



STATE OF NEW JERSEY
DEPARTMENT OF EDUCATION

A Memo from the New Jersey Department of Education

Date: March 29, 2023
 To: Local Educational Agency Leads
 Route To: School Business Administrators
 From: Kathy Ehling, Assistant Commissioner
 Division of Educational Services
 Amanda Schultz, Acting Assistant Commissioner, Chief Financial Officer
 Division of Finance and Business Services

Regarding the ARP ESSER Requirement to Reserve 20 Percent to Address Learning Loss

The purpose of this broadcast is to draw attention to a core requirement of American Rescue Plan (ARP) Act regarding Elementary and Secondary School Emergency Relief (ESSER) funds, which is detailed in Assurance Number 3 of the ARP-ESSER grant application that local educational agencies (LEA) submitted through the Electronic Web Enabled Grant (EWEG) system. This requirement mandates that LEAs reserve “not less than twenty percent (20%)” of ARP ESSER funds received under sections 2001(d) and (e) of ARP “to address learning loss through the implementation of evidence-based interventions.” The New Jersey Department of Education (NJDOE) refers to this 20 percent reserve requirement as the ARP ESSER 20% Reserve to Address Learning Loss.

Sections 2001(d) and (e) of ARP, which reference the ARP ESSER 20% Reserve to Address Learning Loss, centers on the (90%) portion of a state’s total ARP ESSER award that must be allocated to LEAs based on the proportion of funds each received under Title I, Part A of the Elementary and Secondary Education Act of 1965 in the most recent fiscal year. This fact was highlighted in technical assistance sessions the NJDOE provided in fall 2021.

NJ’s Total ARP ESSER Allocation: \$2,766,529,533	
Minimum Direct to LEAs (90%) \$2,489,876,580	Maximum State Set-Aside (10%) \$276,652,953
<ul style="list-style-type: none"> Develop Plan for Safe Return to In-Person Instruction. At least 20% for learning loss activities that address social, emotional, and academic needs and disproportionate impact on subgroups. Remaining 80% on wide range of activities: special emphasis on implementing public health protocols consistent with CDC guidance. 	<ul style="list-style-type: none"> Accelerated learning: 5% Summer: 1% NJ Tiered System of Supports (NJTSS): 2.5% Beyond School Day: 1% Administration: 0.5%

As shown in the above infographic, taken from the fall 2021 technical assistance session presentation and sized to fit this broadcast, the ARP ESSER 20% Reserve to Address Learning Loss applies to the “Minimum Direct to LEAs (90%)” portion of the state’s ARP ESSER funds, which the United States Department of Education and the NJDOE on its [ARP ESSER Allocation Table](#) refer to as the “ARP ESSER Mandatory Subgrant Awards.”

As such, the ARP ESSER 20% Reserve to Address Learning Loss must come from each LEA’s ARP ESSER Mandatory subgrant. It **may not come from** an LEA’s ARP ESSER State Set-Aside grants, which include the Accelerated

Learning Coaching and Educator Support Grant, the Evidence-Based Summer Learning and Enrichment Activities Grant, the Evidence-Based Comprehensive Beyond the School Day Activities Grant, the NJTSS Mental Health Support Staffing grant, the ARP ESSER Non-Title I Grant, or the ARP ESSER CARES Reallocation. These State Set-Aside funds, as the above infographic illustrates, are separate from the 90% portion and appear in a different section of the ARP Act, section 2001(f), "State Funding. –With funds not otherwise allocated under subsection (d)."

LEAs that may have misinterpreted the source of the ARP ESSER 20% Reserve to Address Learning Loss will need to amend their budgets in EWEG to ensure compliance with the ARP Act. Additionally, some LEAs may need to perform accounting transactions to charge appropriate expenditures to the proper fund(s) to ensure the 20% ARP ESSER Reserve to Address Learning Loss is met. The 20% Reserve to Address Learning Loss should be recorded in Revenue Account number, 20-4540, entitled ARP ESSER, line number 814 and Appropriation Accounts Program code 487 (accounts 20-487-xxx-xxx), entitled ARP ESSER Grant Program, line number 88713. LEAs with compliance questions may contact ESSER@doe.nj.gov.

c: Members, State Board of Education
NJDOE Staff
Statewide Parent Advocacy Network
Garden State Coalition of Schools
NJ LEE Group