Follow-up to MSBA/MASBO Funding Presentations

Below is an attempt to address all of the questions asked at both the MSBA and MASBO meetings. It is the beginning of a FAQ document that will be placed on our MDE CARES Funding webpage. All of your questions, in addition to a few others that have come through, should be addressed.

Prior Approval

LEAs are required to secure prior approval from the Division of School Finance prior to undertaking any obligation or purchasing of equipment that is either greater than $5,000 or meets the LEAs capitalization threshold. They must also seek prior approval for all construction and remodeling proposals. LEAs may email a request for prior approval to the Special Education Funding and Data Team (mde.spedfunding@state.mn.us). MDE has no authority to approve any of these expenditures after the fact.

Additional guidance regarding documentation, support and how to seek approval for these types of expenditures is located at the end of this document.

Frequently Asked Questions

Q – If we complete these applications with specific costs and it gets approved, and then a new cost comes up in the fall, would we able to still use the grants for the new costs that come up if those costs were not in the original application?

A – Yes, you can amend your budget in SERVS.

Q – Funds must be spent by 12-30-2020 and be drawn by 12-31-2020. Is this correct?

A – Funds must be spent and drawn by 12-30-20. Unless an extension is approved, on 12-31-20 all funds will be swept from SERVS and sent back to the Federal Government.

Q – What type of documentation will be required to support draws?

A – Along with schools regular annual audits, MDE will conduct a reconciliation and review of expenditures that didn’t require prior approval during the yearend closeout process similar to other federal funding. Schools are expected to document and maintain all support necessary to support salaries, services and goods reimbursed with CRF funds.

Q – I heard that if we receive funds from our county we can’t apply for FEMA funds. Is that true?

A - This is not true. A school can received both CRF and FEMA funds. I think they may be referring to the fact that you cannot be reimbursed for the same expense from both sources.
Q – Free COVID tests? I heard that insurance will pay first and if they don’t have insurance the state covers it. Is that true?

A – This is true. MDH will run insurance and if there is an underpayment or no payment or the teacher is uninsured, the state will cover the remaining cost. There is still no cost to the educator.

Q – Can CRF be used for increased staff costs, including custodial work or healthcare services work?

A – If you are hiring new staff or increasing current staff percent of time and you did not budget for that expense prior to COVID, then yes, you can use CRF funds to pay for those increased costs but only through December 30, 2020.

Q – If we can use the CRF funds for extra bus routes for transportation can we then use the ESSER funds after December for those extra routes?

A – Yes.

Q – Why will only 50% of non-licensed staff will receive face masks?

A – The face shields were identified as a need for those paraprofessionals who work with students who are deaf or hard of hearing and early childhood students. Not all paraprofessionals work with these students.

Q – A lot of the approved CRF allowed expenses are for supplies needed. Can we use CRF funding for additional custodial staff and teachers in order to ensure young learners are in the classroom?

A – Yes, as long as they are additional to any that were funded prior to COVID.

Q – Do we need to allocate a portion of our CRF money to nonpublic school districts as we had to do with ESSER and GEER?

A – No.

Q – I can use the CRF funds for an additional teacher until December 30, 2020. After 2020 can I use ESSER funds?

A – Yes.

Q – How quickly will MDE be approving the CRF application?

A – As soon as possible. Some applications have already been approved in SERVS. The length of time depends on the complexity of the schools application and information provided, specifically in the “other” area. Budget approvals will be similarly dependent on complexity and whether some costs require prior approval.

Q – Has MDE determined UFAR’s coding for the spending?

A – Yes, the grid was included in the presentation. It will be updated to account for codes for food service equipment and buses. Allowable UFARS code combinations will be available under Chapter 10 of the 2021 UFARS Manual for Finance Code 154. This is located on the MDE Financial Management > UFARS website at https://education.mn.gov/MDE/dse/schfin/fin/UFARS/
Q – When will application materials be ready? Any additional information?

A – The application is available in SERVS now.

Q – Has there been a potential allocation of CRF funds by district yet? If so where can it be found?

A – Yes, it’s on the MDE CARES Funding Webpage. https://education.mn.gov/MDE/dse/health/covid19/cares/

Q – Can a school district charge families for delivering meals to the students in the on-line learning mode?

