

# SCOE BIZ

## Business Services

### Bulletin No. 21-16



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April 22, 2021

To: District and Charter Business Services  
From: Sarah Lampenfeld, Director, External Fiscal Services  
Subject: April 2021 Edition

#### **State of the State**

California's total revenues of \$8.795 billion in February were higher than forecasted. Two-thirds of the way through the fiscal year, total revenues are \$14.34 billion above the 2021-22 budget forecast; per State Controller Betty T. Yee March 2021's report.

Cash receipts for the month of February were \$3.801 billion above the governor's proposed budget released in January. The difference is related to lower refunds, which is caused by a later enactment date for the Golden State Stimulus, as well as a delayed opening of the tax filing season by the IRS.

- ✚ Personal income tax cash receipts for the first eight months of the fiscal year are \$12.777 billion above forecast.
- ✚ Sales and use tax cash receipts for the first eight months of the fiscal year were \$760 million above forecast. Cash receipts for February were \$592 million above the month's forecast of \$2.612 billion.
- ✚ Corporation tax cash receipts for the first eight months of the fiscal year were \$721 million above forecast. Cash receipts for February were \$227 million above the month's forecast of \$165 million.

#### **Cash Flow and Cash Borrowing**

The Governor's January Budget Proposal included the elimination of nearly all of 2021-22 cash deferrals. While this is welcomed news the monitoring of cash remains key and planning for potential cash short falls is essential. See SCOE Biz Bulletin No. 21-17 for more information regarding Cash Borrowing for Next Fiscal Year. Read this bulletin in conjunction with the **FCMAT Alert: Effective Cash Management During Uncertain Times** (attached).

When thinking about your LEAs cash flow, keep the following areas in mind:

- ✚ Cafeteria contributions increase due to decreased food sales revenue
- ✚ Transportation revenue collection decreases
- ✚ Daycare tuition revenue decreases
- ✚ Looming cash deferrals
- ✚ Actual property tax revenues and potential decreases
- ✚ State Aid and EPA reductions for 2020-21, COLA reductions or deficits
- ✚ Expenditure pattern changes

### **2021-22 Unemployment Insurance (UI)**

As a result of the COVID-19 pandemic Unemployment Insurance (UI) benefits have increased for many employers. School Employee Fund (SEF) participants reimburse the actual cost of benefits through a contribution rate calculated in part based on the amount distributed for UI claims. The rate calculation is intended to ensure that the SEF has sufficient funds to pay future UI claims by former employees of the participating members. Based on the increase in UI claims, during the pandemic, the SEF participant contribution rate for the 2021-22 fiscal year will increase to 1.23%.

### **SCLS Annual Notice to Parents**

School and College Legal Services has issued Legal Update Memo No. 12-2021 regarding 2021-22 Annual Notice to Parents. You can find and print the memo from SCLS [web page](#).

### **Indirect Cost Rates**

The 2020-21 and 2021-22 indirect cost rates for district and charters are posted on the CDE Indirect Cost Rate (ICR) web page at <http://www.cde.ca.gov/fg/ac/ic/index.asp>. EC Section 38101(c) limits food service program indirect costs to amounts derived using the *lesser of* a district's approved indirect cost rate or the statewide average indirect cost rate. Each district should compare to determine the lesser rate for use with this program. The 2021-22 statewide average indirect cost rate is 5.48%.

### **SACS Account Codes for Medi-Cal Programs**

Per CDE there will be account code changes for *both* Medi-Cal Programs, the School-Based Medical Administrative Activities (SMAA) Program and the Local Educational Agency Billing Option Program (LEA BOP). Per PPL 17-002, from the Department of Health Care Services (DHCS) the Medi-Cal Programs are administered through contractors, not subrecipients. As a result, the account codes for both programs will change from Other Federal Revenue to Other Local Revenue.

Effective 2021-22 the following account codes required are:

- ✚ For SMAA: Resource Code will be 0000 – Unrestricted (no change)  
Revenue Object Code will be 8699, All Other Local Revenue (was 8290)
- ✚ For LEA BOP: Resource Code will be 9xxx – Other Restricted Local (was 5640)  
Revenue Object Code will be 8699, All Other Local Revenue (was 8290)

**Note: If you have a remaining balance in Resource 5640 in 2020-21, the remaining balance must be transferred to Resource 9xxx.**

### **Educationally Related Mental Health Services (ERMHS)**

Effective 2020-21 ERMHS funds will be received in resource 6546. Please see SELPA November 19, 2020 update ([found here](#)) regarding the flexibility surrounding these funds, as well as a reminder on the usage of ending balances in resource 6512.

The new resource 6546 was set up in the fall by your Fiscal Advisor. Friendly reminder: LEAs need to setup the revenue account of xx-6546-0-0000-0000-8590-000-0000 in anticipation of receiving the revenue this spring.

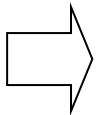
**Reserve TRANSPARENCY disclosure at the Public Hearing (all Districts and general fund charters)**

EC 42127 (a)(2)(B) requires a district's public hearing for the Adopted Budget must provide all the following for public review and discussion:

- 1) The minimum recommended reserve for economic uncertainties (REU) for each fiscal year identified in the budget.
- 2) The combined assigned and unassigned ending fund balances that are in excess of minimum recommended reserve for economic uncertainties for each fiscal year identified in the budget. The fund balances include the General Fund and Fund 17, Special Reserve Fund for Other than Capital Outlay.
- 3) A statement of reasons that substantiate the need for assigned and unassigned fund balance in excess of the minimum recommended reserve for economic uncertainties for each fiscal year identified in the budget.

EC 42127 (d) states the County cannot approve a District's budget unless the reserve transparency disclosures have been made.

**To ensure each district has performed the Reserve Transparency disclosure at the *Public Hearing*, please:**



- **Note the *Reserve Transparency disclosure* as a *line item* on the Agenda of the *Public Hearing*.**
- **In the minutes of the meeting, report that reserves were reviewed and discussed in accordance with EC Section 42127 (a)(2)(B).**

**What should be done between NOW and your *PUBLIC HEARING*....**

- 1) Add the Reserve Transparency disclosure to the Agenda of the public hearing.
- 2) Determine the applicable District ADA.
- 3) Calculate minimum REU as determined by the State board.
- 4) Commit reserves as you deem applicable, discuss with auditors if you have concerns.
- 5) Identify the assigned and unassigned (includes REU) fund balance amounts.
- 6) Determine/create a statement of reason for the amount of assigned and unassigned fund balances in excess of State minimum REU, which is supported by your governing board.
- 7) An Excel spreadsheet titled Statement of Reason for Excess Reserves is posted on the SCOE website under financial forms <http://www.scoe.org/pub/htdocs/fiscal-forms.html>
- 8) Be able to articulate why the reasons are relevant and necessary.
- 9) Be ready to present at your public hearing date, which is earlier than your budget adoption date.
- 10) Make sure the minutes of the public hearing note that reserves were reviewed and discussed in accordance with EC42127 (a)(2)(B).

**Low- Performing Student Block Grant (close out)**

These funds are available for expenditure or encumbrance during fiscal years 2018-19, 2019-20 and 2020-21 only. LEAs will need to report on or before November 1, 2021 regarding the implementation of the plan, the strategies used, and whether those strategies increased the academic performance of the pupils identified by the block grant. In preparation of the release of the final reporting **LEAs should review fund balances to ensure all funds are spent by June 30, 2021.** Additional information can be found [here](#).

### **Prop 39 California Clean Energy Jobs Act (close out)**

These funds were awarded to LEAs for energy efficiency and clean projects several years ago. Important close out deadlines for this program are:

- All approved energy projects must be completed by June 30, 2021
- All Final Project Completion Reports are due 15 months after projection completion

LEAs may be billed for unused funds or failure to file the required reports. More information about the Prop 39 can be found [here](#).

### **Federal Cash Management Data Collection (CMDC)**

The data collection window for the Federal Cash Management Data Collection (CMDC) System opened on April 10<sup>th</sup> and will close April 30<sup>th</sup>. You may report your data at any time during this period. **LEAs must submit cash balance data by April 30<sup>th</sup>**, for the following programs in order to receive funds in the next apportionment for those programs (if you are a Title III Consortium LEA, your cash apportionments flow based on the total combined reporting for all Consortium LEAs):

- Title I, Part A;
- Title I, Part D;
- Title II, Part A;
- Title III, Immigrant;
- Title III, LEP
- Title IV

Note: The cash balance is to be reported regardless of the fiscal year from which the funds originated. CMDC information, including instructions, future reporting dates, FAQs, and Login can be found at the CDE Web site <http://www.cde.ca.gov/fg/aa/cm/>.

