



OREGON  
DEPARTMENT OF  
EDUCATION

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# House Education Committee

*Financial Impact of COVID-19 on K-12 Education*

May 29, 2020



STAY HOME. SAVE LIVES.

# State Economic Analysis

- The General Fund is down by \$1.8 billion from the last Revenue Forecast
- The state now faces a \$664 million General Fund deficit this biennium
- The 2021-23 revenue forecast is down \$3.5 billion
- The Lottery Fund is down \$346 million (23%)
- The Corporate Activity Tax (CAT) is down \$414 million (25%)
- Projections for both these revenues sources are projected to be impacted in the 2021-23 biennia as well

# Education Funding Impacts

- The State School Fund is impacted by:
  - About \$309 million from the General Fund
  - About \$117 million from the Lottery Fund
  - About \$63 million from the Corporate Activity Tax
  - **Total: Approximately \$489 million**
- Student Success Act (SSA) accounts reduced by 37%
- The total of the three SSA accounts went from about \$943.5 million to about \$592.5 million



# Education Funding Impacts

- The High School Success (M98) Program is down by about \$53.5 million (17.6%)
- SSA Expanded Access to School Meals is down by about \$14.5 million (35%)
- Early Intervention/Early Childhood Special Education (EI/ECSE) is down by about \$21.5 million (9.3%)
- Oregon Prekindergarten is down by about \$22.5 million (11.3%)
- Early Head Start is down by about \$8.2 million (34.3%)
- Preschool Promise Program is down by about \$11.3 million (16.8%)
- SSA Youth Reengagement Program is down by about \$1.4 million (35%)

## Coronavirus Aide, Relief, and Economic Security (CARES) Act

- Education Stabilization Fund: \$30,750,000,000
- Oregon's Share:
  - Governor's Emergency Education Relief (GEER) Fund - \$32.5 million
  - Elementary and Secondary School Education Relief (ESSER) Fund - \$121.1 million
  - Higher Education Emergency Relief (HEER) Fund - \$127.1 million

## Elementary and Secondary School Emergency Relief (ESSER) Fund

- Oregon's Allocation: \$121,099,019
- The ESSER Fund is designed to achieve two specific goals which include:
  1. supporting local education agencies for the increased cost of school safety and health issues related to coronavirus; and
  2. supporting local education agencies in continuing to meet the ongoing basic needs of students and develop plans for providing online learning for all students, including students with disabilities, English language learners and homeless students.



**90% of ESSER funds are to be allocated to school districts in the same manner as the current Title IA funding formula.**

- This formula allocates funding to school districts based on the number of low income students they serve and participation in Title IA programs.
- This means that nearly all school districts will receive a share of the funding.
- 18 school districts are not funded in this formula.
- This formula does not include ESDs, OSD, the State sponsored charter schools or any contracted programs (YCEP, JDEP, EI/ECSE, LTCT, etc.)

- ODE may allocate 9.5% of the resources for discretionary funding to school districts or education services districts or other entities for specific purposes that are within the eligible use of the ESSEER Fund.
- ODE is eligible to receive .5% for cost related to administering the ESSEER Fund.



# Use of ESSER Funds

- School districts and ESDs are required to provide equitable services in the same manner as guided by federal law under Title I to **private school** students and teachers. This should be determined in consultation with private school representatives in which the district may then provide services directly or may contract with a public or private entity to deliver the services.
- State **maintenance of effort** levels for special education must continue to be maintained, although there may be an opportunity for states may request waivers once there is more information available on revenue impacts.
- The “**supplement, not supplant**” requirements are *not* included in ESSER meaning funds could be used to replace current or future state aid.

# Allowable Use of ESSER Funds

1. Any activity authorized by the ESEA of 1965, including the Native Hawaiian Education Act and the Alaska Native Educational Equity, Support, and Assistance Act, the Individuals with Disabilities Act (IDEA), the Adult Education and Family Literacy Act, the Carl D. Perkins Career and Technical Education Act of 2006, or subtitle B of Title VII of the McKinney-Vento Homeless Assistance Act.
2. Coordination of preparedness and response efforts with State, local, Tribal, and territorial public health departments, and other relevant agencies, to improve coordinated responses among such entities to prevent, prepare for, and respond to coronavirus.
3. Providing principals and others school leaders with the resources necessary to address the needs of their individual schools.
4. Activities to address the unique needs of low-income children or students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth, including how outreach and service delivery will meet the needs of each population.
5. Developing and implementing procedures and systems to improve the preparedness and response efforts of school districts.
6. Training and professional development for staff of the school district on sanitation and minimizing the spread of infectious diseases.
7. Purchasing supplies to sanitize and clean the facilities of a school district, including buildings operated by such agency.
8. Planning for and coordinating during long-term closures, including for how to provide meals to eligible students, how to provide technology for online learning to all students, how to provide guidance for carrying out requirements under the IDEA and how to ensure other educational services can continue to be provided consistent with all Federal, State, and local requirements.
9. Purchasing educational technology for students who are served by the school district that aids in regular and substantive educational interaction between students and their classroom instructors, including low-income students and students with disabilities, which may include assistive technology or adaptive equipment.
10. Providing mental health services and supports.
11. Planning and implementing activities related to summer learning and supplemental afterschool programs, including providing classroom instruction or online learning during the summer months and addressing the needs of low-income students, students with disabilities, English learners, migrant students, students experiencing homelessness, and children in foster care.
12. Other activities that are necessary to maintain the operation of and continuity of services in the school district and continuing to employ existing staff of the school district.

Through the use of the GEER Fund, the Governor has discretion to allocate funding for distribution of emergency grants or contracts for local education agencies significantly impacted by coronavirus; and/or any educational entity in the state deemed necessary to deliver emergency educational services as defined by the eligible uses of the ESSER Fund, and/or the provisions of childcare and early childhood education, social and emotional support, and the protection of education-related jobs.





[colt.gill@state.or.us](mailto:colt.gill@state.or.us)



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