full-time equivalent (FTE) employee at minimum. At the time the funding was approved, this included the following: USD 203, USD 207, USD 229, USD 230, USD 231, USD 232, USD 233, USD 265, USD 266, USD 267, USD 268, USD 323, USD 340, USD 345, USD 372, USD 385, USD 416, USD 432, USD 458, USD 460, and USD 469. As noted above in the allocations section, USDE issued guidance that ESSER II funding was to be allocated based on the federal FY 2020 Title I formula, rather than the federal FY 2019 Title I formula. This has resulted in a change to both eligibility for "True Up" and the total to be awarded.

The State Board approved decreased “True Up” funding of approximately \$10.7 million, which would be allocated as follows:

USD	Title I Allocation	“True Up”	Total Allocation
203	\$ 416,641	\$ 323,138	\$ 739,779
207	156,855	270,541	427,396
229	1,308,745	5,227,056	6,535,801
230	437,942	557,004	994,946
231	1,256,031	449,249	1,705,280
232	524,912	1,578,645	2,103,557
233	8,286,385	256,031	8,542,416
265	1,304,814	450,935	1,755,749
266	1,629,609	505,066	2,134,675
267	431,774	101,232	533,006
268	208,280	21,420	229,700
306	191,176	2,584	193,760
323	289,502	59,211	348,713
372	152,710	49,913	202,623
381	92,501	1,887	94,388
385	1,111,066	363,777	1,474,843
416	375,851	82,588	458,439
432	78,746	2,998	81,744
449	176,402	11,250	187,652
458	374,020	355,130	729,150

Special Education aid totals \$24.3 million, to be provided to USDs in FY 2022 and FY 2023. This includes additional funding added that was originally allocated to “True Up” funding.

School for the Deaf and School for the Blind (KSSB/D) funding totals approximately \$150,000. These state schools did not directly receive federal funding under the CARES Act, CRRSAA, or ARPA. However, both schools received federal Coronavirus Relief Fund (CRF) moneys allocated by the Office of Recovery from federal funds received under the CARES Act. Both schools used the CRF for COVID-19-related operating expenditures and HVAC ionization devices in FY 2021.

Administrative costs total \$1.8 million, which is one-half of 1.0 percent—the maximum allowable under the federal allocation requirements.

ESSER III

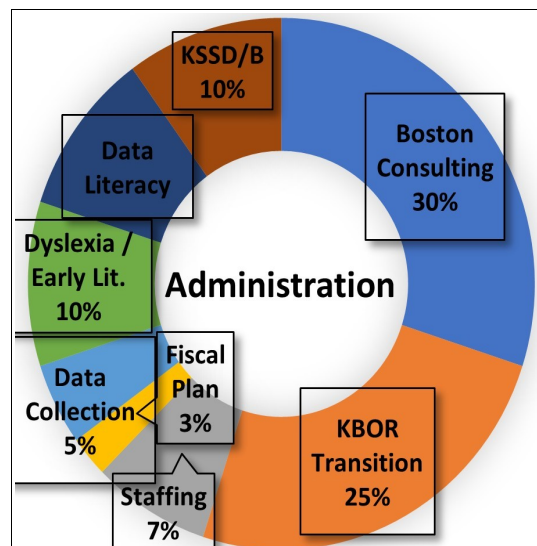
For ESSER III, the State Board approved the following in April 2021.

Of the **\$41.6 million to be spent on learning loss**, \$29.0 million for statewide training of K-12 teachers and staff, postsecondary teachers, and teachers-in-training on Science of Reading, Science of Math, Social Emotional Learning, and Project Based Learning; and \$12.0 million for assessment and reporting;

Of the **\$16.6 million for after-school and summer programs**, \$16.6 million for community-based programming like YMCAs; free admission for students to state museums, zoos, and library programs; and grant funding for 21st century community learning centers;

Of the **\$20.8 million of state “discretionary” funding**, \$18.4 million to “True Up” USD allocations to \$600 per FTE; \$900,000 for HirePaths; and \$300,000 for a teacher regional conference; and

Of the **\$4.2 million for administrative costs**, \$1.2 million to hire Boston Consulting for database aid; \$300,000 for staff; \$300,000 for district financial planning and data collection; \$400,000 for dyslexia and early literacy support; \$400,000 for data literacy training; and \$400,000 for KSSD/B.



The use of the federal FY 2020 Title I formula for ESSER III Funds, rather than the federal FY 2019 Title I formula used for ESSER I, resulted in changes in the ESSER Fund amounts for Kansas. This change to the preliminary allocation resulted in the State Board amending the above expenditures. These amendments include:

- Increasing the state discretionary funding to \$22.1 million for the following:
 - \$20.0 million to “True Up” USD allocations, which would result in a minimum \$625 per FTE;
 - \$400,000 for KSSD/B;
 - \$200,000 for the Department of Corrections; and
 - \$1.4 million for other contracts, which is the same as noted above; and
- Decreasing the state administration funding to \$2.9 million.

The “True Up” funding would be allocated as follows:

USD	Title I Allocation	“True Up”	Total Allocation
203	\$ 936,376	\$ 606,808	\$ 1,543,184
207	352,522	538,234	890,756
229	2,941,327	10,671,906	13,613,233
230	984,249	1,087,484	2,071,733
231	2,822,855	733,584	3,556,439

USD	Title I Allocation	“True Up”	Total Allocation
232	1,179,709	3,206,403	4,386,112
265	2,932,492	732,038	3,664,530
266	3,662,450	789,610	4,452,060
267	970,386	140,304	1,110,690
268	468,097	10,710	478,807
323	650,639	75,465	726,104
372	343,207	78,917	422,124
385	2,497,055	575,160	3,072,215
416	844,703	111,646	956,349
458	840,588	681,072	1,521,660

Further detail on these changes are in the state expenditures section below.

Summary of USD and State Expenditures

USD Expenditures from ESSER I and ESSER II

As of September 10, 2021, USDs have drawn down \$79.8 million of the \$84.1 million ESSER I funds awarded under the CARES Act, with \$4.3 million remaining to be spent. This includes \$72.8 million from the \$76.1 million required to be awarded to USDs and \$6.9 million of the \$8.0 million awarded for special education as the state emergency grant.

From the ESSER II funds, USDs have requested approximately \$232.4 million and drawn down approximately \$48.9 million from USD and State ESSER II funds. This includes:

- \$212.0 million requested, of the \$332.8 million USD ESSER II Funds, of which USDs have drawn down \$46.5 million;
- \$12.1 million from state ESSER II funds for special education funding, of which USDs have drawn down \$961,070; and
- \$8.3 million from state ESSER II funds for “True Up,” of which USDs have drawn down \$1.4 million.

