

# Vermont Legislative Joint Fiscal Office

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## *FISCAL NOTE*

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### **Recommended CRF Appropriations for Prekindergarten-Grade 12 Education**

In Section A.50 of Act 120, the legislature appropriated \$50 million to the Agency of Education (AOE) from the State's \$1.25 billion Coronavirus Relief Fund (CRF) allocation. This appropriation was intended to fund CRF-eligible FY2020 and FY2021 expenditures of Vermont prekindergarten-grade 12 public schools and independent schools:

District reimbursement	\$29.0 million
Indoor air quality	\$6.5 million
Summer meals	\$12.0 million
Independent schools	\$1.5 million
Administration	\$1.0 million

Since the amount of CRF-eligible expenditures was unknown at the time Act 120 was passed, the legislature set aside \$100 million of the State's remaining CRF allocation to be appropriated in the FY2021 restated budget, if needed, to fully reimburse school districts for their FY2020 and FY2021 CRF-eligible costs.

School Districts. Applications for districts seeking reimbursement for their CRF-eligible spending must be submitted to the AOE by September 2<sup>nd</sup>; however, AOE will not be able to provide an estimate of statewide CRF-eligible spending to the legislature until September 10<sup>th</sup> or 11<sup>th</sup> – beyond the date that the House needs to act on the restated budget.

To provide a timely estimate of the additional appropriation from the State's remaining CRF allocation that may be needed to fully reimburse school districts for their CRF-eligible spending, the Joint Fiscal Office has worked with the Vermont Superintendents Association (VSA). The VSA surveyed 52 supervisory unions (SUs) to obtain this information.

As of this morning, 29 SUs submitted estimates of their CRF-eligible spending to the VSA. The average amount reported is about \$650 per equalized pupil. Scaling this up produces a statewide estimate of nearly \$57 million or an additional \$28 million more than the \$29 million appropriated for this purpose in Act 120.

Indoor Air Quality. In addition, demand for air quality improvement is likely to exceed the \$6.5 million appropriated in Act 120 by \$8-\$9 million; however, school districts are unlikely to be able to expend these funds before December 30<sup>th</sup>. An additional appropriation of \$5 million may be enough to cover these costs.

Summer Meals Program. Last, up to \$12 million was appropriated for the summer meals program through August in Act 120; however, school districts were only able to draw down about \$3 million. AOE recommends that up to \$4 million be appropriated from the State’s CRF allocation for the purchase of supplies and equipment necessary to provide meals to children.

Total CRF Appropriation Request to House Appropriations. An additional appropriation of \$32 million from the State’s remaining CRF allocation would cover these estimated CRF-eligible expenditures and provide an additional 5% cushion for potential costs that have not yet been identified by school districts:

Additional LEA reimbursement	\$28 million
<u>Additional HVAC reimbursement</u>	<u>5 million</u>
Total	\$33 million
<u>Credit remaining summer meals appropriation</u>	<u>5 million</u>
Total	\$28 million
<u>5% cushion</u>	<u>4 million</u>
<b>Recommendation to HAC</b>	<b>\$32 million</b>