

Coexisting with COVID-19

School Finance Implications



FASTGROW
SCHOOL COALITION

Today's Outline



**FOUNDATION SCHOOL
PROGRAM UPDATE**



**FEDERAL FUNDING
UPDATE**



**STATE BUDGET UPDATE
& 87th SESSION PREVIEW**

2020-21 ADA Calculations

State Funding

- ADA calculations in 2020-21 will depend on the **method of instructional delivery**. Minimum attendance requirements for class credit will apply regardless of the instructional delivery method.
- Students that were enrolled in **private school or homeschooled in 2019-20 are not eligible for funding through remote instruction**. (Certain exceptions apply.)

2020-21 ADA Calculations

State Funding



In-Person



Synchronous

4 Methods of Instructional Delivery



Texas Virtual School
Network



Asynchronous

2020-21 ADA Calculations

State Funding

Schools must offer **in-person instruction daily** for every student and every grade level. Exceptions include:

- Closure of schools as directed by **state law***
- Partial or complete closure of schools due to an **out-break of coronavirus or other illness/hazard**
- The **start-of-school transition period**, if the district can stand up remote instruction for all students.
- The student has **committed to remote instruction** for the grading period

2020-21 ADA Calculations

State Funding

Districts can continue to provide remote course completion through the **Texas Virtual School Network (TXVSN)**

- Full-time virtual campuses will continue to receive funding for remote instruction
- Students must complete the TXVSN education program and receive passing grades (70% proficiency or greater)

2020-21 ADA Calculations

State Funding

The agency announced **two new methods** for students receiving instruction remotely:

- **Remote Synchronous Instruction:** Two-way, real-time instruction between teachers and students.
- **Remote Asynchronous Instruction:** Instruction delivered in a way that students and teachers are not directly interacting in real-time, such as pre-recorded videos or assigned readings and worksheets.

2020-21 ADA Calculations

State Funding

	Synchronous	Asynchronous
Attendance Method	<p>Teachers will take attendance much like they do on campus.</p> <p>Students logged in at documented time and fulfill the minutes requirements are marked “Present-Remote Synchronous” for the day.</p>	<p>Attendance will be based on daily student engagement (not the number of instructional minutes). This can include:</p> <ul style="list-style-type: none"> • Daily progress documented in a Learning Management System or through teacher-student interaction. • Completion and turning in of assignments.

2020-21 ADA Calculations

State Funding

	Synchronous	Asynchronous
Eligible Grade Levels	<p>Pre-K-2: Not eligible</p> <p>Grades 3-5: 180 instructional minutes required for full funding</p> <p>Grades 6-12: 240 instructional minutes required for full funding</p>	<p>All grade levels can generate ADA under approved asynchronous learning plans.</p>

2020-21 ADA Calculations

State Funding

	Synchronous	Asynchronous
Required Approval	<p>Districts will be required to submit an attestation, ensuring that its plan meets certain requirements.</p> <p>Access to the attestation checklist can be found here.</p>	<p>Districts will be required to apply to TEA for a waiver and submit an application that includes description of their instructional plan.</p> <p>Districts must also submit a separate plan for approval to mark a student as “Present-Asynchronous,” when instructional minutes requirement under synchronous or in-person instruction is not attainable for a given day.</p> <p>Letters of intent can be submitted now. Application window for plan approval will be open later this month.</p>

2020-21 ADA Calculations

State Funding

Given how erratic attendance will likely be next school year, the agency has proposed two **hold-harmless provisions**:

- 1) Will **exclude first two attendance periods from annual average** if data show a drop of more than 1% compared to the same periods in 2019-20.

A historical ratio based on attendance in 2018-19 will be applied to ADA counts.

- 2) **Remote asynchronous ADA** will be funded through the first three attendance periods without an approved plan. Unapproved instructional plans will not be funded after that point.

2020-21 ADA Calculations

State Funding

- TEA will also implement a **cap on remote attendance** next school year
- The aggregate attendance rate for synchronous or asynchronous attendance cannot exceed the aggregate attendance rate for 2018-19.
- In-person attendance is not subject to this cap.

More info can be found in TEA's [FAQ](#) or [PowerPoint Overview](#).

