TO: Council of Chief State School Officers
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RE: Brief Background and Short-Term Implementation Checklist for K-12 CARES Act Funding

Below is a brief summary of K-12 CARES Act funding and a short-term checklist of issues for SEAs to consider about receiving, awarding, and managing CARES Act funding.

**Summary of Elementary and Secondary School Emergency Relief Fund**
- Over $13 billion. SEA-administered. Funds flow from ED to SEAs, which then must allocate not less than 90 percent of the funding to 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).
- SEAs may use some funds for administration (0.5%) and the rest for emergency needs to respond to the coronavirus as determined by the SEA.

**Summary of Governor’s Emergency Education Relief Fund**
- Approximately $2.9 billion. Administered by the Governor. Funds can be used for:
  - Emergency support to LEAs the SEA deems most significantly impacted by coronavirus,
  - Emergency support to 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.

**Short-Term Implementation Checklist**

**Receiving Funds from ED (CARES Act Sec. 18002(a) and 18003(a))**

- **For Elementary and Secondary School Emergency Relief Fund:**
  - Designate a point of contact who will be responsible for submitting the state application for Elementary and Secondary School Emergency Relief Funds to ED.
  - Develop a system for drawing down funds:
    - Plan for accessing G5 (ED’s grant management system). Remote working may cause technical challenges.
    - Consider adding approved G5 users to ensure backups are available if needed.
    - Train new G5 users if necessary.

- **For Governor’s Emergency Education Relief Fund:**
  - Designate a point of contact who will be responsible for coordinating with the Governor.
  - Agree on the infrastructure supports the SEA will provide to the Governor.
Flowing Funds from SEA to LEA (CARES Act Sec. 18002(c) and 18003(c))

- **For Elementary and Secondary Emergency Relief Fund:**
  
  o Determine what, if any, information the SEA will require LEAs to submit to receive funds.
    ▪ Note: The CARES Act does not specifically require LEAs to submit an application to the SEA to receive funds. Additional clarification from ED will be helpful, but in the meantime, SEAs might consider:
      - Minimizing burdens to flow funds quickly.
      - What, if any, data should be collected on the front end to comply with CARES Act reporting requirements.
      - What, if any, assurances the SEA wants from its LEAs on the front end (for example, assurances related to data reporting, recordkeeping, etc.).
  
  o Determine what systems and processes the SEA will use to manage the new funding.
    ▪ Will the SEA use its existing grants management system?
    ▪ Can the existing system flow the funds promptly?
    ▪ What, if any, modifications are needed to the existing system?
  
  o Determine how the SEA will track and account for spending, for example, by developing new account codes as needed to distinguish CARES Act funds from other funding sources. Key considerations include:
    ▪ Meeting federal financial management requirements,
    ▪ Facilitating CARES Act reporting under Sec. 15011 (which may include building on the systems developed to comply with ARRA reporting requirements), and
    ▪ Potential effects on per-pupil expenditure reporting under ESEA.

- **For Governor’s Emergency Relief Fund:**
  
  o Determine how the SEA will decide which LEAs have been most significantly impacted by coronavirus (Sec. 18002(c)(1)).
  
  o Determine what role, if any, the SEA will play in flowing funds to LEAs.

Meeting CARES Act Equitable Services Requirements (CARES Act Sec. 18005)

- **For both Elementary and Secondary Emergency Relief Fund and Governor’s Emergency Relief Funds:**
  
  o Assist LEAs in complying with equitable services requirements. Key actions could include:
    ▪ Defining the role and duties of the SEA ombudsman for CARES Act requirements.
    ▪ Helping LEAs understand their equitable services obligations while ensuring compliance with equitable services does not unduly delay the deployment of funds. Actions could include developing state guidance, template forms, and other technical assistance tools.
    ▪ Establishing reasonable expectations for consultation and other requirements under circumstances where in-person meetings are not possible.
    ▪ Facilitating virtual group meetings between private and public school stakeholders where appropriate.
Meeting Maintenance of Effort (MOE) Requirements (CARES Act Sec. 18008)

- **For both Elementary and Secondary Emergency Relief Fund and Governor’s Emergency Relief Funds:**
  - Prepare to either comply with the MOE assurance or seek a waiver by performing initial calculations and proactively talking to the Governor and State legislature.
  - Consider how to track supplemental State appropriations in response to coronavirus for potential exclusion from future MOE calculations.
  - Consider how LEAs should track supplemental State and local appropriations in response to coronavirus for potential exclusion from future MOE calculations.

Develop Spending Guidance (CARES Act Sec. 18003(d))

- **For Elementary and Secondary Emergency Relief Fund:**
  - Develop guidance that highlights urgently needed or effective activities that could be supported with emergency funds that are relevant to State and local needs.

Develop Budget Priorities for State-Level Funds (CARES Act Sec. 18003(e))

- **For Elementary and Secondary Emergency Relief Fund:**
  - Begin to develop budget priorities for the available state-level funding taking into consideration:
    - 0.5 percent for administrative costs, and
    - Remainder for emergency needs as determined by the SEA to address issues responding to coronavirus, which may be addressed through use of grants or contracts