

Mike DeWine, Governor
Paolo DeMaria, Superintendent of Public Instruction

Information about H.B. 170 for the House Finance Committee

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Chair Oelslager, Vice Chair Plummer, Ranking Member Crawley and members of the House Finance Committee. Thank you for the opportunity to provide some additional information about House Bill 170. Below, you will find an explanation of the federal financial resources for schools and districts to support their efforts in light of the ongoing COVID pandemic and the need for this legislation which appropriates these funds.

Elementary and Secondary School Emergency Relief (ESSER) – Fund 3HS0 (line item 200640): \$683.1 million

Schools and districts are benefiting from a substantial infusion of federal financial support in response to the impacts of the COVID pandemic. This support has been in addition to the usual federal financial support for education. The largest source of federal COVID relief funding for schools and districts has come from the Elementary and Secondary School Emergency Relief Fund, which is a grant funded through the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act. These funds support the new and unexpected costs associated with both remote learning and the safe and responsible resumption of in-person learning. These funds have been critical in supporting the continuity of educational services for students.

Ohio's allocation is \$489 million, and 90% of funds were directed to traditional school districts and community schools based on the proportion of Title I funds the schools received. Title I funds are allocated based on the level of poverty in each district, so schools with higher economically disadvantaged populations receive greater funding. Using the Title I formula as the mechanism to allocate these funds was required by federal law. Like all federal grants from the U.S. Department of Education, schools are required to be paid on a *reimbursement* basis and submit claims for reimbursement as they incur eligible expenses. Schools are able to access the first round of ESSER funds for expenditures from March 13, 2020 through September 30, 2022. The remaining 10% is available for the state education agency for administrative costs (0.5%) and for emergency needs as determined by the state educational agency to address issues responding to coronavirus, which may be addressed through the use of grants or contracts. A detailed explanation of how the Department approached the use of these state activity funds in ESSER I and how we are planning the use of ESSER II state activity funds is attached to this testimony.

While the Controlling Board appropriated the ESSER funds in FY21, they were statutorily limited to appropriating only \$180 million. At the same time, schools and districts have had authorization to spend against the full \$440 million allocated to them. While we expect schools to use these funds over the course of a few years, as of late February, ODE had used all of the available appropriation authority. This

means that we have had to temporarily defer paying claims for reimbursement. H.B. 170 would establish appropriation authority for the remainder of these ESSER funds and would support our timely payment of reimbursement claims. As of April 7, nearly \$51 million in claims for reimbursement from more than 600 schools and districts are pending.

In December, Ohio was awarded an additional \$1.99 billion in federal Elementary and Secondary School Emergency Relief Funds under the Coronavirus Response and Relief Supplemental Appropriations Act enacted by Congress. The ESSER II allocation relied on the same calculation as ESSER I, and 90% of the total award (dollar amount) was allocated to traditional school districts and community schools based on their share of Title I funds. Schools received authorization to spend against this authority in February.

While schools have through September 2023 to access these funds, it is critical that the state establish sufficient appropriation authority to ensure the Department is able to provide funds to schools and districts as they submit claims for reimbursement. H.B. 170 would establish approximately \$400 million in appropriation authority of the total amount allocated under ESSER II. The additional appropriation authority *does not* represent *new* federal allocations for schools but simply allows schools and districts to access these already allocated funds.

In addition to school reopening, we are expecting that these funds will play a significant role in the expanded efforts by schools and districts to make up for lost learning opportunities and helping students reach readiness for the new school year. Schools and districts will have several years to use these funds, so they can also contribute to fundamental changes to education that can create even greater opportunities for improved outcomes for students and our state. There are 15 allowable uses for ESSER funds:

1. Activities authorized under existing federal education grant programs Elementary and Secondary Education Act (ESEA), Individuals with Disabilities Education Act (IDEA), Carl D. Perkins Career Technical Education Act, McKinney-Vento Homeless Education Act, Adult Education and Family Literacy Acts.
2. Coordination of preparedness and response efforts of school or district with state, local, Tribal, and territorial public health departments, and other relevant agencies to prevent, prepare for, and respond to COVID-19.
3. Activities to address unique needs of low-income students, students with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, foster youth.
4. Development and implementation of procedures and systems to improve the preparedness and response efforts of school or district.
5. Training and professional development for staff of school or district on sanitation and minimizing spread of infectious diseases.
6. Purchase of supplies to clean and sanitize facilities of the school or district.
7. Planning for and coordinating during long-term closures (meals, technology, IDEA, and other educational services provided consistent with Federal, state, local requirements).
8. Purchase of educational technology (including hardware, software, and connectivity) for students served by schools or districts, including low-income and IDEA.
9. Provision of mental health services and supports.
10. Planning and implementation of summer learning and supplemental afterschool activities.
11. Addressing learning loss by: administering and using high-quality assessments to assess students' academic progress and meet students' academic needs, including through differentiating instruction; implementing evidence-based activities to meet the comprehensive needs of students; providing information and assistance to parent and families on how they can effectively support students,

including in a distance learning environment; and/or tracking student attendance and improving student engagement in distance education.

