



# STATE OF CONNECTICUT

## STATE DEPARTMENT OF EDUCATION



TO: Superintendents of Schools

FROM: Kathy Demsey, Chief Financial Officer

DATE: April 14, 2020

SUBJECT: CARES Act Summary and Frequently Asked Questions

Under the Education Stabilization Fund, there are two main sources of K-12 funding: the Elementary and Secondary School Emergency Relief Fund and the Governor's Emergency Education Relief Fund. Each of the portions of funding to Governors and State Educational Agencies ("SEAs"), such as the Connecticut State Department of Education (CSDE), require applications to be submitted to the United States Department of Education Department ("USED"). In both cases the law requires USED to have applications available within 30 days. ***The application for the Governor's Emergency Education Relief Fund is being sent to Governor's today.*** The application is a certification and agreement form that USED anticipates turning around within 3 days of receiving each state's application. USED has not yet indicated when the CSDE will receive the application for the Elementary and Secondary School Emergency Relief Funds but we anticipate further information in the next week.

### Elementary and Secondary School Emergency Relief Fund

- ❖ CT is estimated to receive \$111 million
  - SEA may reserve 10% of the funds for state level activities. SEAs may use up to 0.5% for administration costs.
  - SEAs must allocate not less than 90 percent of the funding to Local Educational Agencies ("LEAs").
    - LEAs may use funds for:
      - Any activity authorized under ESEA, IDEA, Perkins, or McKinney-Vento; and
      - Many other activities to help with the response to COVID-19 (including preparedness and response efforts, sanitation, professional development, distance learning, and others).

### Governor's Emergency Education Relief Fund

- ❖ CT is estimated to receive \$28 million
- ❖ Funds are to be administered by the Governor and can be used for:
  - Emergency support to LEAs the SEA deems most significantly impacted by coronavirus;
  - Emergency support to Institutes of Higher Education (IHEs) the Governor determines are most significantly impacted by coronavirus; and
  - Support to any other IHE, LEA, or education related entity within the State that the Governor deems essential for carrying out educational services.



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### CARES Act Frequently Asked Questions

Note: These FAQ's will be updated regularly as additional information becomes available from U.S. Department of Education. This information has been gathered from several sources including the USED, CCSSO, and WestEd.

#### Use of Elementary and Secondary School Emergency Relief Funds:

1. Will the state reservation of 0.5% for administrative costs be taken from the total state award of Elementary and Secondary School Emergency Relief Funds (ESSERF) or from the 10% that states may set aside for state-level activities (.5% of 10%)?

*Clarification from USED provides that the 0.5% state reservation for state administration will be calculated based on the total state ESSERF allocation. For example, if a state receives \$100 million of ESSERF funds, it may set aside up to \$10 million for state-level uses of funds. Of that \$10 million, is it permitted to use up to \$500,000 for administrative costs (total state ESSERF allocation of \$100,000,000 x .005) and \$9,500,000 for other SEA-level uses and activities related to COVID-19.*

2. Will the use of the 90% set aside for LEAs be flexible, with LEAs being permitted to spend the funds on all the same activities permitted under all the major programs in the Elementary and Secondary Education Act (ESEA)?

*Yes, the uses of funds for this money are very flexible. Under the law funds may be used for any activity authorized by ESEA, IDEA, the Adult Education and Family Literacy Act, the Perkins CTE Act, or the McKinney-Vento Homeless Assistance Act in addition to other activities to help with the response to COVID-19 (including preparedness and response efforts, sanitation, professional development, distance learning, and others).*

3. Does the CARES act specify funding obligation timeframes?

*Funding for the new Education Stabilization Fund will be available for obligation at the Federal level through September 30, 2021. SEAs must award funds to eligible entities within one year of receiving them. Any money that remains unawarded after a year must be returned to USED for reallocation to other states.*

4. Does the CARES Act include a supplement not supplant requirement?

*No. Neither the Elementary and Secondary School Emergency Relief Fund nor the Governor's Emergency Relief Fund includes a supplement not supplant requirement.*

5. How do SEAs determine LEA allocations under the Elementary and Secondary School Emergency Relief Fund?

*SEAs must award at least 90% of their Elementary and Secondary School Emergency Relief Funds to LEAs. LEAs receive funds based on the proportion of Title I, Part A funds they received in the most recent fiscal year. For example, if an LEA received 10% of a State's Title I, Part A funds in the most recent fiscal year, it would receive 10% of the available Elementary and Secondary School Emergency Relief Funds.*

6. Are LEAs that did not receive Title I funds in the most recent fiscal year eligible for Elementary and Secondary School Emergency Relief Funds?