2020-21 School Year

Instructional Delivery

- Districts cannot ask for a student to **commit to an instructional delivery method** (besides TXVSN) until **2 weeks before the start of school***
- Districts must allow students to **change** instructional delivery settings **each grading period**
- Districts **must allow remote learners to visit campus** to complete course requirements that **require physical engagement** (e.g., welding)
- Districts can develop a **local policy that limits remote learners from participating in UIL activities** that require in-person instruction

Questions

State Funding

- **Additional expenses**
 - additional sanitation and instructional support staff
 - technology to support remote instruction
 - facilities costs for sneeze guards, hand sanitizing stations
- Adequate **funding for asynchronous instruction plans** that are not approved **after 1st semester grace period**
- Funding **impact of ADA adjustments** made due to low attendance during the 1st two six weeks attendance
- **NIFA funding impact** due to attendance fluctuations

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CARES Act

Federal Stimulus

- **CARES Act** was the 3rd of 4 stimulus packages passed in response to the COVID-19 pandemic.
- **\$2 trillion** package that includes 3 main education-related grant programs:
 1. \$3.0 B to Governor's Emergency Education Relief Fund (**GEERF**)
\$307 M for Texas
 2. \$13.2 B to Elementary and Secondary School Emergency Relief Fund (**ESSERF**)
\$1.3 B for Texas
 3. \$13.9 B to Higher Education Emergency Relief Fund (**HEERF**)
- * Texas also received **\$6.2 B** through Coronavirus Relief Fund

ESSER Fund CARES Act

Texas Education Agency
Department of Grant Compliance and Administration
CARES Act, Elementary and Secondary School Emergency Relief Fund (ESSERF)
LEA Entitlement Amounts (Alphabetical by District)
Fiscal Year 2020

Region	County District	District Name	Entitlement Amount
10	057816	A W BROWN LEADERSHIP ACADEMY	489,847
10	057829	A+ ACADEMY	472,585
04	101871	A+ UNLIMITED POTENTIAL	41,871
12	109901	ABBOTT ISD	23,949
17	095901	ABERNATHY ISD	144,396
14	221901	ABILENE ISD	3,853,076
10	057814	ACADEMY FOR ACADEMIC EXCELLENCE	309,738
12	014901	ACADEMY ISD	85,158
04	101810	ACADEMY OF ACCELERATED LEARNING INC	299,057
10	057810	ACADEMY OF DALLAS	175,250
04	101849	ACCELERATED INTERMEDIATE ACADEMY	181,693
16	180903	ADRIAN ISD	10,926
10	057806	ADVANTAGE ACADEMY	385,126
02	178901	AGUA DULCE ISD	84,924
20	015901	ALAMO HEIGHTS ISD	298,266
07	250906	ALBA-GOLDEN ISD	219,503
14	209901	ALBANY ISD	74,065
04	101902	ALDINE ISD	24,093,119
11	184907	ALEDO ISD	228,830
02	125901	ALICE ISD	1,636,176
04	101903	ALIEF ISD	16,846,984
04	101815	ALIEF MONTESSORI COMMUNITY SCHOOL	52,891
10	043901	ALLEN ISD	392,348
18	022901	ALPINE ISD	158,184
07	037901	ALTO ISD	185,496
11	126901	ALVARADO ISD	461,976
04	020901	ALVIN ISD	2,168,800
11	249901	ALVORD ISD	55,761
16	188901	AMARILLO ISD	7,120,966
04	084804	AMBASSADORS PREPARATORY ACADEMY	76,977
15	025901	BANGS ISD	151,921
02	178913	BANQUETE ISD	172,681

TEA has published ESSER Fund entitlements for each district.

ESSER Fund

CARES Act

- TEA will use CARES Act money from the ESSER Fund **to partially replace state funding. This is not “new” funding.**
- Districts will have to apply for funding. Grant application is open as of **June 12.**
- Will also come with **extra reporting requirements and some spending restrictions.**
- Like with other federal funding, districts will be subject to private, non-profit **equitable services** requirements.

ESSER Fund

CARES Act

- These are **federal funds**. EDGAR regulations apply (procurement, job descriptions, etc.).
- Time and effort reporting if staff are split-funded. Semi-annual certification if funded 100% out of grant.
- ESSER Fund grant will require compliance reporting and quarterly reporting.
- USDE is allowing pre-award costs back to March 13, 2020. Funds need to be expended by September 30, 2022.

