



May 14, 2020

Representative David Bedey  
Representative Bill Mercer

Dear Representatives,

Thank you for your letter on May 6, 2020 expressing concern about the acceptable uses of CARES Act funds and the potential liability to the state if expenditures of these funds do not meet the statutory requirement the funds be used “to prevent, prepare, and respond to coronavirus.”

Existing OPI guidance has been updated to include this requirement. Guidance on the distribution and use of the ESSER funds includes the following:

The CARES Act has general guidance that all grants be used “to prevent, prepare for, and respond to coronavirus.” All LEA expenditures of grant funds must meet this requirement and adhere to the designated allowable expenditures specific to the ESSER funding listed below.

The Egrants module used to administer the distribution of the funds to school districts will require the authorized representative of the school district to agree to the exact statute:

14                   Sec. 23004. (a) Subject to subsection (b), and not-  
15                   withstanding any other provision of law, funds made avail-  
16                   able in this Act, or transferred pursuant to authorization  
17                   granted in this Act, may only be used to prevent, prepare  
                      for, and respond to coronavirus.

Finally, each cash request from a school district will be reviewed by the OPI for compliance with grant terms.

Montana has a history of very small audit findings in school districts related to funds used for non-allowable activities and we anticipate maintaining that record with the ESSER grant. Please contact the OPI’s Chief Financial Officer [Ken Bailey](#) if you have any additional questions or requests.

Sincerely,

Elsie Arntzen

Superintendent of Public Instruction