### **Federal Quarterly Interest Reporting**

CDE federal program grantees are required to report and remit interest to the CDE at least quarterly. Although grantees are allowed to keep interest amounts up to \$500 per year for administrative purposes, the \$500 is in total for all federal programs, not for each federal program. When reporting and remitting federal interest to the CDE, grantees should specify the time period of interest earning and the federal program resource codes. Interest on federal cash balances should be sent to the CDE at the following address:

California Department of Education  
P.O. Box 515006  
Sacramento, CA 95851  
Attention: Cashier's Office

If no\$ to Remit: Email  
[cashmanagement@cde.ca.gov](mailto:cashmanagement@cde.ca.gov)

The CDE requests LEAs submit documentation regarding the calculations and the interest rate used. Documentation (once available) for the **current quarter's rate of .664%** can be found at [https://sonomacounty.ca.gov/templates\\_portal/Service.aspx?id=2147528173](https://sonomacounty.ca.gov/templates_portal/Service.aspx?id=2147528173). A complete list of federally reimbursable programs that should be EXCLUDED from your interest calculations can be found at <https://www.cde.ca.gov/fg/ac/co/reimbursableprograms.asp>. A good report to use for documenting your calculations is the Fiscal24 Resource Cash daily balances. You will need to enter the reporting period (quarter dates), interest rate for the quarter, and specific federal resources you would like to include in the calculation. **Title I, II, III, IV, GEER and ESSER would need to be included but you may have other non-reimbursable programs.**

## **GASB 84**

Reminder: GASB 84 was a new standard related to fiduciary funds that became effective 2020-21

- ✚ Changes related to how fiduciary activities are identified and reported in the retiree benefit fund and warrant pass thru funds and Associated Student Body funds are part of GASB 84.
- ✚ For ASB Reporting, CDE has set up Fund 08 and the required reporting could work similar to recording directly in SACS like the Bond Interest and Redemption Fund 51 information. Many Sonoma County LEAs are using an outside software (like QuickBooks) that allows for the tracking of revenues and expenditures that can be reported in the required inflow and outflow broken out by major object ranges. This is already being utilized to add any 1099 issuances necessary to the reports for SCOE 1099 printing.
- ✚ ASB monies can still be kept in an outside bank and not deposited with the treasury.

**Notice of Public Hearing for 2020-21 Budget** ~ Please fill out the publication notification ([SCOE Biz Bulletin No. 21-15 dated March 25, 2021](#)) so that SCOE can place the ad in the newspaper for you. This requirement applies to Districts and is optional for Charters.

Please make sure to check the newspaper to ensure your LEA's Notice of Public Hearing has been correctly published. Copy and save for your auditors.

## **COVID-19 Relief Funding for K-12 Education**

Attached is a presentation on COVID-19 Relief Funding for K-12 Education completed by the Marin County Office of Education. The presentation is chalk full of resources for all LEAs within the state. Therefore, we had to share this great presentation (attached). A big thank you to Marin COE for sharing and creating such a thorough presentation.

## **Dates to Remember:**

5/5/2021	LCAP Work Session (afternoon)
5/12/2021	Aeries User group (morning)
5/12/2021	SchoolWise User Group (afternoon)
5/13/2021	Next Fiscal Year Workshop
5/13/2021	LCAP Work Session (afternoon)
5/24/2021	Capitol Advisors May Revise webinar (must register w/Capitol Advisors)
5/27/2021	School Services of California May Revise WEBINAR (must register with SSC)
5/27/2021	May DBUG

## **NOTE:**

- Want to add something to a DBUG Agenda? Want a topic added to SCOE Biz? Contract DBUG Chair Christina Menicucci
- Documents presented at DBUG found posted at <http://www.scoe.org/pub/htdocs/fiscal-dbug.html>
- Workshop manuals and Fiscal Services/IT forms may be found at <http://www.scoe.org/escape> under the heading of Resources on the left side of the page.

### *Effective Cash Management During Uncertain Times*

#### **Background**

You have heard the phrase, “cash is king.” Private industry has long understood the importance of this concept. Governmental entities and especially California schools began to fully appreciate the importance of effective cash forecasting and management strategies during the Great Recession when state cash receipts fell dramatically, resulting in the deferral of cash payments to local educational agencies (LEAs). During the economic recovery of the past eight years, the focus on cash has understandably lost a bit of its luster. However, during periods of economic distress, cash is a “third rail” issue, and LEAs must enhance their planning and monitoring around cash issues weekly.

This Fiscal Alert addresses the impact of the ongoing COVID-19 pandemic on LEAs cash resources for the current and subsequent fiscal year. This alert is for all LEAs, including county superintendents serving in their financial oversight role. During these rapidly changing, unprecedented times, it is critical for LEAs to begin analyzing and planning for various scenarios that will adversely impact cash flow and avoid cash shortfalls.

During the Great Recession a significant decline in state tax revenues prompted numerous apportionment deferrals that caused LEA cash fluctuations and resulted in extensive local borrowing. Similar deferrals will be one of the first tools the state uses to stabilize its own cash flow and to control in what year Proposition 98 appropriations are attributed. Cash deferrals are more favorable to LEAs than actual reductions in state funding but require LEAs to maintain accurate cash flow projections and to develop multiple cash flow scenarios to deal with the impact of the deferrals when they occur.

The May Revision may address short-term state plans and determine whether cash deferrals are part of those plans, especially for June 2020. However, the May Revision, and likely the June adopted budget, will not provide definitive answers about budget and associated apportionment plans, necessitating the need for LEAs to wait until a revised state budget is adopted in August/September to receive a more complete funding plan for the 2020-21 fiscal year. Use the time now, before the May Revision, to analyze and plan for various current year and budget year cash scenarios for your LEA. Cash deferrals could come as soon as June 2020, with a deferral of the June principal apportionment to early July. Ensuring the availability of adequate cash reserves is a vital function for all LEAs.

#### **FCMAT**

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## Budget vs. Cash Flow

Budgets and cash flow projections are equally important but vary in their nature, data and analysis. The term “budget” means that funds are devoted to a purpose and/or entity, while “cash” means that funds are paid and readily available for use. Cash flow projections are built from budget data with apportionment schedules and payment terms on compensation and purchases taken into consideration. LEA budgets are a set of annual data with a focus on June 30. Cash flow is presented in shorter periods of time, typically monthly, but weekly and daily in some cases depending on circumstances. Budgets and cash flow are equalized with year-end accruals. Significant variances in cash flow actuals to projections generally serve as the first indicator of fiscal distress. Deficit cash positions determine the timing and amounts of the need for alternative liquidity (see below). The general fund, which is the focus of most LEA budgets, is only one of the district’s funds. Cash is transferable and may be commingled; therefore, LEAs need to project and analyze all funds.

## Relevant Issues

### Cash Flow Analysis and Planning

Following best practices under normal circumstances LEAs should update cash flow projections monthly and not only at periodic reporting periods. At a minimum, cash projections should be prepared extending through the current and into the subsequent fiscal year. In periods of economic distress and funding uncertainties, the frequency and depth of cash flow projections and analysis should be increased.

Using recently completed second interim cash flow projections as the starting point, update the projections with February and March actuals, and build in necessary changes in the forecast for April, May and June, considering the new realities affecting the LEA. Do not limit the analysis and monitoring to the general fund, expand to cover all funds; Reviewing cash positions across all funds is essential to proper analysis.

Considerations regarding cash receipts must look beyond state apportionments for LCFF. To a lesser degree of impact, cash flow analysis must include:

- Property taxes – April is a significant month for property tax receipts. Monitor and analyze apportionments from the county auditor/controller and treasurer/tax collector against the existing cash flow projections. Most California counties operate under the Teeter Plan for tax collection apportionments to local agencies, in which the tax levy is apportioned without regard to delinquencies, shielding local agencies from the impacts of late and nonpayments. County offices of education and districts should consult frequently with their county auditor/controller and treasurer/tax collector to understand cash flow expectations and adjust cash flow projections accordingly.
- Local cash receipts from a variety of sources are also adversely affected, including:
  - Parent-paid nutrition programs, childcare programs, and transportation programs.

- Facility leases and use of facilities fees
- Lottery sales are impacted from the stay-at-home orders. While new lottery revenue forecasts for third and fourth quarters have not been released, cash flows should assume a decreased third quarter payment (and fourth quarter accrual).

Regarding cash payments, most LEAs are experiencing unplanned, extraordinary expenditures including:

- The shift to distance learning including procuring technology and network access devices
- Maintaining salaries and in some cases increasing compensation for disaster service workers
- Accounting for interfund cash lending or deficit absorption in the general fund to cover cafeteria fund and childcare program deficits

LEAs should also consider delaying any nonessential payments and discretionary purchases to preserve available cash for critical operational functions. Savings should also be accounted for, including utilities, fuel, some contracted services, and other variables related to the physical operations of campuses (using summer months as an example).

