COVID-19 Relief Resources and Learning Loss Mitigation Funds

BASC AB1200 Conference
October 20, 2020
COVID-19 Relief Funding 2019-2021

CARES ACT - ESSER
$1.5B
T1 funding methodology
Resource 3210

Senate Bill 117
$100,000,000 GF
Fully apportioned March 2020
Per-ADA, Resource 7388

Senate Bill 98, Section 110
Learning Loss Mitigation
$5,335,047,000

Special Ed Methodology (a)
$335,227,000 FTF/GEER
$1,144,773,000 CRF

Unduplicated Pupil
Percentage Methodology (b)
$2,855,277,000 CRF

LCFF Methodology (c)
$539,926,000 GF P98
$439,844,000 CRF

(lowercase letters in parentheses refer to subsections of SB 98, Section 110)
Different Rules Apply to Different Funds

ESSER

Fed established (CARES Act) allocation methodology, terms and eligible uses¹

GEER (FTF)

Fed established (CARES Act) terms and eligible uses¹

CRF

State established allocation methodology and eligible uses “Learning Loss Mitigation Funds” (LLM) (SB 98 Section 110; SB 820 Section 59)

Proposition 98

Local Educational Agencies ➔ Schools, Programs, Services

¹Links provided on last slide
Elementary & Secondary School Emergency Relief Funds (ESSER)

- State Budget Act for 2020-21 allocates:
  - $1.5 billion to LEAs, in proportion to the amount of Title I-A funding the agencies receive, to support COVID-19 related costs (SB 74, 6110-163-0890)
  - $45 million to the Superintendent of Public Instruction to establish and administer the California Community Schools Partnership Program to award grants on a competitive basis to selected school districts, county offices of education, and charter schools, excluding nonclassroom-based charter schools, to support and expand existing community schools (SB 98, Uncodified Section 117)
  - $112.2 million to the State Department of Education to reimburse eligible child nutrition programs based on meals served for breakfast and lunch at a rate not to exceed an additional $0.75 per meal (SB 98, Uncodified Section 118)
Elementary & Secondary School Emergency Relief Funds (ESSER) (cont.)

- A bit more on ESSER:
  - Application to CDE is required
  - CDE has assigned SACS resource code 3210 for tracking and reporting (including 2019-20 with a negative resource balance)
  - Expenditure timeframe is March 13, 2020 to September 30, 2022. Think about this in maximizing LEA 2019-20 ending fund balances
  - Indirect costs are eligible. Use the normal rules of applying the LEA’s approved indirect rate based on the year expended
  - Apportionment schedule will follow normal federal cash management rules, with the initial apportionment at 25% of allocation in September
Elementary & Secondary School Emergency Relief Funds (ESSER) (cont.)

• Requirement that nonpublic schools located within the LEA’s boundaries are to receive equitable services
  • Certain aspects of the equitable services distribution were contested in court, but the matter has been resolved; districts should plan appropriately with their private school partners and be timely in making payments for services or products

• Allowable uses include coordination and response with public health; needs of local school sites; activities to address unique needs of low-income students, students with disabilities, English learners, racial and ethnic minorities, and students who are homeless or in foster care; distance learning; meals; personal protective equipment; cleaning supplies; and continuity of services
LLM Funds: Special Education(a)

• Special Ed Methodology (a)
  • $335,227,000 Governor’s Emergency Education Relief Funds (GEER) (also called Federal Trust Funds – FTF) (24%)
    ✓ Expenditure timeframe is March 13, 2020 to September 30, 2022
    ✓ SACS resource code: 3215
    ✓ Apportionment will follow federal cash management process, with first apportionment likely January 2021
    ✓ Indirect costs are eligible
  • $1,144,773,000 Coronavirus Relief Funds (CRF) (76%)
    ✓ Expenditure timeframe is March 1, 2020 to December 30, 2020 (or consistent with federal law)
    ✓ SACS resource code: 3220
    ✓ Apportionment will be all at once the first week of September (assurances required)
    ✓ Indirect costs are not eligible