12. 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.
13. Inspection, testing, maintenance, repair, replacement, and upgrade projects to improve the indoor air quality in school facilities, including mechanical and nonmechanical heating, ventilation, and air conditioning systems, filtering, purification and other air cleaning, fans, control systems, and window and door repair and replacement.
14. Providing principals and other school leaders with resources necessary to address needs of their individual schools.
15. Other activities necessary to maintain the operations and continuity of services in the school or district and continuing to employ existing staff of the school or district.

Finally, it is worth noting that last month, Congress passed the American Rescue Plan. This funding will provide an additional \$4.47 billion to Ohio, with 90% of the funds allocated to schools and districts, again using the Title I formula as the basis of the allocation. These funds are required to be allocated within 60 days of the federal government's award of these funds to Ohio, no later than the end of May.

Governor's Emergency Education Relief Fund (GEER) – Fund 3HQ0 (line item 200627): \$19.05 million

The appropriation authority requested for the Governor's Emergency Education Relief Fund will provide additional unallocated funds from GEER I to Joint Vocational School Districts, Educational Service Centers, and County Boards of Developmental Disabilities. Unlike traditional districts and community schools, these educational entities did not automatically receive subsidy funds under either ESSER I or ESSER II. The Controlling Board previously provided \$25.6 million in per pupil funding to these entities last fall, and H.B. 170 provides an additional \$19.05 million for these entities. The allowable uses for these entities are consistent with the allowable uses under ESSER.

Emergency Assistance for Non-Public Schools (EANS) – Fund 3HQ0 (line item 200651): \$154.9 million

In the supplemental COVID relief bill passed in December 2020, Congress included a new grant program for nonpublic schools. Ohio received approximately \$155 million to reimburse nonpublic schools for prior expenditures and provide services to these schools moving forward. The application process for nonpublic schools to apply for these funds was open during the month of March, and service award levels were announced earlier this month. The Department is working with Educational Service Centers to help provide services to the non-public schools who applied for funding.

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CARES Act: Elementary and Secondary School Emergency Relief (ESSER)

Last spring, Congress passed the *Coronavirus Aid, Relief and Economic Security (CARES) Act*, authorizing \$2.2 trillion in federal economic aid in response to the COVID-19 pandemic. Part of the act provided relief funding to primary and secondary schools through an overarching *Educational Stabilization Fund*, with states receiving approximately \$13.5 billion under the *Elementary and Secondary School Emergency Relief (ESSER)* and another \$3 billion through the *Governor's Emergency Education Relief Fund*. Ohio received an allocation under ESSER of \$489,205,200 to support schools and districts.

Of that amount, 90% (\$440,284,680) was allocated by formula to traditional districts and community schools. The formula funds are based on the percentage of Title I funds that a school district receives. Title I funding is distributed based on federal census data, with adjustments for students who leave their traditional district for a community school. A portion of these funds must be set-aside for equitable services for non-public schools. Schools and district have a list of 12 purposes toward which ESSER Funds can be used.

The remaining 10% is available for the state education agency. States may reserve 0.5% for administrative costs and the remainder for emergency needs as determined by the state educational agency to address issues responding to coronavirus, which may be addressed through the use of grants or contracts. This is standard practice for federal education grants. It is done with the understanding that there are benefits to schools and districts that can be provided more efficiently at scale if undertaken by the state agency. These often include efforts to build capacity and improve practices. The 9.5% available to the state agency totals \$46.5 million. In our application to the U.S. Department of Education, the Department was required to specify, in general terms, its plan for the use of the administrative funds and state activities funds.

The Department approached our plan for state activities in a manner similar to our approach to other federal activities funds.

- **Identify Needs:** The Department wants to ensure that state level activities align with what the education community needs – including the needs of students, teachers, schools, and districts. Our priorities emerge through discussions with stakeholders. The Department has a long track record of engaging education associations and stakeholders on a regular basis, and aligning supports to identified needs.
- **Engage Partners in Developing Strategies:** The Department embraces a co-design approach to strategy and initiative development. To address identified needs, we work with stakeholders and others to design approaches and actions that can address those needs. The Department then prioritizes support and funding for those initiatives. In this list below, the work is grouped by subject, with the ESSER I commitment of funds reflected for each area.
- **Deploy Strategies in Partnership:** We know that we are stronger when we implement supports in collaboration with our partners. Almost all state activities fall into this category, and invariably achieve greater success because of it.

RemotEDx (\$17.1 million): RemotEDx was codesigned in response to an identified need to support successful distance learning and address connectivity issues. RemotEDx is an exchange, network and suite of supports that aims to help schools and districts provide more students with high-quality, personalized remote education opportunities and provide more educators with professional learning in high quality remote learning approaches. The initiative seeks to address the challenges of remote learning from several fronts for all students. Funding was provided to key partners -- Information Technology Centers (ITCs), Educational Service Centers (ESC), InfoOhio, Philanthropy Ohio and other non-profit and community-based partners.