ESSER Fund

CARES Act

Examples of **allowable costs** include:

- Providing principals and others school leaders with the resources necessary to address the needs of their individual schools.
- Address the unique needs of low-income children or students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster students.
- Activities that are necessary to maintain the operation of and continuity of services in LEAs and continuing to employ existing staff.

*See list of 12 allowable costs on [pg. 6 of CARES Act FAQ](#)

ESSER Fund

CARES Act

Examples of **unallowable costs** include:

- Construction.
- Child nutrition expenses that are reimbursed by TDA.
- Expenditures related to teacher unions or associations.
- Executive salaries and benefits of individuals not employed by TEA or ISDs.
- Bonuses, merit pay, etc. unless related to COVID-19 disruptions/closures.

Coronavirus Relief Fund

CARES Act

- State leadership has announced that around **\$300 million** of the state's Coronavirus Relief Fund (CRF) money can be accessed by schools for COVID-19 expenses.
- Application is expected to open around July 20, 2020 and close on September 15, 2020.
- Program will be run through Texas Division of Emergency Management.

Coronavirus Relief Fund

CARES Act

- Reimbursement amount is 75 percent of eligible costs. However, if applications exceed state's expectations, **this may be reduced.**
- Reimbursements will be capped at amount equal to the greater of \$50,000 or \$250 per compensatory education student.

Coronavirus Relief Fund
CARES Act

To be allowable, reimbursements for necessary costs must:

- Have been incurred due to COVID-19 pandemic;
- Not be accounted for in the most recently approved budget as of **March 27, 2020**; and
- Be incurred from **March 1, 2020, through May 20, 2020**.

This statutory requirement constitutes a supplement, not supplant provision for CRF funds.

Coronavirus Relief Fund
CARES Act

Examples of **allowable costs** include:

- Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions; and
- Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures.