(lowercase letters in parenthesis refer to subsections of SB 98, Section 110 and SB 820, Section 59)
LLM Funds: Unduplicated Pupil Percentage (b)

• Unduplicated Pupil Percentage Methodology (b)
  • $2,855,277,000 Coronavirus Relief Funds (CRF)
    ✓ Expenditure timeframe is March 1, 2020 to December 30, 2020 (or consistent with federal law)
    ✓ SACS resource code: 3220
    ✓ Apportionment will be all at once the first week of September (assurances required)
    ✓ Indirect costs are not eligible

(lowercase letters in parentheses refer to subsections of SB 98, Section 110 and SB 820, Section 59)
LLM Funds: LCFF(c)

• LCFF Methodology (c)
  • $439,844,000 Coronavirus Relief Funds (CRF) (45%)
    ✓ Expenditure timeframe is March 1, 2020 to December 30, 2020 (or consistent with federal law)
    ✓ SACS resource code: 3220
    ✓ Apportionment will be all at once the first week of September (assurances required)
    ✓ Indirect costs are not eligible
  • $539,926,000 Proposition 98 State General Fund (55%)
    ✓ Expenditure timeframe is March 1, 2020 to June 30, 2021
    ✓ SACS resource code: 7420
    ✓ Apportionment will be all at once in September
    ✓ Indirect costs are eligible

(lowercase letters in parentheses refer to subsections of SB 98, Section 110 and SB 820, Section 59)
### LLM Funds: Purpose of Funds (d)

**Activities that directly support student academic achievement and mitigate learning loss** *(SB 98, Section 110)*

<table>
<thead>
<tr>
<th>Purpose of Funds (d) (paraphrased)</th>
<th>Example Uses</th>
</tr>
</thead>
</table>
| • Address learning loss or accelerating progress to close learning gaps through learning supports before the start of the school year and into the school year. | • Summer school  
  • Incremental costs to provide core/base services under physical distancing guidelines: lower class size, more bus routes/trips  
  • Saturday school and afterschool program expansion (without typical program restrictions)  
  • Any technology for in-person or distance learning, including access/connectivity, software, LMS, subscriptions, online textbooks and related resources  
  • Professional learning for teachers and parents  
  • Variety of program enhancements  
  • Reassigned staff protected by layoff prohibition  
  • Similar services for preschool-age children  
  • Childcare for school-age children |
| • Extend instructional school year or take any other action that increases the amount of instructional time/services provided based on students’ learning needs. | |
| • Provide additional academic services, instructional materials or supports, or devices/connectivity. | |
| • Provide integrated supports to address learning barriers and train teachers and parents, provide access to school meals, or socio-emotional programs. | |

*lowercase “(d)” refers to subsection of SB 98, Section 110*  
See links to federal expenditure guidelines on last slide for limitations on expenditures.
LLM Funds: Purpose of Funds (expanded)

- Activities that directly support student academic achievement and mitigate learning loss, expanded by SB 820, Section 59(d)(5)

<table>
<thead>
<tr>
<th>Purpose of Funds</th>
<th>Example Uses</th>
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</table>
| - Addressing health and safety concerns, including, but not limited to, purchasing public health testing, personal protective equipment, supplies to sanitize and clean the facilities and school buses of local education agency, and for other related needs. | - PPE  
- Employee and student COVID-19 testing  
- Custodial supplies to sanitize  
- Addressing indoor air quality and circulation |

See links to federal expenditure guidelines on last slide for limitations on expenditures.
LLM Funds: Important Reminders

• Allocation methodology does not equal eligible uses
• FY 2019-20 expenditures are eligible – The starting date for expenditures of most funds is March 1, 2020 (some March 13, 2020)
  • Title I (and other federal Title, McKinney-Vento and Perkins) has carryover waivers in place
  • As part of year-end closing, LEAs should have transferred expenditures from the least restrictive SB 117, general fund, Title I, Title II, ESSER resources to the more restrictive LLM funds
• While CRF funds are available for broad use, their expend-by date makes them the most restrictive for certain expenditures
LLM Funds: Important Reminders (cont.)