If the cash flow projection for the LEA shows negative for any period (month, week, or day), corrective action must be taken to ensure sufficient cash resources are made available to eliminate this negative position. In some counties, county treasurers automatically provide safeguards by allowing short-term negative cash balances in one fund if they are offset by other LEA funds. You should clearly understand how your county treasurer functions when it comes to LEA cash balances. If corrective action is required, it may include the use of alternative liquidity resources and adjustments to expenditure plans, or a combination of both.

### **Alternative Liquidity**

Alternative liquidity is a fancy term for the identification of available cash resources outside of the LEA's general fund. Therefore, expanding the cash projections and monitoring across all funds is essential. LEAs should immediately begin to prepare alternative liquidity schedules that show the projected cash flow and cash balance for each fund by month, and in some cases by week. Alternative liquidity analyses should also look beyond the district's funds on deposit in the county treasury and determine what short-term borrowing options exist for cash flow and working capital needs.

Regarding interfund borrowing, LEAs should analyze the various forms of alternative liquidity against the provisions of Education Code Section 42603. Borrowing from other funds to satisfy temporary shortfalls in operating cash is common practice among California school districts. With increasing uncertainty about the state apportionment plans, districts should refresh their knowledge on proper interfund borrowing. Now is the time to prepare temporary borrowing resolutions for your board of education to consider for approval. This authorization will enable LEA business officials to quickly access the cash resources in other funds by temporarily transferring those resources to where they are needed. A best practice is to adopt a resolution at the start of each fiscal year to authorize interfund borrowing throughout the year; but if such authorization does not currently exist through June 30, 2020, a resolution should be prepared now for the current year.



Education Code Section 42603 allows temporary borrowing between funds, stating the following:

The governing board of any school district may direct that moneys held in any fund or account may be temporarily transferred to another fund or account of the district for payment of obligations. The transfer shall be accounted for as temporary borrowing between funds or accounts and shall not be available for appropriation or be considered income to the borrowing fund or account. Amounts transferred shall be repaid either in the same fiscal year, or in the following fiscal year if the transfer takes place within the final 120 calendar days of a fiscal year. Borrowing shall occur only when the fund or account receiving the money will earn sufficient income, during the current fiscal year, to repay the amount transferred. No more than 75 percent of the maximum of moneys held in any fund or account during a current fiscal year may be transferred.

LEAs need to be mindful of the interfund borrowing repayment requirements specified in code. Failure to repay a lending fund in accordance with the statutory provisions can damage the trust of the district's stakeholders and should be identified as a deficiency in the district's annual audit report.

The Education Code does not limit interfund borrowing authority to particular funds and includes no specific exclusions for funds holding restricted dollars. Borrowing from bond proceeds is not advisable and, in some cases depending on bond official statement offering documents, may be inappropriate. This includes the potential loss of tax-exempt status for the bonds, the loss of the direct subsidy payments, possible disclosure violations, and other legal considerations that should be avoided. FCMAT recommends that districts utilize the other options available to mitigate a temporary cash shortage instead of using bond proceeds. This coincides with guidance outlined in a previous Fiscal Alert as well as in an advisory published by the California Debt and Investment Advisory Commission (CDIAC). Also see FCMAT Fiscal Alert Interfund Borrowing Using Bond Proceeds ([https://www.fcmat.org/PublicationsReports/FCMAT\\_Fiscal\\_Alert-Interfund\\_Borrowing\\_Using\\_Bond\\_Procees-10-1-19.pdf](https://www.fcmat.org/PublicationsReports/FCMAT_Fiscal_Alert-Interfund_Borrowing_Using_Bond_Procees-10-1-19.pdf)). Ultimately the decision to borrow from bond proceeds should be made locally after consultation with the LEA's bond counsel.

As mentioned, alternative liquidity is not limited to interfund borrowing but includes other options available to districts in need of temporary cash as follows:

1. Tax and Revenue Anticipation Notes (TRANs)

Another common method to mitigate a cash shortfall is a TRANs, a short-term note that may be issued by the district or the county board of supervisors on its behalf and secured by anticipated tax revenues to be collected in the same fiscal year. TRANs funds, sometimes held in a "proceeds" account, may be used for any purpose, including current expenses, capital expenditures, repayment of indebtedness and working capital. Many districts access TRANs through pooled TRANs such as through their county office of

education or a related organization. There is usually a minimum of 90 days lead time to complete a TRANs transaction and pay cost of issuance fees for attorney, financial advisor, underwriter, and other professional assistance.

2. County Superintendent of Schools (Education Code sections 42621 and 42622)

A district may borrow from the county superintendent of schools with the approval of the county board of education. Funds loaned by the county superintendent are subject to availability of excess funds held by the county superintendent. Funds must be repaid within the same fiscal year. (EC 42621)

Similar provisions exist for county superintendent of schools to make a conditional apportionment to a district or charter school that may be paid back to the county superintendent in the subsequent fiscal year. (EC 42622)

3. County Treasurer

The California Constitution, Article XVI, Section 6, states the following:

...the treasurer of any city, county, or city and county shall have power and the duty to make such temporary transfers from the funds in custody as may be necessary to provide funds for meeting the obligations incurred for maintenance purposes by any city, county, city and county, district, or other political subdivision whose funds are in custody and are paid out solely through the treasurer's office. Such temporary transfer of funds to any political subdivision shall be made only upon resolution adopted by the governing body of the city, county, or city and county directing the treasurer of such city, county, or city and county to make such temporary transfer. Such temporary transfer of funds to any political subdivision shall not exceed 85 percent of the anticipated revenues accruing to such political subdivision, shall not be made prior to the first day of the fiscal year nor after the last Monday in April of the current fiscal year, and shall be replaced from the revenues accruing to such political subdivision before any other obligation of such political subdivision is met from such revenue.

To borrow from the county treasurer, the district must submit a resolution to the county board of supervisors requesting a loan. Following the board's approval, the county treasurer's office disburses to the district an amount not to exceed 85% of the amount of money accruing to the district during the current fiscal year. Repayment of the advance is made from tax revenues accruing to the district later in the fiscal year.

### Cash Monitoring

Cash should always be monitored routinely and in-depth. The best practice is to monitor cash flow projections against actuals monthly. However, in rapidly changing environments, it is highly recommended and not unusual to expand that monitoring to real time for planned receipts and high dollar expenditures. In times of uncertainty, at a minimum, monitoring should occur weekly. The goal of the increased surveillance is to ensure you do not incur a shortfall or fall below a preestablished balance for working capital needs.

Reserves as components of the fund balance are not necessarily equivalent to cash holdings but may be backed by other assets. During uncertain times, it is essential to ensure that all reserves are supported by equivalent cash balances. During the previous period of economic distress it was not uncommon for LEAs to have adequate fund balance reserves, but as a result of both inter-year and intra-year cash deferrals from the state, only a small portion of the reserves were backed by cash balances at any given time. This limited the usefulness of the reserves for an emergency or unforeseen circumstance.

In most cases, the link between LEAs and county treasurers (who serve as the LEA's treasurer) is through the county superintendent. In a fiscally uncertain environment, it is essential to maintain regular communication and strengthen relationships with the county treasurer. County superintendents should ensure that property taxes, state apportionments, interest income, and other cash resources are recorded timely to school district accounts. In addition, timely reconciliations, including clearing accounts, are important in ensuring the accuracy of all incoming and outgoing cash. County superintendents serve a vital role for the LEAs regarding cash flow monitoring.

### Conclusion

The accuracy and reasonableness of preparing cash flow projections through the subsequent fiscal year depends on both apportionment schedules and budget assumptions. At a minimum, each budget scenario prepared should have at least one cash flow projection (all funds). However, apportionment considerations can and will be adjusted without regard to budget assumptions and will necessitate more than one cash flow projection scenario for each budget scenario. For example, a budget scenario with a zero cost of living adjustment for 2020-21 will necessitate at least two cash flow scenarios; one with a June deferral to July and one without. The June deferral, if following past accounting practice, will not adversely affect revenues, only cash receipts.

Remember that an emergency appropriation for districts (e.g., a state takeover of an LEA's governance) is triggered by insufficient cash flow to meet payroll at a given time. The trigger is influenced by budget deficits but is based on cash flow projections. Despite the challenges with cash flow during the Great Recession, LEAs managed their cash flow adequately and avoided the need for state intervention.

Cash oversight is always an important LEA responsibility, and it is especially heightened during this difficult and uncertain economic time. We recommend LEAs dedicate sufficient resources to regular and accurate monitoring of cash availability to ensure critical functions can continue without interruption. Yes, cash is king. But also remember, cash shows no mercy if you run out.