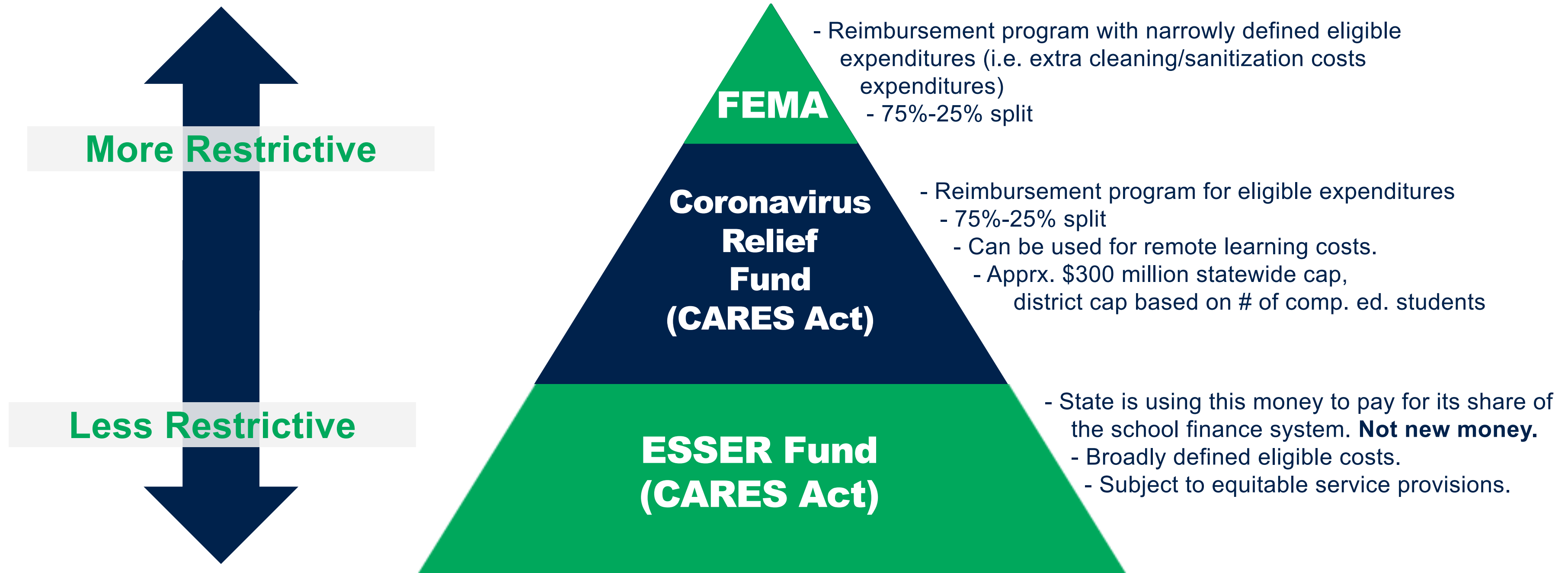
Coronavirus Relief Fund

CARES Act

Examples of **unallowable costs** include:

- Costs reimbursable under other programs (i.e. FEMA, TDA).
- Payroll costs for employees whose work duties are “not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.”
- Damages covered by insurance.
- Cannot be used to cover the other 25% of FEMA-eligible expenses.

Federal Funding Summary



Governor's Emergency Education Relief Fund

CARES Act

What do we know for certain **right now** about the **GEERF**?

- Of **\$3.0 B** total, Texas will be allocated **\$307 million**.
- Gov. Abbott has considerable discretion over how this is spent. A portion of these funds were used to provided PPE to school districts.
- Private, non-profit equitable service requirements also apply.

Phase 5?

Federal Stimulus

- House Democrats have requested \$305 B for school districts
- The HEROES Act, written by House Democrats and passed by that chamber in May, allocates \$58 billion for districts.
- Sen. Lamar Alexander, R-Tenn., the chairman of the Senate education committee, recently estimated that it'll take between \$50 billion and \$75 billion for K-12 schools and colleges and universities to reopen safely.
- Sen. Patty Murray, D-Wash., the ranking member of that committee, wants a minimum of \$200 billion for K-12.

Phase 5?

Federal Stimulus

- The Council of Chief State School Officers says schools will need between \$158 billion to \$245 billion.
- On average a school district will need \$1.8 million—that's \$25 billion nationwide—to reopen safely when you consider things like personal protective equipment, added staff, and cleaning protocols, according to AASA, the School Administrators Association.
- The American Federation of Teachers estimates it'll take \$116 billion for schools to reopen safely and with the right amount of academic and other resources.

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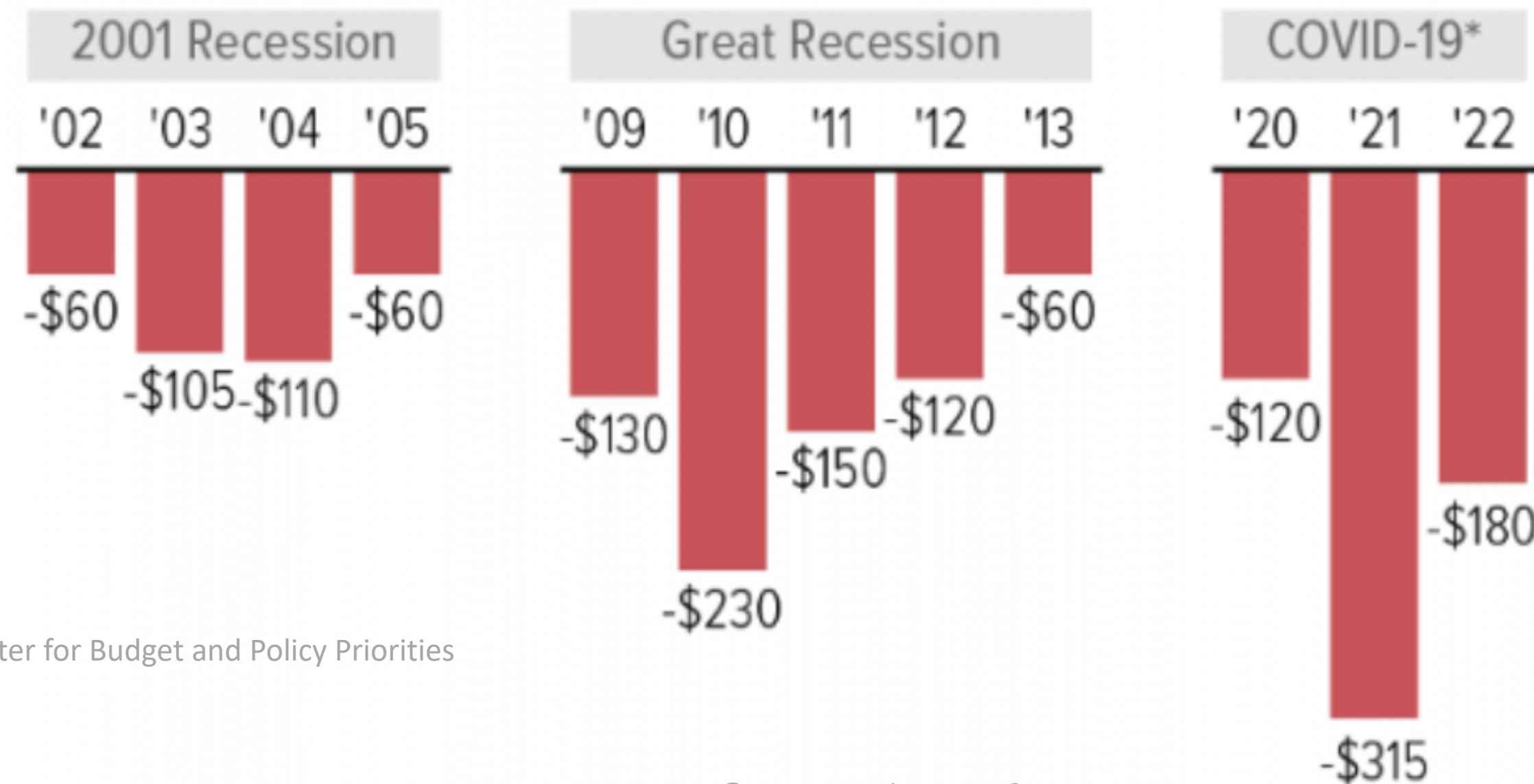