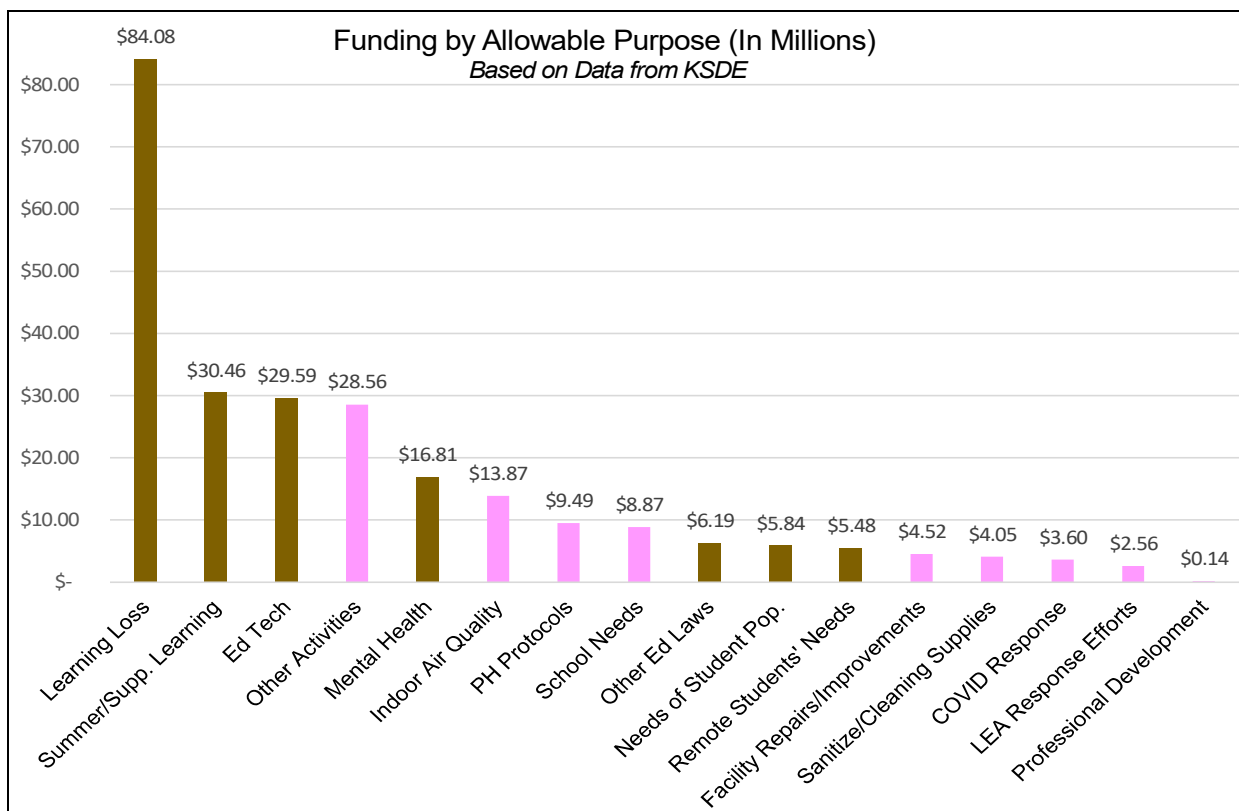
As noted above, the Task Force and State Board receive and approved USD ESSER II plans. By the September State Board meeting, 226 USDs submitted ESSER Plans for Task Force and State Board approval, and an additional 5 USDs had plans in progress. Per KSDE, USDs with previously approved plans should submit change requests to amend line item expenditures or add new expenditures for approval.

According to KSDE, of the plans approved as of September 2021, 155 of the USD plans allocate 95.0 percent or more of the individual USD’s ESSER II funds, with another 40 allocating 60.0 to 95.0 percent of the individual USD’s ESSER II funds. The majority of USDs that have submitted plans have less than 3,000 students, with 102 of the 225 USDs having less than 500 students.

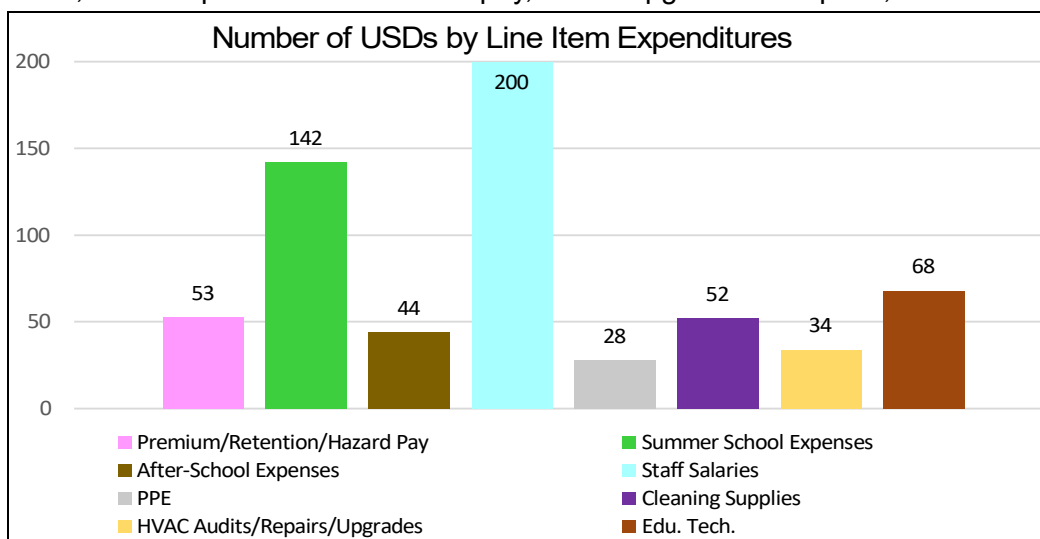
The approved USD plans and changed plans include the following expenditures by each of the allowable purposes (listed from largest expenditure total to smallest expenditure total):

- Learning loss (\$84.1 million);
- Summer and supplemental learning (\$30.5 million);
- Educational technology (\$29.6 million);
- Other activities (\$28.6 million);
- Mental health services and supports (\$16.8 million);
- Indoor air quality (\$13.9 million);
- Public health protocols for reopening (\$9.5 million);
- Resources to address the individual needs of schools (\$8.8 million);
- Activities allowable under other federal education laws (\$6.2 million);
- Addressing the unique needs of the student populations (\$5.8 million);
- Addressing remote students' needs (\$5.5 million);
- Facility repairs and improvements (\$4.5 million);
- Supplies for sanitizing and cleaning (\$4.1 million);
- Coordination of COVID-19 response (\$3.6 million);
- Improving LEA response efforts (\$2.6 million);
- Professional development and training on minimizing the spread of COVID-19 (\$0.1 million); and
- Indirect costs (\$0.0 million).

