

## School Closure Funding Implications and Actions: COVID-19 Guidance

Updated 5/22/2020

During any unexpected closure, districts face many fiscal implications to navigate in both the immediate timeframe and in strategizing for the remainder of the fiscal year and beyond. The guidance below provides an overview of key points, funding information, and district actions to ensure proper funding continues to be provided.

### FY20 Funding Information

- **No existing funding allocations for the current fiscal year (FY20) will be impacted by any unexpected school closures, including BEP and federal grants.**
  - **Please continue to code students and attendance as you would for other unexpected closures (e.g. inclement weather).**
1. Basic Education Program (BEP) Funding
    - As a result of the BEP formula being based on prior year data, **no district will experience any changes to its BEP payments for this year**, including for ADMs and transportation. Current year payments are based on input data from FY19.
    - All remaining BEP payments will continue to be issued on the expected timeline and in alignment with the BEP allocations provided for FY20. The most recent payment was issued on **April 15. There is no May BEP payment. The next payment is scheduled for June 15 and will represent 75% of your regular payment. The balance of FY20 BEP funds will be paid on June 30.**
    - NOTE: For districts earning additional BEP Growth payments for increased student enrollment in the current year, **the department will use ADM from periods 2, 3, 6 and 6 again as a substitute for period 7.**
  2. Federal Funding
    - **No federal funding allocations for FY20 will be impacted** by unexpected school closures as the allocations are set for the year.
    - *In order to receive federal grant funds from the state, districts must submit reimbursements via the ePlan system. Please be sure to continue to submit these requests, and they will continue to be approved promptly for payment.*
    - The Federal Program & Oversight (FPO) team and grant program teams will continue to keep districts updated on any adjustments to timelines for funding applications or flexibilities provided as a result of any closures.
  3. Local & Other Funding
    - **Stafford Act:** As a reminder, the presidential declaration of a National Emergency triggers access to the Stafford Act allowing for possible reimbursement of costs associated with measures taken in response to the emergency. Please be sure to maintain your fiscal records of expenses, including staff time, required in response efforts to file for potential federal reimbursement.
  4. Considerations for Grants & Similar
    - The department is continuing to monitor federal guidance pertaining to grant funds, including any flexibilities for carry over provisions, obligation/liquidation deadlines, and other

implications. Any updates will be communicated through both grant program teams and the Local Finance team.

- If you have reporting requirements that may not be met due to unexpected closures, please be sure to watch for guidance from department program staff for additional information. Similarly, if you have any other external grant funds, please be sure to be in contact with the respecting grant leads regarding timing implications.

### **FY21 & Future Fiscal Years Funding Information**

- **The department is already in communications with the General Assembly and other oversight bodies to address funding implications for next fiscal year (FY21) and beyond to minimize or eliminate any impact to funding as a result of unexpected school closures. For the FY21 BEP allocations, periods 2, 3, 6 and 6 (as a substitute for period 7) will be used to calculate the funded ADM for each district.**
- **Please continue to code students and attendance as you would for other unexpected closures (e.g. inclement weather).**

Actions to Address Future Fiscal Years:

1. Current State Law: Under current provisions in the law (TCA 49-3-317), if operations of schools is suspended by reason of epidemic, natural disaster, or other justifiable cause, if so determined by the state board upon the written petition of the board, the suspension shall not operate to deprive the LEA of state funds to which it would be entitled, if LEA otherwise meets the requirement of the law. The department is currently drafting this petition to the state board to recognize the COVID-19 response as justifiable reason to ensure no districts experience a negative fiscal impact.
2. Collaboration with General Assembly: As appropriate, the General Assembly may consider legislation to ensure no districts experiences a negative fiscal impact. The department continues to partner with legislators to help inform those conversations and any possibly legislative actions.

### **District Actions**

All possible funding implications are directly tied to the data entered into your local student information systems (SIS), and as such, it is extremely important for districts to **continue to code students' attendance and other information accurately in your SIS under current guidelines** (accessible [here](#)).

As more information becomes available, please know we will provide updated guidance related to coding in your SIS as appropriate to ensure we fully capture local context through this time.

### **Other Information**

#### **The County Financial Management System of 1981 (CFMS of 1981)**

The County Financial Management System of 1981 (81 Act) is one of the two optional general law statutes of local application that a county may adopt to centralize the county's purchasing functions T.C.A. §§ 5-21-101 through 5-21-130. The above guidance applies to all districts who receive BEP or federal funds – regardless of whether a district's finances are operated centrally or separately. However, districts operating under the 81 Act may be asked to provide more documentation or information as it relates to payroll and procurement, and there may be other local rules and requirements to consider. District staff are encouraged to reach out to their assigned regional financial consultant with questions and concerns.

### **Contact Information**

If you have questions on this information or actions to take, please reach out to the key contacts below for

additional guidance:

1. Local Finance Questions: Maryanne Durski, Local Finance – [Maryanne.Durski@tn.gov](mailto:Maryanne.Durski@tn.gov)
2. EIS Coding: District Technology Helpdesk – [District.Technology@tn.gov](mailto:District.Technology@tn.gov)