

Steve Sisolak
Governor

STATE OF NEVADA

Rebecca Feiden
Executive Director



STATE PUBLIC CHARTER SCHOOL AUTHORITY

1749 North Stewart Street Suite 40
Carson City, Nevada 89706-2543
(775) 687-9174 · Fax (775) 687-9113

2080 East Flamingo Road Suite 230
Las Vegas, Nevada 89119-5164
(702) 486-8895 · Fax (702) 486-5543

BRIEFING MEMORANDUM

TO: SPCSA Board
FROM: Rebecca Feiden, Executive Director
Jennifer Bauer, Director of Finance & Operations
SUBJECT: Update Regarding Emergency Funding
DATE: March 4, 2022

Background

Since March of 2020, the Federal Government has enacted three federal stimulus packages. SPCSA staff provided an [overview of this federal emergency funding](#) at the April 23, 2021 meeting of the State Public Charter School Authority. Subsequently, on October 1, 2021, SPCSA staff provided the Authority with an [update regarding emergency funding](#). This memorandum provides a further update regarding the use of federal funds under each of these stimulus packages.

Updates Regarding Funding from the CARES Act

All grant applications for funding under the CARES Act, including ESSER I, ESSER Competitive, and GEER I, have been approved by the Nevada Department of Education and schools have active subawards for each of these grants. Schools continue to expend funds and request reimbursement under these grants. As the CARES Act was the first of the federal stimulus packages, the ESSER I and GEER I funds are the first to end. The period of funding availability for these grants ends on September 30, 2022, meaning all funds must be obligated by this date.

Coronavirus Relief Funds (CRF) initially had a grant period of performance that ended on December 30, 2020. All CRF reimbursements have been processed and access to these funds is no longer available.

Updates Regarding Funding from the CRRSA Act

The grant application for ESSER II funding has been approved by the Nevada Department of Education and schools have active subawards for this grant. Schools continue to expend funds and request reimbursement under this grant. The SPCSA has not received any additional information at this time regarding the GEER II funding under the CRRSA Act. When additional information is received, SPCSA staff will work to allocate these funds to sponsored schools. The period of funding availability for these grants ends on September 30, 2023.

Updates Regarding Funding from the ARP Act

On June 15, 2021, NDE provided the SPCSA and other Local Educational Agencies (LEAs) with allocations for approximately two-thirds of the anticipated ARP ESSER funding¹. The SPCSA allocated this funding to each charter holder based on a straight per-pupil allocation plus a supplemental allocation for each charter holder with greater than 40% of students qualifying for free or reduced-price lunch reflected in the October 2020 validated count day data. Sponsored charter schools were required to submit their applications for ARP ESSER funding by August 16, 2021, and the SPCSA submitted the compiled application for ARP ESSER funding to NDE on September 10, 2021. Staff continue to work with NDE to make revisions to the application necessary to receive approval. As soon as the SPCSA's LEA level application is approved, staff will issue subawards, and upon execution of the subawards, schools will be able to submit reimbursement requests for allowable expenditures dating back to July 1, 2021.

With the expectation that the application for the first two-thirds of ARP ESSER funding will be approved soon, SPCSA staff have begun considering possible methodologies for the allocation of the remaining one-third of ARP ESSER funding. The most likely approach is to carry forward the methodology used for the first two-thirds of funding. However, SPCSA staff are also exploring a set aside to allocate a portion of the remaining funds to schools that were most impacted by a reduction in per pupil funding due to the transition to the Pupil Centered Funding Plan.

Calculations using the first two quarters of funding under the Pupil Funding Plan (PCFP) indicate that when comparing per pupil funding² for the 2021-22 Fiscal Year to the 2019-20

¹ NDE allocated only the first two-thirds of funding to LEAs because the federal government only provided State Educational Agencies with access to the first two-thirds of funding. See letter from Secretary of Education Cardona on March 24, 2021: https://oese.ed.gov/files/2021/03/ARP_Letter_Sec_to_Chiefs_Final_03.24.2021-1.pdf

² Per pupil funding is calculated by dividing the total funding for the year by the average daily enrollment for the same year.

Fiscal Year³, approximately 27% of charter holders saw an increase in per pupil funding, while 73% saw a decline. The most significant decreases in per pupil funding were experienced by full-time virtual charter schools, charter schools located in rural communities, and/or charter schools that previously received significant state categorical grant funding that was eliminated in the transition to the PCFP. Senate Bill 463 (SB 463) from the 2021 Legislative Session allocated one-time funding to certain charter schools that were expected to see a decline in total revenue due to the transition to the Pupil Centered Funding Plan. Additionally, all charter schools sponsored by the SPCSA have received federal emergency funding as described throughout this memorandum. Importantly, ESSER funding is relatively flexible in terms of allowable uses and these funds may be used to supplant general operating costs. Therefore, many schools that have seen declines in per pupil funding have been able to lean on these additional funds to maintain their programming. SPCSA staff's calculations show that with the exception of three schools, the funding provided through SB 463 and the ESSER funds allocated to date cover the projected decline in per pupil funding for FY2021-22. Looking ahead to Fiscal Year 2022-23, and based on projections from actual funding in the first two quarters of Fiscal Year 2021-22, there are total of eight schools for which the funding through SB 463 and ESSER funds allocated to date may not cover the reduction in per pupil funding when comparing to Fiscal Year 2019-20. Therefore, SPCSA staff is exploring setting aside approximately \$3 million from the final one-third of ARP ESSER funding (which totals approximately \$17.8 million) to offset these declines in per pupil funding. Any allocation from this set aside intended to offset declines in per pupil funding in FY 2022-23 would be made once SPCSA staff have analyzed at least one quarter of FY2022-23 funding disbursements. It is important to note that the period of funding availability for ARP ESSER ends on September 30, 2024.

In addition to ARP ESSER funding, the SPCSA was allocated supplemental IDEA funding through the ARP Act (ARP IDEA). The SPCSA allocated funding to schools using a per pupil allocation based on the number of students with Individualized Educational Programs (IEPs) enrolled at each school as of the October 1, 2020 student count. The application for ARP IDEA funds has been approved by the Nevada Department of Education and schools have active subawards for this grant.

Additionally, through Assembly Bill 495, the Legislature allocated an additional \$15 million from the ARP Act Coronavirus State Fiscal Recovery Funds (CSFRF) to Title I charter schools⁴. SPCSA staff have been in frequent communication with the Governor's Finance Office regarding the timeline and process for allocating these funds. The SPCSA has also engaged with Title I schools through an informational meeting as well as a request for specific information regarding funding gaps that remain after allocation of the other emergency funding. The federal requirements for these CSFRF funds are quite extensive – much more than the funds from the CARES Act or the CRRSA Act. The Governor's Finance office is diligently working to balance

³ The Legislature compared FY2019-20 funding to projected funding under the PCFP and established hold harmless levels using funding from FY2019-20.

⁴ Assembly Bill 495 states that to qualify for this grant, "a charter school must be a Title I school," and does not specify a particular charter school sponsor. Therefore, the SPCSA intends to grant these funds to Title I charter schools sponsored both by the SPCSA and by school districts.

the adherence of complex federal compliance and reporting requirements while also streamlining access to these funds. Upon NDE approval of the SPCSA's remaining one-third ARP ESSER funding application, SPCSA staff anticipate the ability to propose to and gain support from the Governor's Finance Office an allocation methodology and plan that meets requirements to address funding gaps after considering all other funding sources made available to the various charter schools.