

Alaska Department of Education & Early Development
Education Stabilization Fund Program
Elementary and Secondary School Emergency Relief Fund
Initial 60-day Report

July 2, 2020



Introduction

The Elementary and Secondary School Emergency Relief Fund (ESSERF) was established in the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The U.S. Department of Education (US ED) awarded education funding to state educational agencies (SEA) and local educational agencies (LEA) to support schools as they are dealing with the effects of the Novel Coronavirus Disease 2019 (COVID-19).

The State of Alaska received \$38,407,914 in ESSERF of which \$34,567,123 was awarded to LEAs, \$3,648,751 will be awarded as grants and contracts, and \$192,040 will be used for administrative costs. All funds will be used to address the unique challenges faced by Alaska's students during the COVID-19 pandemic, school building closures, and the adjustment to remote learning.

Budget of SEA Reserve

II. The SEA must submit to the Department, within 60 days of receiving ESSERF, an initial report detailing a budget for the SEA's reservation of funds that includes information about the up to ½ of 1 percent of the SEA's total grant for administrative costs and the uses of funds for emergency needs to address issues related to COVID-19.

Please see Attachment 1, ED Form 524, and Attachment 2, Budget Narrative.

Internal Control Plan

III. The SEA must submit to the Department, within 60 days of receiving ESSERF:

- i. An internal control plan that:
 - a. Identifies the management structure for implementing the ESSERF grant, including the key personnel responsible for managing and monitoring subrecipients;

Within the Alaska Department of Education & Early Development (DEED), there is a 10-person management team consisting of department leadership, fiscal, and program staff, who are responsible for implementing the ESSERF grant. They are as follows:

- Karen Melin, Deputy Commissioner;
- Lacey Sanders, Director of Administrative Services;
- Stephanie Allison, Division Operations Manager;
- Heidi Teshner, Director of Finance & Support Services;
- Erica Cuzzort, Internal Auditor;
- Tamara Van Wyhe, Director of Innovation & Education Excellence;
- Deb Riddle, Division Operations Manager;
- Bernie Sorenson, Project Coordinator;
- Courtney Preziosi, ESEA Program lead; and,
- Sarah Emmal, Migrant Program lead.

Deb Riddle supervises all of the program staff that are responsible for approving the applications, as well as monitoring the grantees. Stephanie Allison supervises the grant administration staff responsible for approving and paying grant reimbursement requests.

b. Identifies risks, both internal and subrecipient risks, associated with implementing the program based on past performance and identifies strategies for mitigating such risks; and

The notable risk specifically associated with the ESSERF grants is the speed necessary for SEAs and LEAs to act in order to effectively use these funds for the intended purposes.

The main way DEED has attempted to mitigate this risk is to require LEAs to apply for the grant through DEED's Grants Management System (GMS) as they normally would for other grants. This process includes:

- submitting a budget that must be reviewed for allowability by DEED program staff familiar with the grant requirements;
- submitting assurances that the LEA meets the requirements to receive federal grants both general and specific to CARES Act funds, and certifying that the LEA understands and will comply with all the ESSERF requirements such as allowable costs, equitable services, and reporting requirements; and,
- submitting reimbursement requests after expenditure of funds, rather than advancing funds. Advancing funds can easily create difficulties in the administration of the grant.

c. Describes how the Grantee will ensure the existence of primary documentation necessary to support fiscal reviews, including audits (single audit and audits by the Office of the Inspector General) and Improper Payment assessments, as requested by the Department or the Department's contractor.

Districts have been notified in multiple webinars and in documents on DEED's website that the CARES Act grants are subject to Uniform Guidance, including the audit requirements. DEED is also requiring reimbursement requests rather than advancing funds. Summary level support for the amount being requested is required to be submitted with each request.

Subrecipient Monitoring Plan

III. The SEA must submit to the Department, within 60 days of receiving ESSERF:

- ii. A subrecipient monitoring plan that addresses the Grantee's:
 - a. Revised risk assessment and ranks and prioritizes LEAs with consideration for new criteria identified as a result of receiving ESSERF;

No new criteria were identified specific to receiving ESSERF that would increase a specific LEA's risk. DEED will rely on risk assessments performed for Title I-A to determine the risk level of the LEA. For any other grantees DEED will perform a new risk assessment using the ESEA risk assessment format. If ESSERF grants are awarded to non-LEA grantees, the completion of a risk assessments will be coordinated by DEED's Internal Auditor and completed as soon as possible after the grant is determined to be approvable.

