

## **California Department of Education (CDE) Elementary and Secondary School Emergency Relief (ESSER) Fund 60-Day Report Budget Narrative**

### **State Educational Agency (SEA) Reserve and Administrative Costs**

For most of the 10% SEA Reserve, the State of California dedicated the funds to support specific issues schools are facing during the COVID-19 pandemic. The state budget provided \$163,000,000 for nutrition, community schools and instructional support. Additionally, there is \$1,500,000 that is being reserved for administrative use.

This money is allocated as follows:

\$112,000,000 to reimburse local educational agencies for costs relating to the provision of school meals incurred as a result of the COVID-19 pandemic emergency in the 2019-20 and 2020-21 fiscal years.

\$45,000,000 to establish and administer the California Community Schools Partnership Program to award grants on a competitive basis to selected school districts, county offices of education, and charter schools, to support and expand existing community schools.

\$6,000,000 for the University of California to support the mitigation of learning loss in mathematics, science, and English and language arts through existing California Subject Matter Projects, which are activities and programs designed by university faculty, teacher leaders, and teacher practitioners to improve instructional practices and lead to increased achievement for all students.

\$1,500,000 for administrative costs. This includes funding for CDE positions that will be required in order to perform technical, fiscal, and programmatic requirements to efficiently oversee CARES Act funds. This includes personnel, benefits, equipment, supplies, contracts, indirect costs and costs for contracts related to technical assistance for administering ESSER Funds.

### **Internal Control and Subrecipient Monitoring Plan**

The CDE conducts monitoring reviews of LEAs each year using a risk-based sampling approach. During these federal monitoring reviews, CDE staff conduct program and fiscal reviews of various federal and state programs to ensure that they are operating in compliance with federal and state laws, regulations, and program requirements. Among other things, CDE's monitoring includes a review of:

- LEA fiscal records to ensure that the LEA is properly calculating, reporting, and remitting interest earned on unspent federal advances in accordance with federal and state cash management requirements.
- LEA's policies and procedures on allowability, procurement, conflicts of interest, managing of equipment, and cash management to verify that LEAs have controls

in place to ensure funds are properly documented and spent on allowable activities.

The CDE is responsible for ensuring that all ESSER funds are used prudently and in accordance with state and federal regulations and administrative requirements. As part of this responsibility, the CDE is creating a statewide Web-based reporting system, has provided guidance to sub-recipients on allowable uses of funds, and has developed plans to monitor the funds.

California's public education system is administered at the state level by the CDE, under the direction of the State Board of Education and the Superintendent of Public Instruction, for the education of approximately 6.2 million students. For ensuring proper use of ESSER Funds, the CDE has provided guidance and technical assistance to sub-recipients. For example, the CDE has both CARES Act and ESSER Fund Web pages dedicated to providing sub-recipients with the latest federal guidance and reporting information. The CDE's CARES Act and ESSER Fund Web pages are located at <http://www.cde.ca.gov>. In addition, the CDE has established a CARES Act e-mail address ([CARESAct@cde.ca.gov](mailto:CARESAct@cde.ca.gov)) to expedite the answering of CARES Act and ESSER Fund related inquiries. The CDE has also presented information regarding allowable uses of funds and reporting requirements at multiple conferences.

The CDE holds consistent meetings internally to mitigate any risks associated with the ESSER Fund program. The CDE realizes that there is inherent risk in not giving clear guidance to LEAs in what is expected in terms of ESSER Fund reporting. The ESSER Fund from a programmatic perspective is overseen by CDE's Government Affairs Division (GAD). GAD is responsible for the CARES Act website, presenting updates regarding ESSER Funds at various meetings/conferences, and responding to programmatic questions (e.g., allowable uses of funds, reporting requirements, and expenditure timeframes). The CDE's School Fiscal Services Division (SFSD) is responsible for responding to fiscal questions regarding the ESSER Fund and ensuring timely allocations. Additionally, the CDE has informed and will continue to advise LEAs to ensure that they keep detailed records on how ESSER Funds are spent. Also, the CDE will require LEAs to show documentation of consultation, selection of methodology, and calculation of proportionate share.

The CDE is developing a comprehensive monitoring plan and protocol to review sub-recipient ESSER Fund expenditures. These reviews will be conducted continuously based on available staffing and will be conducted in consideration and in conjunction with CDE's federal program monitoring processes and schedules. The CDE has an immense history in drafting policies and procedures in order to conduct program and fiscal monitoring over federal funds. The objectives of the monitoring procedures are to ensure that the ESSER Fund is being appropriately expended and utilized in accordance with applicable state and federal regulations and administrative requirements.

In assessing sub-recipient risk for ESSER Fund monitoring, the CDE will consider the compliance history of local educational agencies, large combined per pupil allocations, and the amount of reported expenditures. Based on sub-recipient risk, the CDE will identify sub-recipients selected for reviews. The CDE has also developed updated protocols for subrecipient reviews during the COVID-19 pandemic.

The conclusions drawn from the federal program monitoring processes will be used to decide if sub-recipients are complying with federal and state laws. Sub-recipients will be provided a written notification of findings that includes descriptions of noncompliance, along with recommendations and a timeframe to correct any identified findings or deficiencies. In addition, monitoring staff may also verbally discuss the monitoring findings and recommended corrective actions directly with the sub-recipients.

As part of the monitoring process, the CDE will track the status of all monitoring findings and conduct periodic follow-up. Sub-recipients will be required to submit a plan of corrective action; if necessary, the CDE will provide technical assistance to sub-recipients. In conducting follow-up procedures, sub-recipients will be required to provide supporting documentation of corrective actions taken.