

## Primer on Federal COVID Funds for New Jersey Schools

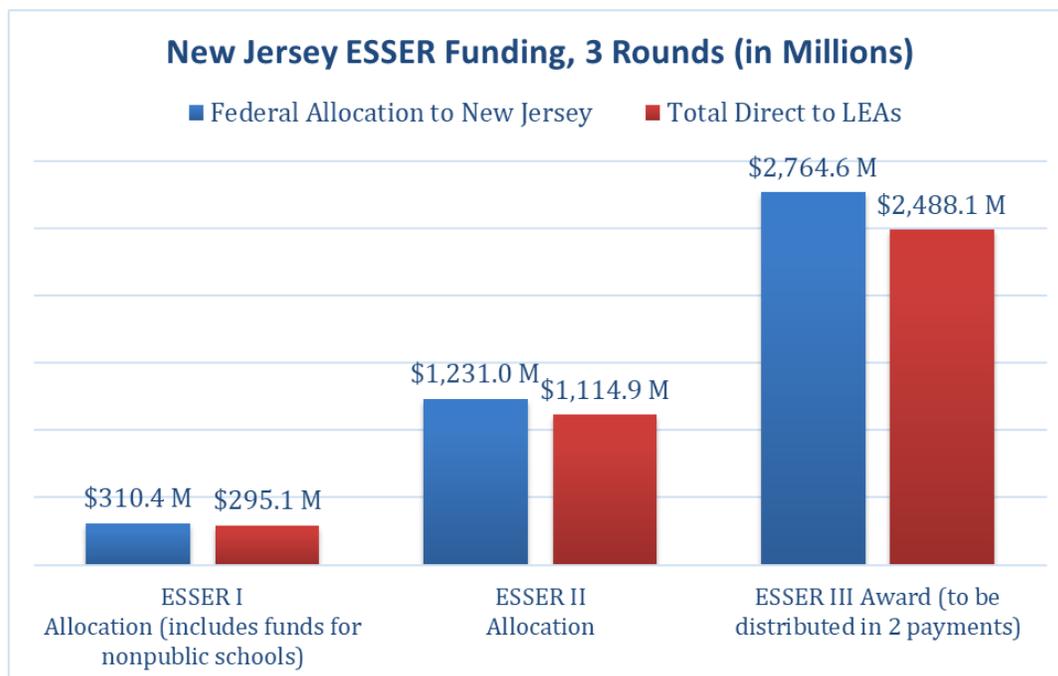
By Mary McKillip

In response to the impact of the coronavirus pandemic on public education, Congress enacted three rounds of COVID-19 emergency relief for New Jersey school districts in March 2020, December 2020, and March 2021. These federal laws are referred to as Elementary and Secondary School Emergency Relief Funds, or ESSER I, ESSER II and ESSER III and will provide the State with a cumulative \$4.3 billion in one-time, non-recurring education relief funds.

### How much federal COVID funding will New Jersey districts receive?

In all three rounds of ESSER, at least 90% of the federal funds are awarded directly to New Jersey school districts, along with the authority to decide locally how to spend the funds. The remaining 10% of funds is set aside for the New Jersey Department of Education (NJDOE) to distribute, and 0.5% percent of that set-aside can be used for State administrative costs.

The total for each of the New Jersey ESSER funding rounds is in the figure below. Each round represents a significant increase in funding over the prior allocation. The third and largest ESSER round is available to New Jersey in two installments: the State received \$1.84 billion in March 2021, and has applied for the remaining \$921.5 million.



In total, 619 New Jersey local education agencies (LEAs), which include school districts and charter and renaissance schools, will receive COVID funds in all three ESSER rounds. An additional 58 entities, including state agencies and special services districts that serve public school students, received some ESSER funding in at least one round from the state set-aside dollars.

## What can federal COVID funds be used for?

Congress' intent with all three rounds of ESSER funding has been to make it possible for districts and schools to respond to the impact of the COVID-19 pandemic. School closures brought added expenses; school reopening in 2021 brings even more costs, with the need to purchase personal protective equipment (PPE) and cleaning and sanitizing materials and to improve ventilation in school buildings. Mental health services and supports and academic interventions to address learning delays will be ongoing needs as well. ESSER funding is flexible depending on the needs of the specific district, and there are [many allowable uses that may be supported with ESSER funds](#).

The NJDOE has used set-aside funds to provide districts with an additional \$75 million to close the digital divide and \$30 million for mental health services and supports.

