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LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
56th Legislature, 1st Session, 2023

Bill Number	<u>SB24/SECS</u>	Sponsor	<u>SEC</u>
Tracking Number	<u>.224325.1</u>	Committee Referrals	<u>SEC/SFC</u>
Short Title	<u>School Reporting on Use of Federal Funds</u>		
Analyst	<u>Estupiñan</u>	Original Date	<u>2/16/2023</u>
		Last Updated	<u></u>

BILL SUMMARY

Synopsis of Bill

The Senate Education Committee Substitute for Senate Bill 24 (SB24/SECS) would require all school districts and state-chartered charter schools to submit a standardized report detailing the receipt, uses, and impact of federal relief funds from the Coronavirus Aid, Relief, and Economic Security Act (ESSER I), the Coronavirus Response and Relief Supplemental Appropriations Act (ESSER II), and the American Rescue Plan Act of 2021 (ESSER III).

SB24/SECS specifies school districts and state-chartered charter schools must report the amount of funding they received through May 31, 2023, the projected impact of the funding on student achievement, applicable data outlining progress toward program goals, the amount of funding remaining, and an analysis determining if the invested federal funds accomplished the desired student outcomes.

School districts and state-chartered charter schools must submit their reports by July 1, 2023, and the Public Education Department (PED) must publish the reports on its website within thirty days of receiving them. If funds remain unspent after May 31, 2023, a second report would be required of entities, followed by a third report if funds remain unspent by May 31, 2024.

FISCAL IMPACT

SB24/SECS does not contain an appropriation.

Approximately \$1 billion remains unspent of the \$1.6 billion in federal relief funds received by local education agencies (LEAs) in New Mexico. These remaining unspent funds include \$210 thousand from ESSER I, \$164.2 million from ESSER II, and \$850 million from ESSER III.

SUBSTANTIVE ISSUES

Historical Context. Since the beginning of the Covid-19 pandemic, three rounds of federal relief programs have disbursed approximately \$189.6 billion to school districts and charter schools

throughout the United States. The initial intention of those funds was to assist communities in responding to the public health emergency, primarily by upgrading HVAC systems, purchasing sanitation supplies, and expanding student access to electronic devices. As the disruptions of the pandemic have receded, many school districts and charter schools are now leveraging their remaining federal relief funds in alleviating the impact of unfinished learning that many students experienced during the transition to virtual learning.

Approximately \$1.6 billion was disbursed to New Mexico in three rounds of federal funds, of which 90 percent was allocated to school districts and charter schools.

Of the \$1.6 billion in federal relief funds, \$1 billion was appropriated from the American Rescue Plan Act, \$131 million from the Coronavirus Aid, Relief, and Economic Security Act, and \$463 million from the Coronavirus Response and Relief Supplemental Appropriations Act.

Among the wide range of potential uses of those funds are: purchasing educational technology, maintaining continuity of services, improving indoor air quality, addressing learning loss, summer learning and afterschool programs, and providing activities for students with disabilities.

The United States Department of Education has issued guidance specifying the dates by which the funds must be expended: September 30, 2022 for ESSER I, September 30, 2023 for ESSER II, and September 30, 2024 for ESSER III.

Current Availability of Data. PED currently hosts a webpage that displays information on funds received through the first and second rounds of the Elementary and Secondary School Emergency Relief (ESSER) Fund. The webpage is titled, “ESSER I and ESSER II Funding Report,” and contains aggregate information on each appropriation as well as the amounts each charter school or school district received. Information is also displayed by how each school district and charter school expended their funds, with the data displayed by the category the funds were spent on.

PED last updated the portal on October 26, 2022.

The portal does not contain information on the funds received from ESSER III. However, PED indicated to LESC staff that they intend to update their portal with ESSER III data by April 1, 2023.

Data That is Not Currently Available. While the PED portal contains a considerable range of data on the receipt and expenditures associated with ESSER I and ESSER II, it does not provide details on those expenditures, how those expenditures will impact student achievement, the number of students served by the funding, or how the funding will help the school district or charter school progress toward program goals.

ADMINISTRATIVE IMPLICATIONS

Creating a standardized form for use by all school districts and charter schools may require resources at PED. There may also be considerable costs at the school- and district-level associated with compiling those reports, which may be of significant length for larger school districts.

SOURCES OF INFORMATION

- LESC Files

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