



# Using ESSER Recovery Funding for Construction and Capital Expenditures

*Approval Process and Requirements*

# Agenda

- Defining Construction
- Updates to US Department of Education (USED) Guidance
- Construction Request Process
- Questions and Stakeholder Feedback

# What is 'Construction'?

<b>Construction</b>	<ul style="list-style-type: none"><li>• Preparation of drawings and specifications for school facilities</li><li>• Erecting, building, acquiring, altering, remodeling, repairing, or extending school facilities</li><li>• Inspecting and supervising the construction of school facilities</li></ul>
<b>Capital Expenditures</b>	<ul style="list-style-type: none"><li>• Equipment or capital assets (e.g., items over \$5,000)</li><li>• Improvements to land, buildings, equipment that materially increase their value or useful life</li></ul>
<b>Minor Remodeling</b>	<ul style="list-style-type: none"><li>• Minor alterations in a previously completed building, including the extension of utility lines, such as water and electricity, beyond the confines of the space in which the minor remodeling is undertaken but within the confines of the previously completed building</li><li>• Does not include permanent building construction, structural alterations to buildings, building maintenance, or repairs</li></ul>

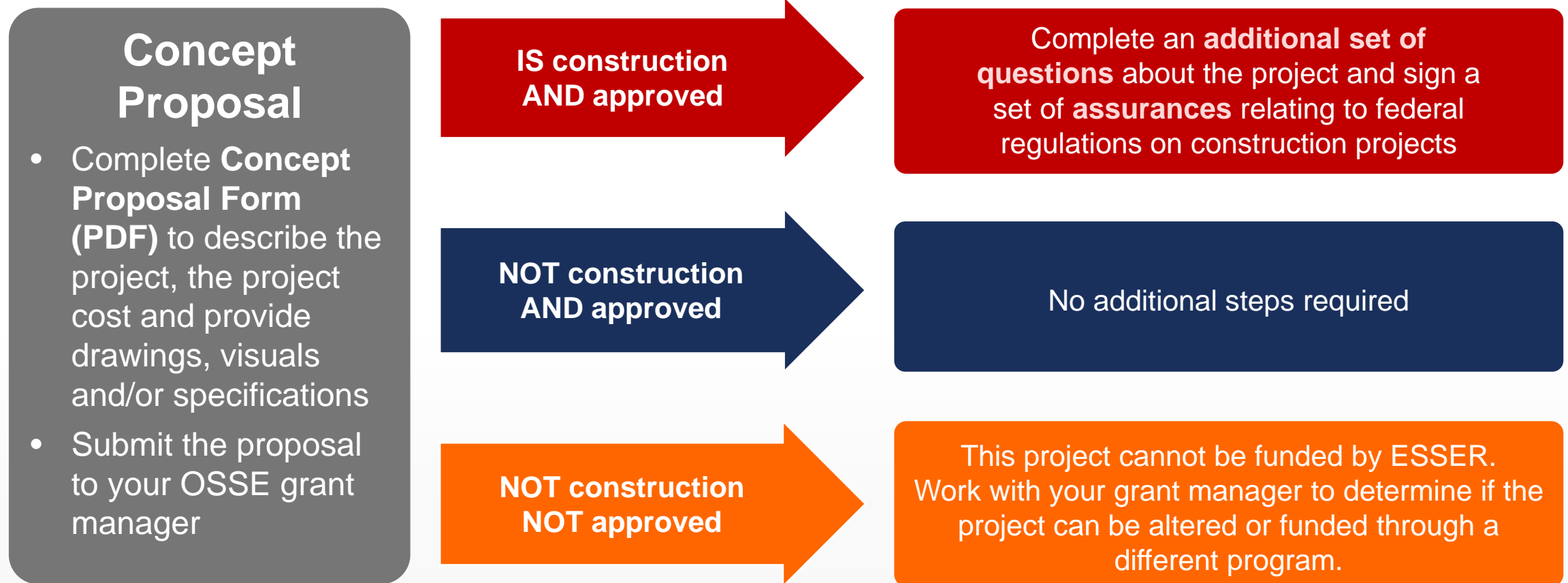
# Construction Examples

Construction	Not Construction
<ul style="list-style-type: none"><li>• Building additional classrooms</li><li>• Building an outdoor pavilion</li></ul>	<ul style="list-style-type: none"><li>• Some HVAC upgrades*</li><li>• Minor remodeling (e.g., knocking down/erecting a wall, re-wiring of outlets)</li><li>• Trailers or modular units</li><li>• Portable structures (e.g., big tents)</li><li>• HVAC parts/supplies (e.g., air filters)</li></ul>