b. Development and implementation of revised monitoring protocols; and

Monitoring is considered to be part of DEED's oversight process. The oversight process begins with the initial application and budgets for the ESSERF grants. Oversight includes both fiscal and program implementation. Program and grant managers review quarterly reports and expenditure requests to

verify allowable activities and expenses. Utilizing the Title I-A risk assessment will determine any grantees that are considered high risk. These grantees will be considered for additional technical assistance and targeted monitoring. Monitoring will be done virtually. Both financial and program implementation irregularities will trigger additional monitoring activities. Due to the circumstances necessitating this grant funding, on-site monitoring will not be conducted.

c. Schedule for subrecipient monitoring, including both programmatic and fiscal issues, based upon the Grantee's revised risk assessment.

No specific schedule has been created at this time. Grantees will be reviewed as determined necessary based on program implementation and reimbursement requests. Creating a set schedule leaves open the possibility that a district's scheduled monitoring could occur prior to expenditure of funds. Also, not all LEAs have applied for this grant as of the date of this report.



**U.S. DEPARTMENT OF EDUCATION
BUDGET INFORMATION NON-CONSTRUCTION PROGRAMS**

OMB Control Number: 1894-0008
Expiration Date: 08/31/2020

Name of Institution/Organization

Applicants requesting funding for only one year should complete the column under "Project Year 1." Applicants requesting funding for multi-year grants should complete all applicable columns. Please read all instructions before completing form.

SECTION A - BUDGET SUMMARY U.S. DEPARTMENT OF EDUCATION FUNDS

Budget Categories	Project Year 1 (a)	Project Year 2 (b)	Project Year 3 (c)	Project Year 4 (d)	Project Year 5 (e)	Total (f)
1. Personnel	0.00					
2. Fringe Benefits	0.00					
3. Travel	0.00					
4. Equipment	0.00					
5. Supplies	\$2,000.00					
6. Contractual	0.00					
7. Construction	0.00					
8. Other	\$190,040.00					
9. Total Direct Costs (lines 1-8)	\$192,040.00					
10. Indirect Costs *Enter Rate Applied _____	0.00					
11. Training Stipends	0.00					
12. Total Costs (lines 9-11)	\$192,040.00					

***Indirect Cost Information (To Be Completed by Your Business Office):**

If you are requesting reimbursement for indirect costs on line 10, please answer the following questions:

- (1) Do you have an Indirect Cost Rate Agreement approved by the Federal government? ☒ Yes ☐ No.
- (2) If yes, please provide the following information:
 Period Covered by the Indirect Cost Rate Agreement: From: 7 / 1 / 2020 To: 6 / 30 / 2021 (mm/dd/yyyy)
 Approving Federal agency: US ED ☐ Other (please specify): _____ The Indirect Cost Rate is 7.1 / 4.4 %
- (3) If this is your first Federal grant, and you do not have an approved indirect cost rate agreement, are not a State, Local government or Indian Tribe, and are not funded under a training rate program or a restricted rate program, do you want to use the de minimis rate of 10% of MTDC? ☐ Yes ☒ No. If yes, you must comply with the requirements of 2 CFR § 200.414(f).
- (4) If you do not have an approved indirect cost rate agreement, do you want to use the temporary rate of 10% of budgeted salaries and wages? ☐ Yes ☐ No. If yes, you must submit a proposed indirect cost rate agreement within 90 days after the date your grant is awarded, as required by 34 CFR § 75.560.
- (5) For Restricted Rate Programs (check one) -- Are you using a restricted indirect cost rate that: ☒ Is included in your approved Indirect Cost Rate Agreement? Or ☐ Complies with 34 CFR 75.564(c)(2)? The Restricted Indirect Cost Rate is 4.4 %
- (6) For Training Rate Programs (check one) -- Are you using a rate that: ☐ Is based on the training rate of 8 percent of MTDC (See EDGAR § 75.562(c)(4))? Or ☐ Is included in your approved Indirect Cost Rate Agreement, because it is lower than the training rate of 8 percent of MTDC (See EDGAR § 75.562(c)(4)).

