



Continued Access to Federal Emergency Relief Administrative Funds *2022 Supplemental Operating Budget Decision Package*

Agency/Program Recommendation Summary

The 2021 Supplemental Operating Budget gave the Office of Superintendent of Public Instruction (OSPI) authority to spend \$2,485,000 of federal American Rescue Plan Act (ARP) Elementary and Secondary School Emergency Relief (ESSER) administrative funds before June 30, 2021. These funds are provided solely for administrative costs related to the management of federal funds provided for COVID-19 response and other emergency needs. Due to the May 18, 2021 effective date of the Supplemental Budget changes, OSPI was not able to spend these funds prior to June 30, 2021. OSPI requests that the authorization to use these federal funds shift from state fiscal year 2021 into the 2021–23 biennium.

Package Description

What is the problem, opportunity, or priority you are addressing with the request?

OSPI cannot access the full federally funded administrative allocation approved by the Legislature to administer ARP ESSER funds. This request will align OSPI's access to these funds with the rate of disbursement of ARP ESSER funded grants and contracts.

What is your proposed solution?

OSPI's solution is to create alignment between the agency's access to these funds with the rate of disbursement of ARP ESSER funded grants and contracts.

What are you purchasing and how does it solve the problem?

The combined total of federal ESSER administrative funds approved in the budget for state fiscal year 2021 and the 2021–23 biennium is \$7,116,000. This specific request is to move \$2,485,000 of that total from state fiscal year 2021 into the 2021–23 biennium. Current law only allows OSPI access to \$4,631,000 of the combined total of \$7,116,000.

Below shows a high-level budget (subject to change) of the \$2,485,000 of ARP ESSER administrative funds:

External ESSER Evaluator	\$1,500,000
ESSER Related Apportionment Programming	\$130,000
1.0 FTE through 9/2024 – School District ESSER Reporting	\$313,832
1.0 FTE through 9/2024 – Internal Budget Manager – ESSER	\$178,012
1.0 FTE through 9/2024 – CBO Grant Manager	\$312,518
<u>Indirect</u>	<u>\$50,638</u>
Total	\$2,485,000

What alternatives did you explore and why was this option chosen?

OSPI does not have another revenue source to fund ESSER related administrative work. The agency administrative state funds are being spent on recurring operations and generally non-COVID related expenditures. All other OSPI state funding comes through various provisos that do not allow OSPI to spend the funds on administrative costs related to COVID funds.

Performance Measures

Performance outcomes:

Providing OSPI access to the full administrative allocation of ESSER funds will allow the agency to provide better service to school districts, the public, and the Legislature related to the tracking and reporting of these federal funds. In turn, this allows OSPI to be more responsive and increase the transparency regarding the use of COVID-related federal funds.

Fiscal Details (Funding, FTEs, Revenue, Objects)

Operating Expenditures	FY 2022	FY 2023	FY 2024	FY 2025
Fund 25C – 2 Program 010	\$0	\$2,485,000	\$0	\$0
Total Expenditures	\$0	\$2,485,000	\$0	\$0
Biennial Totals	\$2,485,000		\$0	
Staffing	FY 2022	FY 2023	FY 2024	FY 2025
FTEs	0.0	3.0	0.0	0.0
Average Annual	3.0		0.0	
Revenue	FY 2022	FY 2023	FY 2024	FY 2025
Fund 25-C Source Code 03-84	\$0	\$2,485,000	\$0	\$0
Total Revenue	\$0	\$2,485,000	\$0	\$0
Biennial Totals	\$2,485,000		\$0	
Object of Expenditure	FY 2022	FY 2023	FY 2024	FY 2025
Obj. A	\$0	\$480,000	\$0	\$0
Obj. B	\$0	\$162,000	\$0	\$0
Obj. C	\$0	\$1,630,000	\$0	\$0
Obj. E	\$0	\$172,000	\$0	\$0
Obj. G	\$0	\$33,000	\$0	\$0
Obj. J	\$0	\$8,000	\$0	\$0

Assumptions and Calculations

Expansion or alteration of a current program or service:

This request would expand OSPI's ability to provide service to stakeholders and school districts regarding the rules and uses of federal ESSER funds.

Detailed assumptions and calculations:

Use of funds are estimates only. Compensation values are inclusive of all salary, benefits, and required agency contributions for benefits.

Workforce assumptions:

OSPI plans to hire approximately 3.0 full-time equivalents (FTE) with these funds to assist with the administration of ESSER funds.

How is your proposal impacting equity in the state?

Since the Title I funding methodology is the required distribution method of ESSER funds, these dollars are targeted towards areas of need as determined by the formula. Allowing OSPI full access to the funds intended to administer ARP ESSER will help these districts meet the COVID-related needs of their students and communities, thus impacting equity in our state.

Strategic and Performance Outcomes

Strategic framework:

Approval of this request means that OSPI will be able to assist schools with access and expenditure of federal emergency relief funds, which impacts the ability for school buildings to stay open during the upcoming school years. Continued access to in-person instruction is a priority of both the Governor and the State Superintendent.

Other Collateral Connections

Intergovernmental:

None.

Stakeholder response:

Stakeholders are supportive of OSPI's ability to access resources to provide the highest level of service possible to administer these COVID relief funds.

Legal or administrative mandates:

None.

Changes from current law:

Access to the \$2,485,000 of federal funds would need to be included in state fiscal year 2023 as part of the final 2022 Supplemental Budget approved by the Legislature. Any unspent federal funds allocated for the purpose of ARP ESSER administration after June 30, 2023 will need to be included in subsequent 2023–25 biennial budget requests.

State workforce impacts:

These funds would allow OSPI to hire 3.0 FTE using federal funds specifically allocated to address the administrative roles of ARP ESSER funds.

State facilities impacts:

None.

Puget Sound recovery:

N/A

Other Documents**Information technology (IT) addendum:**

Does this decision package include funding for any IT-related costs, including hardware, software (including cloud-based services), contracts, or IT staff?

☒ No

☐ Yes