# Recent Updates to Construction Guidelines

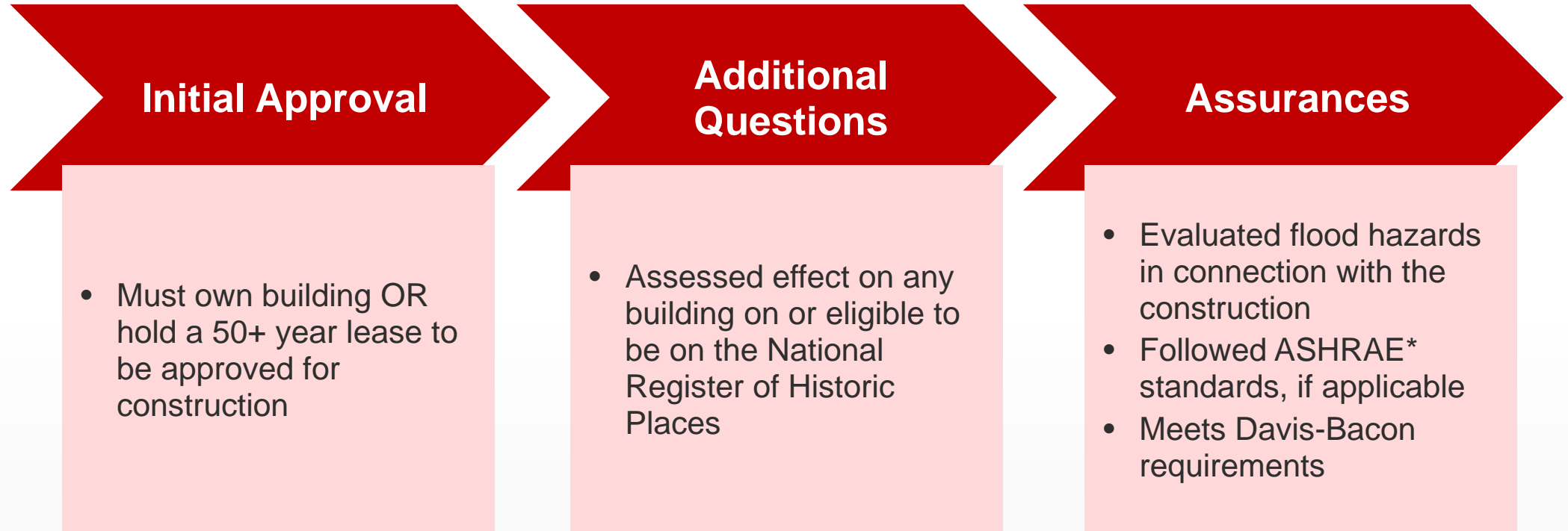
- LEA must own the building or have a lease of at least 50 years
- ~~LEA must receive approval from OSSE prior to putting the project out for bid~~
  - *An LEA can go to bid at any point in time and projects that have already gone out to bid could be supported using ESSER recovery funding. Like with all federal grant programs, funding is disbursed on a reimbursement basis, meaning if an expense is not approved, the LEA may need to find a different funding source.*
- ~~LEA must perform (or hire a vendor to perform) an environment assessment on the impact of the proposed construction that is consistent with the National Environmental Policy Act (34 CFR § 75.601)~~
  - *An LEA does not need to perform any environmental assessment unless there are other local requirements which require it.*

# Capital Expenditure and Construction Approval Process



The concept proposal, additional set of questions and assurances will be considered part of your LEA's ESSER grant application and should be completed prior to submitting your application in EGMS.

