

Transfer of Funds for Early Childhood Family Education (ECFE) and School Readiness Programs

Revised September 9, 2020

The information in this document supplements the document, *Commissioner Guidance for the Transfer of Funds for Emergency Minnesota Laws 2020, Chapter 116/House File 4415, Article 3 Section 8*. The intent of the information in this document is to provide further clarification on some of the most common questions asked about transferring ECFE and School Readiness funds.

For guidance on school-age care and child care programs in schools, refer to:

- *2020-21 Planning Guidance for Minnesota Public Schools* available on the [COVID-19 Updates](#) page.
- The regulations and guidance available on the [Schools and Child Care: COVID-19](#) page of the Minnesota Department of Health (MDH) website.

Frequently Asked Questions

Q1: Is permission needed if our district wants to transfer funds from the ECFE and School Readiness reserve accounts?

A1: Yes, the district's school board must approve transfers. In addition, as stated in the guidance, a school district must maintain accounting records that are sufficient to document both the specific funds transferred and use of those funds. The accounting records are subject to auditor review.

A Request for Fund Transfer is signed and submitted to the Minnesota Department of Education (MDE).

Q2: [ADDED 09/04/20] What restrictions are there with transfers between funds (e.g. between Fund 01 and Fund 04)? Or within the same fund?

A2: Remember that a fund transfer is allowed if the transfer meets the criteria listed in Minnesota Laws 2020, Chapter 116/House File 4415 Article 3 Section 8. See the [Guidance for Transfer of Funds](#) on the MDE website for a list of the criteria.

Q3: One of the criteria listed in the guidance states that, "Any transfer must not interfere with the equitable delivery of distance learning or social distancing models." Our School Readiness program will be providing distance learning to all families who requested it. How does the guidance impact this situation?

A3: Fund transfers must meet the criteria listed in the [Guidance for Transfer of Funds](#) on the MDE website. Districts are required to provide certain services during the COVID-19 pandemic, and districts may transfer funds in order to pay for these services. If your district made the decision to provide distance learning to your School Readiness students, then you should continue this service, provided funds are available.

Q4: May FY21 ECFE and School Readiness funds be used to pay for staff in the School Age Child Care (SACC) program?

A4: For fiscal years 2020 and 2021 only, a school district, charter school, or cooperative unit may transfer any funds not already assigned or encumbered by staff salary and benefits from any accounts or operating fund to the undesignated balance in any other operating fund.

It is likely that the majority of a district's ECFE and School Readiness FY21 funds have been assigned to staff salary and benefits. Funds that have not been assigned or encumbered may be transferred.

For more information on providing child care, see the 2020-21 Planning Guidance for Minnesota Public Schools available on the [COVID-19 Updates](#) page.

Q5: [ADDED 09/04/20] Are early childhood programs required to provide child care?

A5: The requirement is for school-age child care, which must be provided for school-age children age 12 and under who are children of critical workers in Tier I of the state critical worker list. Equitable and affordable school-age child care programs are essential to support working families and provide enrichment and care for students. [Executive Order 20-82](#) indicates that a school district or charter school that operates a hybrid or distance learning model "must provide school-aged care for Eligible Children at no cost during the time those children are not receiving instruction in the school building during regular school hours."

School age care consists of child care cooperatives, regular day care, and latchkey programs that provide educational, recreational, or custodial experiences for children from kindergarten through grade six that are beyond the scope of regular school programming ([Minn. Stat. § 124D.19](#), subd. 11).

Q6: [ADDED 09/04/20] How are school age child care programs staffed?

A6: Paraprofessional staff should be considered as a support to learning in the school-age care setting, though it is understood they may not be available due to their caseloads and funding sources. Consistent with labor agreements, districts and charter schools must utilize available staff who are able to work during the 2020-21 school year. Refer to the 2020-21 Planning Guidance for Minnesota Public Schools available on the [COVID-19 Updates](#) page for detailed information on this topic.

Q7: Can my district layoff staff?

A7: School districts and charter schools are not precluded from making budget-based layoffs of staff and administrators for programs where dedicated funding streams do not exist, in accordance with applicable local labor agreements. Districts and charter schools should consult their attorneys for questions about compliance with employment contracts and with questions about unemployment compensation.

Q8: Our district is using buses to deliver food and materials and we are including School Readiness families. Can School Readiness funds be used to cover delivery costs?

A8: Yes. School Readiness funds may be used to cover transportation costs for eligible children. If funds are transferred from the School Readiness reserve account to the appropriate transportation account, these funds may be used to cover delivery costs.

Q9: If I have further questions, who do I contact?

A9: If your questions are not addressed by the Guidance for Transfer of Funds document, please contact the [UFARS Accounting Helpdesk](mailto:MDE.UFARS-Accounting@state.mn.us) (MDE.UFARS-Accounting@state.mn.us).