

**OFFICE OF THE GCSC MANAGER**

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To: Courtney Schaafsma, DUAB  
From: Dr. Paige McNulty, Emergency Manager  
Date: May 4, 2021  
Subject: Employee Stipends through the ESSER Funds

The Gary Community School Corporation (GCSC), in partnership with the Gary Teacher's Union (AFT), would like to provide a one-time stipend to certified (\$2,100 per person) and classified (\$1,000) staff to represent the additional work completed during the pandemic through the Elementary and Secondary School Emergency Relief (ESSER) Fund in the CRRSA and ARP Acts.

The stipend is not an across the board bonus, although most GCSC employees will qualify, as it was a district expectation to do what was needed to respond to this once in a lifetime event. GCSC has sought advice from the Indiana Department of Education (IDOE) regarding this one-time stipend and the appropriate documentation needed to ensure that the stipend is allowable. IDOE has tentatively approved GCSC's approach, and its documentation, although the activity still needs to be submitted and approved through a formal grant once GCSC receives DUAB approval.

The one-time stipend will be available to all employees who were actively employed and can attest that additional duties were completed due to the pandemic. A direct supervisor will also have to sign that the additional work was completed by the employee. This procedure follows normal federal requirements under the Uniform Grants Guidance (UGG), namely [2 CFR 200.430\(i\)](#), that GCSC uses as time and effort documentation for all salaries paid in full or in part through federal funds.

Furthermore, both the IDOE and U.S. Department of Education (USED) have published language that conforms to GCSC's request. In [guidance](#) from April 2021, IDOE stated that in FAQ #11 under Allowable Uses:

*11. Can ESSER II funds be used for staff stipends?*

*Yes.*

*As with all federal funds, ESSER funds may only be used to pay staff for work that has actually occurred. Therefore, LEAs must ensure that the work on allowable activities occurred through proper time and effort documentation. Stating all staff will receive stipends (regardless of whether the work was performed and documented) will likely result in audit risk. While across the board stipends are not permitted (as "universal" or "across the board" does not in and of itself demonstrate sufficient documentation), LEAs may pay staff for COVID-related work that has been documented. Most, if not all, staff likely had extra responsibilities as well as time and effort to respond to the pandemic. ESSER*



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*funds can be used to pay staff for that work and LEAs are responsible for documenting (with internal controls) that this work occurred. This is consistent with guidance on all salary and stipend payments with all federal funds.*

GCSC's time and effort documentation will require the employee to attest to the additional duties that were completed due to the pandemic and a supervisor will have to agree to that attestation.

Similarly, when the USED required states to apply for the ESSER funds, it stated in the [application process](#) in Item #7 that:

*In addition, each entity that accepts funds will continue to pay employees and contractors to the greatest extent practicable based on the unique financial circumstances of the entity. CARES Act funds generally will not be used for bonuses, merit pay, or similar expenditures, unless related to disruptions or closures resulting from COVID-19.*

USED's statement indicates that merit pay is allowable if related to disruptions or closures resulting from COVID-19. GCSC's position is that the documentation demonstrates that this request is not a general bonus provided to all employees with no tie to COVID disruptions.

The stipends represent a very small percentage of 1.2% of GCSC's ESSER II (\$20.8 million) and III (\$46.8 million) at a total figure of approximately \$850,000. The activity is allowable under the law and guidance and also will honor the work that our staff have done. The retention of our staff is vital for us to move forward with meeting our children's needs.

GCSC will communicate with the Indiana Education Employment Relations Board (IIERB) to provide a compliant addendum to the teachers' collective bargaining agreement (CBA). Although GCSC honors a CBA with its paraprofessionals through the SEIU, no formal agreement is required per our school attorney Michelle Cooper from Lewis Kappes.

GCSC looks forward to partnering with DUAB to implement its ESSER plans.

Respectfully,

Dr. Paige McNulty