

Unpacking the Federal Response to COVID-19 in Education: What's in the CARES Act and What May Come Next?

June 30, 2020

Today's speakers



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Education Counsel

A critical moment for education and equity

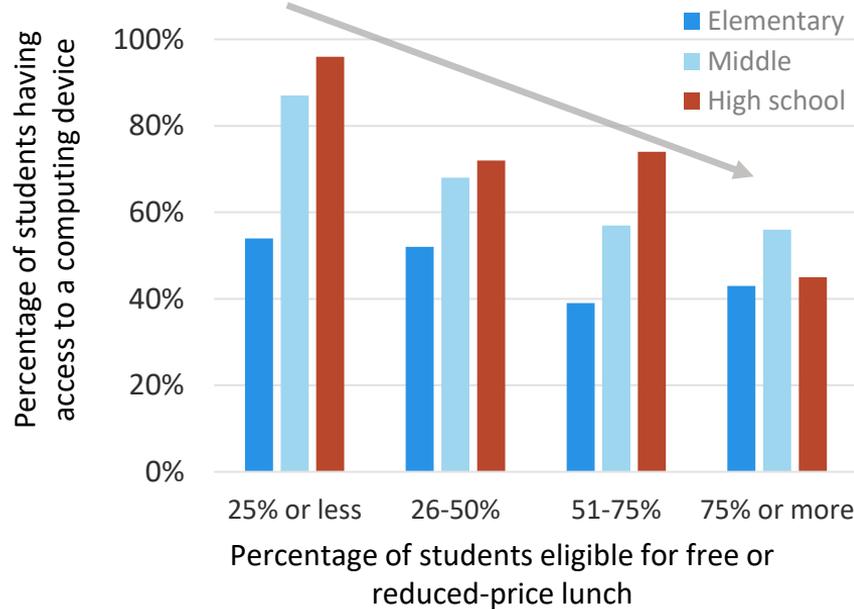
- Education agenda at an **inflection point**
- **Overlapping crises** of COVID, racial injustice, and economic recession
- Key question concerns what is **the federal role in response, recovery, and education more broadly**

Agenda for today

- **What's in the CARES Act**
- **How the CARES Act has been implemented**
- **What's coming next**

Access to technology highly dependent on existing wealth, amplifying inequities for students in low-income communities

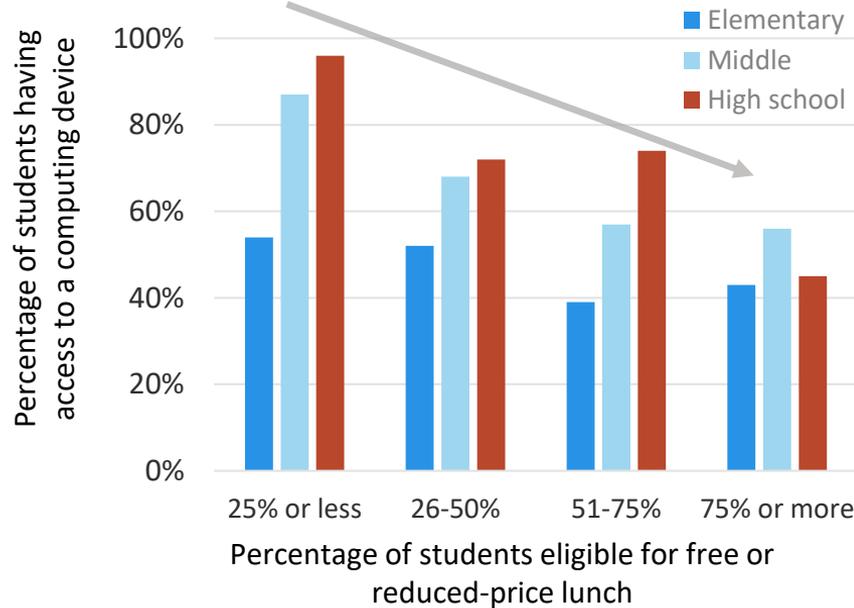
Students' access to computing devices is far lower in high-poverty schools



