



pennsylvania
DEPARTMENT OF EDUCATION

ESSER Monitoring Year 22-23 in Review and What's Ahead for Year 23-24

September 21, 2023.

What is the Elementary and Secondary School Emergency Relief grant?

COVID-19 created a waterfall of grant funding for LEAs in the Commonwealth

ESSER I

- ✓ \$13.2 billion set aside from the CARES Act – *March 2020*
- ✓ \$523.8 million awarded to PDE – *May 2020*
- ✓ *Note: Funds must be liquidated by January 2023 (Closed out)*

ESSER II

- ✓ \$54.3 billion set aside from CRRSA Act – *December 2020*
- ✓ \$2.22 billion awarded to PDE – *January 2021*
- ✓ *Note: Funds must be liquidated by January 2024*

ESSER III (ARP ESSER)

- ✓ \$122 billion set aside from ARP Act – *March 2021*
- ✓ \$5.1 billion awarded to PDE – *March 2021*
- ✓ *Note: Funds must be liquidated by January 2025*

These Grants Are Governed By A Matrix Of Federal, Agency, and State Requirements	State Laws, Regulations and Policies: <ul style="list-style-type: none"> • PDE ARP ESSER Act 24 of 2021 • PA ARP ESSER State Plan • PA LEA Chart of Accounts • PA Master Standard Terms and Conditions • PA School Code/Procurement Code 	Federal Statutes: <ul style="list-style-type: none"> • CARES Act • CRRSA Act • ARP Act of 2021 	Federal Regulations: <ul style="list-style-type: none"> • 2 CFR 200 • ESF Compliance Supplement 	Agency Specific Guidance: <ul style="list-style-type: none"> • U.S. Dept. of Education
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ESSER grant **funding** is NOT “business as usual”

Allowable uses for ESSER funds varied greatly from annual recurring grant programs

Total annual grant funding administered by PDE **BEFORE** ESSER-
\$800 Million



Total annual grant funding administered by PDE **AFTER** ESSER
\$8 Billion

A global pandemic shut down the economy and took students **out of their classrooms** requiring novel approaches to fund the impacts on education

With students stuck at home with parents, educators had to invest in **remote learning technology, training, and curriculum** to avoid learning loss

To make classrooms safer, ESSER funded **construction and capital projects** to reduce viral transmission in classrooms and other facilities

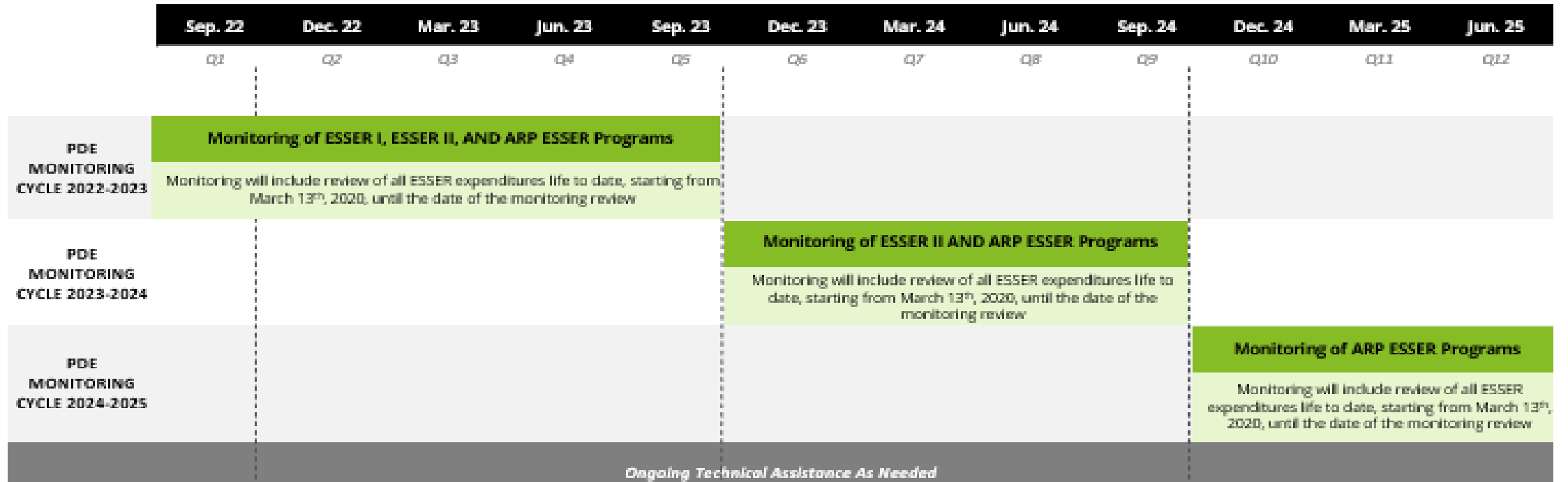
Significant investments were made for **historically underserved groups** of students and required maintenance of ideal teacher to student ratios

