

Elementary and Secondary School Emergency Relief Fund

Fiscal Year 2021 Annual
Performance Report



U.S. Department of Education

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Elementary and Secondary School Emergency Relief Fund

Fiscal Year (FY) 2021 Annual Performance Report

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U.S. Department of Education

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Introduction

From day one, the Biden-Harris Administration has worked with Congress to support the safe re-opening of schools and address the impact of the COVID-19 pandemic on the lives and learning of students. The impacts of the pandemic were widespread and fell hardest on the most underserved students and communities, including students from low-income backgrounds, students of color, English learners, and students with disabilities. Numerous indicators – including the recent National Assessment of Educational Progress – reflect the toll taken by the tremendous disruption of the pandemic on students' academic achievement and mental health.¹ Although there are some hopeful signs of recovery, communities and education leaders at the federal, state, and local levels must continue to focus on maximizing the impact of Elementary and Secondary School Emergency Relief (ESSER) funds and other federal education funds, as well as state and local funding, to address the needs of students. This includes providing additional academic support using strategies such as high-dosage tutoring programs and high-quality summer learning and afterschool programs, ensuring schools are adequately staffed, providing professional development and investing in more mental health supports for students and educators.

The U.S. Department of Education's efforts to administer federal emergency relief funds and ensure strong public accountability for these resources has helped to ensure that all schools were able to safely reopen for in-person learning. It has also helped to ensure rapid expansion of afterschool and summer learning programs in all 50 states, Washington DC, and Puerto Rico; and achieve double-digit percentage increases in the number of mental health professionals supporting our students and educators efficiently and effectively.² As a result, schools and students are showing signs of recovery. Data from the National Center for Education Statistics (NCES) School Pulse Panel (SPP) shows a double-digit drop in the estimated percentage of students that schools are reporting as behind grade level in at least one subject as measured from the beginning to the end of the 2021-2022 school year.³ In its implementation of the American Rescue Plan (ARP) Act and the deployment of new initiatives, the U.S Department of Education (Department) is committed to accelerating this progress – especially for historically underserved students and communities for whom the pandemic exacerbated pre-existing inequities.

This Annual Performance Report covers spending that occurred in State Fiscal Year 2021, typically ending June 30, 2021 – less than five months after the enactment of the American Rescue Plan. While initial spending of ESSER funds was protracted due to circumstances related to the pandemic – following passage of ARP – states and school districts accelerated their ESSER spending by 7 to 11 times, and outside analysis⁴ has shown that the vast majority of ESSER funds were quickly committed to critical needs.⁵

¹ National Center for Education Statistics. National Assessment of Educational Progress. NAEP State Assessments. 2022. <https://nces.ed.gov/nationsreportcard/state/>.

² **FACT SHEET: How The American Rescue Plan Is Keeping America's Schools Open Safely, Combating Learning Loss, And Addressing Student Mental Health | The White House**

³ National Center for Education Statistics. 2021-2022. <https://nces.ed.gov/surveys/spp/>.

⁴ <https://www.future-ed.org/6-ways-to-breakdown-how-districts-are-spending-federal-covid-aid/>

⁵ Overtime spending by state per <https://usaspending.gov>.



Highlights

The most recent data collected by the Department on expenditures of COVID-19 relief funds during fiscal year 2021 show:

- **State Educational Agencies (SEAs), Local Educational Agencies (LEAs), and schools implemented strategies to safely reopen schools and support continuous learning experiences amidst the pandemic.** This is reflected in operational continuity and physical health and safety being the second and third largest shares of FY 2021 LEA subgrant expenditures.
- **SEAs, LEAs, and schools prioritized meeting students' academic, social and emotional needs during the pandemic.** In FY 2021, roughly 43%⁶ of expended funds from subgrants to LEAs were used to meet students' academic, social, emotional, and other needs. This represents the largest category of LEA subgrant expenditures. LEAs prioritized underserved students and communities that were the most negatively impacted by the pandemic and used funds to address the impact of lost instructional time.
- **SEAs, LEAs, and schools prioritized re-engaging underserved students in their learning during the transition back to a school setting.** More than 75% of LEAs reported implementing one or more student re-engagement strategies during this reporting period.
- **SEAs, LEAs, and schools invested in mental health supports to assist students' recovery from the pandemic.** Over 2,700 LEAs expended ESSER funds on mental health supports. These activities included hiring additional school counselors and school psychologists to provide services and professional development for staff, and developing resources for parents and families to support their children's mental health.
- **SEAs, LEAs, and schools invested funds to meet critical personnel and staffing needs during the pandemic.** For FY 2021, 44%⁷ of expended funds⁸ from subgrants to LEAs were used for personnel, including salaries and benefits for additional staff and additional staff time to address the impacts of lost instructional time.

⁶ Percent of ESSER funds SEAs were legislatively required to provide directly to LEAs.

⁷ Percentage of expenditures of ESSER funds required to be awarded to LEAs within the FY 2021 reporting period by expenditure subcategories. This category is not mutually exclusive with the 43% of ESSER funds to be awarded to LEAs for the social, emotional and academic reporting category.

⁸ Personnel and staffing are a general accounting subcategory for LEA expenditures.



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Background

Federal funding to support K-12 schools in responding to and recovering from the pandemic is primarily provided through the ESSER Fund, established through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Pub. L. No. 116-136 on March 27, 2020. ESSER was further funded under the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, 2021, Pub. L. No. 116-260 on December 27, 2020, and the ARP Act of 2021, Pub. L. No. 117-2 on March 11, 2021. ESSER funds totaled \$13.2 billion under the CARES Act in FY 2020 (ESSER I), \$54.3 billion under the CRRSA Act in FY 2021 (ESSER II), and finally \$122.8 billion under the ARP Act in FY 2021 (ARP ESSER), for a total of \$189.5 billion in funding. The Department awarded grants to SEAs for the purpose of providing LEAs that receive funds under Title I, Part A of the Elementary and Secondary Education Act of 1965 (ESEA), including public charter schools that are LEAs, with resources to address the impact the COVID-19 pandemic had on the learning environment in elementary and secondary schools across the nation.