**STATE BUDGET UPDATE
& 87th SESSION PREVIEW**

State Budgets

COVID-19 State Budget Shortfalls Could Be Largest on Record

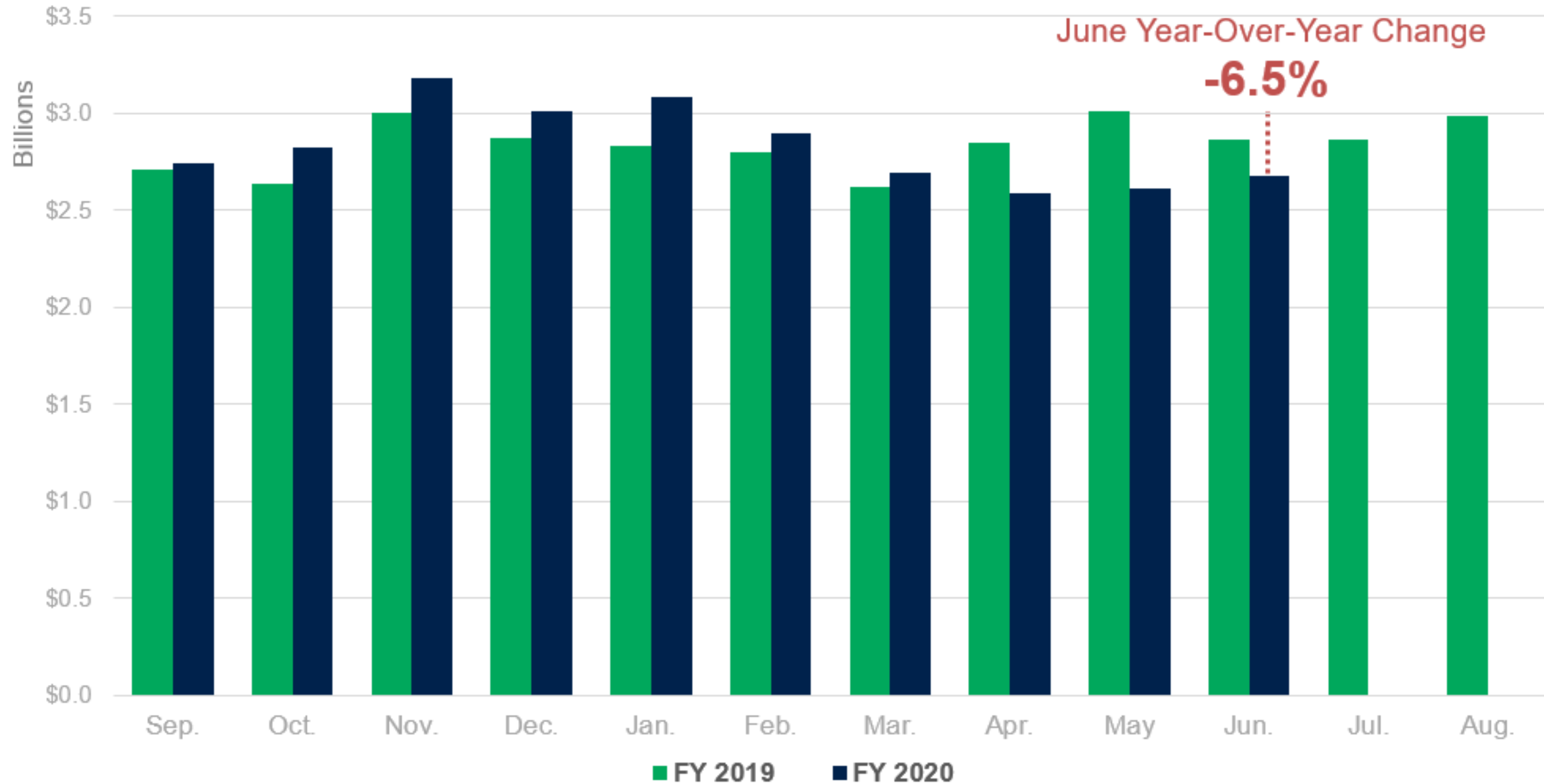
Total state budget shortfall in each fiscal year, in billions of 2020 dollars