These totals are also noted in the graph below. Those expenditures deemed by KSDE to be primarily or exclusively focused on teaching and learning are in gold. However, some teaching and learning expenditures may be included in other activities.



The graph below includes the number of USDs that included certain line-item expenditures, such as premium or retention pay, HVAC upgrades or repairs, and staff salaries.



The details of the USDE ESSER Plans can be found on the KSDE website. ESSER I, II, and III allocations to USDs and USD plan summaries are included in the KLRD K-12 COVID-19 Federal Funds Spreadsheet.⁸

State-Level Expenditures and Obligations

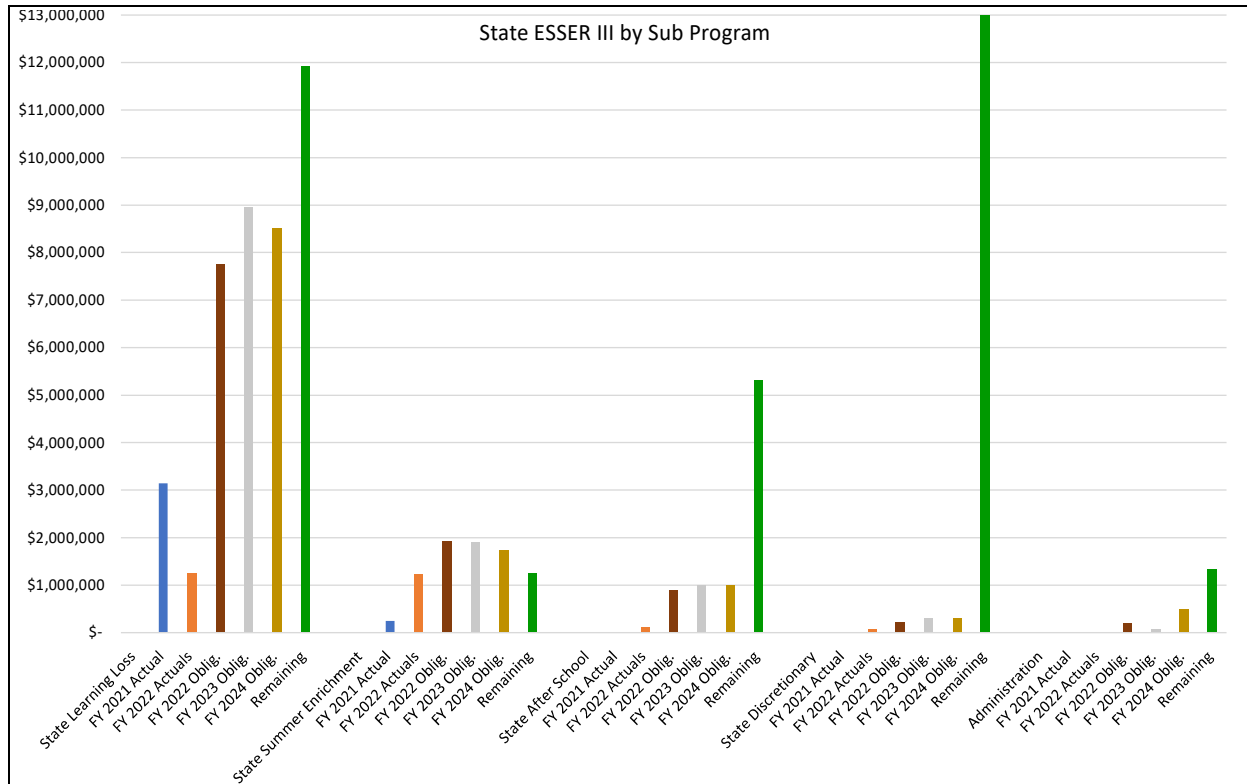
State ESSER I funds were awarded in FY 2020 and the majority were expended in FY 2020 and FY 2021. Approximately \$1.7 million of the special education funding has been drawn down in FY 2022 or remains available. Of the State ESSER II funds, KSDE expended approximately \$1.8 million in FY 2021 and \$48,537 in FY 2022 for administration. As noted above, KSDE has awarded the FY 2022 special education funding and the “True Up” funding in part.

KSDE has begun expending state ESSER III funds according to the State Board approved plan. As of October 1, 2021, this funding has been spent or obligated as follows:

	State Learning Loss	State Summer Enrichment	State After School	State Discretionary	Administration
FY 2021 Actual	\$ 3,143,790	\$ 246,722	\$ -	\$ -	\$ -
FY 2022 Actual	1,262,500	1,239,177	110,000	75,000	18,266
FY 2022 Oblig.	7,761,146	1,923,806	889,000	225,000	204,800
FY 2023 Oblig.	8,956,270	1,906,020	1,000,000	300,000	800,000
FY 2024 Oblig.	8,510,084	1,739,020	1,000,000	300,000	500,000
Remaining	11,924,738	1,256,961	5,311,706	21,179,264	1,332,787
Total	41,558,528	8,311,706	8,310,706	22,079,264	2,855,853

⁸ Kansas Legislative Research Department, K-12 Education Publications, <http://www.kslegresearch.org/KLRD-web/Education.html>.

The graph below shows the above allocations by program, with corresponding colors.



Of the expected awards for learning loss, KSDE estimates vendors will receive \$7.8 million in FY 2022, as follows:

- \$245,000 to Hanover Research to study the impact of COVID-19 on learning loss (\$122,500 provided as of October 1, 2021);
- \$250,000 to KU Center for Research to amend the existing state assessment contract;
- \$216,667 to Renaissance Learning for professional development to support educators;
- \$474,000 to Noonan Gaumer Erickson to expand use of the Kansas Can Competency Framework, which can be used to address loss of social and emotional skills;
- \$5.0 million to Pittsburg State University to provide Language Essentials for Teachers of Reading and Science (LETRS) training; and
- \$2.8 million to Illuminate Education to make Fastbridge available to all school districts at a reduced rate of \$4.0 per student (\$1.1 million provided as of October 1, 2021).