To promote transparency and public accountability for the use of ESSER funds, the Department established annual performance reporting (APR) requirements for which grantees must collect and submit data on their use of ESSER I, ESSER II, and ARP ESSER funds. All SEAs that received ARP ESSER funds were required to submit plans detailing how the SEA would use a portion of ARP ESSER funds to address the academic impact of lost instructional time (learning loss), such as by providing academic and mental health supports for school communities to recover from the COVID-19 pandemic. SEA plans were required to be approved by the Department for an SEA to receive the remaining one-third of its ARP ESSER funds.

For all three funds (ESSER I, ESSER II, and ARP ESSER), SEAs were legislatively required to provide at least 90% of funds directly to LEAs as subgrants. Throughout this report, the term “subgrants to LEAs” refers to this portion of funds awarded through SEAs directly to LEAs. Funding from SEA reserve funds are noted as a separate category of expenditures. LEAs were provided flexibility to use ESSER funds for the broad range of activities listed in section 18003(d) of the CARES Act (ESSER I)⁹, section 313(d) of the CRRSA Act (ESSER II), and section 2001(e) of the ARP Act (ARP ESSER). SEAs and LEAs were required to obligate ESSER I funds by September 30, 2022; must obligate ESSER II funds by September 30, 2023; and must obligate ARP ESSER funds by September 30, 2024.

In 2021, the Department took action to strengthen accountability requirements for ESSER funds, as part of a comprehensive set of efforts to ensure ESSER funds were used to address the academic and mental health needs of students and keep schools safely open. As a result, the second year of annual performance reports for ESSER funds differ significantly, with new expenditure reporting categories, such as “addressing physical health and safety”, “meeting students’ academic, social, emotional, and other needs”, “mental health supports for students and staff”, and “operational continuity”, to provide a greater level of detail. Recipients were not required to provide all additional information for funds already expended, given capacity constraints. As noted, this report only covers funds expended during the State’s FY 2021, which ended on June 30, 2021 for the majority of SEAs.¹⁰

⁹ An LEA that received ESSER funds under section 18003 of the CARES Act was required to provide equitable services to students and teachers in non-public schools in the same manner as provided under section 1117 of the ESEA. (Section 18005(a) of the CARES Act).

¹⁰ 47 SEAs reported data based on a State fiscal year ending on June 30, 2021. 4 SEAs reported data based on a State fiscal year ending on September 30, 2021. One SEA reported data based on a State fiscal year ending on August 30, 2021.



These data are made available on the Department's Education Stabilization Fund (ESF) Transparency Portal.¹¹ This website aims to provide the public with transparent, searchable, and understandable data regarding the expenditure of education stabilization funds. The Transparency Portal began accepting annual performance reports directly from SEAs in early 2021. As noted above, SEAs must submit an annual report describing how the SEAs, LEAs, and other subrecipients used the awarded funds during the performance period. The FY 2021 annual performance reporting data were collected throughout Spring and Summer of 2022. The information collected from the annual performance reporting data are presented within downloadable datasets and summarized within this report to provide an overview of how SEAs and LEAs are using ESSER funds to address the impacts of the COVID-19 pandemic.

FY 2021 ESSER Spending in Key Categories

By the end of the FY 2021 reporting period, \$127.4 billion (67.2% of total ESSER funds) had been expended, were planned for expenditure, or were reserved for use by SEAs. LEAs did not report on \$62.1 billion (32.8%) of funds, as they were either not yet awarded by the SEA or were awarded by the SEA but not yet determined for a specific use.

During the FY 2021 reporting period, per Exhibit 1, SEAs reported \$14.2 billion in expenditures of ESSER subgrant funds by LEAs, which includes funding from ESSER I, ESSER II, and ARP ESSER. SEAs reported the majority of LEA subgrants expenditures were used to meet students' academic, social, emotional, and other needs and to address operational continuity of schools and districts. Nationally, \$6.1 billion (43.2%) of expenditures from LEA subgrants were used to meet students' academic, social, emotional, and other needs. \$5.4 billion (38.2%) of expenditures from LEA subgrants were dedicated to operational continuity and other allowed uses. 16.7% of the overall ESSER LEA subgrant expenditures were used for physical and health safety purposes. Finally, 1.9% of LEA subgrant expenditures were used for mental health supports, defined for the purposes of this reporting as mental health services that are conducted by licensed practitioners or professionals, including psychologists and psychotherapists.¹²

Of the funds that were not expended in the FY 2021 reporting period, SEAs reported that LEAs plan to use approximately \$42.4 billion of ESSER subgrant funds toward meeting students' academic, social, emotional, and other needs in the future. SEAs also reported that LEAs planned to use \$23.2 billion for operational continuity purposes. For example, LEAs could plan to use ESSER funds to avoid service cuts to the existing LEAs' early childhood education programs, continue to employ existing staff of the LEA, or support disconnected youth impacted by the pandemic with college or career counseling. SEAs reported plans to use \$142.8 million of funds reserved at the state level to address the physical health and safety of students, educators, and other staff, and \$83.2 million to provide mental health supports to students.