# COVID-19 Relief Funding for K-12 Education

Sonoma County Office of Education

Presentations completed by Marin COE

# COVID-19 Relief Funding for K-12 Education

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# Overview

Updated 3-28-2021

# COVID-19 Relief Funding

SB98 Section 110 Learning Loss Mitigation (LLM)

Coronavirus Relief Fund (CRF)

Governor's Emergency Education Relief Fund (GEER)

Proposition 98 state support

ESSERF based on Title I funding methodology:

Coronavirus Aid, Relief & Economic Security (CARES) Act - ESSER I

Coronavirus Response & Relief Supplemental Appropriations Act (CRRSAA) ESSER II

American Rescue Plan (ARP) - ESSER III

SB117 – state funding per ADA

AB86 - COVID-19 relief & school reopening, reporting, & public health requirements

In person Instruction grants

Expanded Learning Opportunities grants

# Grant Award Amounts

Program	GEER	CRF	Prop 98	Prop 98	Elementary & Secondary School Emergency Relief					AB86- COVID-19 relief & school reopening, reporting & public health			TOTAL
	SB98 Learning Loss Mitigation									SB117	3210	3212	
Resource	3215	3220	7420	7388	3210	3212	TBD	TBD	ESSER III	7422	7425	7426	TOTAL
District	Award	Award	Award	Award	Award	Preliminary	ESSER III 80%	ESSER III 20%	Total Estimate	Preliminary	Preliminary	Preliminary	TOTAL
Sonoma Co. Office of Education	213,445	1,159,663	156,251	8,931	-	960,597	-	-	-	602,612	1,145,363	126,929	4,373,791
Alexander Valley Union Elementary	5,060	27,598	4,578	1,988	-	-	-	-	-	15,418	29,227	3,248	87,117
West Sonoma County Union High	139,843	893,867	153,346	29,827	121,021	480,241	854,964	213,741	1,068,705	588,522	1,139,653	123,962	4,738,987
Bellevue Union	128,343	1,855,309	149,459	26,648	395,041	1,626,429	2,895,500	723,875	3,619,375	571,489	1,145,363	120,374	9,637,830
Bennett Valley Union Elementary	41,861	328,528	73,175	16,908	41,627	211,493	-	-	-	282,212	534,985	59,443	1,590,232
Cinnabar Elementary	920	18,125	2,098	306	32,656	119,376	212,523	53,131	265,654	8,259	15,655	1,740	464,789
Cinnabar Charter	16,560	195,901	19,250	3,912	-	-	-	-	-	76,127	144,313	16,035	472,098
Cloverdale Unified	95,682	974,735	114,529	23,000	112,771	536,392	954,928	238,732	1,193,660	432,485	835,856	91,095	4,410,205
Dunham Elementary	2,300	9,204	691	250	-	-	-	-	-	2,584	4,898	544	20,471
Dunham Charter	9,660	59,865	11,138	2,551	-	-	-	-	-	43,082	81,670	9,074	217,040
Forestville Union Elementary	2,760	23,804	4,598	935	36,246	143,124	254,801	63,700	318,501	16,646	31,556	3,506	581,676
Forestville Academy	12,420	108,606	16,676	3,827	-	-	-	-	-	64,403	125,088	13,565	344,585
Fort Ross Elementary	1,380	19,110	2,335	296	9,553	46,184	82,221	20,555	102,776	7,670	14,540	1,616	205,460
Geyserville Unified	15,640	133,155	14,138	3,738	12,231	73,562	130,961	32,740	163,701	53,797	107,983	11,331	589,276
Gravenstein Union Elementary	2,300	20,341	6,334	699	33,753	137,931	245,595	61,399	306,994	24,363	46,183	5,132	584,030
Gravenstein Elementary	15,180	126,372	31,875	7,443	-	-	-	-	-	123,218	234,583	25,954	564,625
Hillcrest Middle	7,360	63,978	18,613	4,554	-	-	-	-	-	71,688	138,898	15,100	320,191
Guerneville Elementary	1,840	20,356	2,889	388	87,766	327,679	583,361	145,840	729,201	11,151	21,138	2,349	1,204,757
California Pacific Charter - Sonoma	-	12,078	14,826	-	-	77,945	138,764	34,691	173,455	-	122,657	12,073	413,034
Guerneville Elementary (Charter)	12,880	179,868	20,036	4,151	-	-	181,179	45,295	226,474	77,069	148,098	16,233	684,809
Harmony Union Elementary	2,300	21,148	5,420	992	25,254	101,770	-	-	-	20,903	39,626	4,403	221,816
Salmon Creek School - A Charter	7,360	56,058	11,423	2,764	-	-	-	-	-	44,237	83,859	9,318	215,019
Pathways Charter	-	26,229	32,198	-	-	146,139	-	-	-	-	252,999	26,000	483,565
Horicon Elementary	6,440	74,922	6,186	1,061	-	47,636	-	-	-	21,942	41,594	4,622	204,403
Kenwood	7,820	34,455	5,432	2,405	-	-	-	-	-	20,386	38,644	4,294	113,436



# Grant Award Amounts

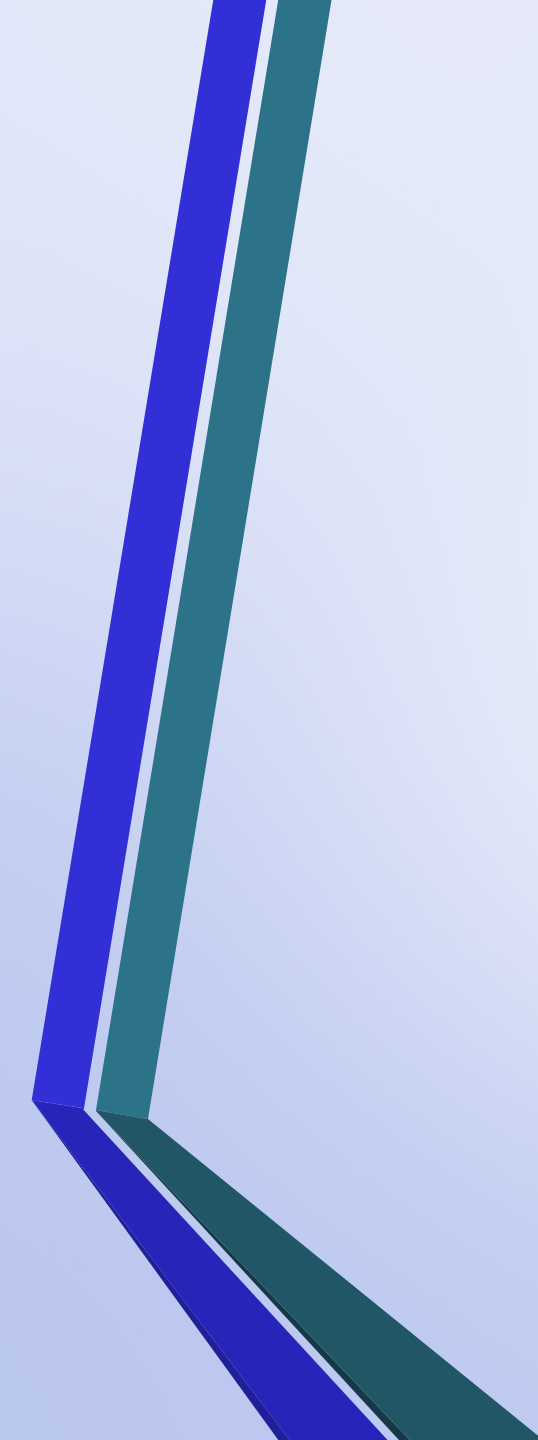
Program Resource District	GEER	CRF	Prop 98	Prop 98	Elementary & Secondary School Emergency Relief					AB86- COVID-19 relief & school reopening, reporting & public health			TOTAL
	SB98 Learning Loss Mitigation				3210	3212	TBD	TBD	ESSER III	7422	7425	7426	TOTAL
	3215	3220	7420	7388	Award	Preliminary	ESSER III 80%	ESSER III 20%	Total Estimate	Preliminary	Preliminary	Preliminary	TOTAL
Liberty Elementary	1,380	11,054	3,324	749	-	-	-	-	-	12,847	24,355	2,706	56,415
California Virtual Academy @ Sonoma	-	40,542	49,767	-	104,779	415,829	740,292	185,073	925,365	-	373,935	40,215	1,950,432
Heartwood Charter	-	7,069	8,677	-	-	-	-	-	-	-	64,758	7,195	87,699
Liberty Independent Study	-	-	-	-	-	-	-	-	-	8,946	16,959	1,884	27,789
Liberty Elementary Charter	7,360	49,056	11,609	2,786	-	-	-	-	-	44,805	84,936	9,437	209,989
Mark West Union Elementary	16,560	189,828	36,098	7,356	178,170	606,690	1,080,078	270,020	1,350,098	137,229	264,143	28,905	2,815,077
Mark West Charter	2,300	34,856	8,695	1,895	-	-	-	-	-	33,217	63,968	6,997	151,928
San Miguel Elementary	16,560	145,658	30,761	7,089	-	-	-	-	-	118,684	224,986	24,999	568,737
John B. Riebli Elementary	15,180	131,679	30,440	7,164	-	-	-	-	-	116,094	222,079	24,453	547,089
Monte Rio Union Elementary	2,760	44,151	6,679	1,302	-	56,271	100,179	25,045	125,224	27,575	112,273	5,808	382,043
Montgomery Elementary	460	10,407	3,177	513	873	-	-	-	-	9,697	18,382	2,043	45,552
Oak Grove Union Elementary	3,680	30,099	6,778	1,448	22,984	91,952	163,699	40,925	204,624	26,232	49,729	5,525	443,051
Pivot Charter School - North Bay	-	27,242	33,440	-	-	206,733	-	-	-	-	260,170	27,686	555,271
Oak Grove Elementary/Willowside Middle	34,041	256,185	55,339	13,235	-	-	-	-	-	212,801	407,405	44,823	1,023,829
Old Adobe Union	21,621	168,803	30,221	5,531	151,064	757,077	1,347,810	336,953	1,684,763	113,562	215,278	23,920	3,171,840
River Montessori Elementary Charter	8,280	64,081	12,791	2,851	-	49,885	-	-	-	49,096	93,070	10,341	290,395
Loma Vista Immersion Academy	19,780	209,220	33,087	7,247	-	-	-	-	-	133,359	255,807	28,090	686,590
Old Adobe Elementary Charter	17,020	112,656	24,030	5,684	-	-	-	-	-	92,585	175,513	19,501	446,989
Miwok Valley Elementary Charter	34,501	250,699	25,456	5,459	-	-	-	-	-	97,903	190,593	20,622	625,233
Sonoma Mountain Elementary	22,541	135,064	32,137	7,712	-	-	-	-	-	123,944	234,959	26,107	582,464
Petaluma City Elementary	180,784	1,012,733	122,894	27,849	175,515	696,554	1,240,062	310,015	1,550,077	481,102	932,018	101,335	5,280,861
Sixth Grade Charter Academy at Petaluma Jr. High	2,300	11,871	1,811	459	-	-	-	-	-	-	-	-	-
Penngrove Elementary	29,901	180,560	31,251	7,323	-	-	-	-	-	120,903	229,193	25,466	624,597
Live Oak Charter	15,180	91,985	20,236	4,787	-	53,004	-	-	-	78,197	150,237	16,471	430,097
Petaluma Joint Union High	330,748	2,317,655	396,813	80,086	272,784	1,158,607	2,062,646	515,662	2,578,308	1,534,532	2,939,993	323,221	11,932,747
Gateway to College Academy	10,120	44,038	4,005	833	-	-	-	-	-	-	-	-	-
Petaluma Accelerated Charter School	1,840	24,164	7,892	1,933	-	-	-	-	-	30,523	58,862	6,429	131,643
Mary Collins Charter School at Cherry Valley	27,601	150,294	28,454	6,905	-	-	-	-	-	110,687	212,829	23,314	560,084
Piner-Olivet Union Elementary	13,800	127,744	23,329	4,728	81,218	322,324	573,828	143,457	717,285	88,326	167,439	18,604	1,564,797