Industry Credential and Innovative Workforce Incentive Program Start-Up Grant (\$5.5 million): This state activity was designed in response to the need to help more students earn in demand credentials in the interest of supporting the needs of Ohio's employers and business community. The economic impacts of the pandemic will be seen and felt for years to come. A portion of the ESSER I funds will specifically focus on allowing students to earn industry recognized credentials in a remote learning environment and establish new programs to provide more opportunities for students to earn credentials. This work is being done in collaboration with the Governor's Office of Workforce Transformation as well as, primarily, Ohio's career-technical education system.

ESC directed supports for extended learning and learning recovery plans (\$8.9 million): Schools will need some supports in developing and implementing strategies to help students overcome the learning lag of the pandemic. The ESCs are best positioned to serve as the support structure to assist schools. This is a more effective approach than having the Department try to provide this support. ESCs can be a valuable resource that can help districts have plans ready by April 1, and support plan implementation beyond that date.

Family Engagement (\$3.1 million): Another key need that stakeholders have identified for us is strengthening the linkage between families and school. Schools and districts benefit from liaisons that can help answer questions and provide information to families. This work includes partnerships with ESCs to support family and community partnership liaisons to help with identification, enrollment and transfers of vulnerable populations and work with schools to increase communication, outreach and engagement with families. This also includes support and coordination through the OSU Family Engagement Center.

School Improvement Supports (\$2.5 million): The Department was able to provide enhanced tools to schools and districts to support data analysis as well as measuring student learning. This has allowed schools and districts to identify student levels of learning early and have actionable performance data. Funding is also supporting enhancements to the state's early warning system that ensures awareness of whether students are on track to graduate beginning in middle school through high school.

Partnerships (\$9.4 million): A number of needs have been identified that are best served by other entities. The Department has partnered with the following agencies and organizations:

- **Supporting Early Childhood Education Programs:**
 - Ohio Department of Job and Family Services for pandemic-related payments to publicly funded childcare programs that align with ODJFS payments.
 - Ohio Department of Mental Health and Addiction Services to support mental health related supports for early childhood programs.
- **Supporting health and safety practices:**
 - ESC support for face mask distribution.

- Ohio High School Athletic Association (OHSAA) to support health and safety efforts and ensure that students can still participate and benefit from athletic competition.

In January, the Department was allocated additional federal ESSER funding. Once again, 90% of the funding will be allocated to schools and districts using the Title I funding formula though an application made available to districts on February 19. The needs and priorities of the state activities funds are still being fine-tuned. Based on our initial feedback, the Department seeks to enhance and amplify the work started with the state activity funds in ESSER I. In particular we are targeting resources to support students returning to face-to-face instruction, and enhanced learning opportunities to help schools address the disrupted learning experienced this year. This will help ensure students are ready for future learning as we approach the 2021-2022 school year. In most cases, our investments will allow Year 2 and Year 3 supports for these initiatives, as the ESSER II funds have a period of availability through September 2023. The following broad areas, which generally parallel the previous list, have been identified as areas of priority:

- *RemotEDX*– Additional funding for FY22 and FY23, with additional funding to upgrade the bandwidth to all schools and districts through the ITC network.
- *Connectivity Support* – Additional funding to address broadband connectivity and improve bandwidth in schools and districts – partnering with the Information Technology Centers.
- *Industry Recognized Credentials and Innovative Workforce Incentive Program*– Continue programing described above into FY22 and FY23.
- *Academic Supports*–Funds to bolster initiatives in literacy, math, and STEM. This will address learning recovery needs and facilitate capacity building which will aid with catching students up.
- *ESC Support for District and School Recovery Plans*– While a portion of ESSER I funds will assist ESCs in supporting districts and planning for extended learning and learning recovery, supplemental funding in ESSER II would extend these efforts and allows ESC to provide services to help students overcome learning lag.
- *Extended preschool learning opportunities* – Statewide enrollment in preschool and kindergarten is significantly lower than the prior school year. Additional funding would support enhanced preschool and kindergarten programing to address higher expected enrollments.
- *Attendance and family engagement* – Extend the family engagement work supported with ESSER I funds and support the work of the *Stay in the Game!* attendance initiative. With schools more fully open, ensuring that students are engaged and attending will need greater focus and attention.
- *School Improvement Supports* – Extend school improvement efforts in ESSER I, with additional supports for schools and districts.
- *Prevention and Mental Health Supports* – Continue ESSER I funded activities for mental health consultants and provide funding for mental health supports with ADAMH boards. Students are in need of these services more than ever.
- *Partnerships with other agencies* – Extending and promoting partnerships with the Departments of Mental Health and Addiction Services, Developmental Disabilities, Job and Family Services, and Youth Services.

The Department welcomes feedback on additional district and schools needs that should be addressed. Our goal is to move quickly to ensure these funds serve their purpose – to address issues in responding to the COVID-19 pandemic.