AN OVERVIEW OF THE CARES ACT & PAYING ATTENTION TO DISTRICT FUND BALANCES

AAEA/ASBA Joint Leadership Conference
June 24, 2020
On March 27, 2020, President Trump signed the CARES Act, a $2 trillion package of assistance measures.

Congress set aside approximately $13.2 billion of the $30.75 billion allotted to the Education Stabilization Fund through the CARES Act for the Elementary and Secondary School Emergency Relief (ESSER) Fund.

On May 12, 2020, the Division of Elementary and Secondary Education (DESE) applied for $128,758,638.00 ESSER funds.

District allocations are noted in Commissioner’s Memo FIN-20-054

• District allocations range from $13,298 to $6,595,134
CARES/ESSER FUNDING

- What can it be spent for?
  - Food Security
  - Direct Student Support/Continuous Learning Opportunities
  - Technology
  - Systemic Procedures
WHAT TO SPEND IT ON

• What are those things that you are purchasing that are a direct result of COVID-19?
• What expenditures can best promote continuous and healthy learning in your district?
BOOKKEEPING

• Keep good records
• Code expenditures correctly
• Be able to justify expenditures to your auditor and patrons.
MORE INFO ON DESE WEBSITE

• Home Page / Divisions / Public School Accountability / Federal Programs / CARES Act
• Or Search “CARES Act”
CARRYOVER

• Federal funds
  • You are normally allowed to carryover 15% in Title 1 and 20% overall
  • This year, you are allowed to carryover but must request a waiver
  • Stay tuned to Commissioner’s Memos
• 15% carryover for Categorical Funds has been waived for the 19-20 school year.
• 20% fund balance carryover has been waived for 19-20.
CARRYOVER AND BUDGETING

• The implications of carryover to next year’s budget
  • Be prudently cautious with
    • New FTE’s
    • Salary increases
    • Unusual purchases or projects
PROPERTY TAX COLLECTIONS

• Collections in May
  • Primarily payments from mortgage companies

• Collections in October
  • Primarily payments by patrons.
PROPERTY TAX COLLECTIONS

• Be more conservative than usual for your 20-21 budget
• Be even more conservative in your 21-22 budget.
• What is the wise strategy for budgeting going forward?
• Assume the worst for the next year or so until COVID-19 has settled down
• What is your plan if the economy continues to suffer?
YOUR NEW FAVORITE WORD