Strategic planning for safe reopening of school operations was eligible for reimbursement to get students **back into the classroom**

ESSER Grants require ANNUAL Monitoring

PDE will oversee three complete monitoring cycles related to ESSER programs

LEAs should anticipate **yearly** reviews of expenditures incurred since the inception of the program



**For Monitoring Cycles 2 and 3, please note subsequent years will only include reviews sampled from new expenditures. However, if you are selected for your first monitoring visit in Cycles 2023-2024 or 2024-2025, the reviews may be sampled from life to date expenditures.*

ESSER I
Obligation
Deadline

ESSER II
Obligation
Deadline

ARP ESSER
Obligation
Deadline

Monitoring required a standard approach in compliance with 2 CFR 200.332

As a pass-through entity, PDE has the following responsibilities:

1

Execute Subgrant Agreements

PDE must generate and maintain legal documents identifying financial assistance as a subgrant, setting forth scope, budget, other terms and conditions, and incorporating requirements of 2 CFR 200 by reference.

2

Establish Risk Profiles For Subawards

PDE must evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and terms and conditions of the subaward to determine appropriate subrecipient monitoring activities.

3

Perform Monitoring Activities

PDE must monitor subrecipient activities to “ensure” that subaward is used for authorized purposes, is compliant with Federal rules, and verify performance goals are achieved. Additionally, PDE must issue management decisions on audit findings, and take appropriate action for non-compliant activity.

Did you Know?

The Federal government established a body of 20 Inspector Generals called the “Pandemic Response Accountability Committee” to oversee spending from pandemic related stimulus. PRAC is currently reviewing the adequacy of both Kentucky and Washington’s process for providing oversight and monitoring of ESSER funding distributed to LEA’s.

ESSER Monitoring Year 22-23 Review

We have been very busy

Annual Monitoring

- Performed Risk Assessment
- Conducted 10 Pilot ESSER Monitorings
- Configured FedMonitor for ESSER Monitoring
- Monitored ESSER I, ESSER II, and ARP

ESSER

- 175 LEAs monitored virtually
- 66 LEAs monitored onsite
- 573 Low risk monitored via questionnaire

and ESSER I audit results

Communications:

Updates, common issues and solutions

- ESSER/GEER EXTRA keeping it current and relevant
- Division of Federal Program ESSER office hours (Mondays 1-2 pm, Thursdays 9-10 am)
- PAFPC Conference
- PASBO Webinars
- Updated ESSER FAQs
- RA Accounts – PDE ESSER Monitoring team:
 - RA-EDESSERMONITOR@PA.GOV – Monitoring
 - RA-EDARPESSER@PA.GOV – ESSER Grant Questions



ESSER Monitoring Year 23-24 Preparation

We heard you loud and clear

- ❖ LEA's asked for Technical Assistance
- ❖ Observations reveal the need for fiscal compliance leading/best practice implementation