Source: Center for Budget and Policy Priorities

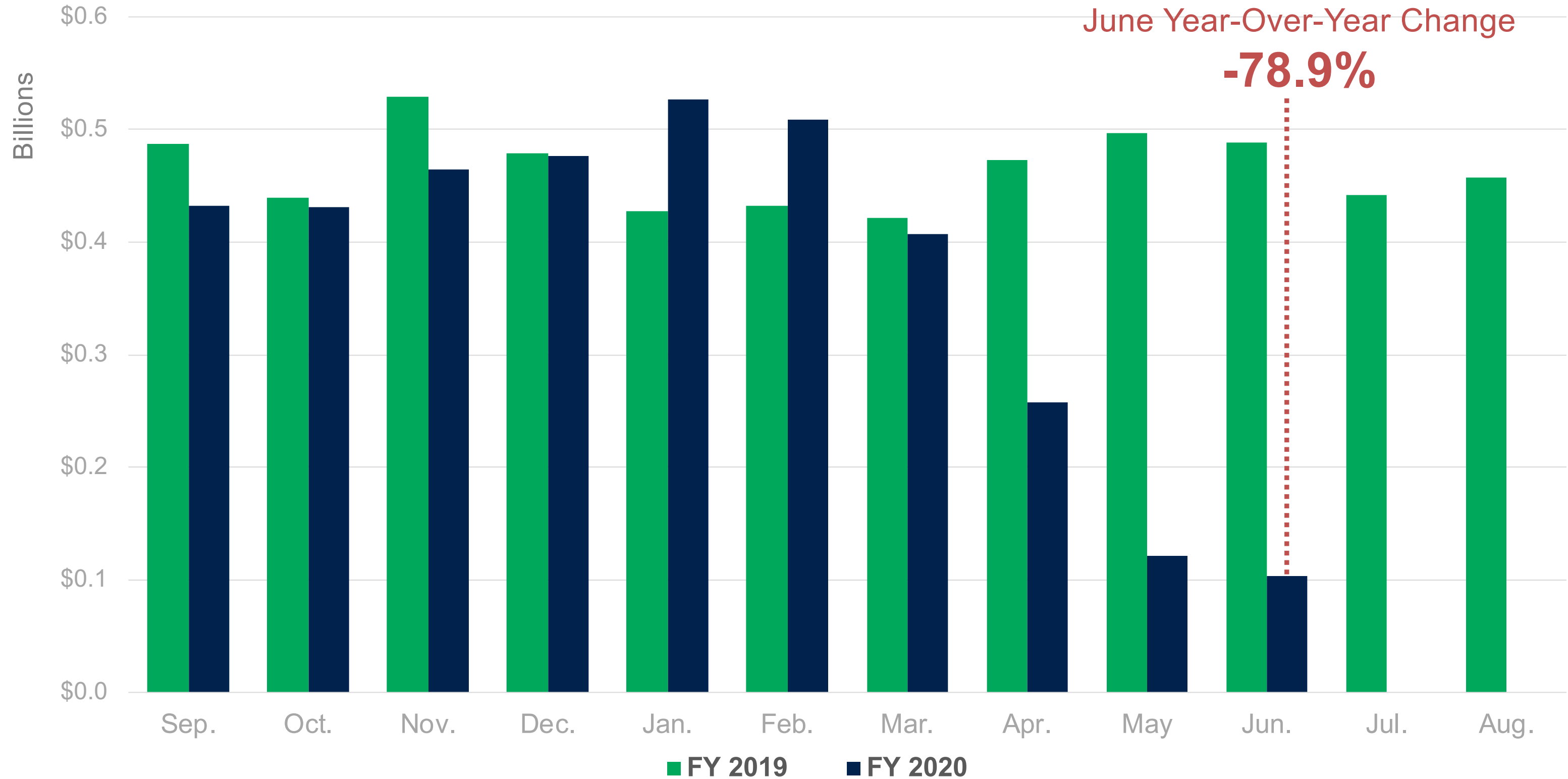
Sales Taxes (All Funds)