# Grant Award Amounts

District	GEER	CRF	Prop 98	Prop 98	Elementary & Secondary School Emergency Relief					AB86- COVID-19 relief & school reopening, reporting & public health			TOTAL
	SB98 Learning Loss Mitigation			SB117						7422	7425	7426	TOTAL
	Program Resource	3215	3220	7420	7388	3210	3212	TBD	TBD	ESSER III	Preliminary	Preliminary	Preliminary
	Award	Award	Award	Award	Award	Preliminary	ESSER III 80%	ESSER III 20%	Total Estimate	Preliminary	Preliminary	Preliminary	TOTAL
Northwest Prep Charter	-	7,055	8,661	1,277	16,879	64,856	115,462	28,866	144,328	-	62,680	6,965	312,701
Olivet Elementary Charter	11,500	132,822	24,460	5,437	49,477	173,977	309,728	77,432	387,160	93,721	177,666	19,741	1,075,961
Morrice Schaefer Charter	9,200	142,286	25,529	5,750	78,507	267,324	475,911	118,978	594,889	97,756	185,314	20,590	1,427,145
Piner-Olivet Charter	6,440	79,292	15,097	3,505	33,239	113,181	201,494	50,374	251,868	57,993	109,937	12,215	682,767
Kashia Elementary	1,840	17,866	1,732	250	-	-	-	-	-	6,452	22,232	1,359	51,731
Rincon Valley Union Elementary	135,703	676,320	106,673	22,021	189,256	751,014	1,337,015	334,254	1,671,269	421,896	808,782	88,865	4,871,799
Rincon Valley Charter	22,081	137,113	25,329	5,342	-	-	-	-	-	97,701	187,210	20,579	495,355
Spring Creek Matanzas Charter	45,081	278,500	35,556	7,573	-	-	-	-	-	137,556	261,763	28,974	795,003
Whited Elementary Charter	22,541	181,014	27,855	6,229	-	-	-	-	-	107,858	204,465	22,718	572,680
Village Elementary Charter	17,480	148,398	25,311	5,766	-	-	-	-	-	97,991	186,761	20,640	502,347
Binkley Elementary Charter	14,720	147,414	26,179	5,891	-	-	-	-	-	101,227	191,893	21,322	508,646
Roseland	94,762	1,680,213	134,535	23,757	237,476	923,102	1,643,380	410,845	2,054,225	518,320	984,571	109,175	6,760,136
Roseland Charter	73,142	1,578,266	141,900	24,541	473,205	1,877,978	3,343,327	835,832	4,179,159	542,419	1,036,256	114,251	10,041,117
Santa Rosa Elementary	285,207	3,141,178	303,623	59,543	756,595	3,993,818	7,110,116	1,777,529	8,887,645	1,144,207	2,194,058	241,007	21,006,881
Santa Rosa Charter School for the Arts	12,420	132,918	28,955	6,818	-	-	-	-	-	111,946	214,215	23,579	530,851
Santa Rosa French-American Charter (SRFACS)	12,420	134,993	33,712	7,927	-	-	-	-	-	129,322	246,154	27,239	591,767
Cesar Chavez Language Academy	25,301	312,450	34,210	7,021	-	-	-	-	-	137,829	262,280	29,031	808,122
Kid Street Learning Center Charter	3,220	80,141	9,137	1,817	38,859	140,105	265,427	66,357	331,784	34,833	78,032	7,337	725,265
Santa Rosa High	811,000	5,897,580	881,977	177,583	1,453,049	5,766,637	10,266,233	2,566,558	12,832,791	3,341,369	6,500,188	703,799	38,365,973
Santa Rosa Accelerated Charter	2,300	24,404	8,747	2,182	-	-	-	-	-	33,404	63,324	7,036	141,397
Sebastopol Union Elementary	23,461	220,280	35,282	7,657	87,407	366,425	652,338	163,085	815,423	132,779	253,707	27,968	1,970,389
REACH	9,200	57,753	8,470	1,708	-	40,530	-	-	-	33,268	63,066	7,007	221,002
Sebastopol Independent Charter	10,580	92,023	20,898	4,931	-	74,829	-	-	-	80,808	153,185	17,021	454,275
Sonoma Valley Unified	281,067	2,737,619	319,641	62,980	620,834	2,147,338	3,822,865	955,716	4,778,581	1,163,943	2,210,472	245,164	14,567,639
Woodland Star Charter	11,040	100,806	18,273	4,191	-	110,496	-	-	-	70,079	132,847	14,761	462,493
Sonoma Charter	16,560	112,619	14,573	3,195	29,515	119,810	213,295	53,324	266,619	56,136	106,417	11,824	737,268
Twin Hills Union Elementary	16,100	129,341	31,545	6,659	32,830	159,382	283,746	70,936	354,682	119,865	227,227	25,247	1,102,878
Orchard View	-	14,336	17,598	-	-	-	-	-	-	-	128,635	14,293	174,862
Sunridge Charter	7,820	75,801	19,510	4,409	-	-	-	-	-	75,784	143,662	15,963	342,949
Twin Hills Charter Middle	11,040	75,894	16,682	4,113	-	-	-	-	-	64,368	122,022	13,558	307,677