Together, these FY 2021 expenditures of LEA subgrants and planned expenditures of LEA subgrants account for \$103.2 billion (54.5%) of total ESSER funds (\$189.5 billion). LEAs reported expending \$2.4

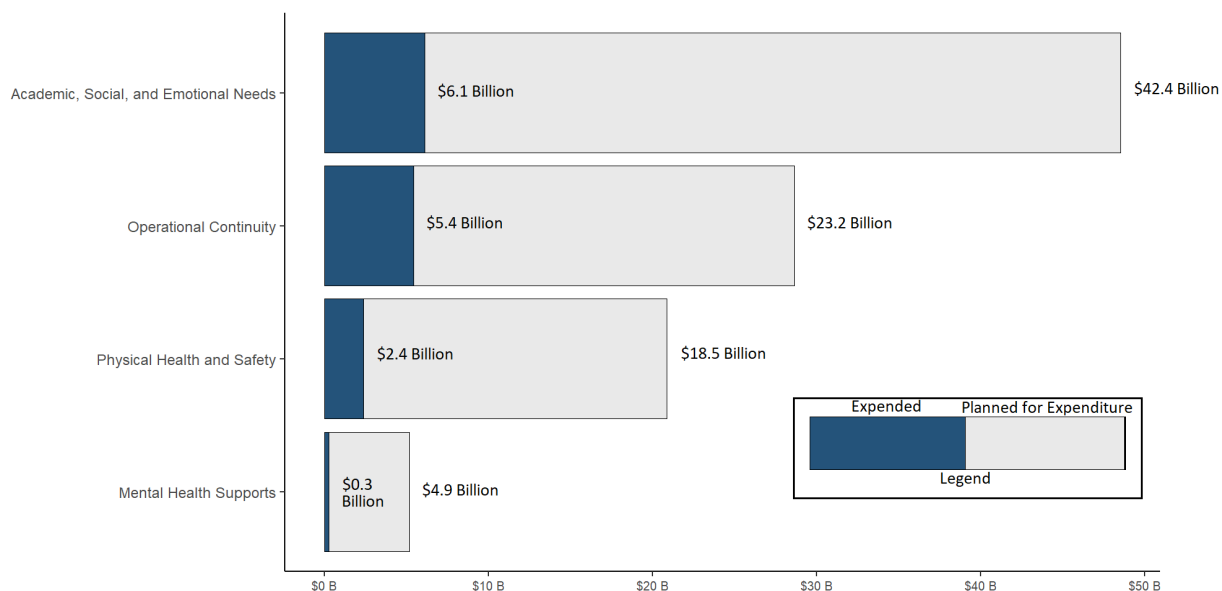
¹¹ <https://covid-relief-data.ed.gov/>.

¹² Definitions of LEA subgrant expenditure reporting categories can result in thematic overlap across multiple reporting categories. (i.e., Mental health supports for students can be accounted for within the Mental Health reporting category for licensed psychologists and within the social, emotional and academic category for professional development for teachers focused on student mental health.)



billion (1.3%) in ESSER subgrant funds in FY 2020.¹³ SEAs also reported reserving \$21.8 billion (11.5%) in ESSER funds throughout FY 2020 and FY 2021. Factors affecting ESSER spending in FY 2021 are highlighted in Appendix, Exhibit 10.

Exhibit 1: FY 2021 Reported ESSER Expenditures of LEA Subgrants and Planned Expenditures – ESSER I, ESSER II, and ARP ESSER



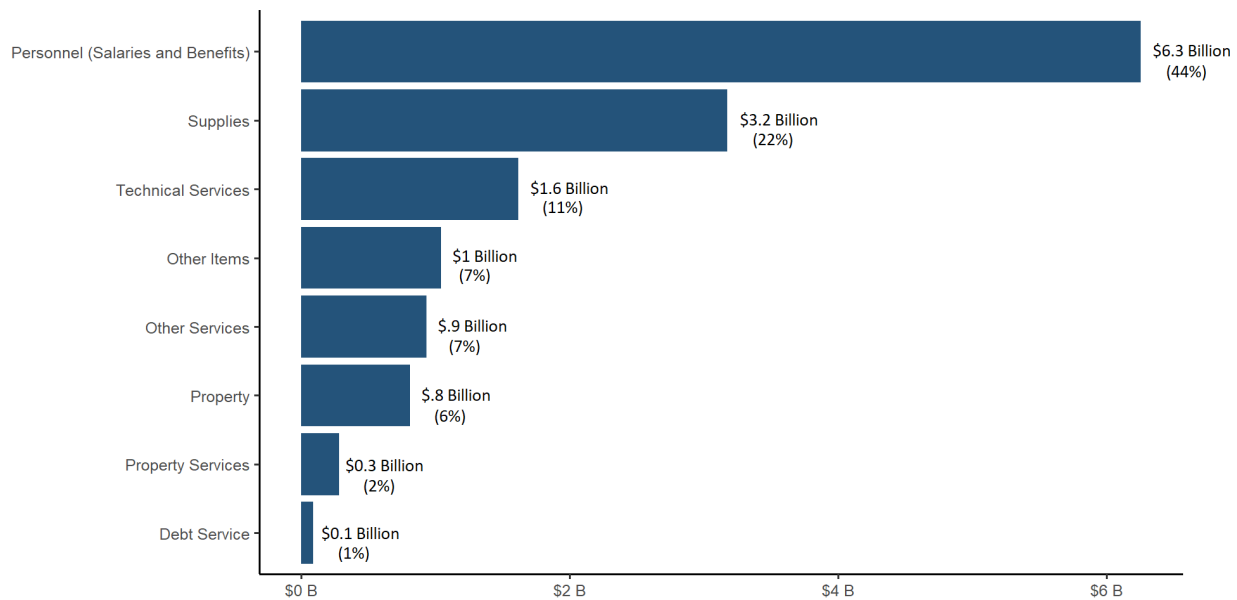
SEAs further reported LEA subgrant expenditures by general accounting subcategories including personnel (salaries and benefits), technical services, property services, supplies, property, debt service, other services, and other items. Of the \$14.2 billion in expenditures of LEA subgrants in FY 2021, 44% (\$6.3 billion) of ESSER subgrant funds were used for personnel including salaries and benefits for additional staff and additional staff time to address the impacts of lost instructional time. This includes activities such as hiring additional tutors, teachers, and mental health professionals and increasing compensation to more effectively recruit staff and avoid educator lay-offs. The two largest categories of expenditures following personnel include supplies and technical services that are necessary to maintain school operations during and after the COVID-19 pandemic, including personal protective equipment and cleaning and sanitizing materials, and architecture and engineering needed for upgrades to HVAC systems. Exhibit 2 shows how LEAs expended subgrant funds by reporting subcategories.¹⁴

¹³ Grantees were not required to report subgrantees in the FY 2021 report who received and expended all funds during the FY 2020 reporting period if those subgrantees did not receive additional funds. Therefore, this figure may not be reflective of all required subgrant expenditures in the 2020 reporting period.

