

Capital Expenditure Approval Process for LEAs for ARP ESSER Funds

Purpose:

The American Rescue Plan Act (ARP) 2021 was signed into law on March 11, 2021 and provides an additional \$122.8 billion for the Elementary and Secondary School Emergency Relief Fund (ARP ESSER Fund). ARP ESSER Fund awards to SEAs are in the same proportion as each State received funds under Part A of Title I of the Elementary and Secondary Education Act of 1965, as amended, in fiscal year 2020.

The Utah State Board of Education (USBE) is distributing these funds by application in alignment with the federal distribution formula. This new funding is intended to help local education agencies safely reopen schools, measure and effectively address accelerated learning, and take other actions to mitigate the impact of COVID-19 on the students and families who depend on our K-12 schools. Please consult the accompanying [fact sheet](#) to learn more about the ARP ESSER program.

Federal Allowable Use Cases

Generally, in determining whether an activity is an allowable use of funds, a State or LEA must determine:

- Is the use of funds intended to prevent, prepare for, or respond to the COVID-19 pandemic, including its impact on the social, emotional, mental health, and academic needs of students?
- Does the use of funds fall under one of the authorized uses of ESSER or GEER funds?
- Is the use of funds permissible under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance, 2 CFR Part 200)? In particular, is it necessary and reasonable for the performance of the ARP ESSER award?

The use cases as described in the federal American Rescue Plan legislation are detailed below. In addition, LEAs may consider the following [companion guidance that was created by the Hunt Institute](#) to support states and LEAs.

Uses of Funds —A local educational agency that receives funds from ARP ESSER:

An LEA must spend at least 20% of their ARP ESSER award to address “accelerated learning” (analogous to the federal definition of “learning loss”). Additionally, the federal legislation defines 19 allowable use cases to guide ESSER spending. The two use cases that are specifically relevant to this guidance on capital expenditures are:

16. 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.

17. 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.

You can see a full list of the allowable use cases on our USB E Coronavirus website:

<https://schools.utah.gov/coronavirus?mid=5499&aid=7>

Funding

The USB E intends to award funding to eligible LEAs based on FFY 2020 Title I-A allocations as directed by the U.S. Department of Education. The USB E has also established a base allocation for all LEAs using the state set aside as we did with the original ESSER I and ESSER II awards. The allocation values for each LEA can be found on our website: <https://schools.utah.gov/coronavirus?mid=5499&aid=7>

One-Time Funding

LEAs should note that the ARP ESSER is one-time funding that must be utilized by September 30, 2023 and plan expenses accordingly.

(Please note, due to the federal Tydings Amendment, awardees have an additional 12-months to submit final reimbursement paperwork, which is the 09/30/24 date referenced in the fact sheet. We are encouraging all of our LEAs to make plans to spend by the end of the award period 09/30/23.)

Maintenance of Records:

Records pertaining to this award under 2 C.F.R. 200.334 and 34 C.F.R. 76.730, including financial records related to use of grant funds, must be retained separately from the LEAs original ESSER I funds awarded in 2020 and ESSER II awarded in 2021.

Submission Process

Please submit comprehensive capital expenditure request packets to: Armela Christiansen, CARES Administrative Secretary, at armela.christiansen@schools.utah.gov

- LEAs may submit a single file via email or a Google Drive that has public access rights to USB E.
- LEAs will receive a receipt of submission from USB E within 2 business days of submission. If an LEA does not receive receipt of submission via email within 2 business days, please follow up with USB E to be sure submission was received.

Capital Expenditure Approval Process
ARP ESSER
USB E

Review and Outcome Process

- USB E will review the submission for completeness and compliance with the above expectations.
- USB E will review the submissions with the Capital Expenditure ARP ESSER team, and provide an outcome to LEAs within 14-days of submission.
 - The outcome may include requests for revision and resubmission.
- An LEA may not begin work on the capital project until they receive approval on letterhead from the Utah State Board of Education.