# Grant Award Amounts

	GEER	CRF	Prop 98	Prop 98						AB86- COVID-19 relief & school reopening, reporting & public health			
Program	SB98 Learning Loss Mitigation			SB117	Elementary & Secondary School Emergency Relief								TOTAL
Resource	3215	3220	7420	7388	3210	3212	TBD	TBD	ESSER III	7422	7425	7426	
District	Award	Award	Award	Award	Award	Preliminary	ESSER III 80%	ESSER III 20%	Total Estimate	Preliminary	Preliminary	Preliminary	TOTAL
Two Rock Union	9,660	77,917	12,044	2,708	11,821	46,305	82,436	20,609	103,045	46,406	87,970	9,775	407,651
Waugh Elementary	34,041	241,188	60,157	14,335	40,555	208,424	371,053	92,763	463,816	228,639	433,427	48,159	1,772,741
West Side Union Elementary	7,360	64,194	13,035	2,969	-	-	-	-	-	48,595	92,120	10,236	238,509
Wilmar Union Elementary	12,420	90,950	17,756	4,116	33,442	132,721	236,280	59,070	295,350	66,158	125,415	13,935	792,263
Wright Elementary	64,862	885,345	88,134	16,876	223,590	887,344	1,579,722	394,930	1,974,652	327,501	636,839	68,982	5,174,125
Wright Charter	28,521	391,939	37,733	7,521	-	-	-	-	-	142,765	277,637	30,071	916,187
Cotati-Rohnert Park Unified	362,489	2,875,068	450,256	94,801	514,126	2,202,726	3,921,470	980,368	4,901,838	1,720,283	3,288,117	362,346	16,772,050
Credo High	15,180	157,239	33,751	6,704	-	131,880	-	-	-	129,198	245,920	27,213	747,085
Windsor Unified	332,128	2,111,807	306,944	64,188	279,594	1,146,345	2,040,817	510,204	2,551,021	1,140,169	2,211,403	240,156	10,383,755
Village Charter	5,520	44,390	7,848	1,757	-	40,530	-	-	-	30,565	69,942	6,438	206,990
Cali Calmecac Language Academy	53,821	559,564	88,084	19,781	-	-	-	-	-	341,731	657,815	71,979	1,792,775
Healdsburg Unified	74,062	729,138	97,843	19,554	221,302	756,402	1,346,607	336,652	1,683,259	435,410	845,402	91,711	4,954,083
Healdsburg Charter	9,200	84,425	16,400	3,795	-	-	-	-	-	-	-	-	-
	4,588,142	39,182,527	5,588,320	1,099,676	7,316,864	32,094,903	53,462,115	13,365,529	66,827,644	20,651,359	41,059,326	4,484,266	222,703,770



Updated 3-28-2021

# Accounting & Compliance schedule

Program	SB98 Learning Loss Mitigation			SB117	Elementary & Secondary School Emergency Relief			AB86- In Person Instruction (IPI) and Expanded Learning Opportunities (ELO)		
	LLM	LLM	LLM	COVID-19 relief	ESSER I	ESSER II	ESSER III	IPI	ELO	ELO paras
Program Acronym	Federal	Federal	State	State	Federal	Federal	Federal	State	State	State
Source	GEER	CRF	Prop 98	Prop 98	CARES	CRSAA	ARP	Prop 98	Prop 98	Prop 98
Funding	Sep-22	May-21	Jun-21	n/a	Sep-22	Sep-23	Sep-24	Aug-22	Aug-22	Aug-22
Spending deadline	3215	3220	7420	7388	3210	3212	TBD	7422	7425	7426
Resource	U	U	F	F	U	U	U	U	F	F
Unearned Revenue/Fund Bal	8290	8290	8590	8590	8290	8290	8290	8590	8590	8590
SACS Revenue Code										
<b>Federal requirements:</b>										
Excess Interest earned	YES	NO			YES	YES	YES			
Private School Equitable Services	YES	NO			YES	NO	NO			
Supplement not supplant	NO	NO			NO	NO	NO			
Maintenance of Effort	YES	NO			YES	YES	YES			
NEW Maintenance of Equity	n/a	n/a			NO	NO	YES			
Indirect Costs	YES	NO			YES	YES	YES			
Cash dependent on reporting	YES	NO			YES	YES	YES			
<b>State requirements:</b>										
Plan required	Learning Continuity & Attendance Plan (in place of 2020-21 LCAP)								Expanded Learning Opportunity Grant Plan	
									Board Adoption by June 1, 2021	

# Time Restrictions

Resource	Program Name	Funding	FROM		SPENDING PERIOD THROUGH					
			2019-20	2020-21	2020-21	2020-21	2022-23	2022-23	2023-24	2024-25
			13-Mar-20		31-May-21	30-Jun-21	31-Aug-22	30-Sep-22	9/30/2023	9/30/2024
7388	COVID-19	Prop 98								
3215	LLM	GEER								
3220	LLM	CRF								
7420	LLM	Prop 98								
3210	ESSER I	CARES								
3212	ESSER II	CRSAA	12/27/2020							
TBD	ESSER III	ARP	3/11/2021							
7422	IPI	Prop 98								
7425	ELO	Prop 98								
7426	ELO paras	Prop 98								



# Allowable Uses of funds

Updated 3-28-2021

# LEARNING LOSS MITIGATION FUNDS (LLM)

Funds shall be used for activities that directly support pupil academic achievement and mitigate learning loss related to COVID-19 school closures, and shall be expended for any of the following purposes:

- ✓ 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.
- ✓ Extending instructional school year or take any other action that increases the amount of instructional time/services provided based on student's learning needs.
- ✓ Provides additional academic services, instructional materials or supports, or devices/connectivity.
- ✓ Provides integrated supports to address learning barriers and training to teachers and parents, access to school meals, or socio-emotional programs.



# LEARNING LOSS MITIGATION FUNDS (LLM)

## Examples of Allowable Uses

- 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 normal restrictions)
- Any technology for in-person or distance learning, including access/connectivity, software, LMS, subscriptions, text adoptions with online resources
- Teacher and parent professional learning
- Program enhancements
- “Repurposed” staff protected by layoff prohibition
- Similar services for preschool aged children
  
- The latest CRF guidance & FAQs from U.S. Department of the Treasury and LLM funding resources from the CDE may be found here:
- <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>
- <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>
- <https://www.cde.ca.gov/fg/cr/learningloss.asp>
- <https://www.cde.ca.gov/fg/cr/llmffaq.asp>

# Elementary & Secondary School Emergency Relief Funds CARES ACT - ESSER I

Overarching purpose is to prevent, prepare for, and respond to coronavirus

Allowable Uses for ESSER I are listed in twelve broad categories (Section 18003(d) of the CARES Act):

1. Any purpose authorized by ESEA as amended by ESSA, IDEA, the Adult Education & Literacy Act, the Perkins CTE Act and the McKinney Vento Homeless Assistance Act
2. Coordination of preparedness and response efforts with public health;
3. Providing principals and other school leaders with the resources necessary to address the needs of their individual schools;
4. Activities to address unique needs of low-income students, students with disabilities, English learners, racial and ethnic minorities, homeless and foster youth;
5. Developing and implementing procedures and systems to improve the preparedness and response efforts of local educational agencies
6. Training and professional development for staff of the LEA on sanitation and minimizing the spread of infectious disease
7. Purchasing supplies to sanitize and clean the buildings operated by LEAs

# Elementary & Secondary School Emergency Relief Funds CARES ACT - ESSER I

Overarching purpose is to prevent, prepare for, and respond to coronavirus

Allowable Uses for ESSER I are listed in twelve broad categories (Section 18003(d) of the CARES Act):

8. Planning for and coordinating during long-term closure, including providing meals to eligible students, providing technology for online learning for all students, providing guidance for carrying out requirements under IDEA and ensuring other educational services can continue to be provided consistent with all requirements
9. Purchasing educational technology (including hardware, software and connectivity) that aids in regular and substantive educational interaction between students and classroom instructors
10. Providing mental health services and supports.
11. Planning and implementing activities related to summer learning and supplemental afterschool programs and addressing the needs of low-income students with disabilities, English Learners, migrant students, foster youth and students experiencing homelessness
12. Other activities that are necessary to maintain the operation of and continuity of services and continuing to employ existing staff

# Elementary & Secondary School Emergency Relief Funds CRRSAA - ESSER II

The CRRSAA Act Section 313(d) added 3 new broad categories of allowable use identified below. Although the language is new to CRRSAA, the US Department of Education has indicated ESSER I funds may also be used for these purposes:

1. Addressing learning loss among students, including low-income students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and children and youth in foster care... including by
  - Administering and using high-quality assessments that are valid and reliable
  - Implementing evidence-based activities to meet the comprehensive needs of students
  - Providing information and assistance to parents and families on how they can effectively support students
  - Tracking student attendance and improving student engagement in distance education.

# Elementary & Secondary School Emergency Relief Funds CRRSAA - ESSER II

2. School facility repairs and improvements to enable operation of schools to reduce risk of virus transmission and exposure to environmental health hazards, and to support student health needs.
3. Inspection, testing, maintenance, repair, replacement, and upgrade projects to improve the indoor air quality in school facilities, including mechanical and non-mechanical heating, ventilation, and air conditioning systems, filtering, purification and other air cleaning, fans, control systems, and window and door repair and replacement.

