In Budget & Finance News...

**Distribution of CARES Funding** – Last week the PDE issued updated guidance to school districts concerning the distribution of CARES Act funding.

As a reminder, the USDE had issued rules that require districts to distribute those funds to nonpublic schools based on student count, not as would be required under Title I. Pennsylvania is among the states challenging that rule in court. In August U.S. District Court Judge Barbara J. Rothstein issued an injunction order against the USDE implementation of the rule, stating that the agency subverted the intent of Congress and hurt students most affected by the pandemic, and that Secretary of Education Betsy DeVos did not have the authority to issue the rule in the first place. The USDE is expected to appeal that ruling.

Based on that ruling, PDE advises school districts to base local nonpublic equitable shares for ESSER on the 2018-19 enrollment of low-income students of nonpublic schools that participated in 2019-20 Title I-A programming. Estimated school district level equitable services reservations are available on the PDE CARES Act resource webpage.

However, because the order may be appealed, PDE advises school districts to maintain reservations based on proportionate share of the Title I-A (FY 2019) formula, which is based on the number of low-income children in participating nonpublic schools in the district. (In response to the IFR, PDE previously advised districts to calculate the difference between equitable services based on Title I-A and an amount associated with the IFR’s emphasis on total enrollment of all participating non-public schools in the district, and to hold this amount in reserve pending resolution of litigation. Districts may, out of an abundance of caution, continue to exercise this option, pending rescission of the IFR or resolution of equitable services litigation.)

**State Revenues** – Pennsylvania collected $2.5 billion in General Fund revenue in August, which was $209 million, or 8.9 percent, more than anticipated, according to the PA Department of Revenue. Fiscal year-to-date General Fund collections total $6.7 billion, which is $210.3 million, or 3.3 percent, above estimates. The Department estimates that approximately $187 million of the revenue collected in August can be attributed to extending the due date to August 14, 2020 for corporations that had annual corporate net income tax payments due in April, May, June or July.

**Guidance on Federal Grants** – (from AASA) On August 7, Secretary DeVos released new guidance suggesting state and local governments must consider religious and nonreligious organizations equally when reviewing applications for subgrants of federal education funding programs. The guidance also creates a federal process for individuals and organizations to file discrimination complaints if they feel they have missed out on education benefits because of religious affiliation. This move by USED is one of the first to cite the recent Supreme Court ruling in Espinoza v. Montana Department of Revenue as basis for potentially extending public education benefits to religious schools. (The guidance document is here; a Department press release is here; read EdWeek coverage here.)

**Federal Funds for Private, Charter Schools** – Private schools as well as charter schools have received $6 billion in federal coronavirus aid in the form of forgivable loans, according to a study by a nonprofit group. The estimate published last Tuesday by the Committee for a Responsible Federal Budget, which focuses on federal fiscal issues, notes that this Paycheck Protection Program funding is a little less than half of the roughly $13 billion in separate aid provided to states and K-12 school districts for K-12 under the CARES Act, which President Donald Trump signed into law in late March. Read the rest of the story: “Private and Charter Schools Got $6 Billion in Paycheck Protection Program Aid, Study Says” (from Education Week, 9/1/20).

**Special Education Contingency Funds** – The Pennsylvania Department of Education will begin accepting applications for the Special Education Contingency Funds for Extraordinary Expenses on November 23. Interested
local educational agencies (LEAs) will have until January 8, 2021 to submit applications. The application and review process for the 2020-21 school year is specified in the Contingency Funds Guidelines. Applications must be submitted electronically through the contingency funds request system website at https://apps.leaderservices.com/cfunds. LEAs that have not previously used the system may request a password from Leader Services by emailing cfunds@leaderservices.com. The LEA's address will be verified and a password will be issued, along with the information regarding the primary account. Questions regarding Special Education Contingency Funds for Extraordinary Expenses should be directed to Janette Fulton, Division of Analysis and Financial Reporting, at 717-425-5442 or janfulton@pa.gov.

**Guidance and Resources...**

**Updated Guidance on Sports Spectators** – Gov. Wolf last week unveiled updated guidance concerning school athletics.

Although the governor continues to advise against the resumption of school and recreational athletics until January 1, the update guidance does not prohibit start-up. In addition, guidance that barred spectators from attending athletic events was removed. Instead, the guidance states that all sports-related activities must adhere to the gathering limitations set forth by the Governor’s Plan for Phased Reopening (25 or fewer people for indoor activity, 250 or fewer people for outdoor activity) and the facility as a whole may not exceed 50 percent of total occupancy otherwise permitted by law. All individuals present at the facility at which such activities are held count towards gathering limitations and must comply with face covering order and social distancing guidelines.

In addition, the update requires each school entity to develop and adopt an Athletics Health and Safety Plan aligning to the PDE Preliminary Guidance for Phased Reopening of Pre-K to 12 Schools and the Public Health Guidance Regarding COVID-19 for Phased Reopening of Pre-K to 12 Schools prior to conducting sports-related activities with students. The plan must include the provisions of this guidance, be approved by the local governing body of the school entity and be posted on the school entity’s publicly available website. The Athletics Health and Safety Plan must be included in the school entity’s School Health and Safety Plan submitted to PDE by email at RA-EDContinuityofED@pa.gov.