State Budget



Severance Taxes (All Funds)

State Budget



State Budget

Through June, state is approximately **\$2.7 billion** behind Comptroller projection. If June trends continue, state could end FY 20 nearly **\$5 billion** behind.

	Projected Growth*	FY 20 YTD
Sales Tax	3.4%	0.4%
Motor Vehicle Tax	1.0%	-3.9%
Natural Gas Tax	-12.0%	-37.9%
Oil Production Tax	0.0%	-12.3%
Alcoholic Beverage Tax	4.0%	-16.9%
Cigarette and Tobacco	-13.1%	-4.1%
Motor Fuels Taxes	1.6%	-5.5%

State Budget

- Gov. Abbott and other leaders asked state agencies to plan for a **5 percent cut** by June 15.
- Roughly **75 percent** of the General Revenue-Related budget was exempt from this cut, including FSP and TRS contributions. **TEA was not exempt.**
- This equates to a roughly **\$1.5 billion** cut to non-exempt services.

State Budget

What to be looking out for:

- **July 20:** Revenue forecast update from Comptroller during LBB meeting.
- **August:** Legislative Appropriation Requests due, LBB/Gov. budget hearings begin.

State Budget

- Consistent message from TEA and state leadership is that no cuts to schools are being discussed for the 2020-21 school year.
- However, once the full impact of COVID-19 on the economy is known, that could change. Expect a robust discussion on budget cuts come January.

SEN. JANE NELSON, CHAIR OF SENATE FINANCE

As I meet with each agency to review their appropriation requests, I will begin at ZERO.





REP. DAN HUBERTY, CHAIR OF HOUSE PUB. ED.

Our House committee will ... make sure we continue to keep, and further, the gains made under HB 3.

Budget Tools

General Revenue Surplus:

- Original forecast at the end of last session estimated a **\$2.9 billion surplus** after the current biennium.
- Comptroller has stated in recent comments that legislators should expect a deficit after the current biennium.

Economic Stabilization Fund:

- Original projected ending balance of \$9.4 billion now reduced to **\$8.5 billion**.
- Current sufficient fund balance is \$7.5 billion.

Delay of FSP Payment:

- Push August's FSP payment into September of subsequent biennium.
- Could reduce 2022-23 spending by **>\$2 billion**.

Budget Tools

Possible Budget Cuts:

- Non-FSP cuts to instructional materials, facilities, etc.
- Potential Regular Program Adjustment Factor (reduces Basic Allotment without changing special program allotments)
- Delay of new FSP elements created by HB 3.

87th Legislative Session

- Logistical obstacles related to pandemic could impede ability to move legislation.
- New leadership in the House.
- Numerous other competing priorities, including continued public health crisis, redistricting, and police reform.



Questions & Comments





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