Your District CARES:
An Update on the Status of Federal CARES Act Relief Funds for Arizona

April 29, 2020
Housekeeping

- Slides will be emailed to all registered participants.
- Registered participants will receive a link to the recording of this webinar.
- All ASBA webinars are archived on the ASBA website at https://azsba.org/learning-center/webinar-archive/
Today’s Panelists

- Chris Kotterman, Director of Governmental Relations, ASBA
- Leigh Jensen, Governmental Relations Associate, ASBA
- Chuck Essigs, Director of Government Relations, AASBO
Today’s Panelists

- Callie Kozlak, Associate Superintendent for Policy & Government Relations, ADE
- Peter Laing, Coordinator, School Support & Improvement Unit, ADE
- Brooke Martinez, Multimedia Communication Specialist, ASBA
JLBC tentatively projects budget shortfalls totaling $1.1B across FY21 & FY22
  – $638B in FY21
  – $462B in FY22
Cautions variability by up to $500M in either direction
Solid revenue trends not available until early June.
Future Congressional Action

- Congressional leadership divided on providing direct aid to states.
- School leaders and state/local leaders agree that more flexible, “fiscal stabilization” style dollars are needed.
- Continue to push Congress in that direction.
What is the CARES Act?

- The Coronavirus Aid, Relief, and Economic Security Act (CARES) allocates $2 trillion for Coronavirus relief efforts.

- Approximately $180 billion of the total amount will be distributed among two funds dedicated to state, local, and tribal governments.

- $30.75 billion is dedicated to Education:
  - $13.5 billion for K-12
  - $14.2 billion for Higher Education
  - $3 billion for Governors Emergency Distribution
Arizona’s Education Stabilization Funds

Total Earmarked for Education: $626 Million

- $277 Million K-12 Education
  Elementary and Secondary Schools Emergency Relief (ESSER) Fund

- $280 Million Higher Education
  Higher Education Emergency Relief (HEER) Fund

- $69 Million Governor’s Emergency Education Relief (GEER) Fund
ESSER and GEER Funds

Maintenance of Effort (State-Level)

- States must maintain support for elementary, secondary, and higher education as a condition for receiving GEER and ESSER funds.

- State education funding levels in FY21 (SY20-21) and FY22 (SY21-22) must be maintained at least at the levels of support that is the average of the State’s support for K-12 and Higher Education provided in the past 3 fiscal years (FY17,18,19).

- The US Secretary of Education may waive maintenance of effort requirements in order to relieve financial burdens on states that are experiencing a "precipitous decline in financial resources."
Supplanting

April 9, 2020 Finance Advisory Committee
- Noted that AZ schools would receive approx. $277M in direct federal CARES Act funding.
- JLBC estimates Arizona is above the MOE level by $866M
- “Arizona could use all $277 million to supplant or supplement K12 spending.”
Governor’s Emergency Education Relief (GEER) Fund

Arizona’s Award: $69 million

- Purpose to support K-12 and Higher Education
- A portion of funds must be used for emergency grants for LEAs that have been the most impacted by COVID-19
- ADE is tasked with determining indicators to identify which LEAs have been most significantly impacted by COVID-19
GEER Fund

- GEER Funds cannot be used by states to replace state aid.
- Education entities have broad discretion to determine the use of the emergency aid.
- Applications for Governors to apply for these funds through the US Department of Education (USED) are now open.
Determining LEAs "Most Impacted" by COVID-19

Indicators to Consider for Determining LEAs "Most Significantly Impacted" by COVID-19

- **Tribal Communities**
  - Source: Tribal data
  - Challenges: Tribal data may be incomplete due to challenges in availability of data from tribal communities

- **LEA Ability to Support Online Learning**
  - Source: Arizona Commerce Authority Broadband Office, Maricopa Association of Governments
  - Local broadband infrastructure, broadband service availability

- **COVID-19 Data**
  - Source: State and County public health data
  - High COVID-19 cases per capita
Determining LEAs "Most Impacted" by COVID-19