# ESSER Approval Process for Construction



# Questions and Stakeholder Feedback



# Resources

- ESSER II-CRRSA Application Tool  
(email [OSSE.ESSER@dc.gov](mailto:OSSE.ESSER@dc.gov) if you would like a copy)
- [ESSER Funding Strategy Guide](#)
- [ESSER Budget Codes](#)
- [OSSE Recovery Funding Website](#) (allocations, allowable uses, other communications)
- [Continuous Education Plan Resource Guide](#)
- If you need support, please contact [OSSE.ESSER@dc.gov](mailto:OSSE.ESSER@dc.gov)



# Appendix

# Capital Expenditures and Construction – Concept Proposal

If the LEA intends to use ESSER III-ARP funds to acquire, alter, remodel, repair, renovate or extend school facilities, please answer the below questions. These questions serve to determine if the expenditures are allowable and if they qualify as construction. If the expenditures are determined to qualify as construction, the LEA may be asked to provide additional information including the timeline of the construction project, the source(s) of financing, the ownership status of the property, and the environmental impact of the project, amongst other details.

1. Provide a description of the expenditures. The description should include: how school facilities will be acquired, altered, remodeled, repaired, renovated and/or extended, how this will help the LEA safely reopen schools as expeditiously as possible, sustain their healthy operations and/or address the significant academic, social, emotional, and mental health needs of students.
2. What is the cost per unit (if applicable) and/or the total cost?
3. Will these costs be recorded financially as a tangible or intangible asset with a useful life of greater than one year?
4. Will these costs materially increase the value or useful life of the land or building?
5. Does the LEA own or lease the land/property? If the LEA leases, how long is the lease? 34 CFR 75.603.
6. Does the project require drawings, blueprints and/or specifications? If yes, please attach. 34 CFR 75.605(b).
7. Please attach any other pictures, renderings or visuals that could help OSSE better understand the costs.

**As the cost your LEA has described relates to erecting, building, acquiring, altering, remodeling, repairing, or extending school facilities, please respond to the following questions.**

1. What are the estimated start and completion dates of the project? The grantee must begin work and complete the construction within a reasonable time. 34 CFR 75.605 and .606.
2. Will the entire cost of the overall project be supported solely by this federal grant? If no, please detail the other funds that will be used to support this project. A grantee must ensure that sufficient funds are available to meet any non-Federal share of the cost. 34 CFR 75.604.
3. Describe the relationship of the proposed project to and probable effect on any district, site, building, structure, or object that is (i) included in the [National Register of Historic Places](#); or (ii) eligible under [criteria](#) established by the U.S. Secretary of Interior for inclusion in the National Register of Historic Places. 34 CFR 75.602(a).



## Additional Questions

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**IS construction  
AND approved**

**The LEA will also be required to sign off on the following assurances that detail requirements related to construction funded by federal grants.** (continued on next slide)

- Considered the probable effects of proposed construction on any district/site/building/structure that is included or eligible for inclusion in the National Register of Historic Places (34 CFR § 75.602)
- Has title or other interest in the site, including right of access, that is sufficient to ensure that they will have use and possession of the facility for 50 years or the useful life of the facility, whichever is longer (34 CFR § 75.603)
- Has sufficient funds available to meet any non-Federal share of the cost of constructing the facility (34 CFR § 75.604)
- Begin the approved construction in a reasonable time period after the grant for the construction is made and can complete the project in a reasonable time period and consistent with the approved plans and specifications (34 CFR § 75.605(a) and 75.606)
- Ensures construction is functional, economical, and not elaborate in design or extravagant (34 CFR § 75.607(a))
- May not spend more than 1 percent of the cost of the project on inclusion of works of art (34 CFR 75.607(b))



# Assurances

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**IS construction  
AND approved**



## (Assurances Continued)

- Comply with applicable federal, state and local health and safety standards, as well as federal requirements regarding access by persons with disabilities. (34 CFR §§75.609 and 75.610)
- Evaluated flood hazards in connection with the construction; and as far as practicable, avoided uneconomic, hazardous, or unnecessary use of flood plains in connection with the construction, per Executive Order 11988 of February 10, 1978 (34 CFR §75.611)
- Maintain competent architectural engineering supervision and inspection at the construction site to insure that the work conforms to the approved drawings and specifications (34 CFR §75.612)
- Has sufficient operational funds to operate and maintain the facility once the construction is complete (34 CFR §75.614 and 75.615)
- Designed and constructed facilities to maximize the efficient use of energy and followed the standards of the American Society of Heating, Refrigerating, and Air Conditioning Engineers (ASHRAE), if applicable (34 CFR § 75.616)
- Meets all Davis-Bacon prevailing wage requirements
- Provide the equivalent insurance coverage for real property and equipment acquired or improved with federal funds as provided to property owned by the non-federal entity



# Assurances

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**IS construction  
AND approved**