**More Updated Guidance** – Also last week the PDE updated answers to FAQs concerning COVID-19 and Special Education, specifically addressing acceptance of electronic or digital signatures for IEPs, moving classrooms, compensatory services and transportation. The department also addressed questions regarding transportation requirements and reimbursement specifically for the cost of transporting students to brick-and-mortar charter schools and private schools, and also addressed how and when schools are to conduct and report fire and safety drills.

**Coronavirus Web Resources** – PASA’s web page concerning the Coronavirus and Pandemic Preparation includes links to information about issues such as school athletics and return-to-school, along with updated guidance from the PDE, CDC and USDE, and other important updates from the state and federal levels.

**Racism and Equity Resources** – PASA has compiled and posted a list of resources to assist school leaders and educators to facilitate conversations and initiatives addressing racism and inequity in schools and communities. Click here for the list.

**Resources from PASA Sponsors** – PASA is grateful for the ongoing support of our Sponsors at all levels. Although PASA does not promote or endorse any product or service offered by our sponsors, we are pleased to share information they offer that may be helpful to school leaders, particularly concerning return-to-school issues. Several of our sponsors have offered free webinars and other unique opportunities and resources to assist PASA members in planning for the school year. A recording of several of these webinars and a list of additional FREE resources and information is available on the PASA website.

**School Safety, Health & Instruction...**

**No More FEMA Funds for PPE** – The Federal Emergency Management Agency said it will no longer pay for some safety measures related to COVID-19 that it had previously covered. Keith Turi, FEMA assistant administrator for recovery, announced the changes during a call last Tuesday with state and tribal emergency managers, many of
whom expressed concerns about the new policy. Under the new guidance, FEMA will generally not reimburse states for the costs of cloth face coverings or personal protective equipment in nonemergency settings, including schools, public housing and courthouses. The policy goes into effect on Sept. 15. The changes narrow what constitutes an "emergency protective measure" and is thus eligible for FEMA's Public Assistance Program. Read the rest of the story: “FEMA Says It Will Stop Paying for Cloth Face Masks for Schools” (from NPR, 9/1/20).

No Testing Waiver for 2020-21 – U.S. Secretary of Education Betsy DeVos has informed states that they should not count on getting the same waivers from federal testing mandates for this school year that they got last spring as the pandemic shut down schools. In a letter to chief state school officers last Thursday, DeVos said that these annual, summative assessments in English/language arts, math, and science are “at the very core” of the bipartisan agreement behind the Every Student Succeeds Act, the main federal K-12 education law. And at a time when vulnerable students have been hurt the most by the pandemic, such tests are “among the most reliable tools available to help us understand how children are performing in school.” (from Education Week, 9/3/20)

Extension of Summer Meal Flexibilities – (from AASA) Last Monday (August 31) U.S. Secretary of Agriculture Sonny Perdue announced that the U.S. Department of Agriculture (USDA) has elected to extend several flexibilities associated with the Summer School Food Service Program (SFSP). Specifically, the move will enable SFSP and Seamless Summer Option meals to be served in all areas and at no cost, permit meals to be served outside of the typically-required group settings and mealtimes, waive meal pattern requirements as necessary and allow parents and guardians to pick-up meals for their children. As such, these extensions should allow school districts to continue serving free meals to children for the first semester of the school year, thereby ensuring that all students have continued access to well-balanced meals as the country recovers from the COVID-19 pandemic. Looking ahead, USDA has stated that they will require additional budget authorities to extend the SFSP flexibilities throughout the entire 20-21 school year. Check out the full details on USDA’s extensions by clicking here.

Special Report on Social-Emotional Learning – The editors of Education Week write, “While adopting a comprehensive, evidence-based SEL curriculum is best, if a school doesn’t have one, that doesn’t mean it’s too late to introduce social emotional learning. There are ways to weave SEL into the school day without overhauling established plans and adopting new SEL curricula. While it’s hard to teach children social and emotional skills while they are working remotely or sitting in classrooms where everyone is spaced six feet apart and wearing a mask, it’s not impossible. Ensuring that students are connected to their peers and have strong supporting relationships with adults in school will go a long way toward helping them cope and getting to a place mentally where they are ready to learn.” See Education Week to read the special report, “Teaching Social-Emotional Skills Amid COVID-19.”

In Legislative News…

Session Schedule – The Senate will be in session Tuesday and Wednesday this week while the House is in recess.

Last Week’s Legislative Action –

* **HB 2787**: Sports in 2020-21; amended and passed in the House, 155-47; approved by the Senate Education Committee on Sept. 3. The bill amends the School Code by adding a new section providing the governing authority of a school entity or nonpublic school to have the exclusive authority to determine whether to hold school sports activities, including competitions, intramural play and scrimmages and other in-person extracurricular activities during the 2020-21 school year. The bill also requires a school entity to develop an athletic, health and safety plan addressing school sports and other in-person extracurricular activities, and provides for the content of the plans. As amended, the bill requires the exclusion of students or staff from school buildings or activities if they test positive for coronavirus and adds nonpublic schools to the list of school entities required to develop a health and safety plan for activities and athletics. In the House, several amendments were defeated, including one that would have allowed the DOH, local health departments or the school entity to restrict audience or spectator attendance at school events if health officials determine that there is a significant risk to public safety related to COVID-19.