See CDE's website at <https://www.cde.ca.gov/fg/cr/esserfaqs.asp> for frequently asked questions about ESSER funds

See the federal Office of Elementary & Secondary Education's frequently asked questions at <https://oese.ed.gov>

# Elementary & Secondary School Emergency Relief Funds CRRSAA - ESSER II

- U.S. Department of Education has noted that the “additional allowable” uses under ESSER II are also permitted under ESSER I authorized by the CARES Act. For additional information refer to the Fact Sheet available on the U.S. Department of Education’s website at [https://oese.ed.gov/files/2021/01/Final\\_ESSERII\\_Factsheet\\_1.5.21.pdf](https://oese.ed.gov/files/2021/01/Final_ESSERII_Factsheet_1.5.21.pdf).
- Congress set-aside funding in the CRRSAA to establish the Emergency Assistance to Non-public schools (EANS) program. More information is available at <https://www.cde.ca.gov/fg/cr/eansfaqs.asp>. As a result, the requirement to consult with private schools regarding the equitable services requirement does not apply to ESSER II
- See CDE’s [CRRSAA webpage](#) for more information

# Elementary & Secondary School Emergency Relief Funds ARP - ESSER III

Overarching purpose – drops “to prevent, prepare for, and respond to coronavirus”  
Instead states purpose is to “carry out this section”

- Must reserve at least 20% of the grant amount for learning loss mitigation
  - Through the implementation of evidence-based interventions, such as summer learning, extended day, comprehensive afterschool programs, or extended school year programs, and ensure that such interventions respond to students’ academic, social, and emotional needs and address the disproportionate impact of the coronavirus on the following student subgroups (I) each major racial and ethnic group; (II) economically disadvantaged students as compared to students who are not economically disadvantaged; (III) children with disabilities as compared to children without disabilities; (IV) English proficiency status; (V) gender; and (VI) migrant status]], students experiencing homelessness, and children and youth in foster care

# Elementary & Secondary School Emergency Relief Funds

## ESSER III

Additional allowable uses under ESSER III include

- Developing strategies and implementing public health protocols including, to the greatest extent practicable, policies in line with guidance from the [CDC] for the reopening and operation of school facilities. USED has identified this activity is also allowable using ESSER I and II grant funds.

Activities that are NOT authorized under ESSER III (vs. ESSER I & II):

- Activities authorized by the McKinney Vento Homeless Students Act because there is dedicated funding in the ARP for students experiencing homelessness.
- Providing principals and other school leaders with the resources necessary to address the needs of their individual schools is NOT an authorized activity under ESSER III

Equitable Services provision does NOT apply to ESSER III

- Congress set-aside funding in the ARP for the Emergency Assistance to Non-public schools (EANS) program. More information is available at <https://www.cde.ca.gov/fg/cr/eansfaq.asp>. As a result, the requirement to consult with private schools regarding the equitable services requirement does not apply to ESSER III

See the federal OESE webpage for the [ESSER fund](#) for more information



# Elementary & Secondary School Emergency Relief Funds

## Construction costs

- May be charged to ESSER grants if the construction is needed to prevent, prepare for and respond to the Coronavirus.
- Requires prior written approval from CDE by submitting an [application](mailto:EdReliefFunds@cde.ca.gov) to EdReliefFunds@cde.ca.gov
- Must meet general cost principles (reasonable, necessary, allocable)
- Must follow federal procurement requirements
- Must follow federal construction regulations including Davis-Bacon prevailing wage requirements
- Must be timely implemented

# AB86 Covid-19 Relief & School Reopening

## In Person Instruction

- In person instruction grants may be used for any purpose consistent with providing in-person instruction for any pupil participating in in-person instruction including, but not limited to:
  - COVID-19 testing
  - Cleaning and disinfection
  - Personal Protective Equipment
  - Ventilation and other upgrades necessary for health and safety
  - Salaries for staff providing in-person instruction or services, and
  - Social and mental health support services provided in conjunction with in-person instruction

# AB86 Covid-19 Relief & School Reopening

## In Person Instruction

- Pursuant to EC Section 43520.5, in-person instruction means instruction under the immediate physical supervision and control of a certificated employee of the LEA while engaged in educational activities required of the pupil.
- For the purposes of the IPI and ELO Grants, pursuant to EC Section 43504(b), in-person instruction may include hybrid models offering fewer than five days per week of in-person instruction, provided that the LEA is offering in-person instruction to the greatest extent possible.

# AB86 Covid-19 Relief & School Reopening

## Expanded Learning Opportunities

- LEAs shall use at least 85% of the Expanded Learning Opportunities grant for expenditures related to providing in-person services pursuant to the list of allowable costs that follows.
- LEAs that forfeit In-Person instruction grant funds may use up to 10% of the grant to support school re-opening for instructional services related to learning loss. Funds expended under this clause count towards the 85% requirement.
- LEAs shall use at least 10% of the grant of the to hire paraprofessionals to provide supplemental instruction and support through the duration of this program, with a priority for full-time paraprofessionals. Intent is that LEAs prioritize rehiring paraprofessionals subject to layoff or release after the expiration on June 30, 2021 of the protections included for classified employees for the 2020-21 school year. The amounts required under this section count towards the 85% requirement.
- LEAs may expend up to 15% of the grant to increase or improve services for pupils participating in distance learning or to support activities intended to prepare an LEA for in-person instruction.

# AB86 Covid-19 Relief & School Reopening Expanded Learning Opportunities

Seven supplemental instruction and support strategies may be supported with grant funds:

1. Extending instructional time beyond requirements in 2021-22 and 2022-23
2. Accelerate progress to close learning gaps with learning supports including but not limited to:
  - Tutoring or small group learning supports
  - Learning recovery programs and materials
  - Educator training in accelerated learning strategies and addressing learning gaps
  - Integrated pupil supports to address other barriers to learning – health, counseling, or mental health services, access to school meals, before and after school programs, or programs to address trauma and SEL, or referrals for support for family or pupil needs
  - Community learning hubs
  - Supports for credit deficient pupils to complete graduation or grade promotion requirements and to increase or improve pupils' college eligibility
  - Other academic pupil services such as diagnostic, progress monitoring, & benchmark assessments
  - Training for school staff on trauma informed practices

# AB86 Covid-19 Relief & School Reopening

## Expanded Learning Opportunities (continued)

3. Integrated student supports to address other barriers to learning, such as the provision of health, counseling, or mental health services, access to school meal programs, before and after school programs, or programs to address student trauma and social-emotional learning, or referrals for support for family or student needs.
4. Community learning hubs that provide students with access to technology, high-speed internet, and other academic supports.
5. Supports for credit deficient students to complete graduation or grade promotion requirements and to increase or improve students' college eligibility.
6. Additional academic services for students, such as diagnostic, progress monitoring, and benchmark assessments of student learning.
7. Training for school staff on strategies, including trauma-informed practices, to engage students and families in addressing students' social-emotional health needs and academic needs.

Please see CDE's [AB86 resource page](#) including [Frequently Asked Questions](#) for more information



# Application & Plan Requirements

Updated 3-28-2021

# Federal application requirements

- Learning Loss Mitigation
  - LEAs are required to submit the LLM Legal Assurances by April 7, 2021 to receive funding under GEER and the General Fund. The date to submit legal assurances for Coronavirus Relief Funds (CRF) has passed.
- ESSER
  - LEAs must submit the ESSER II Legal Assurances by 3-19-21 to be included in first apportionment. You need a password to submit assurances through CDE's [portal](#) .
  - An LEA that receives ARP ESSER III funds must, within 30 days of receiving the funds, make publicly available on its website a plan for the safe return to in-person instruction and continuity of services. Before making the plan publicly available, the LEA must seek public comment on the plan. If the LEA has already posted such a plan, there is no requirement to take back through public comment.
  - LCAP Federal Addendum – Must be updated to include information on the LEAs Title I program if not previously included



# State requirements: Learning Continuity & Attendance Plan

- SB98 added Education Code 43509 required LEAs to adopt a Learning Continuity and Attendance plan which should include Learning Loss Mitigation funds.
- The plan should describe how federal and state funding is used and should at a minimum include all COVID-19 relief funds or explain how these expenditures will be included in the first interim budget report.
- The plan template is available on CDE's website at <https://www.cde.ca.gov/re/lc/learningcontattendplan.asp>
- The 2021-22 through 2023-24 Local Control and Accountability Plan, to be adopted on or before **July 2021**, includes a requirement for an Annual Update on the Learning Continuity & Attendance Plan

# AB86 Certification, reporting, & plan

## In-Person Instruction grants:

LEAs must provide additional information in reporting to the California Department of Public Health (CDPH) including elements relative to student enrollment by school site and the number attending in-person for instruction and supports beginning March 22, 2021.