Additional Indicators to Consider for Determining LEAs "Most Significantly Impacted" by COVID-19

- **Food Insecurity**
  - *Source: ADE Health & Nutrition Services, DES Data*
  - High percentage of families receiving NSLP/SNAP nutrition benefits

- **Unemployment**
  - *Source: DES Workforce Data*
  - High percentage of families unemployed due to COVID-19

- **LEA Demographics**
  - *Source: AzEDS Data*
  - High percentages of low-income students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth
Elementary and Secondary Schools Emergency Relief (ESSER) Fund

Arizona’s Award: $277 million

- ESSER Funds are designated to support K-12 schools to respond to the COVID-19 pandemic and the declaration of statewide school closures.

- Arizona’s award is based on Arizona's proportionate share of Title I-A funds received in FY20 (SY19-20).

- 90% of Arizona’s award ($249 million) must be sub-granted to LEAs:
  - Funds are allocated based on each LEA’s proportionate share of Title I-A funds received in FY20 (SY19-20).
9.5% of the total award may be reserved for ADE state-level activities to support K-12 relief, prevention and preparation, and recovery efforts.

No more than 0.5% of the total award may be reserved by ADE for administrative costs.
Breakdown of Arizona’s ESSER Fund Award:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Award</td>
<td>$277,422,944</td>
</tr>
<tr>
<td>Total SEA Admin (0.5%)</td>
<td>$1,387,115</td>
</tr>
<tr>
<td>Total SEA Activities (9.5%)</td>
<td>$26,355,179</td>
</tr>
<tr>
<td>Total LEA Assistance (90%)</td>
<td>$249,680,650</td>
</tr>
</tbody>
</table>

Initial Project Term: March 13, 2020 – September 30, 2021

Funds will remain available for obligation through **September 30, 2022**
ADE encourages a three-phase approach to plan to leverage ESSERF funds to respond to state and local needs in relation to COVID-19:

<table>
<thead>
<tr>
<th>Phase</th>
<th>Description</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relief</td>
<td></td>
<td>March 13 – May 30, 2020</td>
</tr>
<tr>
<td>Preparation</td>
<td></td>
<td>June 1 – August 30, 2020</td>
</tr>
<tr>
<td>Recovery</td>
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<td>September 1, 2020 – September 30, 2021</td>
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</tbody>
</table>

ADE will be rolling out a recommended framework and guidance for district planning in use of CARES funds across the three phases.
ESSER Fund

Fund Eligibility for FY20 Title I Grantees

- LEAs must have received Title I-A funds in FY20 (SY19-20) to be eligible to receive an ESSER Fund grant.

- There are currently 486 total projected eligible LEAs, representing the following:
  - 1,767 schools
  - 1,035,510 students

- LEA subgrant allocations are based on each LEA’s proportionate share of Title I-A funds received in FY20 (SY19-20).

- Eligible LEAs will apply for ESSERF grant funds through ADE’s Grants Management system.
ESSER Fund

What is the (high level) Title I-A allocation process?

School Districts:
- Title I-A allocations are calculated at the LEA level using Census population and poverty data for all children ages 5-17 living within a district's geographic boundaries.

Charter LEAs:
- Title I-A allocations are calculated at the LEA level using AzEDS October 1st enrollment data and poverty data derived from Health and Nutrition Services (HNS) data (if participating in HNS programs) or AzEDS Income Eligibility Indicators (IncomeEligibility1 and IncomeEligibility2) for children ages 5-17 enrolled by the Charter LEA.

Note: Adjustments are then made within counties and across all entities to determine final 'adjusted' population and poverty data to incorporate charter LEAs. These adjusted data are then used to drive the allocation calculations for all entities.
ESSER Fund

Grant Support for Non-Title I LEAs

- ADE currently projects ~182 LEAs would not qualify for ESSER LEA Assistance Funds based on not receiving Title I funds in FY20. Of these, 24 are for-profit charter LEAs that are not eligible to receive federal funds.

- Given this, ADE proposes funding up to 158 LEAs through the ESSER SEA Activities fund, representing ~180 schools and ~55,507 students.