Summer enrichment contracts in FY 2022 include \$1.4 million for Kansas State University to implement a 4-H Driving Success program; \$39,861 for the KU Center for Research to implement the Sunflower Summer program; \$500,000 for the Kansas Alliance for Boys & Girls Clubs to provide academic recovery and other activities; and \$390,2709 for Kansas YMCAs to provide enrichment activities and academic curriculum. A portion of the summer enrichment funding was expended in FY 2021 by the KU Center for Research (\$79,772) and the Kansas Alliance for Boys & Girls Clubs (\$167,000).

As reported to the State Board, the 2021 Sunflower Summer included 71 different venues or locations across Kansas, and was open to all students in preschool through grade 12 and children with disabilities enrolled in the 18-21 program. Ticketing was available through both the Sunflower Summer app in the Google store and in paper form. Kansans from every county participated, with a total of 43,120 children and 28,108 adults visiting the different sites between July 1 and August 15. The majority of visitors used the digital tickets.

KSDE anticipates awarding the entirety of its ESSER III after-school funding to the Kansas Alliance for Boys & Girls Clubs, which includes \$1.0 million in FY 2022. A portion of the ESSER III state discretionary funding has been set aside for Kansas Rural Communities Foundation to expand its HirePaths program, including \$300,000 in FY 2022.

Of the ESSER III state administrative funding, \$1.8 million was expended in FY 2021 to contract with Boston Consulting Group to set up a reporting system for USDs and other educational institutions to report ESSER and EANS expenditures. In FY 2022, KSDE estimates that \$200,000 will be awarded to United School Administrators to develop a leadership training framework for educational leaders and \$4,800 will be awarded to Mary Sinclair for creating quarterly reports on COVID-19 expenditures.

EANS

CRRSAA Funding

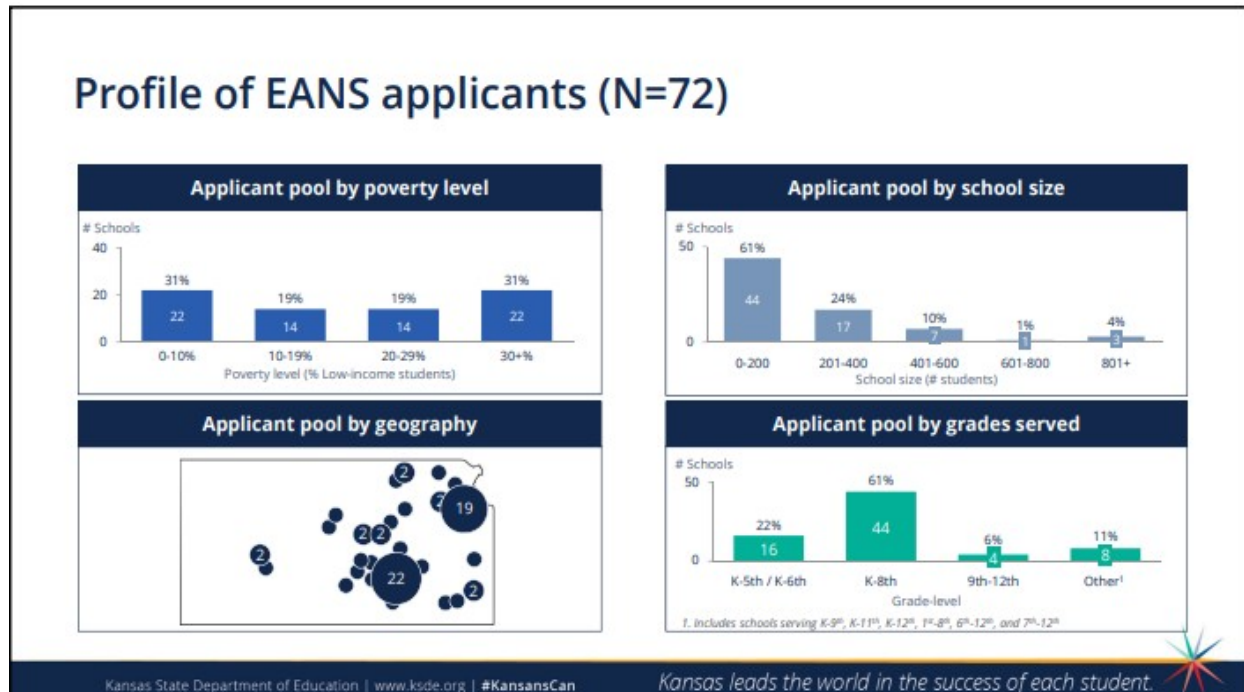
Under CRRSAA, Kansas received \$26.7 million through the Governor's Emergency Education Relief Fund to be allocated as EANS funding. The Governor appointed KSDE as the lead agency to award these funds via an application process. The applications were first reviewed by KSDE for compliance with federal and state law and assessed by need, impact, and relative poverty level. The application then went to the Task Force. The Task Force made recommendations based on maximum efficiency of funds and send these recommendations to the State Board.

The window to apply for the EANS funding received by Kansas under CRRSAA closed on April 2, 2021, and the State Board reviewed the applications in a special meeting on April 19, 2021. EANS applicants with requests deemed ineligible for further consideration could submit an appeal with additional information or reasoning between April 20 to April 27.

In the original application process, 72 applicants requested \$26.9 million, which is slightly more than the available funding. Of the funding requested, \$21.6 million was deemed eligible (approximately 80.0 percent of the requested expenditures). Eligible expenditures can be broken into the following five major categories: \$14.7 million, or 68.0 percent, for personnel; \$2.5 million, or 12.0 percent, for curriculum and professional development; \$2.0 million, or 9.0 percent, for technology; \$1.3 million, or 6.0 percent, for sanitization; and \$1.1 million, or 5.0 percent, for Social Emotional Learning and Mental Health.

The 72 applicant schools served approximately 17,008 students and had an average low-income student population of 20.0 percent.

Below is a profile of the applicants provided by KSDE to the State Board.



ARPA: EANS II

Under ARPA, KSDE received approximately \$25.1 million for EANS, of which approximately \$200,000 will be expended for administrative costs. Unlike the CRRSAA funding, this money was included in ARPA separate from other educational funds. These funds are to be awarded within 60 days of the State's receipt via KSDE's application process.

KSDE provided training on EANS II funds from August 9, 2021, to September 13, 2021. The application opened September 13, 2021, and closed two weeks later on September 27, 2021. The Task Force met last week on October 1, 2021. The Task Force's recommendations will go to the State Board on October 12, 2021.

EANS I and EANS II funding are subject to the MOE requirements discussed below.