- SB 98, Section 34, EC 43509 requires LEAs to adopt a learning continuity and attendance plan, which shall describe how federal and state funding is used to support the plan. Further, Section 110, subsection (e) establishes as a condition of receipt of the LLM funds the adoption of a learning continuity and attendance plan.

- SB 98, Section 34, EC 43509 requires LEAs to adopt a budget overview for parents by December 15, 2020, aligned with first interim report and continuity plan.

- Funds may be expended prior to the adoption of a learning continuity and attendance plan.

- Expenditure reports are due for various funds on October 15, 2020, late January 2021 and August 31, 2022.

- Assurances required.
Budget Basics

• Consider all funds/sources when making planning and spending decisions
  • Each funding source – unrestricted, state or federal categorical – represents one piece of the overall puzzle that is your LEA’s budget
  • Mix and match based on need and funding restrictions (see SSC decision matrix example)
• Always spend the most restricted dollar first
  • Restrictions vary and may apply to eligible costs, effective dates, carryover provisions, or other items
• One-time resources should only be spent on one-time uses
  • Some current year investments can reduce future year expenditures
Budget Basics (cont.)

• Restricted expenditures influence unrestricted set-asides in the years the resources are spent
  • 1%-5% designated for economic uncertainties (reserves)
  • Note: SB 820, Section 71 excludes LLM and ESSER funds from the routine restricted maintenance account (RRMA) calculation
• Always apply allowable, approved indirect cost rates
## Resources: Funding Matrix Example

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</thead>
<tbody>
<tr>
<td><strong>Resource Name</strong></td>
<td>Learning Loss Mitigation Paid from Governor's Emergency Education Relief (GEER)</td>
<td>Learning Loss Mitigation Paid from Coronavirus Relief (CR) Fund</td>
<td>Learning Loss Mitigation Paid from General Fund</td>
<td>Elementary &amp; Secondary School Emergency Relief (ESSER)</td>
<td>Senate Bill 117</td>
</tr>
<tr>
<td><strong>Spending Timeline</strong></td>
<td>March 13, 2020 to September 30, 2022</td>
<td>March 1, 2020 to December 30, 2020</td>
<td>March 1, 2020 to December 30, 2020</td>
<td>March 13, 2020 to September 30, 2022</td>
<td>No Timeline to Spend</td>
</tr>
<tr>
<td><strong>Allocation Amount</strong></td>
<td>$&lt;Enter Amount&gt;</td>
<td>$&lt;Enter Amount&gt;</td>
<td>$&lt;Enter Amount&gt;</td>
<td>$&lt;Enter Amount&gt;</td>
<td>$&lt;Enter Amount&gt;</td>
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<tr>
<td><strong>LCF Rate</strong></td>
<td>District Approved Rate</td>
<td>Unknown Bill</td>
<td>District Approved Rate</td>
<td>District Approved Rate</td>
<td>District Approved Rate</td>
</tr>
<tr>
<td><strong>Apportionment Schedules Distribution</strong></td>
<td>Allocated based on 2019-20 SPED Count Ages 3 to 22</td>
<td>See A: Allocated on SPED &amp; See B: Allocated on Special Education; See C: LCFF entitlement</td>
<td>Allocated based on LEA proportion of statewide LCFF entitlement in 19/20</td>
<td>Allocated based on 19/20 Title 1</td>
<td>On the basis of 2019-20 First Principal Apportionment</td>
</tr>
<tr>
<td><strong>Allowable Uses</strong></td>
<td>1. Addressing learning loss or accelerating progress to close learning gaps through the implementation, expansion, or enhancement of learning supports that begin before the start of the school year and the continuation of intensive instruction and supports into the school year.</td>
<td>Activities to address the unique needs of low-income children or students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, Coordination of preparedness and response efforts within LEAs with State, local, Tribal, and territorial public health departments, and other relevant</td>
<td>Maintaining nutrition services, cleaning and disinfecting facilities, personal protective equipment, and materials necessary to provide students with opportunities for distance learning.</td>
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<td>2. Extending the instructional school year by making adjustments to the academic calendar, increasing the number of instructional minutes provided during each week or school day, or taking any other action that increases the amount of instructional time or services provided to pupils based on their learning needs.</td>
<td>Providing principals and other school leaders with the resources necessary to address the needs of their individual schools.</td>
<td>Staff training and professional development on sanitation and minimizing the spread of infectious disease.</td>
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<td>3. Providing additional academic services for pupils, such as diagnostic assessments of pupil learning needs, intensive instruction for addressing gaps in core academic skills, additional instructional materials or supports, or devices or connectivity for the provision of in-classroom and distance learning.</td>
<td>Providing additional academic services for pupils, such as diagnostic assessments of pupil learning needs, intensive instruction for addressing gaps in core academic skills, additional instructional materials or supports, or devices or connectivity for the provision of in-classroom and distance learning.</td>
<td>Planning for and coordinating on long-term closures (including on meeting IDEA requirements, how to provide online learning, and how to provide meals to students).</td>
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<td></td>
<td>4. Providing integrated pupil supports to address other barriers to learning, such as the provision of health, counseling, or mental health services, professional development opportunities to help teachers and parents support pupils in distance learning contexts, access to school breakfast and lunch programs, or programs to address pupil trauma and social-emotional learning.</td>
<td>Providing integrated pupil supports to address other barriers to learning, such as the provision of health, counseling, or mental health services, professional development opportunities to help teachers and parents support pupils in distance learning contexts, access to school breakfast and lunch programs, or programs to address pupil trauma and social-emotional learning.</td>
<td>Developing and implementing procedures and</td>
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Emerging Topic: Cycle Reporting Update

