



Federal Stimulus Aid to Public Schools

Presentation to Public School Capital Outlay Oversight Task Force

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Presentation Overview



- Overview of Federal Stimulus Aid for Education
- Eligible Expenditures and School Budgets
- Trends and Fiscal Outlook



Education Stabilization Fund (ESF)

In response to Covid-19, Congress established three major sub-funds of ESF to support emergency education needs:

- **Elementary and Secondary School Emergency Relief (ESSER) Fund:** for K-12 schools to maintain operations and respond to Covid-19 emergencies. Up to 10 percent can be withheld by the Public Education Department (PED).
- **Higher Education Emergency Relief (HEER) Fund:** for student financial aid and higher education institution responses to Covid-19 emergencies.
- **Governor's Emergency Education Relief (GEER) Fund:** for governors to provide emergency education services, including support to nonpublic schools.



Three Rounds of Federal ESSER Aid

Round 1: CARES

(Mar. 2020)

\$108.6 million

- Deadline for expenditure: Sep. 30, 2022
- For operational costs and Covid-19 emergencies
- Includes a provision requiring allocations to nonpublic schools
- Includes maintenance of effort (MOE) requirements

Round 2: CRRSA

(Dec. 2020)

\$435.9 million

- Deadline for expenditure: Sep. 30, 2023
- For operational costs, Covid-19 emergencies, and facility improvements
- Nonpublic school allocation earmarked in GEER funding
- Includes MOE requirements

Round 3: ARP

(Mar. 2021)

\$979.1 million

- Deadline for expenditure: Sep. 30, 2024
- For operational costs, Covid-19 emergencies, facility improvements, and addressing learning loss
- Nonpublic school allocation earmarked in GEER funding
- Includes MOE and maintenance of equity (MEQ) requirements



ESSER Eligible Uses

At least 90 percent of ESSER funds flow through PED directly to districts and charters based on federal Title I (poverty) rates for:

- Activities authorized by federal education law,
- Covid-19 response systems and procedures,
- School leader support,
- Activities to support at-risk student populations,
- Training on sanitation and minimizing infections,
- Supplies to sanitize and clean facilities,
- Planning during long-term closures,
- Educational technology for students,
- Mental health services and supports,
- **Facility improvements and systems to reduce virus transmission,***
- Extended learning programs to address learning loss, and
- Other activities that are necessary to maintain LEA operations and continue employment of existing staff.

*Eligible use added for CRSSA and ARP funds (not CARES)

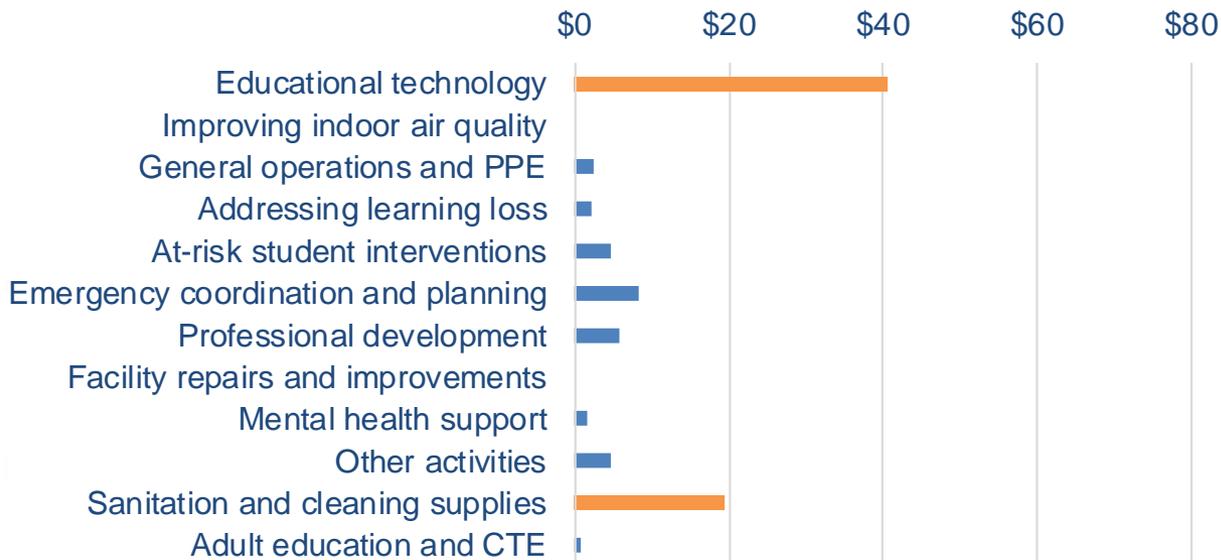


Round 1: CARES Infrastructure Investments

- Schools budgeted **\$60 million**, or 66 percent, of sampled CARES funds for educational technology and facility upkeep

CARES ESSER Budget

(in millions)



Source: PED



Round 2: CRRSA Infrastructure Investments

- Schools budgeted **\$155 million**, or 41 percent, of sampled CRRSA funds for educational technology and facility upkeep or upgrades

CRRSA ESSER Budget

(in millions)