Federal Requirements for State and Local Obligations

MOE

Funds from the Education Stabilization Fund require a MOE from states. In the three federal COVID-19 relief packages discussed in this memorandum, the following funds are subject to the MOE requirement: ESSER funds, GEER funds (CARES Act and CRRSAA), and EANS funding (CRRSAA). The majority of this funding was allocated or awarded to USDs and other K-12 educational institutions in Kansas. GEER Funds received under the CARES Act were used by the Governor to supplant SGF moneys for higher education in FY 2021. Each federal law has different requirements for different fiscal years. Fiscal years for the MOE can be either federal fiscal years or state fiscal years at the discretion of the state.

For elementary and secondary education (K-12), the MOE can be calculated using the state's primary school finance mechanism; the primary funding mechanism and other categorical state aid; or data provided for other purposes, such as data in the annual National Public Education Finance Survey conducted by the National Center for Education Statistics.

The higher education MOE can include the following:

- State support for higher education;
- Funds provided using the principal funding mechanism;
- State need-based financial aid;
- Non-appropriated support (lottery funds) set aside for higher education;
- State appropriations for financial assistance; and
- Funds for dual enrollment or early college programs.

States cannot include support for capital projects, research and development, tuition and fees paid by students, private donations, or federal funds in the higher education MOE calculation.

When determining the overall state appropriations for the MOE, states cannot consider state funds from restricted sources (*e.g.*, settlement funds, highway funds, or wildlife funds).

The CARES Act requires state support for K-12 and higher education in FY 2020 and FY 2021 be maintained at the average level for FY 2017 through FY 2019. For example, if State A funded K-12 education at an average of \$3.3 billion and higher education at an average of \$700.0 million for FY 2017, FY 2018, and FY 2019, it must provide, through the same funding mechanisms, at least \$3.3 billion for K-12 education and \$700.0 million for higher education in FY 2020 and FY 2021.

These requirements change in CRRSAA. For FY 2022, state support for K-12 and higher education must be maintained at the average level for FY 2017 through FY 2019 *proportional* to the overall state budget (emphasis added). ARPA extended this proportional level MOE requirement to FY 2023. For example, assume in State A, K-12 education accounted for 45.0 percent of its overall budget, on average, for FY 2017 through FY 2019. State A would need to fund K-12 education, using the same funding mechanism, so that the K-12 funding accounts for at least 45.0 percent of its overall budget in FY 2022 and FY 2023.

The federal Secretary of Education (Secretary) may waive the MOE requirement upon a state's application. The Secretary will consider the following:

- If the state has increased funding for K-12 and higher education from the prior year and over time;
- The state's overall fiscal burden and impact of COVID-19 on the state's economy, particularly if the state reduced education funding; and
- If the state used, or will the state use, federal COVID-19 relief legislation funding to replace state support for education.

The USDE has not supplied a time line for waiver requests. According to USDE guidance, a state may request a waiver when the state can show it will not comply with either

the FY 2022 or FY 2023 MOE requirement. States may request waivers based on actual expenditures or appropriated expenditures. In applying for a waiver, states must provide the K-12 and higher education funding, overall state funding, a description of the fiscal burden caused by COVID-19, documentation and data supporting this description, and other relevant factors for the Secretary to consider in granting the waiver.

The USDE set deadlines for base MOE data to be submitted. For FY 2020 and FY 2021, the baseline data was to be submitted by September 1, 2020, with final FY 2021 data to be reported by December 30, 2021. Baseline data for the proportional MOE requirement needed to be submitted by May 17, 2021, with interim data expected by December 30, 2021, for FY 2022 and December 30, 2022, for FY 2023, and final amounts anticipated in the spring of 2023 and 2024.

If a state does not meet the MOE requirements or receive a waiver, the federal government may seek recovery of any of the funding subject to the MOE. For FY 2022 and FY 2023, this includes the ESSER funds, GEER funds, and EANS funding awarded under CRRSAA and ARPA. The only funding awarded under ARPA that is subject to the MOE is ESSER funds for K-12 education; however, states must still meet both K-12 and higher education funding levels.

Based on the approved budget appropriated in 2021 HB 2007 and 2021 SB 159 for FY 2022, Kansas will not meet the MOE requirement level for higher education in FY 2022. This includes the funding added in 2021 SB 159 for the following:

- \$15.0 million, all SGF, in the Post Secondary Education Operating Grant, with language that the funding is to be used by the universities as reimbursement for 2021 utility payments, staff buy-outs, retention and recruitment (University of Kansas Medical Center), economic development, and scholarships for FY 2022;
- \$10.0 million, all SGF, and reappropriation language for the Kansas Promise Scholarship Act, for FY 2022;
- \$10.0 million, all SGF, to the Board of Regents new Need-based Aid Scholarship and Recruitment account to be distributed to state universities and Washburn University if the universities provide in-person classes that were previously in-person and refund Fall 2020 and Spring 2021 funds to applicable students in the form of direct reimbursements, and the state universities follow Board policies for deferred maintenance. The universities are directed to use the funds for need-based scholarships and student recruitment per Board policies for FY 2022;
- \$8.0 million, all SGF, for the Comprehensive Grant program for FY 2022;
- \$5.0 million, all SGF, for the Community College Maintenance of Effort account for expenditures that meet the federal MOE requirements for FY 2022; and
- \$4.3 million, all SGF, for capital outlay within the technical colleges to be disbursed equally to be used for equipment only and not requiring a match for FY 2022.

Governor Laura Kelly submitted to the USDE on September 15, 2021, a request for a preliminary waiver from the MOE requirement for FY 2022 for higher education under CRRSAA and ARPA. The totals provided for K-12 education, higher education, and the overall state budget are noted in the table below.

FY Year	State support for elementary and secondary education	State support for higher education	Overall State spending
FY 2017	\$3,084,795,457	\$681,926,749	\$6,276,506,140
FY 2018	\$3,377,839,807	\$702,202,844	\$6,649,051,138
FY 2019	\$3,476,411,168	\$716,534,540	\$7,032,834,159
FY 2020	\$3,960,510,329	\$753,942,373	\$7,522,485,497
FY 2021	\$3,930,175,127	\$734,259,697	\$7,466,376,528
FY 2022	\$4,175,192,064	\$811,921,319	\$8,143,729,725

Based on this data, the MOE level at which the State would need to fund K-12 education is 49.8 percent and higher education is 10.5 percent. Based on the FY 2022 approved budget, K-12 education accounts for 51.3 percent of the budget, and higher education accounts for just under 10.0 percent of the budget.

