



ESSER III Closeout

February 2024

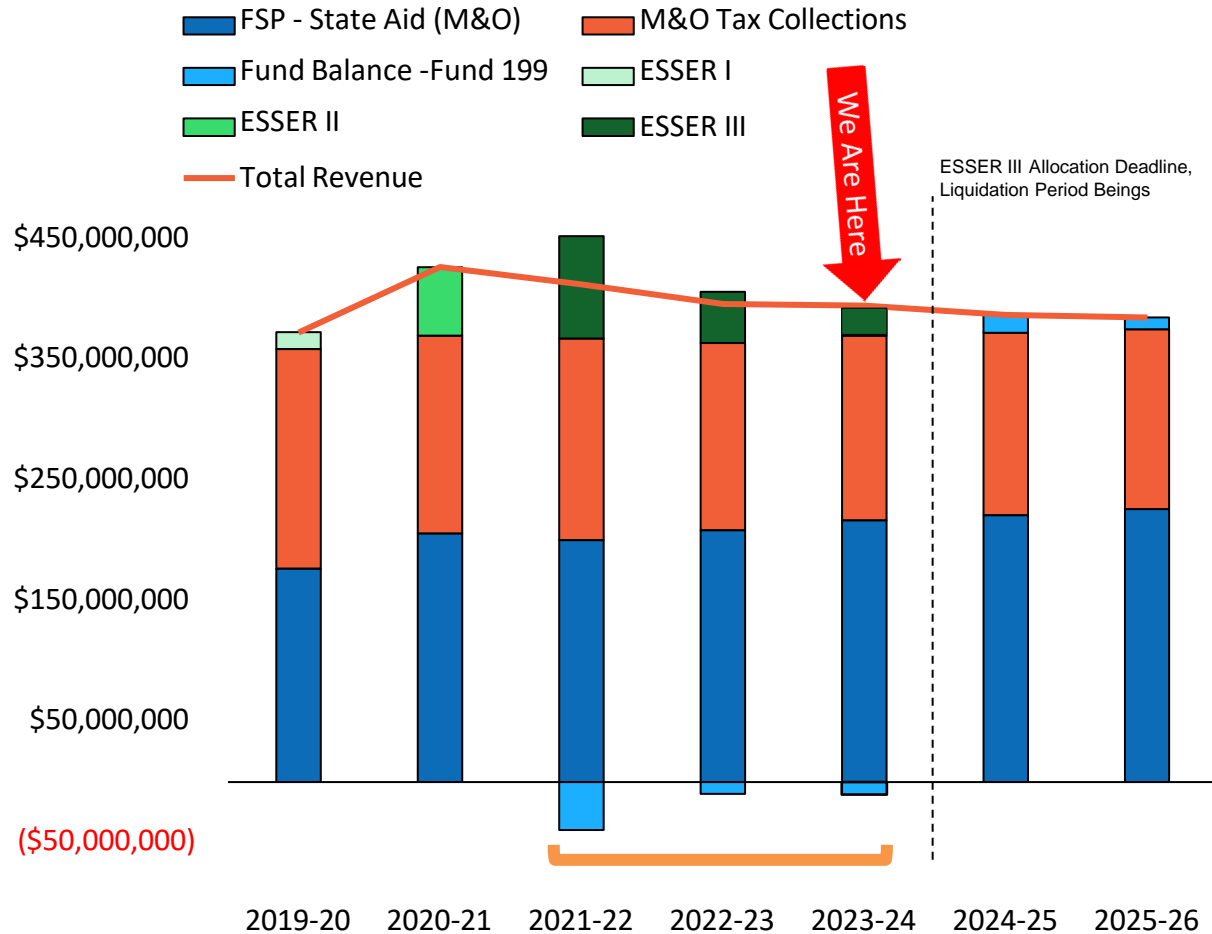


ESSER II Closeout Summary

- TEA conducted Expenditure Transfer Vouchers (ETVs) for LEAs with a remaining balance over \$500 under ESSER II to reclassify ESSER III funds to the LEA's ESSER II account to prevent lapsing funds.
- The total amount of these 37 LEA transfers was \$4,175,316.95.
 - These LEAs will receive notification of the ETV and next steps by 2/23/2024.
- 33 LEAs with a remaining balance less than \$500 were allowed to lapse, the amount of funds lapsing was \$1,653.18.
 - This was out of \$4,978,568,982.00 of total ESSER II funds received by Texas LEAs, or a lapse rate of 0.0003%.

- TEA requested the extension for 14 additional months after the standard liquidation period (until end of February 2025 for 11 LEAs).
- 11 LEAs were approved for this extension, with an overall amount of \$18,079,841.82.
- TEA received approval of the ESSER II Liquidation Extension request on 1/23/24, and will be conducting the following required monitoring activities:
 - Reaching out to LEAs and ESCs who submitted their liquidation extension request and providing instructions on how to draw down funds.
 - TEA staff will be monitoring draw downs from these LEAs and ESCs and will be requesting supporting documentation to verify that the draw down request is directly related to a contracted service that was requested to be extended.

Looking ahead: alleviating the Effects of the Funding Cliff



- 2023-2024 is the last school year to **supplant** with ESSER funds to level off the funding cliff.
- Consider using ESSER III first for allowable activities, to save other federal grants and state and local M&O funds.
 - Must be reasonable and necessary, meet the intent of ESSER statute (pandemic-related), and be allowable.
- If supplanting with state and local M&O, be mindful of other federal MOE requirements (e.g., IDEA-B).
- For more information on supplanting M&O funds, please refer to this [training video](#) from April 2022, which uses this [training deck](#). Slides 16-22 are most relevant.

- Allowable activities between March 13, 2020, and September 30, 2024.
- Standard liquidation period: October 1, 2024, to January 2, 2025.
 - Receive and pay for goods and services that were properly obligated by September 30, 2024.
 - Very limited options to reclassify some other federal or state and local M&O allowable costs during this period to spend down ESSER III.
 - LEAs may consider unrestricted indirect cost rate to expend more ESSER III funds.
- Liquidation extension application will be available Fall of 2024.
 - Contracted services properly obligated by September 30, 2024, may be eligible to be continued to be paid for and received until February 28, 2026.

ESSER III Liquidation Extension

- USDE will require contact information, reason, and justification (as with the ESSER I and II requests) **AND a new narrative that explains how the ESSER III liquidation extension request contributes to the acceleration of academic success for students, including those furthest from opportunity and with the greatest need.**
- TEA will request the extension for 14 additional months after the standard liquidation period (until end of February 2026 for LEAs).

Key Dates:

- TEA releases ESSER III Liquidation Extension tool statewide during the Summer of 2024.
- Data from LEAs will be due in November 2024.
- Approval expected before end of January 2025.

Year Four ESSER Annual Performance Report

- The Year Four ESSER Annual Performance Report is due to TEA on **February 16th**.
- 98% of LEAs must submit or the State of Texas is non-compliant.
- As of 2/14/2024, only 65% of LEAs have completed the report.

- Failure to complete the reports by the specified deadline could lead to:
 1. Referral to the Federal Compliance Officer for non-compliance with grant requirement (could lead to an increased risk designation), and/or;
 2. Suspension of federal funds.

For Questions About Closing Out ESSER (Email or Text)

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