

## BUDGET &amp; FINANCE

# Need More Time to Spend ESSER Funds? Contact Your State Now, Ed. Dept. Says



By [Mark Lieberman](#) — October 23, 2023 ⌚ 3 min read



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*National Harbor, Md. -*

School districts that want more time to spend their third and final round of federal COVID-relief dollars on contract expenses should start contacting their state departments of education immediately, a U.S. Department of Education official told a gathering of school district finance chiefs on Saturday.

The federal agency hasn't yet shared details on how districts can ask to extend the spending deadline, which is still more than a year away. But that shouldn't prevent districts from declaring now that they want more time, said Stephen Cornman, a senior survey director for the Education Department's National Center for Education Statistics.

"There's going to be a template that's made available. But I would begin that process almost immediately," Cornman said during a session here at the annual conference for the Association of School Business Officials (ASBO) International. "The sooner that you get the extension requests in, the better."

Districts are racing to commit \$122 billion they collectively received in 2021 through the federal American Rescue Plan to eligible expenses by Sept. 30, 2024. The department announced this past September that states will be able to apply on behalf of school districts for up to 14 additional months beyond January 2025 to "liquidate," or spend, money on contracts that extend past that deadline for such services as tutoring, mental health services, and construction.

The September 2024 deadline for committing, or obligating, the money to particular expenses, however, would remain in place.

Each of the three sets of COVID-relief funds districts have received since 2020 came with two distinct deadlines: one for obligation and the other for liquidation.

For the third and largest set of funds, the obligation deadline is Sept. 30, 2024. Then, by Jan. 30, 2025, they have to "liquidate" those funds, or transfer them out of their bank accounts.

## Districts are eager for more time to invest ESSER funds

Changing the obligation deadline would require an act of Congress—a highly unlikely prospect.

But district leaders and their advocates have been pushing the department for more than a year to be more flexible on spending timelines as they struggle to navigate students' academic and emotional struggles and a tricky market for securing labor and services.

That flexibility will extend only to contracted services, like construction projects that last for several years, the department has said. Districts won't be eligible for extensions for one-time expenses, like the purchase of a set of new laptops.

The prospect of having more time to spend ESSER funds will likely be enticing to many districts. Seven states and the District of Columbia secured approval from the department for their schools to get extra time to spend down the first round of COVID emergency-relief aid, [K-12 Dive reported](#). The commitment deadline for that round of funds, approved by Congress in March 2020 during the first weeks of pandemic shutdowns, was Sept. 30, 2022, and the liquidation deadline was Jan. 30, 2023.

Some districts have [gotten creative with using ESSER dollars](#) for regular expenses like staff salaries to free up unrestricted money from their general fund for other expenses later on. But that approach has still left some districts unsure how they'll sustain the programs and employees they've been funding with the one-time relief money once it's gone.

During another session at the ASBO conference, Georgetown University researcher Jessica Swanson asked more than 100 attendees—largely the chief financial officers in their districts—to pick their biggest concern out of three options: getting students back on track, figuring out how to spend remaining ESSER funds, or preparing for leaner budgets once ESSER expires. The vast majority raised their hands for the last option.



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