



September 23, 2020

To: Legislative Budget Committee

From: Norma Volkmer, Fiscal Analyst

Re: Kansas State Department of Education COVID-19-Related Funding

KANSAS STATE DEPARTMENT OF EDUCATION COVID-19-RELATED FUNDING AND EXPENDITURES

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, enacted on March 27, 2020, provided \$150.0 billion in direct relief from the U.S. Department of the Treasury to states, tribal governments, and U.S. territories through the federal Coronavirus Relief Fund (CRF). CRF moneys were allocated to States based on their populations, with no state receiving less than \$1.25 billion. Direct relief from the CRF was made available to local units of governments that serve populations exceeding 500,000. U.S. Department of the Treasury guidance stipulated that CRF moneys may be used only for expenditures related to COVID-19, cannot be used to fill revenue shortfalls, and must be expended by December 30, 2020.

Kansas was allocated \$1.25 billion in CRF moneys from the U.S. Department of the Treasury, with \$1.03 billion allocated to state government and \$215.9 million allocated for direct relief to local units of government in Johnson County and Sedgwick County. HB 2016 (2020 Special Session) appropriated the state government's allocation of \$1.03 billion to the state Coronavirus Relief Fund (state CRF) in the Office of Governor.

On July 15, 2020, \$400.0 million was issued to county governments. Of the \$400.0 million, \$348.7 million was allocated to all county governments, except those that received direct relief from the federal government (Johnson and Sedgwick counties), based on a rate of \$194 per person. That is equivalent to the rate used by the federal government when determining the amount of direct relief for Johnson and Sedgwick counties. The remaining \$51.3 million was allocated to county governments, including those receiving direct federal relief, based on COVID-19 case rates and unemployment rates.

Reports submitted by county governments on August 15, 2020, indicated these funds were primarily utilized for public health measures, such as personal protective equipment; transfers to city governments; and aid to local educational institutions. Per the reports submitted, unified school districts (USDs) and other K-12 education institutions received, or will receive, approximately \$69.8 million from the state CRF.

The Kansas Department of Education (KSDE) also collaborated with other state agencies to determine how additional state CRF moneys could be allocated. Funded programs include \$40.0 million to the Kansas Children's Cabinet and Trust Fund (Children's Cabinet) for daytime child care for remote learners whose parents are at work, \$2.1 million to the Kansas Department of Health and Environment (KDHE) and Children's Cabinet for technology support for remote learning, and approximately \$20.0 million to KDHE for COVID-19 testing for K-12 educational institutions as part of a unified statewide testing effort..

In addition to the state CRF moneys, Congress appropriated \$13.2 billion to the Elementary and Secondary School Emergency Relief (ESSER) Fund to aid K-12 educational entities in preparing for the COVID-19 pandemic. Kansas was allocated \$84.5 million, which is the same proportion as received by Kansas under Part A of Title I of the Elementary and Secondary Education Act in federal fiscal year (FY) 2019. The funding was provided to the KSDE to disburse *via* the Education Stabilization Fund to the 286 USDs in Kansas.

At least 90.0 percent of the \$84.5 million must be allocated to local educational agencies. State education agencies may reserve one-half of 1.0 percent for administrative costs. The remaining amount may be reserved for emergency grants. KSDE allocated \$76.1 million, or 90.0 percent, of the \$84.5 million to be disbursed to the USDs when requested. \$8.0 million was set aside to be allocated to USDs for special education funding upon request. The final \$422,645 was allocated by KSDE to cover administrative costs, which is the maximum amount allowable under the CARES Act.

The Funding may be used for COVID-19 preparedness and response activities such as staff training and professional development, implementing response procedures and systems, and purchasing of sanitizing supplies. Funds may also be used for mental health services, addressing needs of disadvantaged students, implementing summer learning programs, coordinating long-term closures, and other activities necessary to maintain continuity of services in local education agencies and continuing to employ existing staff.

After one year of receiving the funds, any unused funds must be returned to the federal government. However, this Funding is available at the federal level until September 21, 2021. Funds from the Education Stabilization Fund require a maintenance of effort from states, meaning state support for K-12 and higher education in FY 2020 and FY 2021 must be maintained at the average level for FY 2017 through FY 2019.

In state fiscal year (SFY) 2020, KSDE drew down and disbursed \$7.4 million from the ESSER fund to USDs. No money was disbursed from the funding set aside for special education. As of September 22, 2020, for SFY 2021, \$20.4 million was drawn down and disbursed to USDs from the ESSER Fund and \$1.8 million was drawn down and disbursed for special education to USDs. In total, in SFY 2020 and for SFY 2021, USDs and other K-12 education institutions were allocated \$158.7 million from the CARES Act *via* the state CRF moneys provided to counties and the KSDE Education Stabilization Fund. Of this, \$44.5 million was drawn down or reimbursed as of September 22, 2020.