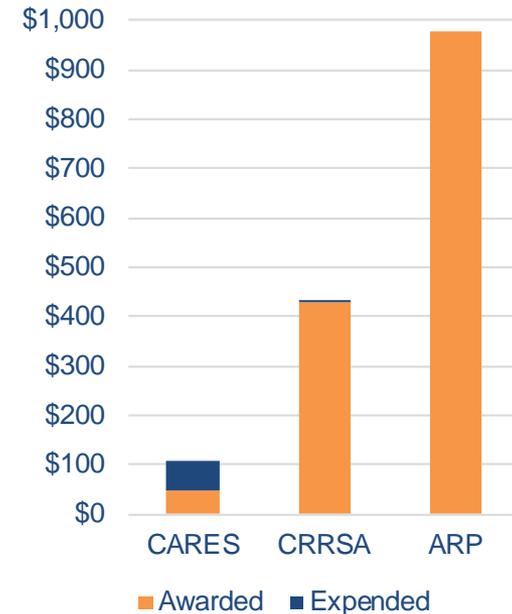
Source: PED



Other Revenue Sources

- Schools are in the planning phase for the largest federal aid portion (Round 3: ARP provides \$979 million)
- Governor also provided \$3 million from GEER funds to schools for HEPA filters.
- Laws 2021, Chapter 49, (SB144) broadens the use of the public school capital outlay fund (PSCOF) for education technology

New Mexico ESSER Funds and Spending
(in millions)



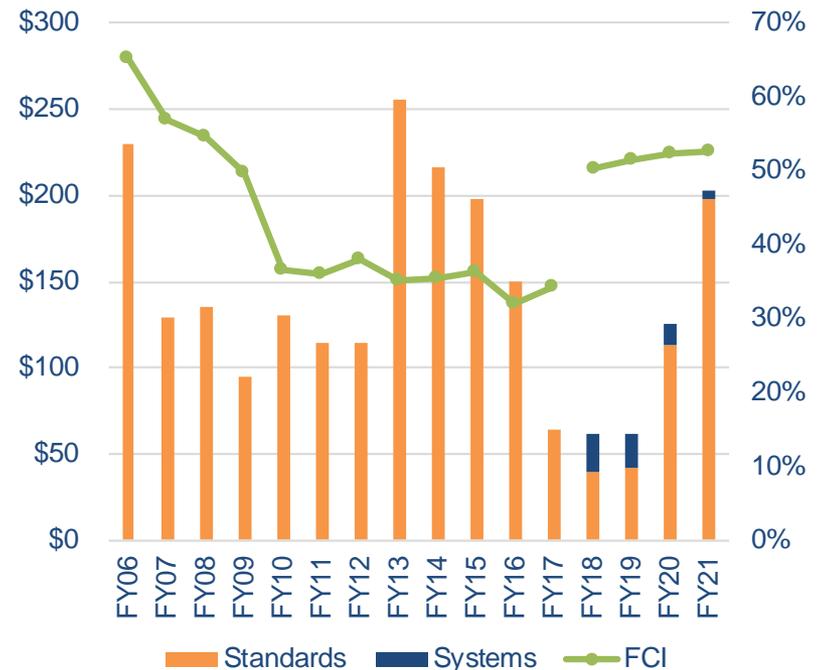
Source: USDE



Trends in Public School Capital Outlay

- School facility improvements and federal stimulus will place initial **downward** pressure on systems awards
- Phase 2 formula will **decrease** demand for PSCOF awards from districts with a lower state match rate

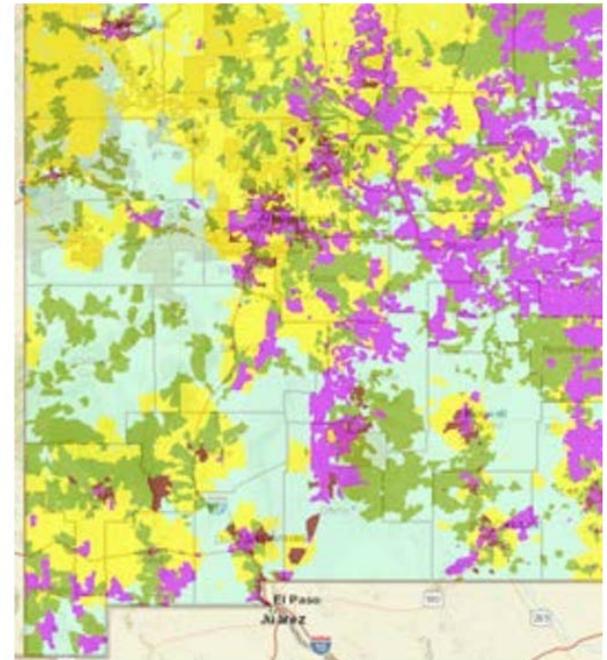
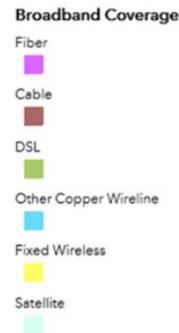
Statewide School Facilities Condition Index (FCI) and Awards
(in millions)



Trends in Public School Capital Outlay

- Educational technology purchases and remote learning will **increase** demand for broadband
- Projected growth in oil and gas revenue will also **boost** PSCOF revenues

New Mexico Coverage Map



New Mexico Broadband Map [NM DoIT Offices of Broadband and Geospatial Technology]



Trends in Public School Capital Outlay

- School facilities in some districts are almost completely new and will **reduce** pressure for new building
- Higher construction and labor costs may **delay** project timelines and build up unspent balances

Best School Facility Condition Indices (FCI) Statewide Average: 53%

Zuni	13%
Reserve	22%
Jal	22%
Socorro	36%
Bernalillo	38%
Lordsburg	39%
Mesa Vista	39%
Clovis	42%
Deming	42%
Gallup McKinley	42%



Outlook for Public School Capital Outlay

- Significant state and federal revenues will increase capacity for school capital projects
- High costs and newer school facilities will decrease replacement needs in some districts and take additional time to complete
- New Mexico should forecast upcoming demand for school facility replacement in the next few years



Thank You

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More LFC Budget and Policy Documents can be found at:
<https://www.nmlegis.gov/Entity/LFC/Default>