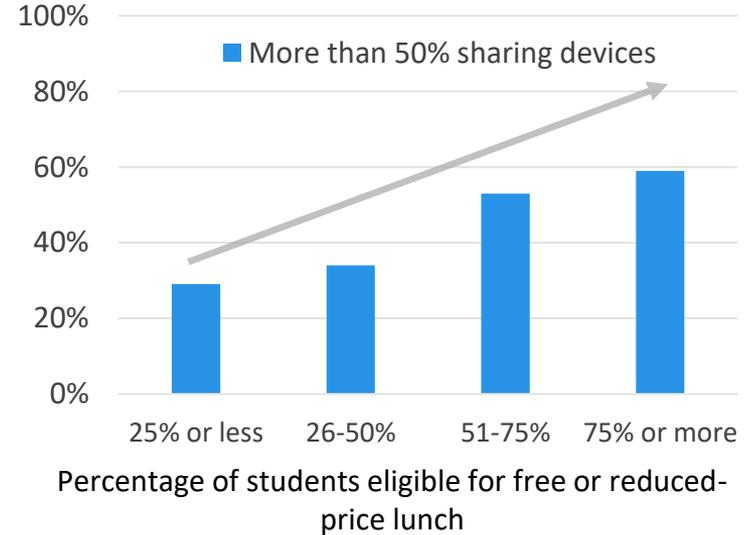
Source: *Education Week*, <https://www.edweek.org/ew/articles/2020/06/03/how-covid-19-is-shaping-tech-use-what.html>

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.. and students are far more likely to have to share devices



Source: *Education Week*, <https://www.edweek.org/ew/articles/2020/06/03/how-covid-19-is-shaping-tech-use-what.html>

The pandemic will have a devastating impact on all states, but the Great Recession proved that cuts will not be felt equally