The third round of ESSER funding in the American Rescue Plan requires districts to use at least 20% of the funding to address "learning loss." The state set-aside also has federal requirements for some of the funds: at least 5% of the funding must be used to address "learning loss;" at least 1% is to be used for evidence-based, summer enrichment programs; 1% for evidence-based comprehensive afterschool programs; and up to 0.5% is for administration.

Because these funds are non-recurring, they are meant to support COVID-19 recovery, but they are not to be relied on for regular annual expenses in school district budgets or for the creation of new programs and services that will require district funding going forward.

## How will COVID funds be distributed to districts?

ESSER funding to each district is distributed in the same way as annual federal allocations through the Title I, Part A funding formula. As a result, districts with higher numbers or percentages of children from low-income families receive more federal COVID funds.<sup>1</sup>

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<sup>1</sup>The Trump Administration required that districts reserve a portion of ESSER I funds to support nonpublic school students within their residential boundaries. These funds were initially based on the total number of nonpublic school students, but federal guidelines were later revised to base nonpublic funding on the number of *low-income* nonpublic school students in the district. The NJDOE decided to use \$13 million of the State's set-aside funds to compensate districts that had reserved a higher proportion of their ESSER I funding for private school students than was later required. In the two later rounds of ESSER, Congress did not require districts to reserve funds for private school students.

## Why are more COVID funds distributed to some districts than others?

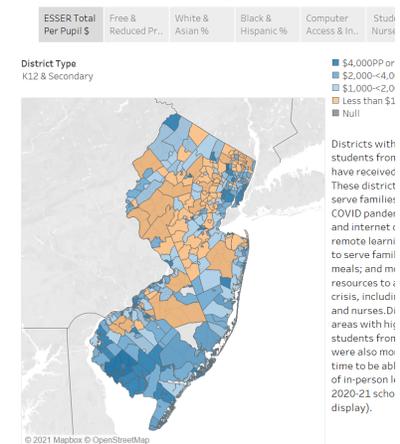
Research has shown that [districts serving low-income students require more resources](#) than districts with higher proportions of students from affluent families. Additional funding is needed to support many programs and practices, such as high-quality early childhood education, additional instructional supports, and the hiring and retaining of high-quality teachers. Systems that provide additional per pupil funding to some districts are more equitable because they ensure increased resources are available for students with greater need.

In addition, COVID-19 has deepened longstanding inequities as districts with high student poverty depend more on state aid and are less able to raise local revenue to address the additional expenses incurred as a result of the pandemic. Districts with higher proportions of students from low-income families have seen costs increase as their schools are:

- more likely to serve families that were not equipped with the technology and internet connections needed for remote learning at home;
- more likely to serve families who rely on school meals;
- more likely to lack resources to address the COVID-19 crisis, including on-staff counselors and nurses;
- more likely to remain on remote instruction for much of the 2020-2021 school year.

### [View district details of ESSER funding and related characteristics](#)

New Jersey Map, ESSER Funding and other District Chara



## What is the timeline for using COVID funds?

All three rounds of funding may be used for costs incurred starting on March 13, 2020, when the COVID-19 national emergency was declared. The first round of funds, ESSER I, must be obligated by the start of the 2022-23 school year. ESSER II funds must be obligated by the start of the 2023-24 school year, and ESSER III funds by the start of the 2024-25 school year. “Obligation” of funds means that districts must indicate what the funds will be used for, but the money does not need to have been spent at that point.



## How parents and communities can get involved

The U.S. Department of Education has specified that the [NJDOE is required](#) to provide regular updates about the uses of ESSER funding, and much of the information shared thus far can be found [here](#). In addition, no later than June 21, 2021, the NJDOE was required to publicly share on its website information regarding the mode of instruction being provided by schools (fully remote, in-person, etc.), along with student enrollment data and student attendance data “to the extent available” and disaggregated by various student characteristics such as race, low-income status, and students with disabilities.

At the local level, school districts are required to publicly share on their websites their plans for the use of ESSER III funds. They are required to consult with stakeholders within the school community and school staff and give the public a chance to provide input during the development of these plans. In addition, within 30 days of receiving ESSER III funds, school districts must develop and publicly post on their websites a plan for the safe return to in-person instruction and continuity of services for all schools. Public input for the development of this “return to school” plan is also required; and public input is also required for ongoing review and revision of the plan over the period of funding, no less than every six months. Contact information for local school districts can be found [here](#).