*Based on how grant amounts are calculated in the act we don't believe so. LEAs receive Elementary and Secondary School Emergency Relief funds based on their relative share of Title I funds. If an LEA did not receive Title I funds in the most recent fiscal year – either because it was not eligible or because it declined funding – then it would not generate a share of Elementary and Secondary School Emergency Relief Funds.*

7. Could an SEA award some of its state-level Elementary and Secondary School Emergency Relief Funds to an LEA that did not receive Title I funds in the most recent fiscal year?

*The act does not seem to restrict SEAs from doing so. SEAs may use their state-level funds to address emergency needs to respond to coronavirus, including through the use of grants or contracts. This could include granting funds to other entities, such as LEAs that are not eligible for Elementary and Secondary School Emergency Relief funds because they did not receive Title I, Part A funds in the most recent fiscal year.*

8. Can the Elementary and Secondary School Emergency Relief Funds benefit any school in the LEA, regardless of a school's Title I, Part A status?

*Yes. States must allocate Elementary and Secondary School Emergency Relief Funds to LEAs based on their relative share of Title I, Part A funds, but Elementary and Secondary School Emergency Relief funds are not Title I funds. Therefore, ranking and serving, school and student eligibility, and other Title I requirements do not apply to Elementary and Secondary School Emergency Relief funds.*

*LEAs may spend their Elementary and Secondary School Emergency Relief funds on any allowable activity listed in Section 18003(d), many of which are likely to be districtwide activities. If an LEA chooses to spend funds to benefit individual schools, for example, to provide principals and other school leaders with resources to address their school's individual needs (Sec. 18003(d)(3)), it may benefit any school regardless of Title I status.*

9. Can LEAs use funds to reimburse expenses they are incurring now? E.G. hotspots and tech?

*USED has not yet announced how costs incurred prior to the passage of CARES Act will be covered but has allowed for some level of coverage of pre-award costs under previous funding efforts.*

10. Does the CARES Act include funds for compensatory education services for students with an Individualized Education Program (IEP)?

*For LEAs, the authorized uses of funds under the K12 portion of the Education Stabilization fund include, among others, any activity authorized under ESEA or IDEA. For the funds 10% of each state's allocation reserved by the SEA there is no list of allowable uses of funds laid out in the law only that funds need to be used for emergency needs related to COVID-19 as determined by the SEA. Thus, the K12 portion of the Education Stabilization fund could be used for compensatory services for students with disabilities as determined by the SEA and each LEA.*

11. Does the Education Stabilization Fund require funds to be reserved for equitable services for non-public schools?

*The law requires the use of Title I's equitable services provisions (Section 1117 of ESEA) in the provision of services to private school children. The funds will be provided to the LEA not the non-public school.*

12. Does the CARES Act require LEAs to provide equitable services for private schools?

*Yes. Section 18005 of the CARES Act requires LEAs that receive Governor's Emergency Education Relief Funds or Elementary and Secondary School Emergency Relief Funds to provide equitable services in the same manner as provided under Section 1117 of ESEA (that is, in the same manner as equitable services are provided in Title I, Part A).*

13. What maintenance of effort (MOE) considerations apply to CARES Act funding?

*There are two MOE issues to consider. First, to receive Elementary and Secondary School Emergency Relief Funds or Governor's Emergency Relief Funds States must assure they will maintain support for K-12 and higher education in fiscal years 2020 and 2021 at least to the average spent in the last three fiscal years. USED can waive this requirement for States that have experienced a precipitous decline in financial resources. Second, State and local funds spent on supplemental expenses made as a result of a presidentially declared disaster can be excluded from other programs' MOE calculations (like Title I and other ESEA programs). A mechanism for tracking such spending may be developed to facilitate future calculations.*

## Use of Funds under the Governor's Emergency Relief Fund:

1. How may LEAs spend their Governor's Emergency Relief Funds?

*An LEA that receives Governor's Emergency Relief Funds may spend them on activities to support the LEA's ability to continue to provide educational services to its students and to support the LEA's ongoing functionality.*

2. Can the Governor's Emergency Education Relief Fund (Section 18002 of the CARES ACT) be used to replace state aid?

*No, the Governor's Emergency Education Relief Fund cannot be used to replace state aid. These funds must be used for emergency grants to LEAs and IHEs that are significantly impacted by coronavirus, or to support other education related entities within the state the Governor deems "essential for carrying out emergency educational services." LEAs, IHEs, and other education related entities can use this money flexibly once it is received to provide educational services and to "support ongoing functionality." A state cannot use the funds as replacement for its normal state aid formula. Instead, the state must decide which entities are most impacted by coronavirus, or are essential for carrying out emergency educational services, and allocate the funds there.*