Senator Mitch McConnell
Majority Leader
US Senate
Washington, DC 20510

Senator Charles Schumer
Minority Leader
US Senate
Washington, DC 20510

Representative Nancy Pelosi
Speaker of the House
US House of Representatives
Washington, DC 20515

Representative Kevin McCarthy
Minority Leader
US House of Representatives
Washington, DC 20515

April 6, 2020

United States Congress
Washington, D.C. 20515

Dear Representatives and Senators:

We thank you for your leadership in the COVID emergency response packages to date, and for the clear signal of your support for education with the inclusion of K12 funds within the CARES Act. $13.5 billion is a step in the right direction.

Our organizations represent the educators providing elementary and secondary education to the nation's public school students and are committed to ensuring any federal support and response include funding critical to states and districts as they navigate never-before-seen demands on their schools, districts, staff and students. As Congress negotiates a fourth emergency supplemental in response to the COVID-19 pandemic, it is imperative any package include significant, robust and flexible funding for our nation's public schools.

The scale and magnitude of COVID emerged quickly and the full impact has yet to be clear. Just weeks into this pandemic, we lack the type of data and economic indicators that can robustly inform the type of recommendations Congress is looking for as it relates to school district need. We know that the unemployment rate is expected to exceed 15 percent, the highest on record since 1940, and well above the high of 10 percent reported during the 2007-09 Great Recession. We know that the American Recovery and Reinvestment Act (ARRA) of 2009 totaled $100 billion in education funding, with investments in both the state fiscal stabilization fund ($48.6 billion) and categorical programs ($10 billion for Title I and $11.7 billion for IDEA). Given the likelihood that things continue to get worse before they turn around, it is realistic for Congress to acknowledge the need for an unprecedented level of investment, something that cannot—and should not—be done in one fell swoop but in a series of informed, detailed and targeted investments to bolster and support state and local economies as they navigate the wake of COVID-19. Our recommendations, outlined below, are for the next step in a remaining series of supplemental funding bills and are designed to help ensure Congressional investment can be efficiently and effectively leveraged by state and local education agencies.

In a recent survey, more than 1,600 superintendents described the impact of COVID-19 on their district to date. Immediate and initial responses—including increased cleaning costs, limiting large crowd activities, and cancelling of out-of-school activities—quickly pivoted to widespread closures, shifts to online learning, and efforts to ensure that teaching and learning can occur to the greatest extent possible. In their initial reporting about what these changes are, what they mean for district need and cost, and how they are looking to cover these costs in the short term, the pragmatic response is the overarching pressure of the homework gap and the push to use existing state and local funding to cover unplanned expenses:

- More than three-quarters (81%) of superintendents reported that a lack of internet access at home for students (the 'homework gap') is their biggest obstacle in transitioning to fully online learning in light of school closures.
- When asked how their districts will pay for/scale up existing education technology services to deliver curriculum and instruction, respondents replied 'repurposing existing state funding' (33%); 'repurposing existing local funding' (28%); 'realize efficiencies within existing school budget' (26%); 'federal e-rate program' (9%)' 'public/private partnerships' (3%); and 'other' (1%).
- When identifying the costs their districts will incur as part of this initial response to COVID-19 and transition to remote learning, respondents reported 'costs associated with cleaning' (86%); 'costs related to providing food services to students off site' (77%); 'printing/disseminating paper learning materials' (67%); 'increased costs related to expanded online learning' (59%); 'costs related to teacher pay' (53%); 'costs related to professional training for staff' (42%); 'marginal costs with COVID (regularly occurring costs that exceed the annual average)' (35%); 'costs related to higher use of substitute teachers' (15%); and 'other' (5%).

In light of this initial reporting, and paired with the fact that state revenues are projected to fall between 15 and 20 percent and that state funding represents nearly half of education funding, our recommendations for how the federal government can support district work in this realm fall in five buckets:

- <u>Provision of Emergency Funding Directly to States to Support Local Education Agencies</u>: Building off the education stabilization fund included in the CARES Act last month, the fourth emergency COVID response must include an investment of at least $175 billion for K12 education at the state level to help bolster state budgets, to stimulate the economy in the short term and to invest in education and other essential public services to ensure the long-term economic health of our nation. Mechanisms exist to support quick and efficient allocation of the dollars through states to the local level. Any such funding must include strict protections related to 'supplement, not supplant' and ensure that a high percentage (all dollars except those related to administrative costs) end up at the local level. Particularly, we urge that a certain percentage [at least 90 percent] of funds provided through any education stabilization fund be designated for direct, supplemental subgrants to school districts for K-12 educational services and be distributed to LEAs within 15 days of receipt, again with a limitation on the percentage of subgrant funds withheld for administrative purposes.
- <u>Provision of Support for Federal Categorical Programs</u>: Recognizing the devastation facing state and local economies, it is clear that when schools open their doors, their student population will be significantly needier, with more students coming from families living at or near poverty, and students with disabilities in need of significant supports and services. We urge Congress to provide $13 billion for IDEA and $12 billion for Title I, funds to help school districts address the litany of needs for these students, playing catch up in the aftermath of COVID.
- <u>Emergency Funding for Technology for Remote Learning</u>: Outside of and in addition to the fiscal stabilization fund, Congress must include $2 billion in funding to the E-rate program. As schools and families find themselves in the never-before-found situation of wide-spread home-based learning as schools are closed, it has highlighted a long-documented and persistent inequity as it relates to access to broadband. In the context of our students, this is called the 'homework gap'.
- <u>Infrastructure Funding Must Include Explicit Support for Schools</u>: In a time of economic uncertainty and downturn, federal financial support for state and local efforts to modernize our nation's school facility infrastructure would greatly assist local communities to build, repair and renovate our nation's schools, also creating much needed local jobs in communities across our country.
- <u>Recognize School Districts As Employers: Include Public Employers in Payroll Tax Credit</u>: When it comes to employer subsidies, Congress must treat state and local government—including public school districts, the nation's largest employer—in the same manner as businesses and non-profit agencies. Congress must ensure equitable treatment of state and local government agencies—including school districts—by including them in the benefits of payroll tax credit for "emergency paid leave" for our public employees

affected by the coronavirus. Just like businesses and nonprofit agencies, state and local government employers, including school districts, will be providing emergency family and medical paid leave and emergency paid sick leave. Under the Family First Coronavirus Response Act, unlike businesses and nonprofit agencies, state and local government employers, including school districts, are expressly prohibited from offsetting these additional personnel costs against our employer share of Social Security payroll withholding payments [see section 7001(e)(4) and 7003(e)(4) of H.R. 6201]. Ironically, private and parochial schools, as nonprofit agencies, would financially benefit from the proposed tax credits, along with private sector businesses, while public school districts, along with other state and local government employers, would be excluded from the payroll tax credits. As school districts are the largest employer in the United States collectively, we urge Congress to remove this prohibition and allow eligibility for school districts and other units of state and local governments to receive the payroll credits. Specifically, it is imperative that state and local government agencies are included in the payroll tax credit for paid sick and family leave in Family First Coronavirus Response Act, as well as the employee retention payroll tax credit in the CARES Act.

Thank you for your continued leadership, and we appreciate your attention to these critical education priorities within a broader COVID response.

Sincerely,

AASA, The School Superintendents Association
American Federation of Teachers
American School Counselor Association
Council of Administrators of Special Education
Council of Great City Schools
National Association of Elementary School Principals
National Association of Secondary School Principals
National Association of School Psychologists
National Association of State Directors of Special Education
National Education Association
National PTA
National School Boards Association