

Coronavirus Aid, and Economic Security Act (CARES Act)

Following is provided for planning purposes only.

Education Stabilization Fund Grants

- Funding is available through September 30, 2021
- Total nationwide funding of \$30,750,000,000 for all Stabilization Fund programs
 - 2% reserved off the top for admin, Bureau of Indian Education programs, outlying areas, and coronavirus concentration grants (grants to States with highest burden) -- \$615,000,000
 - Leaves \$30,135,000,000 for grants to States across three categories of grants:
 - A. Governor's Emergency Education Relief Fund
 - B. Elementary and Secondary School Emergency Relief Fund
 - C. Higher Education Emergency Relief Fund

A. Governor's Emergency Education Relief Fund (\$2,953,230,000)

- USED will make Emergency Education Relief Grants to the Governor of each State with an approved application
Funding formula:
 - 60% based on relative total population 5 through 24,
 - 40% based on relative Title I student population
- Subawards can be made to LEAs, IHEs, and other educational organizations carrying out "emergency educational services to students for authorized activities," the provision of child care and early childhood education, social and emotional support, and protecting education-related jobs.

Notes:

- Very limited criteria for subawards – appears to be highly discretionary in allowing States to determine how allocation of funds can be made.
- Not clear how much will be for elementary and secondary education given both discretionary nature of subawards and broad category of organizations that are eligible for funds.
- As funding goes to the governor, it's not clear exactly how much DPI will or won't be involved in administering the funding.

B. Elementary and Secondary School Emergency Relief Fund (\$13,229,265,000)

- Per legislation, 43.9% of total grants to States. $43.9\% \times \$30,135,000,000 = \$13,229,265,000$
- USED will make grants to SEAs (DPI) – formula is essentially that NC DPI will receive the same proportion of the Emergency Relief Fund as it did from the most recent Title I award. Based on NC's Title I award as a percentage of the national Title I award, it is estimated that DPI will receive **\$388,875,202** as its share of the Emergency Relief Fund.

Note: These estimates are based on the assumption of maximum allowable reservations of funds at both the Federal and State levels and therefore are subject to change.

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North Carolina Federal FY 2019 Title I Award	\$466,200,028	Estimated Total Elementary and Secondary Emergency Relief Funds	\$13,229,265,000
Total Title I Grants to States (Nationwide) ⁽¹⁾	\$15,859,802,000	Estimated NC Elementary and Secondary Emergency Relief Award	\$388,875,202
NC Title I Award Percentage of Total (rounded)	0.0294		

(1) <https://www2.ed.gov/about/overview/budget/budget20/20action.pdf>

(ii) Reservations and Allocations

- Maximum of 10% (estimated \$38,887,520) can be reserved at the State, while minimum of 90% (estimated \$349,987,682) must be made as subgrants to LEAs and charters
 - Of the 10%, ½ of 1% (\$1,944,376) can be used for admin, while other 9.5% (\$36,943,144) can be used for “emergency needs” to address responding to coronavirus
- From the State Aid portion, the formula for subawards is that each LEA is to receive the same proportion of funds as they received under Title I, Part A (similar to allocation formula for Title IV-A – PRC 108)

Note: This might be a good way to encourage any eligible charters who haven’t finished their Title I applications to seek those funds because the CARES Act clearly limits funding to entities that “received” Title I funds.
- DPI has 1 year from receipt of funds to make all subawards or the remaining funding will be reallocated to other States

(iii) Use of Funds:

- Any activity for any authorized ESEA program, IDEA program, CTE or Adult Education Program, Homeless Youth Education Program

Note: Federal Programs will need to engage with other Divisions from DPI in review of budgets and such to make sure that any proposed uses of funds in the IDEA or CTE realms are allowable – if there are any LEAs that opt to use funds for those purposes, which might not be likely as there are other broader emergency related allowable uses of funds (i.e., this more likely comes into play if an LEA has more funds than they can spend on coronavirus related costs).
- Coordination of coronavirus response efforts between an LEA and other government organization
- Providing principals and other school leaders with the resources necessary to address individual school needs
- Activities to address the unique needs of special student populations (e.g., low-income, disabled students, ELLs, minority students, homeless students, foster care students, etc.)
- Developing and implementing procedures and systems to improve the preparedness and response efforts of LEAs
- Training or PD for staff on sanitation and minimizing the spread of infectious diseases
- Purchasing sanitation supplies
- Planning for long term closures

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- Includes planning for providing meals to eligible students, planning for online learning, planning for meeting the requirements of IDEA during distance learning, etc.
- Purchasing educational technology (including hardware, software, and connectivity) for students served by the LEA – which can also include assistive technology for disabled students
- Providing mental health services and support
- Planning and implementing activities related to summer learning and supplemental after-school programs
- “Other activities that are necessary to maintain the operation of and continuity of services in LEAs” and continuing to employ existing staff of the LEA.

(iv) Equitable Services

- Equitable services must be provided through both the Governor’s Emergency Relief Fund and the Elementary and Secondary Emergency Relief Fund
- Must mirror equitable services provided in Title I, including consultation requirements

Note: For Governor’s Emergency Relief Fund, assume that would only apply to subgrants made to LEAs, but additional guidance from Feds will likely be forthcoming.

(v) Continued Payment to Employees

- Law clearly requires SEA and LEA that receives funds to continue to pay its employees and contractors during the period of disruptions or closures related to coronavirus
 - There will probably be additional guidance provided here but may mean that funds can be used for emergency leave (likely at both State and local level)

(vi) MOE/MFS

- State has to maintain support for elementary and secondary education at levels that are the average of the State’s support in the three fiscal years preceding the date of enactment
 - May be waived if there is a precipitous decline in financial resources

Next Steps

- The feds are determining which federal agency is going to administer the programs – so we are still a little ways off from application and funding receipt.
- Likely allotments will be between 75 and 90 days from April 1.
- DPI can begin work on subaward applications and budgeting, policy approval, getting the financial system set up to handle the funds, etc.