USB E Points of Contact:

Jessica Kjar
CARES Educational Specialist, USB E
jessica.kjar@schools.utah.gov
Allowable Use Cases, Process Questions

Dean Dykstra
Director of School Finance, USB E
dean.dykstra@schools.utah.gov
Financial Questions

LEA Application

Please complete the fields below on pages 4-6 that are highlighted for response and submit to Armela Christiansen, CARES Administrative Secretary, at armela.christiansen@schools.utah.gov for review and approval:

Legal Name: (e.g., North Sanpete School District)
Contact Information for LEA Representative : : : : :

PROPOSED USE OF FUNDS for CAPITAL EXPENDITURE

Each LEA must submit a letter on LEA letterhead that addresses the following requirements. Additional documentation may be submitted in a Google Drive that has public access rights to USB E.

Letter with the following (must be on LEA letterhead):

1. Project Description Requirement:

- A description of at least 2-3 paragraphs describing the overall project, how the project is necessary due to COVID-19 response, how the project will support the LEA in achieving their goals, and provide details in regard to the project's implementation.
- Additionally, please provide this information, if applicable:
 - Projected number of students served
 - Names of school sites or buildings served by this project
 - Number of classrooms affected by this project
- For HVAC projects, please provide the following information:
 - Which school or building sites will be updated
 - How the new units or updated system will increase the turnover of fresh air into rooms

2. Project Timeline within the 34.CFR.75.707 full project must be completed by September 30, 2024:

- Monthly milestones related to the project procurement, implementation, and completion date.
- Projected draw-down amounts and dates related to the milestones
- Note: All projects must be completed no later than September 30, 2024 to be eligible for reimbursement through the ARP ESSER COVID-19 relief funds.

3. Expected Budget:

- Use the state budget table for expense alignment
- Requires a budget narrative to outline expenditures, specifically referencing any items over \$5,000.00

Proposed Budget				
Description	Funding Requested – FY2022	Funding Requested – FY2023	Funding Requested – FY2024	Funding Requested – FY2025 concluding by September 30, 2024
A.(100) Salaries				
B (200) Employee Benefits				
C. (300) Purchased Professional & Technical Services				
D. (400) Purchased Property Services				
E. (500) Other Purchased Services				
F. (580) Travel				
G.(600) Supplies/Materials				
H. (800) Other (Exclude Audit Costs)				
I. TOTAL DIRECT COSTS (Lines A through H)				
J. (800) Other (Audit Costs)				
K. Indirect Costs				
L. Property (includes equipment)				
M. TOTAL (Lines I through L)				

4. Alignment to the Allowable [ARP ESSER Use Cases](#) for Funding Stream:

- Narrative that describes how the project aligns with the specific federal allowable use case in response to COVID-19.

5. LEA procurement policy:

- A link/reference and description of the LEA procurement policy that is guiding the procurement efforts related to this project.
- Requirement for documentation that the LEA procurement policy has been followed. (Ex. Evidence of the bids for service in alignment with LEA policy, etc.)

6. Davis Bacon Compliance Responsibilities of LEA:

- LEAs must adhere to the Davis Bacon requirements, including but not limited to the expectation that work is paid at the federal level prevailing wage by the contractors involved in the project. Additional information for LEA review may be found: <https://www.dol.gov/agencies/whd/government-contracts/construction>
- Narrative description of assurance as well as actions taken by the LEA to meet this requirement.

7. USB E Construction Approvals Process for anything that requires a building code inspection per the international building code 2018, it must be reported to USB E and go through the articulated process to get a project number.

- The USB E website that details this process and provides the corresponding forms and guidance can be found at: <https://www.schools.utah.gov/financialoperations/formsapplications>:
- LEAs must identify the school district building official or charter school board building officer
- Items that LEAs may need to complete, include, but are not limited to:
 - Preconstruction checklist/Simplified Form (dependent on the type and scope of project being completed)
 - SP-4/SP-4a
 - Monthly [SP8 construction inspections summary report](#)
- For inquiries specific to this process, LEAs should contact, USB E Construction and Facilities Specialist, Matt Barrett, matthew.barrett@schools.utah.gov