¹⁴ See Appendix Exhibit 9 for additional information on expenditure subcategories used in ESSER reporting.



Exhibit 2: FY 2021 Reported ESSER Expenditures of LEA Subgrants by Accounting Subcategories



Indicated percentages represent the percentage of total FY 2021 ESSER LEA Subgrant Expenditures expended for that accounting category

Initial Response to the Pandemic – Safe In-Person Learning and Educational Continuity

During the 2020-2021 academic year, many LEAs focused on keeping students, teachers, administrators, and other staff members healthy while reopening schools and resuming in-person learning. ESSER spending on physical health and safety accounted for 16.7% of all LEA subgrant expenditures in this reporting period, with LEAs reporting nearly \$2.4 billion in ESSER funds expended on physical health and safety and an additional \$18.5 billion planned for this purpose. Activities in this category include implementing COVID-19 mitigation measures, along with longer-term strategies such as upgrading school air quality and ventilation. These expenditures contributed to the national effort to safely reopen schools during State fiscal years 2021 and 2022. For example, in January 2021, 46% of schools were open as compared to the average 99% open rate during State fiscal years 2021-2022 (incl. during Omicron BA.1). Nearly 100% of schools are currently open during the current State fiscal year (2023).

Independent analysis of a nationally representative sample of LEA spending plans found that LEAs planned \$9.7 billion of expenditures on HVAC improvements to improve indoor air quality to help prevent the spread of COVID-19, and an additional nearly \$5 billion on repairs to facilities to prevent illness.¹⁵ These estimates are consistent with the total planned expenditures on physical health and safety in the annual reporting data. While critical to improving school health and safety, investments that require

¹⁵ <https://www.future-ed.org/financial-trends-in-local-schools-covid-aid-spending/>



upgrades to facilities may result in a significant delay between the commitment of funds and their expenditure and appearance in reported expenditures, as not all funds may be expended until the end of projects.

SEAs were asked to report on the methods LEAs employed to maintain safe in-person instruction during the FY 2021 reporting period. More than 75% of LEAs that received ESSER funds reported using those funds on at least one method, with most LEAs utilizing multiple methods. Of the LEAs that indicated they used ESSER funds to maintain safe in-person instruction, ninety percent reported expending funds on “cleaning and disinfection,” which was the most frequently utilized method of maintaining safe in-person instruction. Additionally, 83% percent (43/52) of SEAs reported using portions of reserve grant funds to address physical health and safety.

ESSER funds were also used by LEAs across the country to expand student access to home internet. Expanding access to the internet and digital devices was essential to support teaching and learning as COVID-19 required a complete and sudden shift to hybrid and remote learning for most schools. Unfortunately, many underserved student groups, including English learners, students of color, students in rural and tribal communities, and students from low-income backgrounds, have less access to the internet, digital devices, and high-quality technology-enabled learning experiences.¹⁶ Accordingly, more than 40% (6,836/16,884) of all LEAs that received ESSER funds reported using those funds in the FY 2021 reporting period to provide at least one type of home internet access to their students. “Mobile hotspots with paid data plans” were the most common way of providing this access, with 86% of LEAs that provided home internet indicating that they distributed mobile hotspots. Exhibit 3 contains a full list of ESSER funded methods of providing home internet access implemented by LEAs in this reporting period.¹⁷

Exhibit 3: Methods Used by LEAs to Provide Internet Access for Students

Internet Services Provided	Number of LEAs	% of total LEAs that received ESSER funds
Mobile Hotspots	5,856	34.7%
Internet Connected Devices	1,994	11.8%
Home Internet Subscriptions	1,411	8.4%

¹⁶ Chandra, S., Chang, A., Day, L., Fazlullah, A., Liu, J., McBride, L., Mudalige, T. & Weiss, D. (2020). Closing the K–12 Digital Divide in the Age of Distance Learning. San Francisco, CA: Common Sense Media. Boston, Massachusetts, Boston Consulting Group. This June 2020 report from Common Sense Media found that “approximately 15 million to 16 million K-12 public school students live in households either without an Internet connection or device adequate for remote learning at home; and of these students, approximately nine million live in households with neither an adequate connection nor an adequate device for remote learning. ... The digital divide is a major problem for students in all 50 states and all types of communities but is most pronounced in rural communities and households with Black, Latinx, and Native American students.”

¹⁷ Number of LEAs responding “True” to expending ESSER funds to provide at least one form of home internet access = 6,838 of 16,884 that received ESSER funds



Internet Services Provided	Number of LEAs	% of total LEAs that received ESSER funds
District-managed Wireless Networks	1,313	7.8%
Other Internet	767	4.5%

Meeting the Academic, Social, Emotional, and Other Needs of Students

The COVID-19 pandemic had a profound impact on the learning and achievement of all students.¹⁸ Reporting indicates that LEAs prioritized the use of ESSER funds in FY 2021 to engage students in their learning, including by meeting their academic, social, and emotional needs through approaches such as high-dosage tutoring and high-quality summer and afterschool programs to accelerate learning; implementing rigorous curricula; funding additional school counselors, nurses, and school psychologists; increasing the number of full-service community schools providing wraparound services and supports to students and their families; and other activities allowed under a number of federal education programs.¹⁹

Consistent with LEAs’ efforts to address lost instructional time and accelerate learning in FY 2021 – and building on previous and ongoing investments – afterschool and summer learning programs have expanded across all 50 states. A RAND survey found a nearly 30 percentage point increase in the number of LEA leaders who reported that one or more of their schools offered a summer program, from 57 percent in 2020 to 86 percent in 2022.²⁰