COVID-19 State Budget Shortfalls Could Be Largest on Record

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



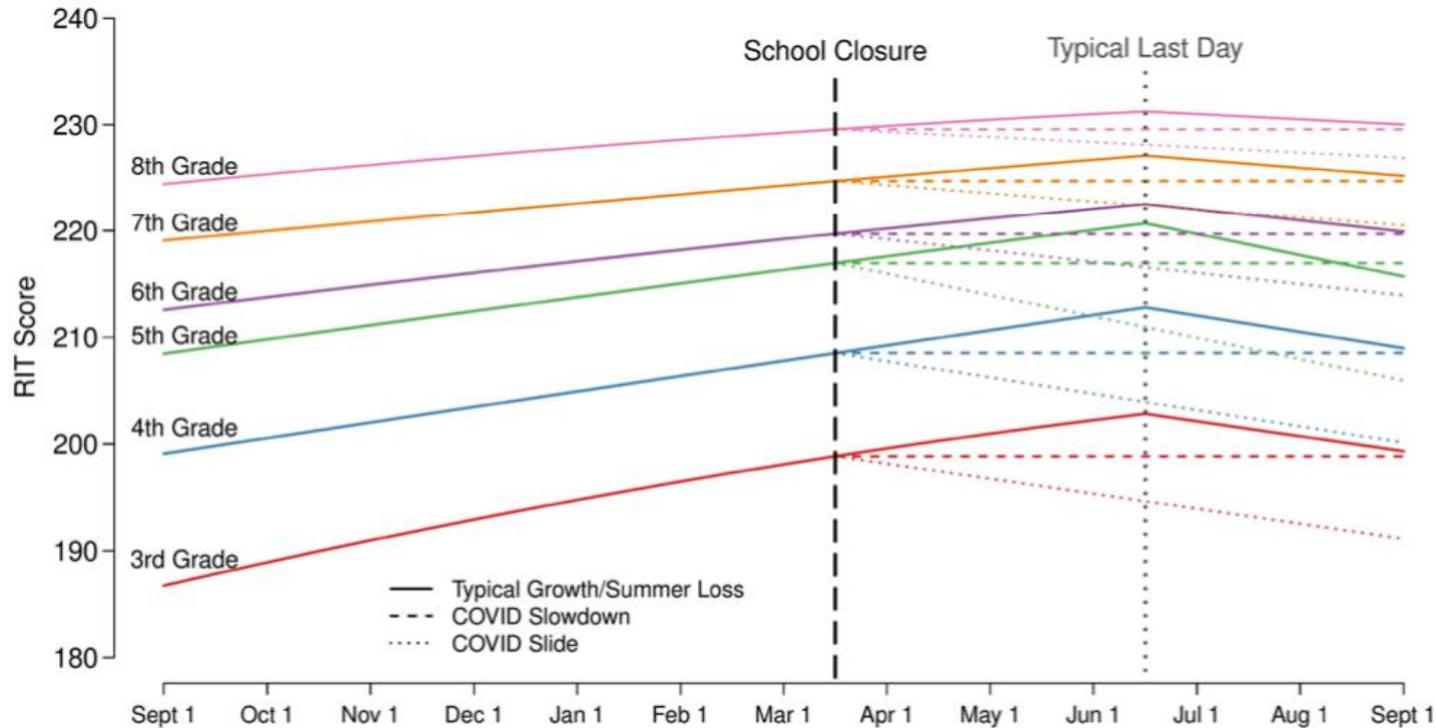
* Estimated based on CBPP calculations

Source: Pre 2014: CBPP survey; 2020 and following: CBPP calculations

Source: <https://www.cbpp.org/research/state-budget-and-tax/states-continue-to-face-large-shortfalls-due-to-covid-19-effects>

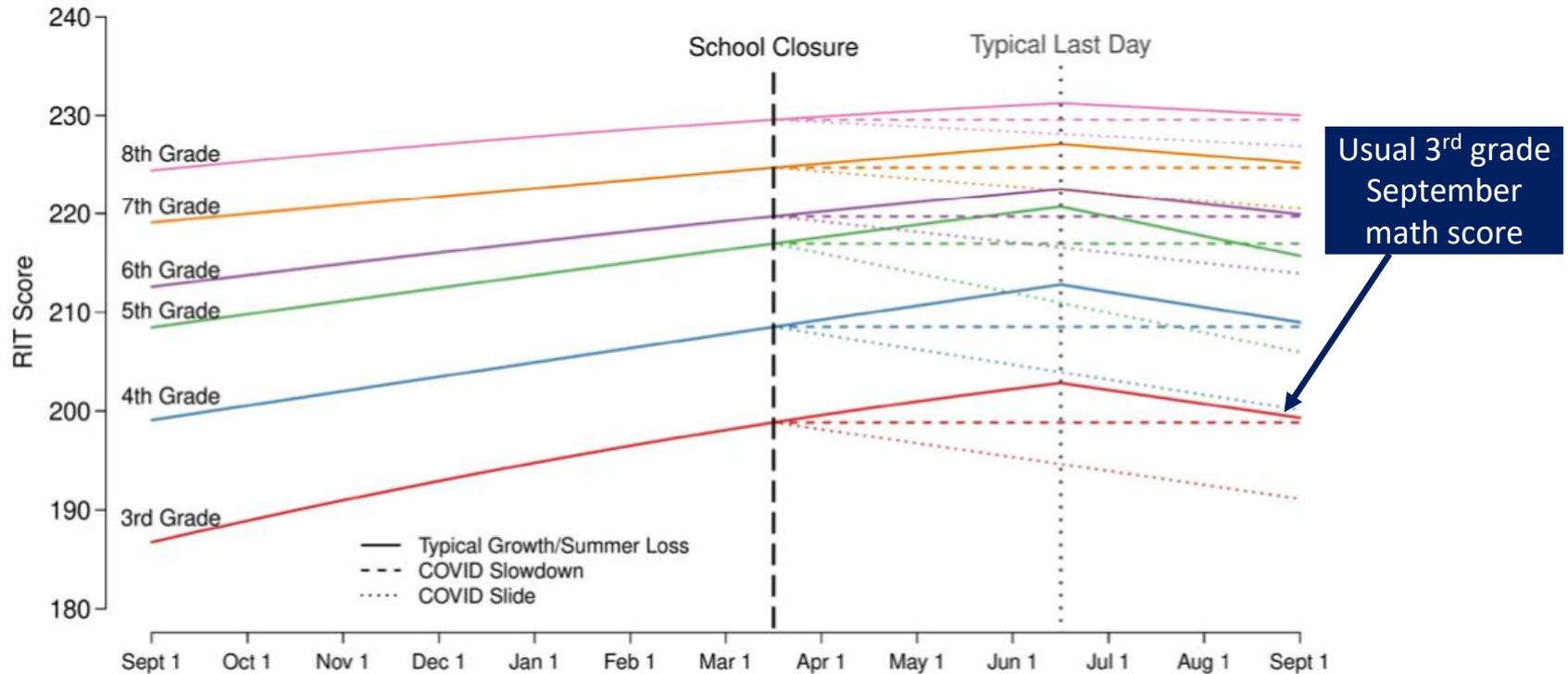
- Between FY20-FY22, states are expected to face \$615B in budget shortfalls.
- Great Recession resulted in \$690B, over five years.
- Education budgets will face steep cuts, in addition to added costs of reopening in fall.

