Enrollment Stabilization Grant (ESG)

Program Update

Hosted By: ASBA / ASA / AASBO / ACSA
October 21, 2020
Enrollment Stabilization Grant (ESG) Program Update

Our Presenters:

Matt Hanson, Assistant Director – OSPB, ERMT
Anna Haney, Programs and Performance Manager - OSPB, ERMT

Peter Laing, Policy Advisor

Charlie Martin, Deputy Associate Superintendent – School Finance
Enrollment Stabilization Grant (ESG) Program Update

ArizonaTogether.org/Grants
Enrollment Stabilization Grant (ESG) Program
ERMT@az.gov
FEMA Public Assistance
Arizona Express Pay Program

Policy change announced by FEMA:
As of September 15, 2020, FEMA will no longer accept requests from K-12 schools for reimbursement of PPE-related, cleaning and disinfection expenses. These expenses have been deemed as ‘operating expenses’ and not emergency protective measures eligible for FEMA Public Assistance funds.

Applications for Express Pay must be submitted by December 1, 2020 (FEMA Public Assistance is ongoing).

arizonatogther.org/grants
infrastructure@azdema.gov

Enrollment Stabilization Grant (ESG) Program

March 1, 2020 – December 4, 2020

Allowable expenses could include (but not limited to):
• Technology costs (including infrastructure, hardware/devices, software and connectivity expenses), which may include assistive technology or adaptive equipment.
• School building modifications, to include plexiglass barriers, additional hand washing stations, water bottle fillers, etc.
• Additional transportation costs for social distancing, the purchase of buses and costs to transport students to locations for in-person instruction.
• Enhanced testing and contact tracing efforts for staff exposed to COVID-19
• 25% local match for FEMA Public Assistance
• Expenditures not directly related to COVID-19 activities

Governor’s Office of Strategic Planning & Budgeting (OSPb)
Initial applications due at 5p.m., September 4, 2020
Final awards, on or around, November 11, 2020

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Elementary & Secondary School Emergency Relief (ESSER) Fund

March 13, 2020 – September 30, 2021
(with ability to carryover funds through September 30, 2022)

Allowable expenses could include (but not limited to):
• ESSER Fund monies are the most flexible to help address local relief, prevention and preparation, and recovery efforts relative to responding to COVID-19
• Supplementation and not supplant requirements do not apply to LEA use of ESSER Fund monies.
• Any activity allowed under federal education acts, such as ESSA, IDEA, Perkins and the McKinney Vento Homeless Assistance Act
• Activities to support special populations of learners
• Activities to support online and distance learning
• Activities necessary to maintain the operation of and continuity of services in LEAs and continuing to employ existing staff of the LEA
• Bonuses, merit pay, or similar expenditures (unless directly related to COVID-19 disruptions or closures)
• Expenditures related to state or local teacher or faculty unions or associations

Arizona Department of Education (ADE)
Applications must be approved for funds to be obligated by September 30, 2021

www.azed.gov/CARES
ESSER@azed.gov

COVID-19 Federal Assistance Funds to Support LEA Relief, Prevention and Preparation, and Recovery Efforts

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COVID-19 Federal Assistance Funds to Support LEA Relief, Prevention and Preparation, and Recovery Efforts

Special note regarding salaries for teachers providing distance learning as an allowable expense for ESG
(per US Treasury FAQ for Coronavirus Relief Funds)

“Note that a public function does not become a “substantially different use” merely because it is provided from a different location or through a different manner. For example, although developing online instruction capabilities may be a substantially different use of funds, online instruction itself is not a substantially different use of public funds than classroom instruction.”

CRF FAQ updated as of August 10, 2020

However...
US Treasury issued **updated Federal guidance** for the *Coronavirus Relief Fund (CRF)* on 9/3, which is the fund source for ESG.

Based on this new guidance, **the first $500 per student up to an LEA’s ESG award amount** is now *“presumed”* to be utilized on COVID-19 and/or the reopening of schools.

This is a **significant change** from the *“substantially dedicated”* language found in the prior FAQ guidance for the use of CRF funds in public schools, which drove **prior restrictions on the use of ESG funds for teacher salaries**.
US Treasury issued *updated Federal guidance* for the *Coronavirus Relief Fund (CRF)* again on 10/19/20, which is the fund source for ESG

Based on this new guidance, the first $500 per student “presumed” to be utilized on COVID-19 and/or the reopening of schools can only be applied one time.