In the FY 2021 reporting period, SEAs reported \$6.1 billion (43.2%) of ESSER LEA subgrant fund expenditures used by LEAs to meet academic, social, emotional, and other needs of students nationally and reported planning an additional \$42 billion in ESSER funds for this purpose. Exhibit 4 shows, nationally, 10,176 LEAs reported using \$2.9 billion of ESSER I subgrant funds toward meeting students’ academic, social, emotional and other needs in FY 2021. 5,889 LEAs reported using \$2.8 billion of ESSER II subgrant funds toward meeting students’ academic, social, emotional, and other needs in FY 2021. And 1,115 LEAs reported using \$418.4 million of ARP ESSER funds toward meeting students’ academic, social, emotional, and other needs in FY 2021. 60% of ARP ESSER subgrant expenditures by LEAs in FY 2021 were dedicated to students’ academic, social, emotional, and other needs.

¹⁸ National Center for Education Statistics. 2021-2022. <https://nces.ed.gov/surveys/spp/>.

¹⁹ <https://www.future-ed.org/financial-trends-in-local-schools-covid-aid-spending/>

²⁰ **School Districts Have Expanded Their Nonacademic Services for 2021–2022, While Academic Offerings Remain Much the Same: Selected Findings from the Third American School District Panel Survey | RAND**



Exhibit 4: FY 2021 Reported ESSER Expenditures of LEA Subgrants on “Meeting Students’ Academic, Social, Emotional, and Other Needs”

ESSER Fund	Number of LEAs	% of total LEAs that received ESSER funds*	FY 2021 LEA Expenditures on Meeting Students’ Academic, Social, Emotional, and Other Needs
ESSER I	10,176	63.3%	\$2,881,927,315.72
ESSER II	5,889	41.9%	\$2,834,799,390.28
ARP ESSER	1,155	9.6%	\$418,353,281.56**

*% of LEAs represents the percent of all LEAs that were subgranted funds from that ESSER legislative fund: ESSER I n= 16,064; ESSER II n= 14,047; ARP ESSER n= 12,012

**Includes any expenditures from the amount an LEA reserved to meet the ARP Act requirement that an LEA reserve at least 20% of its funds to address Learning Loss

The American Rescue Plan Act required states to set aside ARP ESSER funds to support three categories of evidence-based activities and interventions that respond to students’ academic, social, and emotional needs and that address the disproportionate impact of COVID-19 on underserved students. Specifically, states were required to set aside 5% of their ARP ESSER allocation for the implementation of evidence-based interventions aimed specifically at addressing learning loss (i.e., the academic impact of lost instructional time); 1% was reserved for evidence-based summer enrichment programs; and 1% was reserved to support comprehensive afterschool programs.²¹ In FY 2021, SEAs reported using \$3.3 million of reserve funds to address the academic impact of lost instructional time by supporting the implementation of these three evidence-based interventions.

Prioritizing and Reengaging Underserved Students

As students returned to in-person instruction, educators and staff used ESSER funds for re-engaging students in their learning and supporting the transition back into a school setting. This included the use of funds to re-engage those students who faced the greatest barriers to participating in virtual learning, missed the most instruction, and were least engaged prior to and during the pandemic.

To support those students in greatest need of support, SEAs were given discretion to identify disproportionately impacted students to support using ESSER funds. Many SEAs used multiple methods of identification. The most commonly used data to identify disproportionately impacted students was

²¹ Section 2001(f) of the ARP Act.



student demographic data (24 SEAs), including Free and Reduced-Price Lunch (FRPL) program eligibility information, and information collected from stakeholder input (24 SEAs). Exhibit 5 below describes the various data sources and strategies utilized by SEAs for this purpose, including utilizing stakeholder input; access to technology and staff; days of in-person instruction missed; and data on students’ school experiences, including social and emotional well-being.

Exhibit 5: Strategies to Identify Students Most Disproportionately Impacted by the COVID-19 Pandemic, Using SEA Reserve Funds under ESSER

Strategy	# of SEAs	% of SEAs
Student demographic data, such as FRPL eligibility or English learner status	24	46.2%
Stakeholder input ²²	24	46.2%
Opportunity to learn data, such as access to technology and access to educators, school counselors, and other support staff	21	40.4%
Student academic outcome data, such as academic data from state or local assessments	19	36.5%
Data on the number of days of in-person instruction missed during the 2019-2020 and 2020-2021 school years and/or participation rates in remote instruction when offered during school building closures	18	34.6%
Other student outcome data, such as data on students’ school experiences and social and emotional wellbeing	17	32.7%
Health data, such as local COVID-19 infection rates or hospitalizations due to COVID-19	11	21.2%
State administrative data, such as unemployment claims	3	5.8%
Other	1	1.9%