Amidst drastic cuts, states and districts will also have to contend with significant levels of learning loss



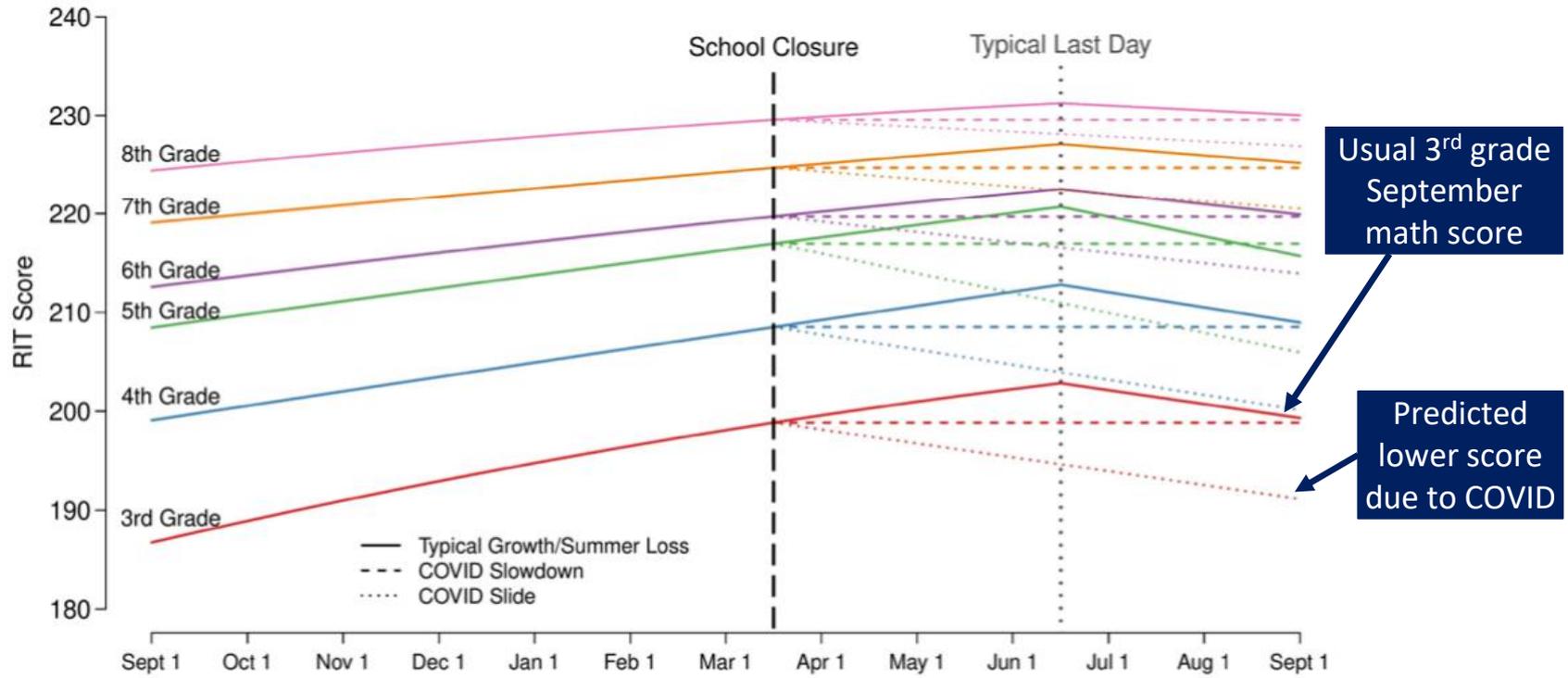
https://www.nwea.org/content/uploads/2020/05/Collaborative-Brief_Covid19-Slide-APR20.pdf

