The BIE provides funding and oversight for 55 Bureau-operated schools and 132 tribally controlled schools. Its mission is to provide education and tribal culture for students of all ages. The BIE serves in the capacity of a State Education Agency and administers and oversees the Department of Education’s programs in BIE-funded schools. The Department of Education transfers funds to educate and provide services to students attending BIE-funded elementary and secondary schools.

Under the Elementary and Secondary Education Act, the Department of Education annually transfers funds to the BIE for eligible programs. The BIE also receives an annual grant from the Department of Education under Individuals with Disabilities Education Act. Tribal postsecondary schools are also funded by a combination of sources including the BIE, the Department of Education, and other Federal agencies.

On March 27, 2020, the President signed into law the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which provided the U.S. Department of the Interior (DOI) with $756 million to support the needs of DOI programs, bureaus, Indian Country, and the Insular Areas.

As part of the CARES Act, the Bureau of Indian Education (BIE) received $69 million from the DOI to prevent, prepare for, and respond to the coronavirus pandemic. The BIE can use this funding for K – 12 schools, tribal colleges and universities, salaries, transportation, and IT.

In addition to the CARES Act funding appropriated directly to the DOI, the CARES Act’s Education Stabilization Fund required the U.S. Department of Education to set aside $153.75 million for programs operated or funded by the BIE, in consultation with the Secretary of Interior.

The CARES Act money will provide much-needed assistance for Indian schools. This report provides a snapshot of the BIE’s funding and planned expenditures.

The BIE’s CARES Act Spend Plan

According to the BIE’s spend plan, which covers the $69 million in Operation of Indian Education Programs and the $153.75 million from the Education Stabilization Fund, the BIE will distribute:

- The $69 million in Operation of Indian Education Programs funding between K – 12 schools and dormitories (67 percent) and tribal colleges and universities (33 percent)
- The $153.75 million from the Education Stabilization Fund between funded K – 12 schools and dormitories (70 percent), tribal colleges and universities (20 percent), and administrative withholdings (10 percent)

The BIE’s goals for its CARES Act funding are distinct from yet complement those of the Department of Education’s Education Stabilization Fund.
The BIE uses a formula to determine how to distribute funds to schools. The formula incorporates the student count for the entire school year (called the Average Daily Membership or ADM) and a Weighted Student Unit (WSU) for each school. The WSU is calculated by weighting the ADM for each school to account for the school’s requirements for special services such as basic education, language development, and gifted and talented programs as well as residential requirements.

**Five Funding Areas for the Operation of Indian Education Programs**

1. Immediate facilities, maintenance, transportation, and PPE readiness
2. Student mental health or safety needs while returning to normal operations
3. Immediate IT needs to support instruction
4. Computer updates and capacity building
5. Immediate training on new learning platforms for staff and students

**Operation of Indian Education Programs**

The BIE’s $69 million in CARES Act funding will target immediate student needs related to mental health and safety, staff training, and IT investments. Specifically, this funding will equip individual schools with the necessary resources to provide customized solutions to reopening challenges in all locations.

As of June 29, 2020, the BIE had obligated $49,725,156 in CARES Act funding to K – 12 schools and tribal colleges and universities.

The BIE plans to allocate CARES Act funds to Bureau-operated and tribally controlled schools using a weighted formula to ensure that schools have flexibility to prioritize local school needs based on the level of immediate impact from COVID-19. See Figure 1 for a breakdown of obligated funds as of June 29, 2020.

**Figure 1: The BIE Obligated $49,725,156 for the Operation of Indian Education Programs (as of June 29, 2020)**

The BIE conducted comprehensive outreach and information gathering to determine the immediate IT challenges and needs for each school. In addition, the BIE established a detailed, school-by-school inventory of equipment and software needs and individual school-level IT spend plans.

This funding will enable schools to address the need for physical facility modifications and transportation enhancements as students and communities prepare to return to daily busing, physical attendance in classrooms, and residential and dormitory operations. In addition, the funding will ensure that each school has an adequate level of personal protective equipment (PPE) for students and staff.

The BIE will also be able to use this funding to deploy targeted mental health resources through contract services and address safety needs to
Top Five Recipients

1. Navajo Technical College
   $2,534,000

2. Navajo Nation Tribal Government
   $2,522,270

3. Mississippi Band of Choctaw Central Schools
   $2,299,300

4. Oglala Lakota College
   $1,994,460

5. Santa Fe Indian School, Inc.
   $1,189,600

The CARES Act authorized a Catalog of Federal Domestic Assistance number (CFDA No. 84.425) for the Department of Education’s Education Stabilization Fund.

Education Stabilization Funds

The objective of the Education Stabilization Fund is to prevent, prepare for, and respond to the coronavirus pandemic. The Department of Education allocated funds from the Education Stabilization Fund to six major components, including the BIE. The types of assistance to be awarded are formula and project grants.

The Department of Education and the BIE negotiated an interagency agreement to govern the terms of the $153.75 million in transferred funds. The U.S. Office of Management and Budget provided feedback to both agencies on the proposed agreement, and the Department of Education and the DOI signed the agreement on June 12, 2020. The agreement directs the BIE to make every effort to distribute the funds within 90 days of the transfer.