A – MDE discourages a school district from charging families for this service.

Q – Our school district is receiving funds from our County that they are allocating to us from CARES funds. My question is, even though it is coming from our county, what finance code should we use to report revenue and expenditures?

A – We have recently added Finance Code 174, Other Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Funding Received through Other Local Entities (Funds 01, 02 and 04). The description below is an excerpt for school districts.

“School districts should use this code to record revenues and expenditures due to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funds received from Minnesota counties, cities or townships. These funds were provided to districts through the Coronavirus Relief Fund 21.019.”

The FY 21 UFARS Chapter 10 will be posted above the FY 20 UFARS Manual very soon.

**Operational Costs**

Q – Can CRF funds be used to purchases buses, vans or other vehicles?

A – CRF funds can be used to purchase vehicles for student transportation so long as the school is doing so to meet state and LEA guidelines for student transportation. Eligible reasons could include:

- The need more vehicles due to reduced capacity on current vehicles, whereby adding additional routes.
- They may also purchase use the funds to purchase vehicles to distribute supplies, materials and meals if they are unable to meet student needs with their current fleet.
- Vehicles may also be purchased for staff travel to student’s home to help with technology issues.

Please see the Safe Learning Plan for the 2020-21 School Year for requirements around home visits by school staff for additional guidance. Schools may not purchase vehicles for transporting COVID positive students to and from school. Please see the Chapter 10 grid for coding the purchase of vehicles whether used for student transportation or other uses. All vehicle purchases require prior approval. See the Vehicle Purchase Request section for further information. Since schools will be using federal funds they can charge only a portion of the cost to a finance code based on usage. That will need to be included in their prior approval documentation along with their funding information.
Q – Can CRF funds be used to purchase a vehicle for transporting special education students due to COVID and need for reduce capacity on current buses and vans?

A – Vehicles for transporting special education students should continue to be charged to special education. Whereby, either using federal, state or Medical Assistance funds. Vehicles purchased with federal special education funds are fully reimbursed in the year of purchase whereas vehicles purchased with state or MA funds are depreciated through the state special education formula by 5 or 8 years depending on vehicle type.

Supporting Student, Family and Educator Needs

Q – Can CRF funds be used for HVAC improvements for air quality?

A – Yes. Schools will still need to follow all federal requirements regarding purchasing equipment and/or construction and remodeling costs. Furthermore, to be eligible the equipment and/or installation must be purchased, delivered and installed prior to December 30. See the UFARS Chapter 10 grid for eligible coding options for purchasing equipment and remodeling costs.

Q – Can CRF funds be used to purchase disposable silverware, etc. for Food Service?

A – Yes. One supply, object 401 and equipment, object 530 code has been made available in UFARS under Fund 02.

Q - Can CRF Funds be used for a long term sub if staff needs to be out for COVID reasons?

A – Yes, for the time between July 1 and December 30, 2020.

Q – We paid teachers extra hours to help with planning. Does that qualify?

A – This is an eligible expenditure as long as the extra hours worked are outside of their contracted hours and the time was not budgeted for prior to the COVID pandemic.

Q – Can we use CRF funds for items to increase outdoor classroom opportunities such as tables, chairs etc.?

A – Yes. As long as it has been identified as a reasonably necessary expenditure that occurred as a result of the COVID Pandemic.

Q – Are our schools allowed to give money directly to families for tutoring services the school could not provide?

A – If the school has a mechanism to reimburse families for this cost then yes, this is an allowable expense. But it must be reimbursement based and drawn from SERVS by December 30.

Q – Can CRF funds be used for food service to purchase disposable tray and silverware?

A – Yes.
Q – Could CRF funds being used for mobile racks to distribute lunches to classrooms?

A – Yes.

Q – Can CRF funds pay for portable toilets for student use?

A – No, this is not an eligible expenditure.

School-age Care for Essential Workers

Q – School Aged Care - what expenses associated with this? Just hourly for care givers or overhead for Community Ed staff? We would have furloughed if no child care.