Total number of SEAs n=52

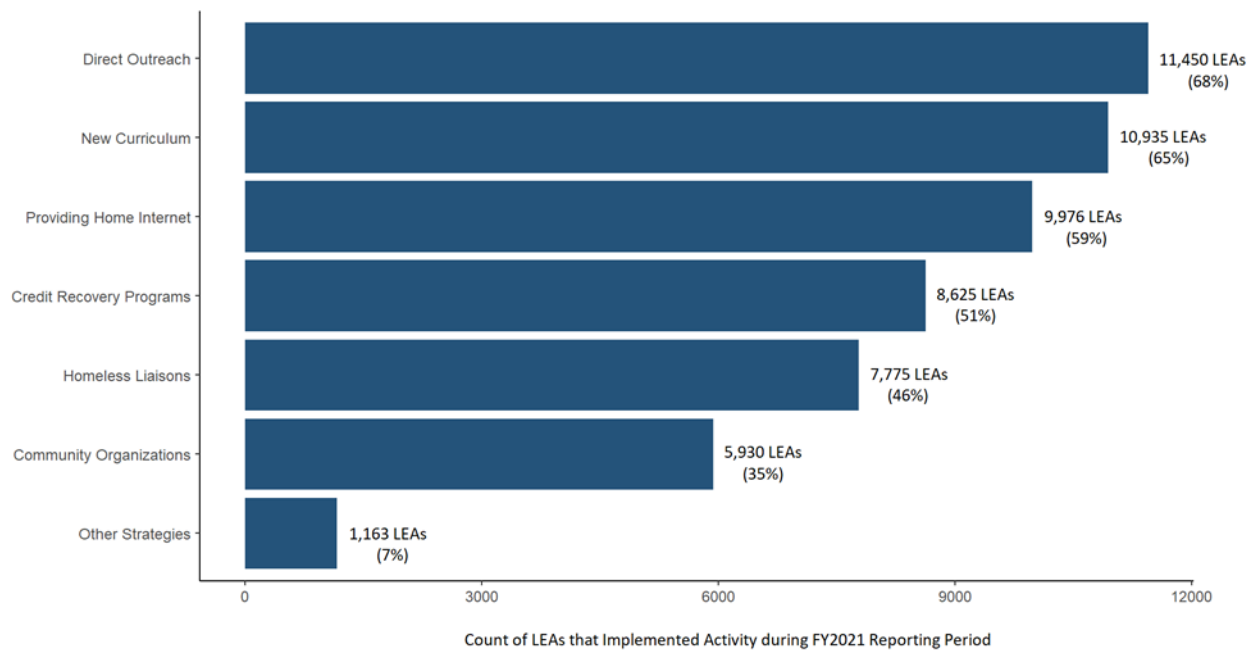
In FY 2021, LEAs were asked to report if they implemented strategies to re-engage students with low attendance or participation regardless of whether those strategies were supported by ESSER. More than 75% (12,669/16,884) of LEAs that received ESSER funds reported implementing one or more student re-engagement strategy during this reporting period. Direct Outreach to students and families was the most utilized strategy, followed by implementing new curriculum, providing home internet access, and

²² Stakeholder input could include input from students; families; school and district administrators (including special education administrators); and teachers, principals, school leaders, other educators, school staff, and their unions.



supporting credit recovery programming. The full list of re-engagement strategies is described in Exhibit 6 below.

Exhibit 6: Strategies Used by LEAs to Reengage Students with Poor Participation or Attendance



Indicated percentages represent the percentage of ESSER funded LEAs that used specific strategies to reengage students with poor attendance or participation. Total number of LEAs that received ESSER funds n=16,884

Supporting Student Mental Health

As a result of the COVID-19 pandemic, students faced numerous mental health challenges such as traumatic grief or stress, isolation from support networks, and loss of routine.²³ This has increased the need for mental health supports and resources for students. According to the School Pulse Panel survey conducted by the National Center for Education Statistics, 70% of public schools reported that the percentage of students who have sought mental health services increased since the start of the pandemic. Only 56% of public schools agree that their school is able to effectively provide mental health services to all students in need.²⁴

Examples of ESSER funded mental health supports include using funds to hire additional school counselors and psychologists to provide services or contract for mental health services for students, educators, and other district staff. LEAs also used funds to provide professional development and training to increase teacher and staff capacity to support student mental health. LEAs were also permitted to use ESSER funds to provide resources and information to students and families to build a greater

²³ www.hhs.gov/sites/default/files/surgeon-general-youth-mental-health-advisory.pdf.

²⁴ https://ies.ed.gov/schoolsurvey/spp/SPP_April_Infographic_Mental_Health_and_Well_Being.pdf.



understanding of mental health and address negative stigma that might be associated with accessing mental health services.²⁵

For the purposes of this report, “Mental Health Supports for Students and Staff” is defined as mental health services that are conducted by licensed practitioners or professionals, including psychologists and psychotherapists. In FY 2021, \$275.7 million of ESSER LEA subgrant expenditures were dedicated to these mental health supports for students and staff. However, LEAs planned to spend an additional \$4.91 billion on this purpose, indicating that investments in mental health supports will likely significantly increase in FY 2022 and FY 2023. Exhibit 7 describes the amount of each ESSER fund expended on mental health supports and the number of LEAs that expended funds for that purpose. Mental health services not provided by licensed practitioners – such as professional development and training to increase teachers’ and staff’s capacity to support students’ mental health – are captured in the “Meeting Students Academic, Social, Emotional, and Other Needs” reporting category.

Exhibit 7: FY 2021 Reported ESSER Expenditures of LEA Subgrants for “Mental Health Supports for Students and Staff”

ESSER Fund	Number of LEAs	% of LEAs*	FY 2021 LEA Expenditures on Mental Health Supports for Students and Staff
ESSER I	1,828	11.4%	\$137,537,959.32
ESSER II	1,117	8%	\$120,720,971.11
ARP ESSER	135	1.1%	\$17,483,667.82**

**% of LEAs” represents the percent of all LEAs that were subgranted funds from the ESSER legislative fund: ESSER I n= 16,064; ESSER II n= 14,047; ARP ESSER n= 12,012

** Includes any expenditures from the amount an LEA reserved to meet the ARP Act requirement that an LEA reserve at least 20% of its funds to address learning loss through the implementation of evidence-based interventions.

Meeting Critical Personnel and Staffing Needs

Beyond its impact on students, the COVID-19 pandemic created unprecedented challenges for the educator workforce.²⁶ In June 2022, The National Center for Education Statistics reported that 88% of public schools identified teacher and staff burnout as a concern during the 2021-2022 school year.²⁷

²⁵<https://oese.ed.gov/files/2022/12/ESSER-and-GEER-Use-of-Funds-FAQs-December-7-2022-Update.pdf>

²⁶ Taie, S., Lewis, L., Spiegelman, M. (2022). Characteristics of 2021-21 Public and Private K-12 Schools in the United States. Results from the National Teacher and Principal Survey. Institute of Education Sciences. <https://nces.ed.gov>

²⁷ <https://ies.ed.gov/schoolsurvey/spp/>.