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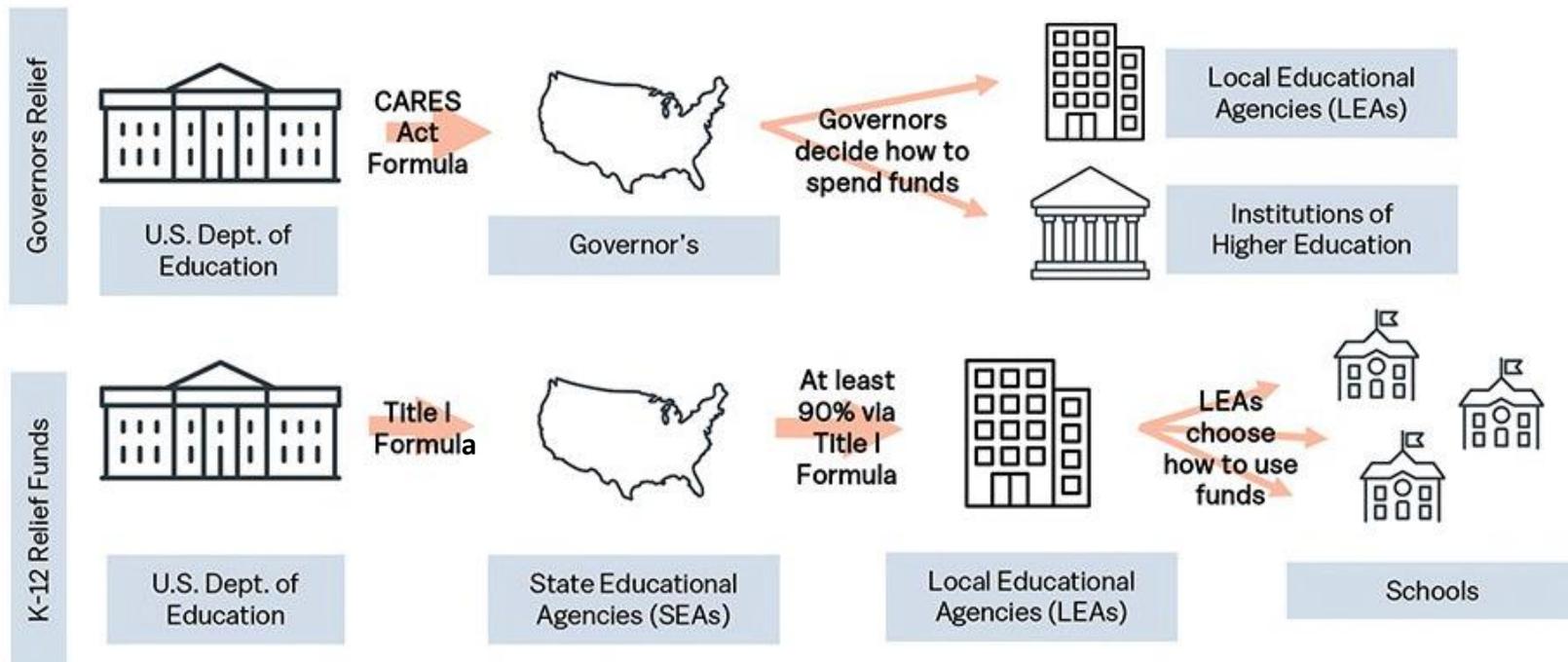
CARES Act provided initial response to COVID crisis

- On March 23, Congress passed the “Coronavirus Aid, Relief, and Economic Security (CARES) Act.”
- Provided over >\$2T in support for businesses, state governments, families, education systems.
- Including a **\$30.75B Education Stabilization Fund:**
 - \$3B for governor’s education relief
 - \$13.5B for K-12 relief
 - \$14.25B for higher education

