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

Governor Walz’s Emergency Executive Order 20-41 signed on April 23, 2020, states that:

School districts and charter schools need authorization to transfer operating funds from programs that are not already assigned to or encumbered by staff salary and benefits, or otherwise encumbered by federal law, to help cover additional costs incurred for nutrition services, community education programs, and technology supports for our students.

The information in this document supplements the document, *Guidance for Transfer of Funds*. As a result of the Executive Order, some ECFE and School Readiness administrators have asked for clarification. The intent of the information below is to provide further clarification on some of the most common questions.

Q1: May FY20 ECFE and School Readiness funds may be used to pay for the ECFE and School Readiness staff who are currently working in School Age Child Care (SACC)? Or, would it need to be funds transferred from ECFE or SR reserve accounts to the appropriate account that funds the care program, like SACC?

A1: Staff working to provide care to Eligible Children are compensated through the appropriate program, like School Age Child Care (SACC). To ensure sufficient funds for this service, districts may transfer funds from the ECFE and School Readiness reserve accounts.

Q2: If a Community Education Director wants to transfer funds from the ECFE and School Readiness reserve accounts, does he/she need permission?

A2: Yes, transfers must be approved by the district’s school board.

Q3: 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?

A3: 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.

Q4: Our district is not including preschool aged children in our distance learning plan, may School Readiness funds still be used for transportation?

A4: Yes. If funds are transferred from the School Readiness reserve account to the appropriate transportation account, these funds may be used to cover transportation costs.

Q5: How do ECFE and School Readiness programs plan for the 2020-21 school year if funds have been transferred?

A5: The aid reports available in *Minnesota Funding Reports (MFR)* have been updated and districts can count on the aid amounts listed on the FY21 aid reports.
Q6: The guidance states that, “Any transfer must not interfere with the equitable delivery of distance learning or social distancing models.” Our School Readiness program has been providing distance learning to all participants since the beginning of distance learning. How does the guidance impact this situation?
A6: Fund transfers must meet the criteria listed in the Emergency Executive Orders. Please review the Guidance for Transfer of Funds on the Minnesota’s Department of Education (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. Other services, like distance learning for School Readiness are optional. However, 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.

Q7: Can my district lay off 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. For more information, see Minnesota Distance Teaching and Learning Implementation Guidance.

Q8: My district is talking about laying off ECFE staff, but their salaries were budgeted for in our FY20 ECFE budget.
A8: School districts are authorized to transfer operating funds from certain programs that are not already assigned to or encumbered by staff salary and benefits. If FY20 ECFE funds have already been assigned to certain staff, the funds should remain.

Q9: What restrictions are there with transfers between funds (e.g. between Fund 01 and Fund 04)? Or within the same fund?
A9: Remember that a fund transfer is allowed if the transfer meets the criteria listed in the executive orders. Please review the Guidance for Transfer of Funds and Request for Fund Transfer form on the MDE website.

Q10: If I have further questions, who do I contact?
A10: If your questions are not addressed by the Guidance for Transfer of Funds document, please email COVID-19.Questions.MDE@state.mn.us.