November 21, 2022

84.425A Grantees
84.425H Grantees

Dear Grantee:

Thank you for the work you are doing every day to address the impacts of the COVID-19 pandemic and help your schools and students recover. The Education Stabilization Fund State Educational Agencies (ESF-SEA) and the Education Stabilization Fund Governors (ESF-Governor) funds are vital tools in this effort. As of today, over 96 percent of Coronavirus Aid, Relief, and Economic Security (CARES) Act funding has been spent to help safely reopen schools and address the needs of our students. It is critically important that the Outlying Areas continue to prioritize using emergency relief funds for effective, evidence-based strategies to operate schools safely, accelerate academic achievement, support students’ mental health needs, and strengthen our educator workforce.

The Department acknowledges that some grantees may require flexibility liquidating remaining ESF-SEA and ESF-Governor funds under the CARES Act that were properly obligated by the September 30, 2022, deadline. Accordingly, the Department is offering a liquidation extension request process for immediate use by grantees. This process ensures strong accountability for the use of funds and important safeguards for States and subgrantees. Under 2 CFR § 200.344(b), properly obligated funds must be liquidated within 120 calendar days (or by January 28, 2023, for CARES Act funds). The Department has the authority to approve liquidation extension requests for properly obligated funds upon review of a written request made by a grantee on its own behalf or on behalf of its subgrantees. Final approval of a grantee’s written request will be based upon the specific facts and circumstances, in accordance with 2 CFR § 200.344(b). If approved under this process, grantees and subgrantees may have an extension to the liquidation period of up to 14 months beyond the 120 days already available to liquidate funds.

When requesting late liquidation of CARES Act funds, grantees must submit an extension request to the Department on their own behalf or on behalf of their subgrantees. A grantee requesting a liquidation extension for its subgrantees must assure that it will continue to conduct oversight of the subgrantees, attest to the allowability of the expenses to be liquidated, maintain documentation to support the expenditures’ timely obligation, and attest that included subgrantees are low-risk entities. Grantees, at their discretion, may use their oversight authority to collect any additional information and documentation they deem necessary to support the liquidation extension request and ensure proper oversight of subgrantees.

To streamline the process for the Outlying Areas, and provide an efficient mechanism for internal review, grantees must submit the information required for the liquidation extension request to ESF.Outlying@ed.gov. Review and approval will be based on a complete request, including, if
applicable, associated subgrantee data. Grantees should submit a liquidation extension request prior to December 31, 2022, to minimize disruption when accessing CARES Act funds through the Department’s Grants Management System (G5). However, requests submitted after this date will also be reviewed.

The Department’s liquidation extension process for ESF-SEA and ESF-Governor funds under the CARES Act is designed to provide flexibility for the Outlying Areas to address critical, ongoing challenges in a manner that maximizes impact and supports schools in operating safely and addressing the impacts of the pandemic on students’ mental health, well-being, and academic needs.

We look forward to continuing to work in close partnership with the Outlying Areas and local leaders in the response to and recovery from the COVID-19 pandemic.

Sincerely,

James F. Lane, Ed.D.
Senior Advisor, Office of the Secretary
Delegated the Authority to Perform the Functions and Duties of the Assistant Secretary
Office of Elementary and Secondary Education