Name of Institution/Organization		Applicants requesting funding for only one year should complete the column under "Project Year 1." Applicants requesting funding for multi-year grants should complete all applicable columns. Please read all instructions before completing form.				
SECTION B - BUDGET SUMMARY NON-FEDERAL FUNDS						
Budget Categories	Project Year 1 (a)	Project Year 2 (b)	Project Year 3 (c)	Project Year 4 (d)	Project Year 5 (e)	Total (f)
1. Personnel						
2. Fringe Benefits						
3. Travel						
4. Equipment						
5. Supplies						
6. Contractual						
7. Construction						
8. Other						
9. Total Direct Costs (Lines 1-8)						
10. Indirect Costs						
11. Training Stipends						
12. Total Costs (Lines 9-11)						
SECTION C – BUDGET NARRATIVE (see instructions)						

Instructions for ED 524

General Instructions

This form is used to apply to individual U.S. Department of Education (ED) discretionary grant programs. Unless directed otherwise, provide the same budget information for each year of the multi-year funding request. Pay attention to applicable program specific instructions, if attached. You may access the Education Department General Administrative Regulations cited within these instructions at: <http://www.ed.gov/policy/fund/reg/edgarReg/edgar.html>. You may access requirements from 2 CFR 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" cited within these instructions at: <https://www.federalregister.gov/articles/2013/12/26/2013-30465/uniform-administrative-requirements-cost-principles-and-audit-requirements-for-federal-awards>.

You must consult with your Business Office prior to submitting this form.

Section A - Budget Summary U.S. Department of Education Funds

All applicants must complete Section A and provide a break-down by the applicable budget categories shown in lines 1-11.

Lines 1-11, columns (a)-(e): For each project year for which funding is requested, show the total amount requested for each applicable budget category.

Lines 1-11, column (f): Show the multi-year total for each budget category. If funding is requested for only one project year, leave this column blank.

Line 12, columns (a)-(e): Show the total budget request for each project year for which funding is requested.

Line 12, column (f): Show the total amount requested for all project years. If funding is requested for only one year, leave this space blank.

Indirect Cost Information: If you are requesting reimbursement for indirect costs on line 10 the indirect cost rate to be charged to the grant must be entered in the applicable field on line 10, and the following information is to be completed by your Business Office.

(1): Indicate whether or not your organization has an Indirect Cost Rate Agreement that was approved by the Federal government. If you checked "no," ED generally will authorize grantees to use a temporary rate of 10 percent of budgeted salaries and wages (**complete (4) of this section when using the temporary rate**) subject to the following limitations:

(a) The grantee must submit an indirect cost proposal to its cognizant agency within 90 days after ED issues a grant award notification; and

(b) If after the 90-day period, the grantee has not submitted an indirect cost proposal to its cognizant agency, the grantee may not charge its grant for indirect costs until it has negotiated an indirect cost rate agreement with its cognizant agency.

(2): If you checked "yes" in (1), indicate in (2) the beginning and ending dates covered by the Indirect Cost Rate Agreement. In addition, indicate whether ED, another Federal agency (Other) or State agency issued the approved agreement. If you check "Other," specify the name of the Federal or other agency that issued the approved agreement.

(3): If you check "no" in (1), indicate in (3) if you want to use the de minimis rate of 10 percent of MTDC (see 2CFR § 200.68).
Attachment 1

If you use the de minimis rate, you are subject to the provisions in 2 CFR § 200.414(f). Note, you may only use the 10 percent de minimis rate if you are a first-time Federal grant recipient, and you do not have an Approved Indirect Cost Rate Agreement. You may not use the de minimis rate if you are a State, Local government, or Indian Tribe, or if your grant is funded under a training rate or restricted rate program.

(5): If you are applying for a grant under a Restricted Rate Program (34 CFR 75.563 or 76.563), indicate whether you are using a restricted indirect cost rate that is included on your approved Indirect Cost Rate Agreement, or whether you are using a restricted indirect cost rate that complies with 34 CFR 76.564(c)(2). Note: State or Local government agencies may not use the provision for a restricted indirect cost rate specified in 34 CFR 76.564(c)(2). Check only one response. Leave blank, if this item is not applicable.

(6): For Training Rate Programs, ED regulations limit **non-governmental entities** to the recovery of indirect costs on training grants to the grantee's actual indirect costs, as determined by its negotiated rate agreement, or 8 percent of a MTDC, whichever is lower (see EDGAR § 75.562(c)(4)). The 8 percent limit also applies to cost-type contracts under grants, if these contracts are for training as defined in EDGAR § 75.562(a). If a **non-governmental entity** that receives a grant under a training grant program does not have an approved indirect cost rate and wants to recover indirect costs, it may use a temporary rate of 10 percent of budgeted direct salaries and wages, but it must submit an indirect cost rate proposal to its cognizant agency for indirect costs within 90 days after ED issues the GAN. After the 90-day period, the government entity may not charge its grant for indirect costs until it has negotiated an indirect cost rate agreement.

