



California Community Colleges

MEMORANDUM

August 31, 2020

Revised FS-20-08 | Via Email

TO: Chief Executive Officers
Chief Business Officers
Chief Student Services Officers
Chief Instructional Officers

FROM: Lizette Navarette, Vice Chancellor, College Finance and Facilities Planning
Division

RE: COVID-19 Response Block Grant – Funding Information and Requirements
(Revised)

SUMMARY

This revised memo includes information on the COVID-19 Response Block Grant quarterly reporting requirements implemented by the Department of Finance (DOF) and two separate reports due to the Chancellor's Office. In addition, the memo includes information on the U.S. Treasury's expanded allowable expenditures. See reporting section for additional details.

COVID-19 RESPONSE BLOCK GRANT

The 2020 Budget Act provides California Community College districts with federal and state relief funds in the form of a \$120 million COVID-19 Block Grant (block grant). The block grant is comprised of \$66.255 million from one-time Proposition 98 funds and \$53.975 million from the federal Coronavirus Relief Fund (CRF), a component of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The funds should be used on activities that directly support student learning, continuity of education, and mitigate learning loss related to COVID-19. In addition, the Legislature intended for these funds to be used to prioritize services for underrepresented students. (See [U.S. Treasury's Coronavirus Relief Fund Guidance](#) and [U.S. Treasury's Coronavirus Relief Fund FAQ](#) for further details). In addition, the Treasury will post all updates to these documents on the

Chancellor's Office

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[Treasury's webpage](#), please familiarize yourselves with this page for other critical information and future updates.

ACCOUNTING FOR BLOCK GRANT FUNDS

Block grant revenues should be recorded in the restricted general fund and expenditures tracked with specific identifiers for the state and federal portions. Funds are subject to both federal and state audit, and audit procedures for the block grant will be included in the Contracted District Audit Manual beginning in 2020-21. For federal single audit purposes, the Catalog of Federal Domestic Assistance (CFDA) number is 21.019.

Supporting documentation should be retained and available to the Chancellor's Office upon request. For the federal portion, all receipts and records of expenditures should be kept for five years after the final payment is made. For the state portion, districts should maintain all receipts and records for at least three years, or until after any audit has been resolved.

ALLOWABLE EXPENDITURES

Expenditure of the federal portion of the block grant must be incurred by December 30, 2020. The state portion of the block grant funds must be expended or encumbered by June 30, 2022. Although the federal portion only covers cost incurred by December 30, 2020, a reasonable liquidation period of 90 days is provided, or until March 31, 2021. Unspent and unobligated federal funds as of December 30, 2020 will be pulled back at the First Principal Apportionment (P1) in January 2021 and returned to the state and ultimately the Treasury.

As previously mentioned, the funds should be used on activities that directly support student learning, continuity of education, and mitigate learning loss related to COVID-19.

Allowable uses may include the following:

- Administrative Expenses
 - Costs for implementing new programs (such as a new grant program) designed to respond to or mitigate COVID-19.
 - Administrative expenses of an audit conducted under the Single Audit Act.
- Budgeted Personnel and Services Diverted to a Substantially Different Use
 - Costs of diverting educational support staff or faculty to develop online learning capabilities (if information technology support is not part of their typical responsibilities).

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- Costs of diverting any staff from their normal, routine duties, to duties that are substantially dedicated to mitigating or responding to the COVID-19. (The exception is staff diverted to support testing or contact tracing. These costs should be included in the category below.)
- COVID-19 Testing and Contact Tracing
 - Costs of providing COVID-19 testing, including serological testing.
 - Payroll costs or contract costs for staff conducting contract tracing.
- Economic Support (Other than Small Business, Housing, and Food Assistance)
 - Costs for a government payroll support program.
 - Grants to individuals facing economic hardship to allow them to pay for and continue to receive essential services, such as utility bills.
- Expenses Associated with the Issuance of Tax Anticipation Notes (TANs)
 - Payment of interest expenses payable on TANs by the borrower.
 - Unbudgeted administrative and transactional costs, such as necessary payments to advisors and underwriters, associated with the issuance of the TANs.
- Facilitating Distance Learning
 - Technological improvements such as increasing broadband capacity.
 - Software purchases that enable distance learning.
 - Hardware purchases for students and/or teachers such as laptops and tablets.
- Food Programs
 - Costs for establishing and operating a food bank.
 - Costs for food delivery to residents, including senior citizens and other vulnerable populations.
- Housing Support
 - Rental assistance.
 - Mortgage assistance.
 - Emergency shelters and housing that facilitate compliance with public health orders, including quarantine and isolation.
- Improve Telework Capabilities of Public Employees
 - Technological improvements such as increasing broadband capacity and setting up virtual private networks.
 - Software purchases that enable employees to telework.
 - Hardware purchases such as laptops and tablets.

