



# CARES ACT Funding Support for LEAs

## December 26, 2020

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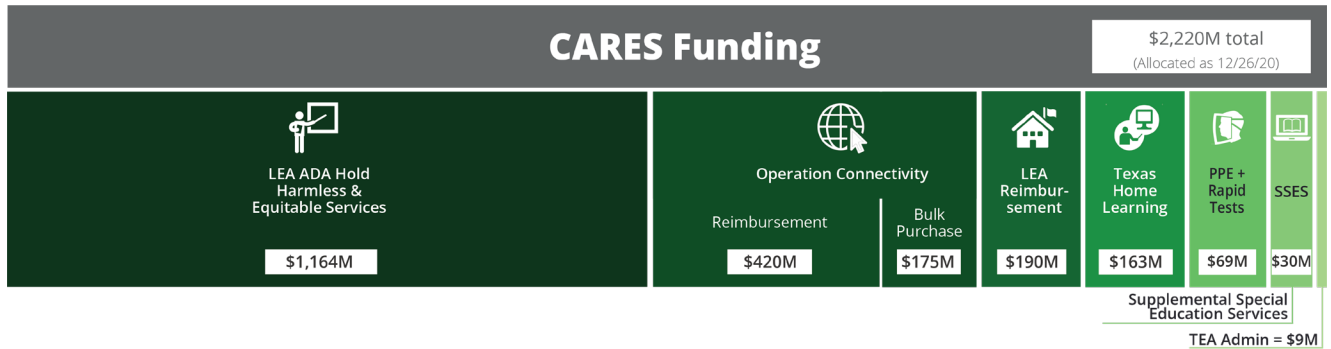
[tea.texas.gov/coronavirus](http://tea.texas.gov/coronavirus)

### Summary of State Financial Support to School Systems during COVID

COVID-19 has significantly reduced economic activity, and with it, sales and other tax revenues used to provide government services. Multiple states are actively proposing spending cuts in public education, given the crisis. Texas has taken a strategic approach to maximize federal funding streams; this strategic approach will help to avoid the need for cuts in future school years.

State leadership has focused the use of federal funding toward several objectives. The federal Elementary and Secondary School Emergency Relief (ESSER) Fund helped TEA hold Local Education Agencies (LEAs) harmless for attendance declines that occurred starting in March during the 2019-20 school year. Texas provided Personal Protective Equipment (PPE) to every district for the 2020-21 school year, reducing the need for that as a local district expense (although districts may need to purchase additional PPE), and is reimbursing districts for COVID-19 expenses through May 20<sup>th</sup>.

Through Operation Connectivity, funding has been provided to ensure students have access to broadband and digital devices at home. Separately, the Texas Home Learning initiative is providing free remote learning tools (e.g., Learning Management System, and high-quality curriculum that can be delivered to students remotely) as an option to districts that don't currently have it, so they don't have to incur the expense locally. Remote learning is new for many districts and these tools allow districts to have access to free high-quality materials to ensure student academic progress and recovery from learning loss during the pandemic. Texas is also providing supplemental special education services for students with complex learning needs.



## CARES Act

### Elementary and Secondary School Emergency Relief Fund (ESSERF)

- The Texas Education Agency received **\$1.286 billion** from the CARES Act ESSERF:

90% LEA Formula (proportionate share Title I, Part A)	\$1,157,297,458
9.5% TEA Discretionary	\$122,159,176
0.5% TEA Admin	\$6,429,430
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Total	\$1,285,866,064
- The funds must be returned if not awarded within one year of receipt.
- ESSER LEA Formula Funding was used as a Method of Finance to support a Foundation School Program (FSP) Average Daily Attendance (ADA) hold harmless for SY 2019-2020.
  - TEA waived the necessary statutory requirements so school systems could be held harmless for the lack of in-person attendance required to receive formula funding, without which LEAs would have seen budget reductions in excess of \$12.7B.
  - The CARES Act's ESSER Fund is a critical resource to support this hold harmless process. **Federal guidance explicitly authorizes the use of ESSER funding as a way for states to sustain their school finance system**, as long as net state funding remains above prior years. With historic increases to state funding through House Bill 3, state funding remains significantly above prior years.
- These funds can be used for numerous purposes including: "other activities that are necessary to maintain the operation of and continuity of services in local educational agencies and continuing to employ existing staff of the local educational agency."
- The LEA Formula funds must also be used to provide equitable services to private schools, estimated to average roughly 5%.
- As of December 15, 2020 - \$1,131,569,222 of the amount above has been awarded to LEAs, and LEAs have expended \$628,411,765 of these funds.

### Coronavirus Relief Fund (CRF)

- Texas was allocated a total of **\$11.24 billion** from the CARES Act as part of the CRF:

Large cities and counties – direct	\$3.2 billion
Smaller cities and counties – via the state	\$1.85 billion
State discretionary use	\$6.18 billion
- TEA surveyed 160 districts in late Spring 2020 and estimated that the LEA need would be \$325.8M for March – May 20<sup>th</sup>. The Governor's Office and Legislative Leadership made \$400M available from the CRF state discretionary fund for this reimbursement program (approximately \$190M was applied for and distributed, which is a net funding increase compared to their funding expectations for the year). This round of reimbursement was facilitated and managed by the Texas Division of Emergency Management (TDEM).
- The Operation Connectivity Bulk Order Purchase Program was funded out of the CRF state discretionary funds (\$140.4M) with some local counties and cities choosing to match funding with their local CRF funds. As part of Operation Connectivity, TEA implemented a bulk purchase local match to the city/county CRF funds (\$32.6M) for a total of \$172.6M which was spent on bulk purchase. Operation Connectivity Prior Purchase Reimbursement Program

includes \$420M of CARES Act funding to reimburse LEAs for eligible technology expenses from May 21<sup>st</sup> through December 11<sup>th</sup>. TEA is facilitating and managing this reimbursement program.

### **Other Funding Sources**

- **FEMA** [TDEM] provides reimbursement to LEA expenses ONLY for COVID-19-related custodial costs, at a 75% federal / 25% local split.
- **CARES Act: Project SERV** (School Emergency Response to Violence) [TEA] based on currently available info, may provide roughly \$10 million that can be used on a variety of COVID-19 expenses and will be proportionally distributed to all LEAs.
- **USDA** [TDA] has continued to fund LEAs on a formula basis based on meals served, although meal service volume has significantly declined, and there are no USDA funds above the per meal formulas previously used.

### **Other Highlights**

#### **Personal Protective Equipment (\$47M in resources):**

- TEA, in partnership with TDEM, secured a distributed enough PPE for each public and participating private school in Texas to operate for approximately two months, although for schools that were mostly remote, the PPE has lasted much longer.

#### **Texas Home Learning (\$163.2M in resources)**

- Provides resources for LEAs to ensure high quality remote learning, including a free learning management system and implementation supports.
- Initiative is funded from CARES ESSER state discretionary and CARES Governor's Emergency Education Relief (GEER) funds and a competitive grant won by TEA.

#### **Supplemental Special Education Services (SSES) (\$29.8M):**

- Provides families who have students with complex learning needs with an online account to purchase goods or services that benefit the educational needs of their students. This is intended to help families mitigate learning loss caused by COVID related school closures.
- Supported by CARES Act GEER funds.