Section B - Budget Summary Non-Federal Funds

If you are required to provide or volunteer to provide cost-sharing or matching funds or other non-Federal resources to the project, these should be shown for each applicable budget category on lines 1-11 of Section B.

Lines 1-11, columns (a)-(e): For each project year, for which matching funds or other contributions are provided, show the total contribution for each applicable budget category.

Lines 1-11, column (f): Show the multi-year total for each budget category. If non-Federal contributions are provided for only one year, leave this column blank.

Line 12, columns (a)-(e): Show the total matching or other contribution for each project year.

Line 12, column (f): Show the total amount to be contributed for all years of the multi-year project. If non-Federal contributions are provided for only one year, leave this space blank.

Section C - Budget Narrative [Attach separate sheet(s)] Pay attention to applicable program specific instructions, if attached.

1. Provide an itemized budget breakdown, and justification by project year, for each budget category listed in Sections A and B. For grant projects that will be divided into two or more separately budgeted major activities or sub-projects, show for each budget category of a project year the breakdown of the specific expenses attributable to each sub-project or activity.

2. For non-Federal funds or resources listed in Section B that are used to meet a cost-sharing or matching requirement or provided as a voluntary cost-sharing or matching commitment, you must include:

- The specific costs or contributions by budget category;
- The source of the costs or contributions; and
- In the case of third-party in-kind contributions, a description of how the value was determined for the donated or contributed goods or services.

[Please review cost sharing and matching regulations found in 2 CFR 200.306.]

3. If applicable to this program, provide the rate and base on which fringe benefits are calculated.

4. If you are requesting reimbursement for indirect costs on line 10, this information is to be completed by your Business Office. Specify the estimated amount of the base to which the indirect cost rate is applied and the total indirect expense. Depending on the grant program to which you are applying and/or your approved Indirect Cost Rate Agreement, some direct cost budget categories in your grant application budget may not be included in the base and multiplied by your indirect cost rate. For example, you must multiply the indirect cost rates of "Training grants" (34 CFR 75.562) and grants under programs with "Supplement not Supplant" requirements ("Restricted Rate" programs) by a "modified total direct cost" (MTDC) base (34 CFR 75.563 or 76.563). Please indicate which costs are included and which costs are excluded from the base to which the indirect cost rate is applied.

When calculating indirect costs (line 10) for "Training grants" or grants under "Restricted Rate" programs, you must refer to the information and examples on ED's website at: <http://www.ed.gov/fund/grant/apply/appforms/appforms.html>.

You may also contact (202) 377-3838 for additional information regarding calculating indirect cost rates or general indirect cost rate information.

5. Provide other explanations or comments you deem necessary.

Paperwork Burden Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is **1894-0008**. The time required to complete this information collection is estimated to vary from 13 to 22 hours per response, with an average of 17.5 hours per response, including the time to review instructions, search existing data sources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: U.S. Department of Education, Washington, D.C. 20202-4537. If you have comments or concerns regarding the status of your individual submission of this form, write directly to (insert program office), U.S. Department of Education, 400 Maryland Avenue, S.W., Washington, D.C. 20202.

State of Alaska, Department of Education & Early Development
Elementary and Secondary School Emergency Relief Fund (ESSERF)
ED Form 524 – Section C: Budget Narrative
July 2, 2020

State of Alaska ESSERF Grant = \$38,407,914

\$34,567,123 was awarded to LEAs

\$3,648,751 will be awarded as grants and contracts, still to be determined

\$192,040 will be used for administrative set-aside costs (SEA Reserve)

Supplies: \$2,000.00

\$ 2,000.00	COVID-19 related supplies (i.e. cleaning products; disinfecting wipes; hand sanitizer; facial tissue; etc.)
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Other: \$190,040.00

\$ 40,000.00	Alaska Department of Law legal services related to COVID-19, including education issues such as school closures; education plans and virtual programs; assessment testing; teacher certifications; waivers and/or suspensions of statutes and/or regulations; review and analysis of federal guidance; emergency procurements; etc.
\$ 150,040.00	Unbudgeted balance to be allocated for allowable, reasonable, and necessary costs. It is not anticipated that any of these funds will be used for subgrants. In addition, this amount is anticipated to cover multiple smaller expenditures, so there are no planned activities and/or projects that will cost more than \$150,000.

Total SEA Reserve: \$192,040.00