The transfer of Education Stabilization Funds to the BIE began on June 15, 2020, and the total transferred amount became available to the BIE on June 17, 2020.

The BIE plans to focus its spending of funds from the Education Stabilization Fund to schools for two areas:

1. IT Systems Planning and Life-Cycle Sustainability
   to acquire IT equipment, software, platforms, and learning systems that are focused on schools’ long-term needs

2. Broadband and Connectivity
   to target systemic infrastructure investment needs and connectivity improvements

The purpose of the funding from the Department of Education is to help schools plan for and address mid- to long-term challenges in providing continuity of instruction, such as gaps in IT infrastructure. With support from the Bureau of Indian Affairs’ (BIA’s) IT department, project management staff, and school-level leadership, the BIE will target IT learning systems that support the long-term sustainability of distance education.

The BIE is required to use the $153.75 million from the Education Stabilization Fund as follows:

ensure students, teachers, and communities are prepared for the return to normal operations. In locations particularly affected by the pandemic, this funding may also be used to implement a comprehensive safety alert and phone notification system.

In addition, this funding will target immediate hardware and software needs to facilitate student access to online learning resources. The funding may also be used to increase schools’ capacity to deliver immediate education instruction. The funding will also help two tribal colleges and universities make IT investments and critical IT staff. Further, the funding will be used to train teachers and other school-level staff on the newly established IT systems.
The BIE plans to allocate the administrative withholdings as follows:

- $8 million for direct mental and behavioral health support
- $5 million to upgrade the internet speed at five schools
- $2.4 million to address unforeseen health and safety challenges over the 2020 – 2021 school year

We reached out to the BIE and the Department of Education to gain an understanding of the fund transfer agreement. The Department of Education told us that it needed to reach an agreement with the BIE on several key issues, including details on how the funds will be spent in accordance with applicable Federal laws and how the BIE will meet the reporting requirements in Section 15011 of the CARES Act.

Because each BIE-funded school faces unique COVID-19-related challenges, and pursuant to current Department of Education’s guidelines, specific amounts will vary by school.

**Reporting**

The BIE plans to assign financial analysts to each school and office to evaluate school-level spend plans and monitor the use of funds. We discuss reporting milestones required by Section 15011(b)(1) of the CARES Act in our *Where’s the Money* report dated June 15, 2020 (Report No. 2020-FIN-046). The BIE is also required to submit reports to the DOI’s budget office. In addition, the recipients will need to submit financial reports (SF-425s) for the funds; however, most of the obligated funds are attached to existing agreements that already require SF-425s. The BIE will also provide copies of all reports on the use of Education Stabilization Funds to the Department of Education.

In addition, the BIE will submit a first quarter report to the Department of Education with information on the budget, internal controls, and allocations as well as a third quarter report that includes any updates to the first quarter report. It will also provide a final report by December 31, 2021, describing what activities these funds supported and the results of those activities.

In our *Lessons Learned for CARES Act Awards* report dated May 2020 (Report No. 2020-FIN-037), we discussed issues with the lack of monitoring and documentation, the use of funds for tribes, and deficient review of recipients’ performance and financial reports.

Further, our June 2020 *Lessons Learned for Indian Country* report (Report No. 2020-FIN-045) noted that the key action for the BIE was...
Local educational agencies may use the funding from the Education Stabilization Fund for activities such as:

- Coordinating preparedness and response efforts with State, local, tribal, and territorial public health departments and other relevant agencies
- Training on sanitation and minimizing the spread of infectious diseases
- Purchasing supplies to sanitize and clean facilities
- Planning for long-term closures to include providing meals to eligible students and technology for online learning
- Purchasing educational technology (i.e., hardware, software, and connectivity) for all students
- Providing mental health services and support
- Planning and implementing activities related to summer learning and supplemental afterschool programs

to ensure that proper internal controls are in place to monitor and track CARES Act funds. The BIE should be able to achieve this by assigning financial analysts to each school.

**Funding Timeline**

**April 1** The BIE receives the apportionment of $69 million from the Department of the Treasury.

**April 8** The Department of Education receives apportionment of the Education Stabilization Fund from the Department of the Treasury.

**April 16** The BIE issues the first grant award using the $69 million in CARES Act funds.

**April 28 & 30** The Department of Education and the BIE hold joint listening sessions to gather input from tribes and other stakeholders on use of the funds.

**April 30** The DOI approves the BIE’s initial spend plan for the $69 million.

**May 6** Written comments from the public are due to the BIE and the Department of Education.

**May 18** The Secretary of the Interior requests further information on the spend plan for the BIE’s $69 million and $154 million. The BIE collects additional information and redrafts the spend plan per the Secretary’s request.

**June 3** The DOI approves the BIE’s spend plan.

**June 12** The BIE and the Department of Education jointly sign a funding agreement that sets a September 15, 2020 deadline for distributing the funds.

**June 15** The Department of Education initiates a transfer of funds to the BIE.

**June 16** The Department of the Treasury transfers $154 million from the Department of Education to the BIE through a non-expenditure transfer.

**June 17** The BIA prepares the FBMS to make the funds available.

**September 15** The BIE’s effective deadline for distributing the funds is 90 days after the June 15, 2020 transfer.