- Allocations will be calculated as a per-pupil amount (PPA) using AzEDS FY20 October 1st data.

- LEAs funded through this process will follow the same application process as the Title I LEA ESSER Fund grant cohort.

- All grant requirements, to include eligible uses of funds, assurances and reporting requirements, will be the same as the Title I LEA ESSER Fund grant cohort.
ESSER Fund

LEA Eligible Uses of Funds

- ESSERF monies are flexible, and may be used by LEAs for any of the following categories depending on local needs:

  - Any activity allowed under the **Every Student Succeeds Act (ESSA)** – e.g.: Title I-A, Title I-C (Migrant Education), Title I-D (Neglected and Delinquent Students), Title II-A, Title III-A (English Language Learners), Title IV-A, Title IV-B 21st Century Community Learning Centers, Title V-B REAP (SRSA and RLIS), Title VI-A (Indian Education), Title VII (Impact Aid)

  - Any activity allowed under the following Federal education acts:
    - Individuals with Disabilities Education Act (IDEA)
    - Carl D. Perkins Career and Technical Education Act (Perkins Act)
    - McKinney Vento Homeless Assistance Act
    - Adult Education and Family Literacy Act
    - Native Hawaiian Education Act and the Alaska Native Educational Equity, Support, and Assistance Act
ESSER Fund

LEA Eligible Uses of Funds (cont.)

- ESSERF funds may also be used by LEAs for the following COVID-19 related relief, prevention, and recovery efforts:
  
  ✓ **Coordination of preparedness and response** with state, local, tribal, and territorial public health departments
  
  ✓ Providing principals and others school leaders with the resources necessary to address the needs of individual schools
Activities to **address the unique needs** of low-income children or students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth, including how **outreach and service delivery** will meet the needs of each population.

Developing and implementing procedures and systems to **improve the preparedness** and response efforts of LEAs.

**Training and professional development** for staff of the LEA on sanitation and minimizing the spread of infectious diseases.

**Purchasing supplies to sanitize and clean** the facilities of an LEA, including buildings operated by such an agency.
ESSER Fund

LEA Eligible Uses of Funds (cont.)

- Planning for and coordinating during long term closures, including meals to eligible students, technology for online learning, guidance for carrying out requirements under the IDEA, and how to ensure other educational services can continue to be provided consistent with all federal, state, and local requirements.

- Purchasing educational technology (including hardware, software, and connectivity) for students that aids in regular and substantive educational interaction between students and their classroom instructors, including low-income students and students with disabilities, which may include assistive technology or adaptive equipment.

- Providing mental health services and supports.
Planning and implementing activities related to summer learning and supplemental after school programs, including providing classroom instruction or online learning during the summer months and addressing the needs of low-income students, students with disabilities, English learners, migrant students, students experiencing homelessness, and children in foster care.

Other activities that are necessary to maintain the operation of and continuity of services in LEAs and continuing to employ existing staff of the LEA.

*Note:* Supplement and not supplant requirements do not apply to LEA use of ESSER Fund monies.
The following are *unallowable* uses of ESSER Funds:

- CARES Act funds generally cannot be used for bonuses, merit pay, or similar expenditures, unless related to disruptions or closures resulting from COVID-19

- Subsidizing or offsetting executive salaries and benefits of individuals who are not employees of the SEA or LEAs

- Expenditures related to state or local teacher or faculty unions or associations
LEA Assurances and Requirements

- LEAs must make the following assurances in order to receive ESSER Fund grants:

  ✓ Assistance to Non-Public Schools
  LEAs must provide equitable services in the same manner as required under Title I-A (ESEA Sec.1117). A proportionate share of funds to support equitable services must be calculated, and timely and meaningful consultation with non-public schools must be completed.
ESSER Fund

LEA Assurances and Requirements

✓ Public Control of Funds
Just as required under Title I-A, LEAs must maintain control of all ESSER Funds for services and assistance provided to non-public schools associated with the provision of equitable services.

