



Elaine M. Howle *State Auditor*

CONTACT: Margarita Fernández | (916) 445-0255 x 343 | MargaritaF@auditor.ca.gov

California Department of Education

It Needs to Provide Better Oversight to Ensure That Local Educational Agencies Promptly and Effectively Use Federal COVID-19 Funds

Background

To address the impacts of the COVID-19 pandemic on K-12 education, the federal government enacted several pieces of legislation, which collectively has provided more than \$24 billion in education funding to California through two federal programs: the Elementary and Secondary School Emergency Relief Fund (ESSER) and the Governor's Emergency Education Relief Fund (GEER). The California Department of Education (Education) administers the State's K-12 public school system, which comprises more than 2,000 local educational agencies (LEAs) that include school districts, charter schools, and county offices of education and that serve over 6 million students.

Key Recommendations

Education should do the following:

- Ensure LEAs submit the required spending data to oversee their use of funds by tracking spending reports they submit, following-up with LEAs that do not submit the reports, and seeking additional resources if needed.
- Ensure LEAs effectively use the funds before the deadlines by creating a robust process that includes regularly assessing LEAs' spending data and assisting LEAs by identifying and sharing best practices for quickly and effectively spending these funds.
- Appropriately monitor LEAs' use of these funds by establishing policies for determining how many LEAs to monitor and using LEAs' spending data to identify and select LEAs that may be at higher risk for noncompliance.

Key Findings

- Although it requires LEAs to submit quarterly spending data, Education has not ensured that all LEAs submit these; therefore, it lacks complete spending data to oversee LEAs' use of ESSER and GEER funds.
- Education has not ensured that LEAs are promptly spending their ESSER and GEER funds—the State could lose millions of federal funds if they remain unspent by the federal deadlines.
 - » As many as one fifth of the LEAs had reported spending less than 20 percent of their allocations as of June 2021, and some of these LEAs had yet to spend any funds.
 - » We estimate that if these LEAs are not able to increase their rate of spending, they could collectively lose at least \$160 million in federal funds.
- Education did not monitor an adequate number of LEAs to ensure that they are properly spending their ESSER and GEER funds.
 - » In fiscal year 2020–21, Education monitored only 15 of the more than 1,600 LEAs that received these funds.
 - » The reviews it did conduct identified significant issues with some LEAs' spending.
- Education has not used information from the spending data it has collected to determine which LEAs to monitor.

Amount of Federal Funding Allocated to California's K-12 Education System