- Federally required reporting on coronavirus relief funds (CRF, resource 3220) are being administered by the Department of Finance across multiple government sectors
  - CDE is administering the collection process for LEAs and then passing the data on to DOF in the required format following a quality control check
- Cycle reporting includes expenditures and obligations for a specific period
  - For example, March 1 through August 31, September 1 through September 30
- Cycle reporting for LEAs includes two sections
  - Expenditure / obligation amounts
  - Percent expended / obligated by LLM category (SB98 / SB820 categories)
Emerging Topic: Cycle Reporting Update (cont.)

• Through cycle 2 (September 30) reporting:
  • 29% expended – $1.3B
  • 24% obligated - $1.0B
  • Top 100 LEAs (appropriation)
    • 57% of total funding among all LEAs
    • 52% expended / obligated
  • LEAs reporting zero expenditure / obligation: 175 LEAs / $54.8M appropriation
• Concern is heightened about LEAs’ ability to fully expend / obligate through December 30, 2020
Emerging Topic: Cycle Reporting Update (cont.)

- FCMAT sampled 95 LEAs, and received information from 69 LEAs
  - Consistent trends around
    - Incurred labor costs outside of R3220 to be journal entry in December
    - Postponed labor costs due to delays in reopening in-person instruction
    - Technology and PPE supply chain challenges (should still be obligated)
    - Significant purchases made post-September 30
    - Data integrity in reporting at cycle 2
Emerging Topic: Cycle Reporting Update (cont.)

- CDE response
  - Emailed each LEA with CRF balance
  - Contacted all 175 LEAs reporting zero
  - Reopening cycle 2 reporting through the end of October for data through September 30
- Next scheduled reporting cycle (cycle 3)
  - October 1 through December 31, 2020
  - Reports due January 6, 2021
For Learning Loss Mitigation and ESSER Funds:

- CDE Federal Funding Flexibility
- CDE CARES Act ESSER Funding
- CDE Learning Loss Mitigation Funding
- Federal Guidance on Coronavirus Relief Funds (CRF)
- FAQ Coronavirus Relief Funds (CRF) – August 10, 2020
- FAQ Coronavirus Relief Funds (CRF) – September 2, 2020
- FAQ Coronavirus Relief Funds (CRF) – October 19, 2020
- Federal Guidance on GEER Funds
- Senate Bill 98 (Chp 24/2020)
- Senate Bill 820 (Chp 110/2020)