A – If the employees in question were funded prior to COVID then no, you could not use CRF funds to cover the costs for these staff to provide child care this fall. Only those costs that are over and above what you budgeted for prior to COVID are eligible.

Not Eligible Costs

Q – Can CRF funds be used to purchase additional equipment for athletics to promote social distancing?

A – No. These are funds are for educational uses.

Q – MDE guidance has been that the cost to pay our transportation vendors on days that the special education students are in distance learning cannot be coded to SPED funding. Can CRF funds be used to cover these costs to pay vendors on these days where normal SPED costs will not be covered? Keeping our vendors solvent is essential to maintaining transportation services in the long run.

A – No, this would not be an eligible expenditure, you can’t use CRF funds to supplant costs you already had in your budget.

Q – Can it be used to pay Emergency sick leave and FMLA leave?

A – No, these CRF funds cannot be used to cover sick or FMLA leave. ESSER would be an eligible source for this expense.

Q – Can we use these funds to cover our unemployment costs due to the furloughs from last spring?

A – No, these funds are for educational needs for fall of 2020.
Q – We have employees that do not have sick leave, but we would have to give them paid sick leave under the emergency sick leave

A – No, these funds cannot be used to cover paid sick leave. It is possible that ESSER funds could be used for this purpose.

Q – Since we are required to offer extra sick leave can we use the funds to cover the extra leave that we do not normally offer.

A – No, these funds cannot be used to offer extra sick leave. It is possible that ESSER funds could be used for this purpose.

Q – We completely changed our in-service days to prepare teachers for this 2020-21 school year. The training we did with staff was within the guidelines of social emotional learning (SEL), instructional delivery models, RTI etc. Can we use CRF money for those four days? These are not additional days.

A – CRF funds would not be eligible for this expense if the staff involved in the planning were using time that was already budgeted for in the school’s budget.

Q – Are our additional administrative costs related to accounting and reporting of these funds an allowable expense for the use of CRF funds?

A – No. administration is not an eligible use of the MDE CRF proposal. You could use ESSER funds for this purpose.

Q – Can the funds be used to develop a “virtual learning academy” to replace or supplement distance learning?

A – This is not an eligible use of MDE’s CRF funds. This type of program would have to go through an approval process, which would take longer than the school would likely have to draw these funds. This work is really outside of the window of the COVID response.

**Construction Requests**

Construction or remodeling needs prior approval. MDE has no authority to approve any of these expenditures after the fact. The superintendent must sign the request and include answers to the following:

1. Explain the purpose of the project.
2. Describe where the remodeling or construction is to occur. Include what specific building or space to be remodeled.
3. Include whether the area is owned by the LEA or leased space.
4. Explain how the completed remodeling is necessary and a result of the COVID-19 public health emergency.
5. Provide the estimated start and finish date.
6. Provide the name of the construction company.
7. Provide the itemized estimate from the builders.
8. Estimate the total cost of the project.
Send the request to the Special Education Funding and Data Team (mde.spedfunding@state.mn.us). If approved, the LEA will receive a letter indicating how to code the expenditure.

**Equipment Requests**

UGG indicates that when federal funds are used to purchase equipment: “capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of $5,000 or more have the prior written approval of the federal awarding agency or pass-through entity.” (2 C.F.R. § 200.439 (b) (2).) If the LEA district, charter school or cooperative has policies that classify equipment at a lower value, then that value shall apply rather than the $5,000 indicated above. Any requests received after the fact (after the date of the purchase) will be denied.

The superintendent must sign the request and include answers to the following:

1. Describe what the equipment is and where the equipment will be located.
2. Explain the purpose of the equipment.
3. Explain how the equipment is necessary and a result of the COVID-19 public health emergency.
4. Provide the itemized estimate.
5. Estimate the total cost of the equipment.

Send the request to the Special Education Funding and Data Team. (mde.spedfunding@state.mn.us). If approved, the LEA will receive a letter indicating how to code the expenditure. You cannot purchased equipment before you receive prior approval is received.

MDE will deny any requests received after the fact (after the date of the purchase). MDE has no authority to approve any of these expenditures after the fact.