If a school receives funding from multiple CRF direct recipients (State of Arizona; Counties of Maricopa and Pima; Cities of Mesa, Phoenix, or Tucson; AZCares recipients) substantially dedicated methodology must be used for additional funding (some limited exceptions)
### High Level Review of Major COVID-19 Allowable Expense Categories by Fund Source

<table>
<thead>
<tr>
<th>Positions</th>
<th>Enrollment Stabilization Grant</th>
<th>ESSER Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel expenses aligned to an LEA’s COVID-19 local response efforts</td>
<td>✔️</td>
<td>✔️</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Allowable ‘Substantially Dedicated” Costs for additionally provided CRF funding</th>
<th>Enrollment Stabilization Grant</th>
<th>ESSER Fund</th>
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</thead>
<tbody>
<tr>
<td>Expanding broadband capacity</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Hiring new teachers</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Developing an online curriculum</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Acquiring computers and similar digital devices</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Acquiring and installing additional ventilation or other air filtering equipment</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Incurring additional transportation costs</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Incurring additional costs of providing meals</td>
<td>✔️</td>
<td>✔️</td>
</tr>
</tbody>
</table>
How LEAs can Maximize Federal Assistance Funds Resources:

- **Step 1**
  - Identify allowable expenses for FEMA Public Assistance
  - Submit applications (as many as needed) for reimbursement through the Arizona Express Pay Program
  - FEMA will reimburse LEAs for 75% of allowable expenses
  - Enrollment Stabilization Grant Program funds received can be used to meet the local 25% match requirement
  - Through Express Pay, LEAs may receive an advance of 75% of expenses deemed eligible for reimbursement

- **Step 2**
  - Identify allowable expenses for the Enrollment Stabilization Grant (ESG) Program
  - Submit an initial application by September 4, 2020 at 5 p.m.
  - Application should include an initial invoice for all COVID-19 related allowable expenses already incurred between March 1, 2020 – September 4, 2020
  - Invoices may include expenses used to meet the local 25% match requirement for FEMA Public Assistance Funds
  - Final awards will be made on or around November 11, 2020 after 40th Day enrollment data are submitted and reviewed
  - Submit updated invoices for actual allowable expenses incurred through December 4, 2020 up the amount of an LEA’s final award
  - NOTE: Final awards cannot double-dip for the same expenses for FEMA Public Assistance, ESSER Fund and Enrollment Stabilization Grant programs

- **Step 3**
  - Identify all allowable expenses for the Elementary & Secondary School Emergency Relief (ESSER) Fund Grant
  - Submit ESSER Fund grant application to ensure the LEA can obligate and draw down funds to meet immediate needs
  - Revise ESSER Fund applications to remove expenses that have been reimbursed through FEMA Public Assistance Funds
  - Revise ESSER Fund applications in November/December 2020 to remove expenses that have been submitted and approved for reimbursement for the Enrollment Stability Grant Program
  - Re-budget ESSER Funds to meet local recovery needs based on new capacity from the removal of expenses ultimately covered by FEMA Public Assistance and the Enrollment Stability Grant Program

- Reconcile local accounting records by journaling final FEMA Public Assistance expenses to their locally assigned available fund number in the Other Federal Projects range

- Reconcile local accounting records by journaling final ESSER Fund related expenses to Fund 326

- Charter LEAs should reconcile final ESSER Fund related expenses to their locally assigned available project number in the Other Federal Projects range
How LEAs can Maximize Federal Assistance Funds Resources:

- **Step 1**
  - Districts identify expenses that will be applied toward ESG in Fund 328 - *Enrollment Stabilization Grant Program*
  - Charter LEAs identify expenses that will be applied toward ESG in their assigned project number for the *Enrollment Stabilization Grant Program* within the 1310-1399 Other Federal Projects range
  - Preliminary Grant Awards emailed by ERMT to all eligible ESG LEA applicants by October 9, 2020
  - Submit AzEDS Data for ESG award calculations by November 3, 2020
  - Submit Distance Learning Percentage Report by November 13, 2020
  - Return signed ESG Grant Agreements to ERMT by November 13, 2020
  - Final awards will be made on or around November 25, 2020 after 40th Day enrollment data are submitted and reviewed
  - Project period ends on December 30, 2020
  - NOTE: Final awards cannot double-dip for the same expenses for FEMA Public Assistance, ESSER Fund and Enrollment Stabilization Grant programs