In a letter prefacing the waiver request, Governor Kelly noted increased funding for K-12 education has led to the proportion of the budget for higher education decreasing over time, rather than a lack of support for higher education. In the waiver request's description of the State's fiscal burden due to COVID-19, it is noted revenue forecasting for the State in April 2020 predicted decreased revenue due to COVID-19, and the Governor responded by reducing the state budget in FY 2021 and requesting reduced budgets from agencies for FY 2022. The description further notes revenue forecasts when the FY 2022 budget was approved still showed a lower ending balance than allowed by Kansas statute. The waiver request then included the following documentation and data for support:

- The State budget profile at the time the budget was approved, which has a FY 2022 ending balance at 6.7 percent (less than the 7.5 percent required by statute). The request also noted additional line items could have put the State in a "perilous fiscal position";
- Charts showing total higher education funding has increased over the last four years;
- The revenue forecasts for April 2020, November 2020, and April 2021 from the Consensus Revenue Estimating Group;
- A line item review of the Governor's allotment plan from July 2021; and
- Links to relevant data materials, including a link to 2021 SB 50, which amended tax laws.

The waiver request also includes other relevant factors. First, the waiver request notes the State's support for education has increase by \$978.9 million from the baseline years to FY

2022, and K-12 and higher education represent 57.8 and 7.5 percent of the total budget increase from the baseline years to FY 2022. The waiver request notes the Governor's allotment plan included the replacement of SGF with Higher Education Emergency Relief funds in FY 2021, but in the fall of 2021 the Governor restored the state-level funding for FY 2022 as state revenues increased, to ensure the pre-pandemic base for higher education was restored.

As of October 7, 2021, the USDE has posted only the pending waiver requests from Colorado, Florida, and Oklahoma. These waiver requests are all for FY 2020 or FY 2021.

Maintenance of Equity

In addition to the MOE requirement, ARPA added a maintenance of equity requirement for FY 2022 and FY 2023. Under the maintenance of equity, states must maintain funding for high-need LEAs at the same per-pupil level as the average state-wide per-pupil funding level and maintain funding for high-poverty LEAs at the FY 2019 per-pupil level. Essentially, state funding for K-12 education cannot be reduced in a way that would disproportionately affect high-need and high-poverty school districts.

High-need LEAs are USDs that together serve not less than 50 percent of the state's total enrollment and have the highest percentage of economically disadvantaged students per data from the federal Department of Commerce. High-poverty LEAs are those USDs that are ranked highest for economically disadvantaged students and serve 20.0 percent of the state's students enrolled in public schools. LEAs are also prohibited from making disproportional cuts for per-pupil funding and staff of high-poverty schools. An LEA is exempt from this local maintenance of equity if its enrollment is less than 1,000, it has only one school or one school per grade span, or it demonstrates exceptional circumstances.

On August 6, 2021, the USDE issued guidance on the maintenance of equity, and further information was provided through office hours on August 12, 2021. As with the MOE, states may choose to apply this requirement through state fiscal years or federal fiscal years.

Per the USDE, to determine what funding sources must be maintained, the state should consider current expenditures under the Elementary and Secondary Education Act: funding provided through the primary funding mechanism, categorical funding, and other state support. An SEA may determine some state funding should not be considered because it necessarily varies by LEA, such as transportation expenses, costs to educate children with disabilities, or costs associated with particular services. Capital outlay and debt services should not be included. States may include local revenues, like property taxes or mineral taxes, if those funds are considered guaranteed by state law. Funding sources must be consistent from year-to-year, so one-time allocations can be excluded.

In calculating high-need and high-poverty LEAs, the SEA should use the most recent Small Area Income and Poverty Estimates (SAIPE) data from the U.S. Census Bureau and the best available enrollment data. Enrollment data can be from the 2019-2020 school year if the enrollment data from 2020-2021 is likely inaccurate due to the COVID-19 pandemic. The state may rely on the same enrollment data for distributing state funds and may include prior year enrollment, the average of multiple years, or project enrollment.

SEAs and LEAs must determine if equity has been maintained for the relevant fiscal year upon the final appropriation and allocation of funding.

This determination involves the following three steps:

- First, calculate the state-per-pupil amount (PPA) for FY 2022 and FY 2021 by dividing the total amount of state funds provided to all LEAs by the number of enrolled children. If the FY 2022 PPA is less than the FY 2021 PPA, that is the amount by which the state has reduced per-pupil funding. If it is the same or more than the FY 2021 PPA, then the reduction is zero;
- Second, determine the PPA for the high-need LEAs for FY 2021 and FY 2022. If the FY 2022 PPA is less than the FY 2021 PPA, the difference is the reduction in funding to that LEA.
- Third, compare the state and high-need LEAs calculations. To maintain equity, the high-needs LEAs cannot have a reduction greater than the state reduction, if a reduction exists.

There is no waiver or exemption from maintenance of equity requirements for states. As noted above, the LEA maintenance of equity requirement does not apply to all LEAs.

States submitted baseline data to the USDE by July 30, 2021, though states could request an extension on providing funding data. KSDE anticipates meeting the deadline of October 15, 2021, for this information. KSDE submitted the following USDs as high-need and high-poverty (*italicized*) and SAIPE data.

USD	SAIPE Percent
<i>Kansas City USD 500</i>	30.72%
<i>West Elk USD 282</i>	28.80%
<i>Erie USD 101</i>	25.55%
<i>Stafford USD 349</i>	24.75%
<i>Cheylin USD 103</i>	23.13%
<i>Turner USD 202</i>	22.81%
<i>Elk Valley USD 283</i>	22.56%
<i>Triplains USD 275</i>	22.09%
<i>Oberlin USD 294</i>	21.91%
<i>Osborne County USD 392</i>	21.85%
<i>Grinnell Public Schools USD 291</i>	21.74%
<i>Northeast USD 246</i>	21.57%
<i>South Brown County USD 430</i>	21.50%
<i>Chautauqua County Community USD 286</i>	21.45%
<i>Madison-Virgil USD 386</i>	21.36%
<i>Haviland USD 474</i>	21.05%
<i>Iola USD 257</i>	21.02%
<i>Chase-Raymond USD 401</i>	20.78%
<i>Woodson USD 366</i>	20.75%