About 62% of public schools reported that they were concerned about filling vacant staff positions.²⁸ And 53% of public schools reported feeling understaffed entering the 2022-2023 school year.²⁹ Most recently, results from the National Center for Education Statistics' 2020-2021 National Teacher and Principal Survey shows that among K-12 public schools that had teaching vacancies in a specific field, 42% found it very difficult or were not able to fill the vacancies for foreign language; 40% for special education; 37% for physical sciences; 32% for English as a second language or bilingual education and for mathematics; and 31% for biology or life sciences, computer science, and career or technical education, respectively.³⁰ Prior to the pandemic, students of color, students from low-income backgrounds, English learners, and other underserved students were already less likely to have access to well-qualified, experienced, and effective teachers.³¹ While staffing shortages have long been a challenge in the education sector, the pandemic and the competitive labor market in which schools have operated during the past two school years have exacerbated these challenges.

Ensuring sufficient staffing in schools is fundamental to addressing the learning needs of students and keeping schools safely open. Reflecting this importance, LEAs expended 44% of ESSER subgrant funds on personnel, including salaries and benefits for additional staff and additional staff time to address the impacts of lost instructional time. In FY 2021, SEAs and LEAs used ESSER funds to stabilize the workforce, strengthen the pipeline into the profession and support additional staff to safely reopen schools and address student needs. In December 2021, the Department encouraged LEAs to use ESSER funds to address staffing shortages.³² Specifically, SEAs and LEAs were reminded of the flexibility to use ESSER funds to help stabilize and support the educator workforce. For example, the Department clarified that LEAs could use ESSER funds to pay teacher salaries, increase compensation, and avoid layoffs. Funds could also be used to address teacher shortages exacerbated by the pandemic by hiring new teachers and using funds to recruit and train high-quality substitute teachers. Given the challenges presented by the pandemic, the Department also encouraged LEAs to use ESSER funds to support educator and staff well-being and to improve working conditions for educators and staff.

Across ESSER I, ESSER II, and ARP ESSER, funds were widely used to support the educator workforce during FY 2021, as shown in Exhibit 8. Reporting reveals that \$2.3 billion of ESSER I funds were expended by 8,450 LEAs on personnel expenses; \$3.6 billion of ESSER II funds were expended by 5,212 LEAs; \$378.7 million of ARP ESSER funds were expended by 1,028 LEAs.

²⁸ <https://ies.ed.gov/schoolsurvey/spp/>.

²⁹ <https://ies.ed.gov/schoolsurvey/spp/>.

³⁰ Taie, S., Lewis, L., Spiegelman, M. (2022). Characteristics of 2021-21 Public and Private K-12 Schools in the United States. Results from the National Teacher and Principal Survey. Institute of Education Sciences. <https://nces.ed.gov>

³¹ U.S. Department of Education, Office of Civil Rights. (n.d.). Page 9 of the 2013-14 First Look Report available here:

<https://ocrdata.ed.gov/assets/downloads/2013-14-first-look.pdf>.

³² <https://oese.ed.gov/guidance/>



Exhibit 8: ESSER Expenditures of Subgrant Funds used on Personnel in FY 2021

ESSER Fund	Number of LEAs	% of LEAs*	FY 2021 Personnel Expenditures from ESSER Funds**
ESSER I	8,450	52.6%	\$2,311,742,774.26
ESSER II	5,212	37.1%	\$3,563,786,165.02
ARP ESSER	1,028	8.6%	\$378,741,184.51**

*"% of LEAs" represents the percent of all LEAs that were subgranted funds from the ESSER legislative fund: ESSER I n= 16,064; ESSER II n= 14,047; ARP ESSER n= 12,012

** Includes any expenditures from the amount an LEA reserved to meet the ARP Act requirement that an LEA reserve at least 20% of its funds to address Learning Loss.

Future ESSER Spending by SEAs, LEAs, and Schools

In 2023, states will report on the use of ESSER funds to support students, educators, and schools during FY 2022. This reporting will follow the same format as reporting for FY 2021, providing another year of comparable data and further insight into how ESSER is supporting recovery efforts from the ongoing impacts of the COVID-19 pandemic.

As a result of reporting requirements put in place in FY 2021, future annual performance reports will provide additional information, including:

- Revised expenditure reporting categories to provide greater detail about the use of ESSER funds
- Additional information on the hiring and retention of school staff supported by ESSER funds
- Data on interventions supporting learning recovery and academic acceleration for students disproportionately impacted by the COVID-19 pandemic
- School enrollment information disaggregated for students with disabilities, low-income students, English learners, students in foster care, migratory students, and students experiencing homelessness
- Detailed expenditure information for activities addressing the impact of learning loss

Conclusion

The Department’s efforts to efficiently and effectively administer federal emergency and relief funds, and promote transparency and public accountability for ESSER funds, helped to ensure that federal resources were used to keep schools safely open and return students to in-person learning; address students’ academic, social, and emotional needs; re-engage underserved students; support mental health needs; and meet critical staffing and personnel needs. ESSER funds were critical in helping safely re-open



schools and sustain their safe operation, while addressing the impact of the COVID-19 pandemic on the nation's students.

Federal ESSER funds continue to provide support to states, LEAs, and schools as they work to maximize in-person instructional time and address the impact of the COVID-19 pandemic on students, educators, and families. These emergency resources were made available for a wide range of activities to address diverse needs arising from or exacerbated by the COVID-19 pandemic. The Department will continue to support state and local education leaders in their efforts to effectively use ESSER funds to assist in the response and recovery from the COVID-19 pandemic, by supporting the academic achievement and well-being of students.