It is the LEA’s responsibility to establish and maintain an inventory. The LEA must inventory and tag device as a COVID-19 purchase. Equipment must be available for inspection during monitoring and auditing activities. When the device is no longer needed, it must be managed or disposed of in accordance with UGG, section 200.313(e).

**Vehicle Purchase Request**

Finance Code (FIN) 419 federal funds may be used to purchase a vehicle. The LEA needs to provide a written request to purchase a vehicle prior to obligating and spending federal special education funds. The superintendent/executive director and the director of special education must sign a written request that includes the following:

1. The vehicle year, model and make.
2. The name of the dealership or seller.
3. The cost estimate or quote.
4. The fiscal year in which the funds will be obligated.
5. The type of funds to be used (i.e. federal, state, or medical assistance).
6. All purposes and functions of the vehicle to be purchased.
7. The Vehicle Identification Number (VIN) for the vehicle, if available.
Send the request to the Special Education Funding and Data Team (mde.spedfunding@state.mn.us). If approved, the LEA will receive a letter indicating how to code the expenditure. You cannot purchased the vehicle with federal funds before prior approval is received. MDE has no authority to approve use of federal funds for these expenditures after the fact.

ESSER/GEER Questions

Q - Do we have to set aside money for non-public schools on the ESSER and GEERS funds? We were waiting to hear from the federal government?

A - That is recommended by MDE, but not required. The decision is up to the schools.

Q - If we are creating a special distance-learning team or staff could we use ESSER or GEERS funding for their salaries?

A - If the staff are new then yes, but only through December 30. At that point you’d have to find other funding to support those staff. ESSER would also be an eligible use.

Q - Would any of these funds cover athletic equipment such as helmets, bats, balls, etc. to limit the sharing between athletes?

A - Not CRF, but maybe ESSER. You could speak with Michael Diedrich to find out for sure if ESSER would fund this expense.

Q - Do the non-publics need to submit receipts or do we just send them their allocation in a check?

A - The federal government does not allow a public school to give a non-public school money directly. You would need to pay for the expense for the non-public school.

Q - For ESSER and GEERS money could we purchase staff left laptops for online curriculum?

A – YES

Q - Is the funding only for the Title I school (for example the elementary school) or can it be used districtwide?

A - It depends on which option you choose. If you choose option 1 or 2 then you can only use the funds on Title 1 schools. If you choose option 3 you can use the funds district wide.

Q - If we use the ESSER budget worksheet excel document that MDE provided, do we know which of the three options was used to calculate the nonpublic portion?

A - LEAs should use the budget worksheet tab that aligns with the option they chose for calculation method.
Q - What is the deadline for applying for ESSER and GEERS money?

A - May 1, 2021. These funds can be spent from March 13, 2020, to September 30, 2022.

Q - So ESSER and GEERS application in SERVS is not due on September 1, 2020, same as Title I?

A - No, it is separate from your Title allocation. ESSER/GEER applications are due May, 1, 2021.

Q - Where do we get access to each school ESSER and GEERS allocations?

A - MDE Cares Funding webpage. https://education.mn.gov/MDE/dse/health/covid19/cares/

Q - Can any of the funding streams be used to cover the increased costs for liability, property or unemployment insurance?

A - ESSER funds can be used for this purpose, not CRF.

Q - Can the funds be used to develop a “virtual learning academy” to replace or supplement distance learning?

A - The timeframe for the development, approval and implementation of a virtual learning academy would not be feasible to support fall learning, therefore, CRF funds should not be used for this purpose. ESSER funds could be used for this purpose.

Q - Who received the $5 million in competitive GEER grants?

A - The $5 million is for “Wrap around early care and education services” for the 0-8 age group.

• $2.5 million is for metro area organizations and $2.5 million is for greater Minnesota organizations.
• The metro area organizations applied through an RFP that was posted July 27. I do not yet know who the recipients are.
• The greater Minnesota organizations will apply for their funds through the six Minnesota Initiative Foundations (MIF). We have agreements with them in place now and they should already have their RFPs out. The MIFs include:
  o Initiative Foundation
  o Northland Foundation
  o Northwest Minnesota Foundation
  o SMIF
  o Southwest Initiative Foundation
  o West Central Foundation