LEAs providing equitable services to non-public schools must:

• Maintain control of funds for the services and assistance provided to a non-public school under the ESSER Fund
• Maintain title to materials, equipment, and property purchased with ESSER funds
• Ensure that services to a non-public school with ESSER funds will be provided by a public agency directly, or through contract with, another public or private entity
An LEA determines the proportional share of ESSER Funds available for equitable services as follows:

- Determine the total number of children from low-income families residing in each participating public school attendance area who attend public and private schools.
- Determine the overall proportion of these children who attend private schools.
- Apply this proportion to the current year's allocation to determine the amount of funds to allocate for equitable services.
Guidance to Determine Proportionate Share
(adapted from USED Title I-A guidance)

- From the proportionate share of ESSERF funds available to provide equitable services, an LEA may reserve an amount that is reasonable and necessary to administer equitable services.

- An LEA determines this amount separately from the funds needed to administer the ESSERF program for students in public schools.

- The LEA should discuss administrative costs for implementing equitable services during consultation with appropriate private school officials.
Continued Payment to Employees
LEAs shall, to the greatest extent practicable, continue to pay its employees and contractors during the period of any disruptions or closures related to coronavirus.

Note: USED will provide additional guidance to address if ESSERF funds may be used by LEAs to help meet this assurance. An allowable LEA use of ESSERF funds are "other activities that are necessary to maintain the operation of and continuity of services in local educational agencies and continuing to employ existing staff of the local educational agency."
# ESSER Fund

## Estimated Timeline

<table>
<thead>
<tr>
<th>When</th>
<th>Action Steps</th>
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<tbody>
<tr>
<td>April 23, 2020</td>
<td>USED releases its ESSERF Application to SEAs</td>
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<tr>
<td>April 27 – May 7</td>
<td>ADE solicits stakeholder feedback, sets up internal operations, and writes application</td>
</tr>
<tr>
<td>Week of May 8th</td>
<td>ADE submits application to USED</td>
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<tr>
<td></td>
<td>*Promised a three-day business-rule turnaround</td>
</tr>
<tr>
<td>May 8th – Mid May</td>
<td>ADE provides LEAs with ESSER Fund grant guidance and resources to support local planning</td>
</tr>
<tr>
<td>Mid May</td>
<td>ADE opens ESSER Fund LEA grant applications</td>
</tr>
<tr>
<td></td>
<td>*Funds released once application is approved</td>
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</tbody>
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Under the CARES Act, the U.S. Secretary of Education has increased authority to provide education waivers related to assessments, accountability, and reporting requirements.

Arizona has submitted and received approval for two waivers.

Assessment and Accountability Waiver
The following are now waived for ADE for SY19-20:

- Statewide assessment requirements
- Requirements that a state identify new schools for comprehensive support and improvement and additional targeted support and improvement (CSI and TSI) based on SY 19-20 data, and freezes the current list of identified schools for SY 20-21
- Report card provisions related to certain assessments and accountability
CARES Act Federal SEA Waivers

Fiscal Waiver

ADE will now be able to do the following:

- Approve LEAs to carryover more than 15% of FY20 Title I-A funds even if the LEA received approval to exceed this limitation in the past three years

- Extend the period of availability of FY19 funds to September 30, 2021 for the following ESSA grant programs:
  - Title I-A, I-B (State Assessment), I-C (Migrant), I-D (State Agency), II-A, III-A (EL), IV-A (Student Support and Academic Enrichment), IV-B (21st Century Community Learning Centers), V-B (RLIS), McKinney-Vento (Homeless)

- Permit LEAs to use their FY20 Title IV-A funds to best meet local needs through waiving content-area minimum expenditure requirements (for LEAs receiving more than $30,000) and the 15% limit on technology-related purchases

- Waive the ESSA definition of professional development for SY19-20 to allow ADE and LEAs to conduct time-sensitive, one-time, or stand-alone professional development activities
Questions?

For any further questions on the CARES Act, please reach out to ADE by emailing either adeinbox@azed.gov or policyinbox@azed.gov.