In addition to this reporting, LEAs will be required to submit a certification form to CDE by June 1, 2021. The CDE will post the form by May, 2021 to the [AB86 page](#)

## Expanded Learning Opportunity (including paraprofessional reserve) grants:

AB86 added Education Code [43520-43525](#) which requires that on or before June 1, 2021 governing boards shall adopt at a public meeting a plan describing how the Expanded Learning Opportunity and paraprofessional reserve grant funds will be used in accordance with statute to provide supplemental instruction and support. Districts should submit the plan to the COE within 5 days of adoption, but the plan is **not** subject to review and approval

Actual expenditures shall be reported when available and no later than December 1, 2022

# Expanded Learning Opportunities Grant Plan

The Expanded Learning Opportunities Grant [plan template](#) requires

- A description of how parents, teachers, and school staff were involved in the development of the plan
- A description of how students will be identified and the needs of students will be assessed
- A description of how parents and guardians will be informed of the opportunities for supplemental instruction and support
- A description of the LEA's plan to provide supplemental instruction and support
- An expenditure plan broken out by the seven allowable instruction and support strategies shall reflect both estimated and actual expenditures (when they become available)
- How this grant will be coordinated with the ESSER II grant provided through CRRSAA.



# Compliance & Reporting Requirements

Updated 3-28-2021

# Federal Compliance Requirements

Program	SB98 Learning Loss Mitigation		Elementary & Secondary School Emergency Relief		
	LLM	LLM	ESSER I	ESSER II	ESSER III
Source	Federal	Federal	Federal	Federal	Federal
Funding	GEER	CRF	CARES	CRSAA	ARP
Spending deadline	Sep-22	May-21	Sep-22	Sep-23	Sep-24
Resource	3215	3220	3210	3212	TBD
Unearned Revenue/Fund Bal	U	U	U	U	U
SACS Revenue Code	8290	8290	8290	8290	8290
Federal requirements:					
Excess Interest earned	YES	NO	YES	YES	YES
Private School Equitable Services	YES	NO	YES	NO	NO
Supplement not supplant	NO	NO	NO	NO	NO
Maintenance of Effort	YES	NO	YES	YES	YES
NEW Maintenance of Equity	n/a	n/a	NO	NO	YES
Indirect Costs	YES	NO	YES	YES	YES
Cash dependent on reporting	YES	NO	YES	YES	YES

# Equitable Services

Most federal awards to school districts require LEAs to consult with private schools to provide an opportunity for participation in federally funded services for K-12 students.

- Coronavirus Relief Fund Learning Loss Mitigation Funds are NOT subject to equitable services provisions
- CRRSAA ESSER II and ARP ESSER III funds are NOT subject to equitable services
- GEER and CARES Act ESSER I funds ARE subject to equitable services
- Contact private schools **located** in the district's boundaries
- Identify the subject federal programs being conducted by the district and solicit private school participation in services
- Follow-up if no response is received
- Calculate the amount of funding to provide equitable services
- Prepare a plan for services – it is not permissible to provide funding to the private school
- Document outreach, responses and services provided

# Calculating Equitable Services

Under Title I, Part A of ESEA, LEAs determine the amount of funding to provide equitable services by a count of qualifying low-income students enrolled in non-public schools in the district's geographic boundaries.

To find private schools in your boundaries please use the School Directory maintained by CDE at <https://www.cde.ca.gov/SchoolDirectory>

See CDE's FAQs page for more information:  
<https://www.cde.ca.gov/fg/cr/esserfaqs.asp>

# Supplement not Supplant

- Supplement not Supplant regulations do NOT apply to ESSER funds. Thus, there is no prohibition on an LEA using ESSER funds to pay expenses formerly funded by another source.
- The CR Funding and the GF do NOT include a supplement not supplant provision.
- Please note that maintenance of effort requirements must still be met (SACS Form ESSAMOE) for most federal programs and that a new Maintenance of Equity provision in the American Rescue Plan applies to 2022 and 2023



# Maintenance of Equity

NEW “Maintenance of Equity” requirement in the ARP applies to 2022 and 2023

- LEA cannot reduce per-pupil funding for “high-poverty school” more than total reduction divided by number of students currently enrolled in LEA. State and local funding combined
- LEA cannot reduce ***per-pupil, full-time equivalent*** staff in a high-poverty school more than the total reduction divided by number of students currently enrolled in LEA
- “High-poverty school” is a “school that is in the highest quartile of schools served by such local educational agency based on the percentage of economically disadvantaged students served, as determined by the State.”
- LEA MOE exceptions:
  - LEAs with fewer than 1000 students
  - Single-school LEAs
  - LEAs with one school per grade span
  - LEAs that “demonstrate[] an exceptional or uncontrollable circumstance, such as unpredictable changes in student enrollment or a precipitous decline in the financial resources of such agency, as determined by the Secretary of Education.”

# Cash

## LEARNING LOSS MITIGATION FUNDS (LLM)

- 100% of the Coronavirus Relief Fund cash (resource 3220) will be distributed in early September 2020
- 100% of the Prop 98 General Fund (resource 7420) will also be distributed in early September 2020
- 25% of the Governor's Emergency Education Relief Funds (resource 3215) will be distributed in December 2020. Future distributions are dependent on reporting the expenditure of federal funds through CDE's federal cash management system. GEER funds are subject to federal cash management and the federal interest calculation

## AB86 COVID-19 Relief and School Reopening Grants

- In May 2021, eligible entities will receive an apportionment that represents 50 percent of their allocation for both the IPI and ELO Grants. In August 2021, eligible entities will receive the remaining 50 percent of their allocation, less any reduction or forfeiture of IPI Grants described below.

## ELEMENTARY & SECONDARY SCHOOL EMERGENCY RELIEF FUNDS (ESSER)

- ESSER funds (resources 3210, 3212 & TBD) are also subject to federal cash management and after the initial distribution will be distributed as expenditures are reported. ESSER funds are subject to federal cash management as well as the federal interest calculation

# Time & Effort Requirements

- ESSER and GEER funds require that time and effort documentation is required if salary is split between activities that are allowable under ESSER and GEER and activities that are not allowed.
- In all cases we are required to maintain systems of internal control over budgetary and financial reporting. Therefore, we recommend all LEAs maintain documentation of salaries charged to the federal stimulus. Having documentation will also allow greater flexibility in where costs are finally charged.
- Please see the CDE's [COVID-19 Time and Effort Requirements](#) webpage and the U.S. Department of Education (USDE) [fact sheet](#)

# Reporting

The CDE will be requiring LEAs to report monthly on the use of funds. Reporting information will need to be broken down for four different funds:

- 1. ESSER Funds (resource 3210, 3212 and TBD)
- 2. GEER Fund (resource 3215)
- 3. Coronavirus Relief Fund (resource 3220)
- 4. General Fund (resource 7420)

For GEER, Coronavirus Relief, and General Funds (making up the Learning Loss Mitigation Funding) LEA's will have to report on the approximate percentage of funds expended for the following uses:

- Addressing learning loss or accelerating progress to close learning gaps through the implementation, expansion, or enhancement of learning supports.
- Extending the instructional minutes, time, or school year to increase the amount of instructional time or services provided to pupils based on their learning needs.
- Providing additional academic services for pupils.
- Providing health, counseling, or mental health services.
- Professional development opportunities to help teachers and parents support pupils in distance-learning contexts.
- Access to Nutrition.
- Pupil trauma and social-emotional learning.

# Reporting

LEA's will have to report on the approximate percentage of ESSER Funds expended for the following uses:

- Coordination of preparedness and response efforts of LEAs.
- Resources necessary to address the needs of individual schools.
- Activities to address the unique needs of low-income children or students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth.
- Planning for and coordinating on long-term closures. Sanitation and minimizing the spread of infectious disease
- Purchasing educational technology.
- Mental health services and supports
- Summer learning and supplemental after-school programs.
- Other activities that are necessary to maintain the operation and continuity of services in LEAs and to continuing the employment of their existing staff

# State Reporting

## Learning Continuity and Attendance Plan (LCP)

- LEAs must complete an Annual Update to accompany the 2021-22 Local Control and Accountability Plan to report on estimated actual expenditures for the 2020-21 fiscal year as compared to budgeted amounts in the LCP

## Expanded Learning Opportunities Grant Plan

- LEAs must update the Expanded Learning Opportunities Grant Plan by **December 1, 2022** to include actual expenditures for the grant funds received under AB86 for Expanded Learning Opportunities (ELO) including the reserve for paraprofessionals.

# Additional Resources

- [CDE Federal Funding Flexibility](#)
- [CDE Federal Stimulus](#)
- [CDE CARES Act ESSER Funding](#)
- [CDE CRRSAA Act Funding](#)
- [CDE COVID-19 Relief and School Reopening Grants](#)
- [CDE Learning Loss Mitigation Funding](#)
- [CDE Coronavirus Response & School Reopening](#)
- [Federal Guidance on Coronavirus Relief Funds \(CRF\)](#)
- [Federal Guidance on GEER Funds](#)