USD	SAIPE Percent
<i>Hamilton USD 390</i>	20.73%
<i>Rolla USD 217</i>	20.66%
<i>Galena USD 499</i>	20.59%
<i>Paradise USD 399</i>	20.33%
<i>Wichita USD 259</i>	20.27%
<i>Fort Scott USD 234</i>	20.18%
<i>Parsons USD 503</i>	20.13%
<i>Pittsburg USD 250</i>	20.11%
<i>Baxter Springs USD 508</i>	19.93%
<i>Jayhawk USD 346</i>	19.92%
<i>Republic County-Hillcrest Rural Schools USD 109</i>	19.85%
<i>Coffeyville USD 445</i>	19.83%
<i>Herington USD 487</i>	19.78%
<i>Rock Hills USD 107</i>	19.62%
<i>Rawlins County USD 105</i>	19.38%
<i>Uniontown USD 235</i>	19.05%
<i>South Barber USD 255</i>	19.05%
<i>Cherryvale USD 447</i>	18.99%
<i>Chetopa-St. Paul USD 505</i>	18.97%
<i>Independence USD 446</i>	18.90%
<i>Caldwell USD 360</i>	18.88%
<i>Macksville USD 351</i>	18.80%
<i>Ashland USD 220</i>	18.50%
<i>Wallace County Schools USD 241</i>	18.46%
<i>Sylvan Grove USD 299</i>	18.30%
<i>Barber County North USD 254</i>	18.22%
<i>Dodge City USD 443</i>	18.18%
<i>Osage City USD 420</i>	18.02%
<i>Labette County USD 506</i>	17.89%
<i>Central USD 462</i>	17.89%
<i>Russell County USD 407</i>	17.88%
<i>Holton USD 336</i>	17.84%
<i>Southern Cloud USD 334</i>	17.67%
<i>Cherokee USD 247</i>	17.66%
<i>Anthony-Harper USD 361</i>	17.63%
<i>Burrton USD 369</i>	17.54%
<i>Kismet-Plains USD 483</i>	17.37%

USD	SAIPE Percent
Girard USD 248	17.32%
Arkansas City USD 470	17.32%
Palco USD 269	17.27%
Marmaton Valley USD 256	17.18%
Rural Vista USD 481	17.01%
Northern Valley USD 212	17.01%
Healy Public Schools USD 468	16.95%
Chanute Public Schools USD 413	16.94%
Cunningham USD 332	16.90%
Atchison Public Schools USD 409	16.87%
Goodland USD 352	16.79%
St. Francis Community Schools USD 297	16.79%
Fredonia USD 484	16.76%
Bonner Springs USD 204	16.75%
Syracuse USD 494	16.73%
Eureka USD 389	16.67%
Skyline Schools USD 438	16.67%
Burlingame Public School USD 454	16.67%
Topeka Public Schools USD 501	16.62%
Satanta USD 507	16.62%
Kingman-Norwich USD 331	16.40%
Riverside USD 114	16.28%
Thunder Ridge USD 110	16.14%
Beloit USD 273	16.13%
Liberal USD 480	16.09%
LaCrosse USD 395	16.08%
Great Bend USD 428	16.08%
Geary County Schools USD 475	15.91%
Wheatland USD 292	15.83%
Columbus USD 493	15.79%
Quinter Public Schools USD 293	15.70%
Lyons USD 405	15.67%
Neodesha USD 461	15.58%
Smith Center USD 237	15.57%
Greeley County Schools USD 200	15.55%
Osawatomie USD 367	15.53%
Concordia USD 333	15.46%
Garden City USD 457	15.44%

USD	SAIPE Percent
Waconda USD 272	15.40%
Caney Valley USD 436	15.35%
Fairfield USD 310	15.25%
Cedar Vale USD 285	15.15%
Hutchinson Public Schools USD 308	15.07%
Salina USD 305	14.95%
Winfield USD 465	14.94%
Morris County USD 417	14.94%
Hiawatha USD 415	14.85%
Santa Fe Trail USD 434	14.76%
Leavenworth USD 453	14.74%
Ulysses USD 214	14.72%
Bucklin USD 459	14.72%
Stockton USD 271	14.60%
Oswego USD 504	14.45%
Humboldt USD 258	14.32%
Emporia USD 253	14.32%
Nickerson USD 309	14.31%
Pretty Prairie USD 311	14.29%
Altoona-Midway USD 387	14.29%
Kinsley-Offerle USD 347	14.15%
Garnett USD 365	14.04%
Phillipsburg USD 325	14.02%
Clearwater USD 264	13.99%
Haven Public Schools USD 312	13.97%
Leoti USD 467	13.95%
Wellington USD 353	13.91%
Centre USD 397	13.89%
Clay Center USD 379	13.87%
Minneola USD 219	13.85%
Pleasanton USD 344	13.83%
Otis-Bison USD 403	13.82%
Montezuma USD 371	13.82%
Dighton USD 482	13.78%
Chase County USD 284	13.75%
Riverton USD 404	13.73%
Golden Plains USD 316	13.58%
Pike Valley USD 426	13.50%

USD	SAIPE Percent
Conway Springs USD 356	13.46%
Lewis USD 502	13.43%
Barnes USD 223	13.40%
Spearville USD 381	13.39%
Hoisington USD 431	13.27%
Sterling USD 376	13.23%
Western Plains USD 106	13.22%
North Jackson USD 335	13.19%
Dexter USD 471	13.16%
Attica USD 511	13.08%
Clifton-Clyde USD 224	13.07%
Greensburg USD 422	13.03%
WaKeeney USD 208	13.02%
Fort Larned USD 495	12.95%
Pratt USD 382	12.92%
Hugoton Public Schools USD 210	12.91%
Lincoln USD 298	12.82%
Valley Heights USD 498	12.73%
Logan USD 326	12.70%
Weskan USD 242	12.68%
Udall USD 463	12.67%
Haysville USD 261	12.67%
Ottawa USD 290	12.63%
St. John-Hudson USD 350	12.63%
Burlington USD 244	12.50%
Crest USD 479	12.39%
Hoxie Community Schools USD 412	12.39%
Marysville USD 364	12.27%
Oskaloosa Public Schools USD 341	12.25%
Leroy-Gridley USD 245	12.24%
Prairie View USD 362	12.21%
West Franklin USD 287	12.20%
Hill City USD 281	12.18%
Oakley USD 274	12.16%
Elkhart USD 218	12.11%
Norton Community Schools USD 211	12.08%
Marion-Florence USD 408	12.05%
Manhattan USD 383	12.03%

Other K-12 Funds

In addition to ESSER Funds, Congress appropriated other federal funds in the various federal COVID-19-relief bills that could be used for educational institutions, including state discretionary funds, higher education funding, and funding for nonpublic schools.

CARES Act

The CARES Act provided \$150.0 billion in direct relief from the U.S. Department of the Treasury to states, tribal governments, and U.S. territories through the federal Coronavirus Relief Fund (CRF). Kansas was allocated \$1.25 billion in CRF moneys from the U.S. Department of the Treasury, with \$1.03 billion allocated to state government and \$215.9 million allocated for direct relief to local units of government in Johnson County and Sedgwick County. On July 15, 2020, \$400.0 million was issued to county governments.