* **HB 2788**: Option for Additional Year; amended on the House floor and passed, 197-5. The bill amends the School Code to add a new section allowing a parent for the 2021-22 school year to elect to have a child in a school entity repeat a grade level to make up any lost educational opportunities during the 2019-20 and 2020-21 school
years, regardless of whether the child met the requirements to be promoted to the next grade level. In addition, the bill requires school entities to create a process for a parent to make the election and post the process on its publicly accessible website. As amended, the bill excludes student participation in interscholastic athletics from parental election. In addition, an amendment clarified the process for parents to elect an additional year of instruction for students with an IEP. (Note: Testifying before the House and Senate Education Committees last month, Secretary of Education Pedro Rivera stated that there are regulatory and legal prohibitions to providing education services to special need students beyond age 21.)

**Committee Schedule**

**Tuesday, September 8**

Senate Communications & Technology Committee
10:00 a.m. (virtual)
*public hearing on Department of Health COVID-19 contact tracing mobile app oversight and review*

Senate Local Government Committee
12:30 a.m. in the Senate chamber
*To consider:*
  * **HB 2536:** Tax Anticipation Notes. The bill amends the Local Government Unit Debt Act to authorize special short-term debt to help local government units manage cash flow during the Covid-19 emergency. Under the provisions of this proposal, a local government unit is authorized to obtain tax anticipation notes with a date of maturity at the conclusion of the next fiscal year which ends between 15 and 26 months from the effective date of this proposal.

Senate Appropriations Committee
Meeting off-the-floor
*To consider:*
  * **SB 835:** Funding for Broadband Expansion. The bill would dedicate state funding to address unserved rural areas of the Commonwealth by establishing a grant program to extend deployment of facilities already providing broadband service, limiting funding to entities who have demonstrated the ability to construct and administer, requiring it to be used in unserved areas only, and necessitating 20-percent of project costs come from their own funds.
  * **HB 2787:** Sports in 2020-21. (See description.)

**Wednesday, September 9**

Senate Communications & Technology Committee
Meeting off-the-floor
*To consider:*
  * **HB 2348:** Broadband Expansion Grants. The bill would repeal the Mobile Telecommunications Broadband Investment Tax Credit for mobile telecommunication providers to invest in broadband equipment in Pennsylvania and establish the Unserved High-Speed Broadband Funding Program, a competitive grant that would target the unserved and underserved areas of our commonwealth, with the Commonwealth Financing Authority administering the grants.

**In State News...**

**Extension of State Emergency** – Last week Gov. Wolf signed a proclamation extending Pennsylvania’s disaster emergency an additional 90 days from August 31, when it was scheduled to expire. The order has been in effect since March 6.

**From the PDE: Census Reminder** – The deadline to complete the 2020 Census is Wednesday, Sept. 30, and the Pennsylvania 2020 Census Complete Count Commission is asking school leaders to remind families in your communities to complete the Census before the deadline. “We know that COVID-19 has impacted each of the commonwealth’s communities, especially our education communities, but challenges like those we are facing as a result of the pandemic, make an accurate count even more critical,” PDE noted in a recent PennLink. “Each year
our communities receive $26.8 billion in federal funding that goes toward education, healthcare, housing, food assistance, and more. To support our communities, we need everyone living in Pennsylvania—every infant and child, every foreign and U.S. citizen—to be counted.” By law the U.S. Census Bureau cannot release any information that identifies individuals—and anyone who breaks this law faces a fine of up to $250,000 and/or up-to five years in prison. Residents can respond to the form by mail, by phone, or online. Additional resources can be found on Pennsylvania’s 2020 Census website.

**In National News…**

**Quality Counts 2020**—As the nation’s K-12 schools struggle to open amid COVID-19’s disruption, the challenges that confronted them before the pandemic—weak academic achievement, big gaps between high- and low-performing states, and room for improvement all around—remain front and center. That’s the composite picture painted by Quality Counts 2020’s final grading of the nation and the states based largely on the most recent federal and state data, which gives the U.S. a grade of C on a range of academic, school finance, and long-term socioeconomic indicators. Pennsylvania earned a B-. Read the rest of the story: “Nation’s Schools Get a ‘C’ Once Again, Even as Pandemic Turns Up the Heat” (from Education Week, 9/1/20).

**On the PASA Calendar…**

Sept. 10…….Board of Governors meeting (virtual)
Sept. 11…….Elections Committee meeting (virtual)
Sept. 12…….Superintendent Letter Exam Test Prep Session (Shippensburg)
Sept. 15…….Professional Development Committee meeting (virtual)
Sept. 16…….PASA Webinar: Combating Hatred