Appendix

Exhibit 9: General Accounting Subcategories used for ESSER Reporting

General Accounting Subcategories	Description	ESSER related potential allowable examples
Personnel Services – Salaries	Amounts paid to both permanent and temporary school district employees, including personnel substituting for those in permanent positions. This includes gross salary for personal services rendered while on the payroll of the school district.	Supplementing the salaries of educators and other qualified personnel to perform additional services. Using ESSER funds to support the costs associated with hiring additional teachers and teacher aides to provide intensive support to students.
Personnel Services – Benefits	Amounts paid by the school district on behalf of employees (amounts not included in gross salary, but in addition to that amount). Such payments are fringe benefit payments and, although not paid directly to employees, nevertheless are part of the cost of personal services.	Offering supplemental financial support for educators who commit to working in a high-need field or school for a minimum number of years.
Purchased Professional and Technical Services	Services that by their nature can be performed only by persons or firms with specialized skills and knowledge. Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided. Included are the services of architects, engineers, auditors, dentists, medical doctors, lawyers, consultants, teachers, and accountants.	Hiring engineers and architects to plan facility repairs and improvements to enable schools to reduce the risk of virus transmission and exposure to environmental health hazards, and to support student health records.
Purchased Property Services	Services purchased to operate, repair, maintain, and rent property owned or used by the school district. These services are	Inspection, testing, maintenance, repair, replacement, and upgrade projects to improve the indoor air quality in school facilities,



General Accounting Subcategories	Description	ESSER related potential allowable examples
	performed by persons other than school district employees. Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided.	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.
Other Purchased Services	Purchased property services that are not classified above.	N/A
Supplies	Amounts paid for items that are consumed, are worn out, or have deteriorated through use or items that lose their identity through fabrication or incorporation into different or more complex units or substances.	Hygienic supplies (such as masks or hand sanitizer). Purchasing technolog (including laptops, Wi-Fi hotspots, or tablets) that enable students to consistently access instruction.
Property	Expenditures for acquiring capital assets, including land, existing buildings, existing infrastructure assets, and equipment.	Purchase trailers or modular units if such purchases are necessary to create additional safe learning spaces due to the COVID-19 pandemic.
Debt Service and Miscellaneous	Activities related to servicing the long-term debt of the school district, includign payments of both principal and interest.	Expenditures for interest on bonds or notes, including lease-purchase agreements.
Other Items	Used to classify transactions that are not properly recorded as expenditures/expenses but require control and reporting by the school district.	N/A

Exhibit 10: Factors Affecting ESSER Spending in Fiscal Year (FY) 2021

As noted, this report includes data on expenditures made during State FY 2021 and does not include investments of ESSER I³³ funds in FY 2020 (which totaled \$2.6 billion) or funds expended in FY 2022

³³ Data reported by LEAs represents expenditures for both public and non-public school students (based on the equitable services requirements applicable to ESSER I).



(which generally occurred during the 2021-2022 school year).³⁴

The timing of LEA subgrant expenditures and planned expenditures in FY 2021 is reflective of the following considerations:

- ESSER II and two-thirds of ARP ESSER funds were awarded to SEAs on January 6 and March 24, 2021,³⁵ respectively, with funds then subgranted to LEAs. As these funds were awarded during the FY 2021 reporting period, LEAs had less time to create plans for and expend ESSER II and ARP ESSER funds before the end of the fiscal year. The receipt of ARP ESSER funding likely enabled faster ESSER I and ESSER II spending. The monthly spending of ESSER funds increased by 7-11 times after the passage of the ARP.³⁶ SEAs and LEAs may have chosen to spend ESSER I funds more quickly due to the knowledge of incoming additional funds from ARP ESSER to support students and educators through the duration of the pandemic and beyond.
- SEAs and LEAs likely spent funds in the order that they were received and based on the period of availability, leading to a relatively higher spend down of ESSER I funds during this period. For example, ESSER I funds were available through September 30, 2022, while ARP ESSER funds are available through September 30, 2024.
- Development and implementation of SEA and LEA spending plans for ESSER II and ARP ESSER funds was hindered by the continuing disruption to State and local education systems due to changing circumstances based on the pandemic (e.g., the emergence of the new COVID-19 variants) during, but not limited to, the 2020-2021 academic year

There is a delay between the obligation of funds (i.e., when funds are committed, such as through a signed contract, for a specific purpose) and their expenditure. As a result, funds may have supported activities with a positive impact on students and teachers in FY 2021 but were not reported as expended until FY 2022. This may have occurred for multiple reasons:

- In accordance with local contracting rules, many LEAs must receive all services before paying out a contract (expending funds). For example, funds may be obligated for summer learning programs, with funds used to support summer programs in FY 2021, but not expended until the end of the program, in FY 2022.
- There is often a delay between the expenditure of funds by an LEA and reporting in an SEA's accounting or data system. As a result, funds may have been expended by an LEA in FY 2021 but not reported as expended until FY 2022.

A significant portion of funds invested in FY 2021 reflect long-term commitments that will be spent down gradually over the duration of the grant period.

- By hiring new staff, LEAs have made long-term financial commitments and will now spend these funds down gradually over time, paycheck by paycheck.³⁷ As a result, while the total amount spent on personnel is not reported as expended all at once, funds are committed and LEAs are unlikely to use funds for other purposes.

Over the course of FY 2021, LEAs used ESSER funds to safely reopen schools for full-time instruction for

³⁴ State fiscal years vary by state, with 47 SEAs operating on fiscal years ending on June 30, 2021. Four SEAs reported data based on a State fiscal year ending on September 30, 2021. One SEA reported data based on a State fiscal year ending on August 30, 2021.

³⁵ Subsequent awards for ARP ESSER were made after 3/24/21 pending approval of State plans.

³⁶ <https://usaspending.gov>

³⁷ States and districts have flexibility to use a cash basis or accrual method in their accounting methods. Under the cash basis method, grant expenditures are recorded when the payment is made. Under the accrual method, expenditures are recorded when the goods or services are received, or once they can no longer be refunded.



all students; address students' academic, social, and emotional needs; reengage underserved students; support mental health needs; and meet critical staffing and personnel needs; and for other purposes allowable under the law.