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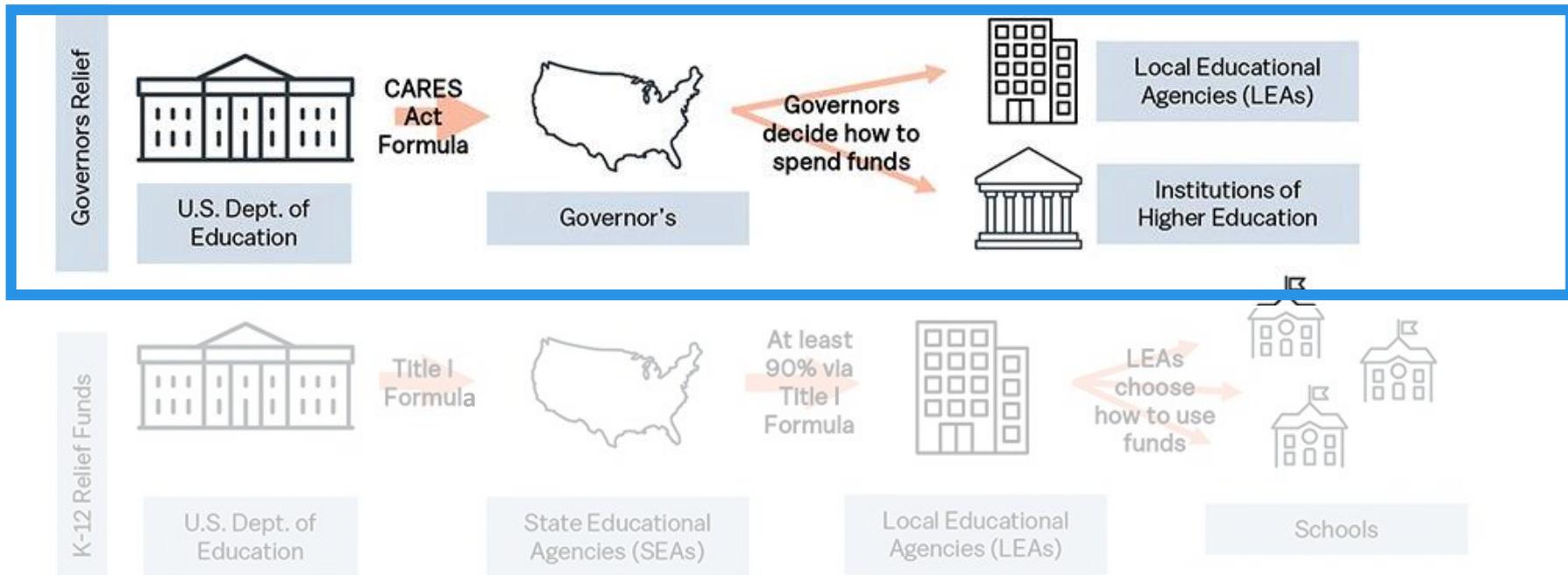
- Act also includes funding and allowable uses for early childhood education.
- Act also included expedited ESSA waivers, support for non-profits, some higher education waivers.
- Included various provisions to allow for financial flexibility for districts as well.

CARES Act funds beginning to flow – from federal to state to local



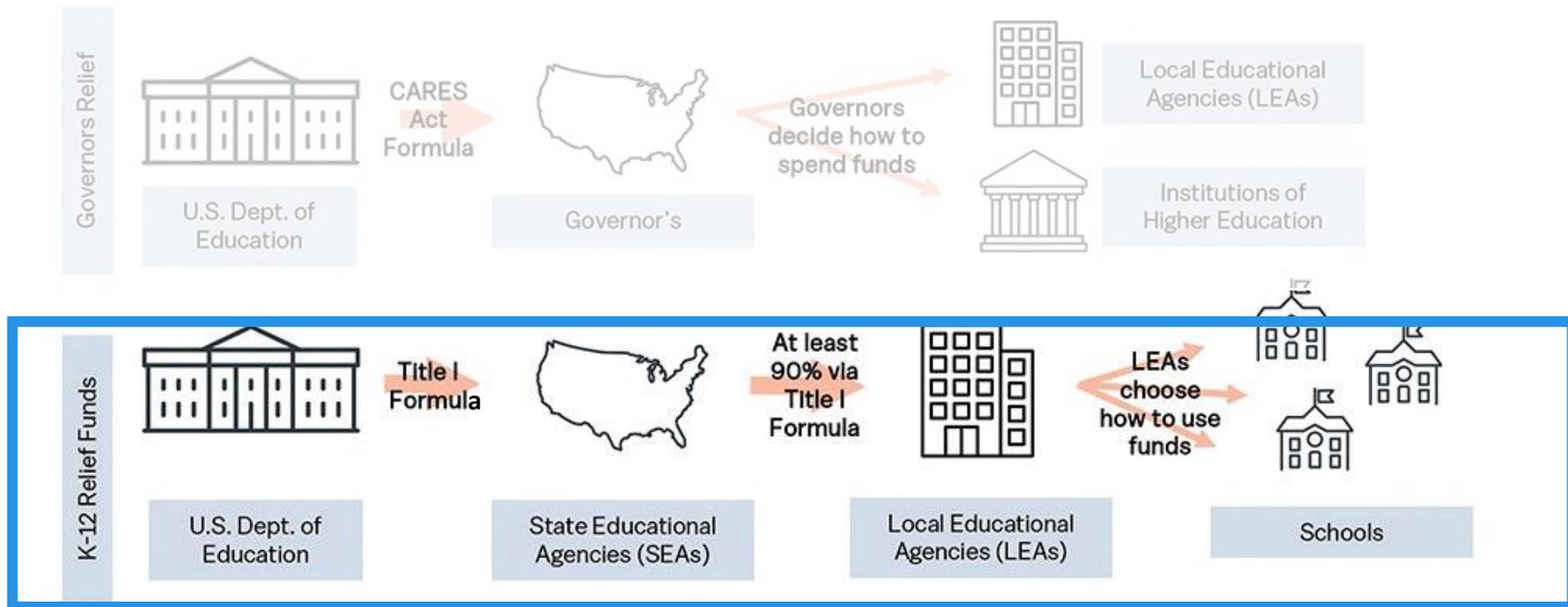
For the Governor's Relief Fund, governors will have wide discretion in how they spend funds to support K-12 and higher education. However, for the K-12 Relief Fund, states must distribute at least 90% to districts to determine how to best spend the funds.