- **Step 2**
  - Identify all allowable expenses for the *Elementary & Secondary School Emergency Relief (ESSER)* Fund Grant
  - Submit ESSER Fund grant application timely to ensure the LEA can obligate and draw down funds to meet immediate needs
  - Revise ESSER Fund grant application (*as needed*) to remove expenses that will be reimbursed through FEMA Public Assistance Funds or the Enrollment Stability Grant Program

- Reconcile local accounting records by journaling final expenses for each Federal assistance fund to their assigned fund number:
  - Reconcile local accounting records by journaling final FEMA Public Assistance expenses to their locally assigned available fund number in the Other Federal Projects range (as applicable)
  - District LEAs should reconcile local accounting records by journaling final ESSER Fund related expenses to Fund 326
  - Charter LEAs should reconcile final ESSER Fund related expenses to their locally assigned available project number in the Other Federal Projects range
Enrollment Stabilization Grant (ESG) Program Update

ESG Formula Award Process

AzEDS Data Submission
11/3/2020

Distance Learning Percentage Report Submission
11/13/2020
Enrollment Stabilization Grant (ESG) Program Update

ESG Formula Award Process

- LEAs will receive a one-time formula award for ESG based on the greater of 105% of the LEA’s 2020-2021 40th-day weighted Average Daily Membership (ADM) or 98% of actual 2019-2020 weighted ADM

- Unweighted ADM is used for Charter Additional Assistance calculation
ADE will use student data submitted by LEAs to calculate Average Daily Membership (ADM) for the calculation of ESG awards.

The **deadline to submit AzEDS data** for ESG formula award calculation is **Tuesday 11/3/2020** (same as for the 12/1 payment).

**Student data must be submitted in AzEDS on time** to be included in ESG award calculations.
AzEDS Data Submission

- Please note that 40th day ADM will not match ADM in the payment system.

- For example:
  - If a student begins enrollment on day 21 and remains enrolled on day 40:
    - 40th day ADM is 0.5, but projected 100th day ADM is 0.8.
  - If a student is enrolled on day 1 and withdraws after day 20:
    - 40th day ADM is 0.5, but 100th day ADM is 0.2.

- Data **must** be in **AzEDS** by **Tuesday 11/3/2020**.
Distance Learning Percentage Report Submission

- The **Distance Learning Percentage** report file is available on the **School Finance** website
  - [https://www.azed.gov/finance/fy2021-distance-learning-submission](https://www.azed.gov/finance/fy2021-distance-learning-submission)

- The **completed report** for the first **40 days must be uploaded** by **Friday 11/13/2020** following the same process as for budgets and AFRs
  - Select file type **“Distance Learning Report - Actual”**

- School Finance will provide a **separate report** showing 40\(^{th}\) day ADM for non-AOI students for use by LEAs that report Distance Learning % by funding category.
Updated Timeline Review

Preliminary Grant Awards emailed to all ESG Applicants

October 9

Deadline to Submit Distance Learning Percentage Report

November 3

Deadline to Submit AzEDS Data for ESG Award Calculations

November 9

Signed grant agreements are due back to ERMT *unless extension is requested

November 13

Final awards are posted and sent to grantees via eCivis. Grantees must sign in and accept award modification. Payments will be made once award modification is accepted

November 25

Project Period Ends & Grantees have received their full allocation

December 30
Questions?

Matt Hanson, Assistant Director – OSPB, ERMT
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Peter Laing, Policy Advisor

Charlie Martin, Deputy Associate Superintendent–School Finance
Resources: Enrollment Stabilization Grant (ESG) Program

Grant Programs Supporting Arizona's Targeted Needs

Support for AZ Schools
The Enrollment Stabilization Grant Program is designed to provide funding to Arizona schools to mitigate the impact of COVID on the 2020-2021 school year.
Enrollment Stabilization Grant (ESG) Program Update

Thank You!

ESG program resources and guidance documents are located at:

ArizonaTogether.org/Grants

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