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- Costs for developing online or automated processes for work that previously required in-person visits for employees and customers/citizens
- Medical Expenses
 - COVID-19-related expenses of public hospitals, clinics, and similar facilities.
 - Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
 - Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
 - Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
- Payroll for Public Health and Safety Employees
 - Payroll expenses for public safety, public health, human services, and similar employees (including salaries, benefits, and overtime pay) whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Payroll costs for public health and public safety employees may be presumed to be payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.
 - Costs of redeploying police to support management and enforcement of stay-at-home orders.
- Personal Protective Equipment (PPE)
 - Costs for acquisition and distribution of PPE.
 - Costs to create a reserve of PPE.
- Public Health Expenses
 - Costs for communication and enforcement of public health orders related to COVID-19.
 - Costs for acquisition and distribution of medical and protective supplies, including sanitizing products, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
 - Costs for disinfection of public areas and other facilities, in response to the COVID-19 public health emergency.

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- Costs for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
- Costs for public safety measures undertaken in response to COVID-19.
- Costs of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
- Costs for care provided to the homeless population to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
- Costs to address increases in solid waste, such as those relates to the disposal of used PPE.
- Unemployment Benefits
 - Unemployment benefits costs that will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
- Workers' Compensation
 - Increased workers compensation costs to the government due to first responders and critical health care workers that contract COVID-19.
- Items Not Listed Above
 - Users may define additional groupings.

Expenditures noted above should meet the following requirements:

1. Incurred “due to” the COVID-19 public health emergency, and
2. Not be accounted for in the budget most recently approved on March 27, 2020.

Funds **may not** be used for:

- 1.** Backfill of lost revenue.
- 2.** Damages covered by insurance.
- 3.** Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency (including teleworking).
- 4.** Expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds.
- 5.** Workforce bonuses other than payment of overtime.
- 6.** Severance pay.
- 7.** Legal settlements.

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QUARTERLY REPORTING TO DOF WEB PORTAL

DOF has established the [CRF Reporting Web Portal](#) for Sub-Recipients to enter CRF allocation and expenditure data. The web portal is expected to go live September 1, 2020. On August 31, 2020, DOF released the [CRF Reporting Web Portal User Manual](#), and will conduct a [CRF Reporting Zoom training](#) on September 3, 2020, at 10:30 am for recipients and sub-recipients. A link to this training will be forwarded separately.

The reported information will be used by DOF to compile quarterly expenditure reports due to the Treasury. **The first web portal reporting is due by September 14, 2020, for the period of March 1, 2020 through June 30, 2020.** Additional reporting dates will be shared through calendar invites, once received by DOF. DOF's web portal will require the following information:

- Contact information for person in-charge of entering data.
- Delegated person will enter data directly into the portal.
- Requires DUNS number to be entered.
- Summary of funds received.
- Expenditures/obligations for allowable activities (Categories) within the reporting period.
- Estimated expenditures in future periods.

If a district has not closed their books by the report due date, please report estimates and true-up amounts at the next reporting period. Districts must be able to provide comparable information at the college level.

TWO ADDITIONAL REPORTS TO CHANCELLOR'S OFFICE

The Chancellor's Office is required to submit expenditure reports for CRF (Federal Fund Portion) and Prop 98 (State Fund Portion) to the Legislature. In order to provide the information requested by the Legislature, districts will submit two summary reports to the Chancellor's Office.

A summary report on the CRF is due to the Chancellor's Office by **January 5, 2021** and a summary report on Prop 98 is due to Chancellor's Office by **October 3, 2023**. The reports must include a summary of the funds received from the block grant, expenditures for the purposes described in the 2020 Budget Act and for allowable expenditures described above, and funds provided to colleges in multi-college districts. In addition, consistent with federal and state requirements, districts must describe (1) how the use of funds

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prioritized services for underrepresented students, and (2) the effectiveness of services or supports provided by these funds. Calendar invites will be sent out as reminders and a report template will be provided prior to the submission due date.

CONTACTS

For questions about the COVID-19 Response Block Grant and this memorandum, please contact specialist Lorena Romero, lromero@cccco.edu or the Fiscal Standards and Accountability Unit at fiscalstandards@cccco.edu.

RESOURCES

[U.S. Treasury's webpage](#)

[U.S. Treasury's Coronavirus Relief Fund Guidance](#)

[U.S. Treasury's Coronavirus Relief Fund FAQ](#)

[Chancellor's Office COVID-19 Block Grant page](#)

cc: Chancellor's Office Staff