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CARES Act (including ESSER) has wide allowable uses

CARES Act ESSER allowable uses:

- Any activities authorized by ESSA, IDEA, the Adult Education and Family Literacy Act, CTE, and the McKinney-Vento Homeless Assistance Act (as related to education programs for homeless children and youth);
- Activities to address the unique needs of low-income students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth.
- Coordination in response to the coronavirus;
- Resources for principals and school leaders to meet the needs of their schools;
- Designing and implementing procedures and systems to improve preparedness and response efforts;
- Training and professional learning on sanitation and minimizing infectious diseases;
- Purchasing supplies to clean and sanitize;
- Planning for and coordinating during long-term closures, such as providing meals to students, providing online learning to all students, and providing guidance on carrying out IDEA requirements;
- Purchasing education technology for students;
- Providing mental health services;
- Planning and implementing summer learning and after school programs;
- Continuing to employ existing staff;
- Other activities to maintain operations and continue services.

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Questions?

Drop your questions into the
Q&A box.

USED has published all applications but state pace varies

- All states/territories have applied for ESSER funds.
- All states approved for ESSA waivers.
- USED has not sought congressional authority to significantly waive IDEA.

USED's interpretation of CARES has led to various challenges

- USED is using discretionary authority to offer \$300M in competitive funding for “rethink” education programs.
- USED guidance on “equitable services” has proven to be flashpoint issue; interim final rule released last week.
- USED has also issued rule that limits eligibility for higher education relief fund, specifically for undocumented and international students.

Future federal action is a question of when and what, not if

- Additional federal action for *recovery* in discussion, though highly political – in presidential election/transition year.
- HEROES Act drafted by House Democratic leadership and passed on May 15.
 - Provides ~\$3T in relief support, including \$90B for education.
- Republicans denounced Act, but White House Senate discussions happening.
- Education advocacy groups have called for upwards of \$250B for additional education relief (ECE, K12, and HEd).

While a fourth relief package likely, there are still major gaps between key negotiators

Congressional Republicans	Congressional Democrats	White House
<ul style="list-style-type: none">• Senator Alexander (R-TN) has expressed support for \$50-\$75B in education relief.• Senator McConnell (R-KY) has indicated he's open to negotiating, but will want increased liability protections for states and businesses.• Senate likely won't go for anything more than \$1T.	<ul style="list-style-type: none">• House HEROES Act proposed \$3T in overall relief.• Democrats have also introduced related relief bills<ul style="list-style-type: none">• Child Care is Essential Act to provide \$50B for industry.• House infrastructure package, includes funding for schools to build pandemic-related infrastructure needs.	<ul style="list-style-type: none">• Starting to see signals for next package including payroll tax relief, additional stimulus checks.

What state and local leaders can do now

- Identify the most critical needs and strategies.
- Maintain and improve systems for effective coordination and integration of funds.
- Analyze and track additional needs as early as possible.

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Thank you!

For more information, please visit wallacefoundation.org

- A recording of this webinar and the slides will be posted on wallacefoundation.org and educationcounsel.com