Reports submitted by county governments indicated these funds were primarily utilized for public health measures, such as personal protective equipment; transfers to city governments; and aid to local educational institutions. Per the reports submitted to the Office of Recovery and other county information, USDs and other K-12 education institutions received and expended approximately \$80.3 million from the state CRF. Of this, USDs expended \$74.0 million, private schools expended \$5.5 million, and other institutions expended \$823,763.

KSDE also collaborated with other state agencies to determine how additional state CRF moneys could be allocated. Funded programs include \$40.0 million to the Kansas Children's Cabinet and Trust Fund (Children's Cabinet) for daytime child care for remote learners whose parents are at work, \$2.1 million to the Kansas Department of Health and Environment (KDHE) and Children's Cabinet for technology support for remote learning, and approximately \$20.0 million to KDHE for COVID-19 testing for K-12 educational institutions as part of a unified statewide testing effort.

On November 13, 2020, the State Finance Council approved the recoupment of \$23.5 million of the \$40.0 million allocated to the Children's Cabinet for administration of the Remote Learning Program in SPARK Round 3. The Children's Cabinet provided remote learning grants in both the fall of 2020 and the spring of 2021 (after the CRF expenditure deadline was extended by Congress). In total, of the \$16.5 million for remote learning grants, the Children's Cabinet awarded \$10.6 million and returned \$5.9 million to the Office of Recovery.

Lastly, KSDE received approximately \$85.2 million for U.S. Department of Agriculture (USDA) Child Nutrition Programs, which was expended in FY 2020 (\$44.7 million) and FY 2021 (\$40.5 million). This funding was used to supplement pre-existing child nutrition funding due to the USDA waiving free- and reduced-lunch applications.

ARPA Funding for Homeless Youth

Of the \$122.7 billion allocated to ESSER in ARPA, Congress designated \$800.0 million to be used for homeless children and youth (ARP-HCY). In particular, SEAs and LEAs are meant to use this funding to identify homeless children and youth, provide wraparound services to them, and ensure they are able to fully participate in school and school activities. As with the ESSER III funds, the USDE broke the ARP-HCY funding into two allocations: 25.0 percent for

ARP-HCY I and 75.0 percent for ARP-HCY II. KSDE has received the entire Kansas award of \$5.4 million, which includes \$1.4 million ARP-HCY I and \$4.1 million ARP-HCY II.⁹

According to the requirements established by the USDE for this funding, ARP-HCY I can be used for a variety of purposes.¹⁰ Per KSDE, these funds can be used for the 16 allowable uses under the McKinney-Vento Homeless Assistance Act of 1987 and for wraparound services, needed supplies (school or personal), transportation, technology, prepaid cards, and short-term housing (as a last resort) so long as the services are tied to school engagement. SEAs and LEAs may work with community-based organizations in expending this funding.

At its September meeting, the State Board approved \$340,048 to administer the funding (the most allowable for administration) and \$1.0 million to flow through to USDs. The administration funding will cover the salary for a full-time position to administer the ARP-HCY for three years. The remaining funding had to be awarded via a competitive grant process, and KSDE awarded this additional funding through the McKinney-Vento grant process, which was ongoing when the funding was received. The 12 USDs that received McKinney-Vento grants, and therefore ARP-HCY I funding, are: USD 233 Olathe (\$96,971), USD 259 Wichita (\$375,833), USD 260 Derby (\$6,145), USD 261 Haysville (\$36,489), USD 289 Wellsville (\$13,059), USD 290 Ottawa (\$19,589), USD 348 Baldwin (\$9,026), USD 383 Manhattan (\$70,289), USD 457 Garden City (\$48,011), USD 475 Geary County (\$59,342), USD 500 KCK (\$192,430), and USD 501 Topeka (\$93,142). This funding is for use over three years.

ARP-HCY II funds will be allocated using a different formula. The USDE is requiring SEAs to allocate 50.0 percent of the funding based on the federal FY 2020 Title I formula and 50.0 percent based on the population of homeless students in the USD. USDE allowed states to use either the 2018-2019 or 2019-2020 data, whichever had the most homeless students identified. In total, 185 USDs were identified to have homeless students. If the total funding a USD is entitled to receive is less than \$5,000, the USD must join a consortium to be eligible. USDs can choose to not request this funding.

This funding is subject to the MOE and maintenance of equity requirements reviewed above.

Individuals with Disabilities Education Act (IDEA) Funding

ARPA also included additional appropriations for IDEA, including \$2.6 billion for IDEA Part B Grants to States and \$200.0 million for IDEA Part B Preschool Grants. Kansas has received \$25.3 million and \$2.2 million, respectively, from this funding. The purpose of IDEA Part B funding is to aid SEAs, and eligible LEAs, in offering special education services to children with disabilities. The Grants to States funding can be used to support children with disabilities ages 3 to 21, and the Preschool Grants can be used for children with disabilities between the ages of 3 and 5. The ARPA IDEA Part B funding is subject to the requirements and uses of IDEA.

SEAs may reserve a portion of the Grants to States funding consistent with existing law, under § 611 and § 619. The portion allowed to be reserved under § 611(e) is based on rate of inflation, so states cannot reserve more funding than would be reserved under the normal IDEA

⁹ Due to rounding, the total received does not align with the individual amounts received under ARP-HCY I and ARP-HCY II .

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Part B funding. However, the portion that can be reserved for administration and other state-level services in § 619(d) is based on the rate of inflation or the increase of the state's allocation, so the additional funding under ARPA may allow for the SEA to reserve additional funding for state-level needs.

LEAs must have established eligibility under § 613 and must use the funding only to pay excess costs for special education and related services under IDEA Part B. SEAs are to allocate the ARPA IDEA Part B funding under the same statutory formula as other IDEA Part B funding.

IDEA includes a MOE requirement for both states and LEAs. Under this requirement, Kansas and the USDs cannot reduce the funding for special education services for children with disabilities below the funding for the prior fiscal year. States may seek a waiver from this requirement on a year-by-year basis for exceptional or uncontrollable circumstances, including natural disasters or a precipitous decline in the state's financial resources. LEAs may be exempt from this requirement due to the voluntary departure of special education personnel, decline in enrollment of children with disabilities, the end of a particularly costly obligation to a specific child, end of long-term expenditures, or assumption of cost by the SEA.

This funding is available until September 30, 2023.