- ❖ Monitoring Questionnaire did not get to the right people for timely completion
- ❖ Asked for communications to include Federal Program Coordinators

- ❖ ESSER I closeout process revealed the opportunity for new closeout readiness leading practice implementation

10/2/2023

Lessons learned put into action

- Developed Technical Assistance (T/A) Training Repository based on key areas of review
- Offer 1:1 virtual T/A to LEAs based on monitoring observations (95% participation of LEAs offered T/A)
- All LEAs offered T/A through upcoming Town Halls
 - Town Hall recorded sessions and T/A Repository - posted on PDE website

- EDNA – input Federal Program Coordinator contact information
- Monitoring Questionnaire will be completed in FedMonitor

- 2023-2024 Monitoring will include a Closeout Readiness Review

ESSER Monitoring Year 23-24 - Focus Forward

Annual Monitoring – What to Expect

- Risk Assessment
- All LEAs will complete the Monitoring Questionnaire in FedMonitor
- Monitoring Focus Areas have not changed
- **NEW** – Onsite and Virtual monitoring to include ESSER II Closeout Review

Communications:

Announcements, notifications, updates, common issues and solutions

- Monitoring Notifications Letters/Emails
- ESSER/GEER EXTRA
- Division of Federal Program ESSER office hours (Mondays 1-2 pm, Thursdays 9-10 am)
- Technical Assistance Town Halls
- Technical Assistance Repository and Recorded Trainings
- Updated ESSER FAQs
- Continued PDE ESSER Monitoring team support through RA Accounts:
 - RA-EDESSERMONITOR@PA.GOV – Monitoring
 - RA-EDARPESSER@PA.GOV – ESSER Grant Questions

The PDE Risk Assessment Process

Utilizing a risk-based approach, PDE will commit valuable resources where they are needed most

Overview

A risk assessment identifies the **likelihood a subrecipient may face headwinds in demonstrating compliance** with all required provisions of their grant agreement.

The risk level assigned to a subrecipient **does not indicate that the organization has passed or failed** but merely establishes a baseline upon which PDE is able to dedicate resources to support LEA's in establishing processes and demonstrating compliance with grant requirements.

The risk assessment targets areas that are critical to assessing the subrecipient's risk level, such as: financial problems that could lead to diversion of program funds; loss of essential personnel; loss of accreditation to operate the program; rapid growth; new activities or services; and organizational restructuring amongst others.

Low Risk	Moderate Risk	High Risk
<p>Indicators that an LEA may have a low risk profile as it relates to ESSER funding include (but is not limited to) the following:</p> <ul style="list-style-type: none"> Little to no turnover of key personnel No major changes to accounting or ERP systems No direct or indirect single audit findings in prior fiscal year Amount of ESSER funding allocated is lower than the average Active participant in PDE ESSER training events 	<p>Indicators that an LEA may have a moderate risk profile as it relates to ESSER funding include (but is not limited to) the following:</p> <ul style="list-style-type: none"> Amount of ESSER funding allocated is average Prior monitoring demonstrated some awareness of grant administrative requirements Normal turnover of key personnel 	<p>Indicators that an LEA may have a higher risk profile as it relates to ESSER funding include (but is not limited to) the following:</p> <ul style="list-style-type: none"> Capital projects (construction) were funded with ESSER grants Amount of ESSER funding allocated is greater than the average LEAs are deemed to have a high level of financial distress prior to allocation of ESSER funds Having failed to report safety issues related to other PDE managed programs

You have been selected for a monitoring review, what do you need to get ready?

Our monitoring teams want to hear your story, see your files, and ask hard questions before the OIG does

PDE's Monitoring Protocol is focused on the key activities and allowable uses funded through ESSER, including the following:

- ✓ Actual expenditures are compared to budgeted amounts from the LEAs' subgrant agreements
- ✓ Populations are developed by object code using an expense report from the LEAs' General Ledger
- ✓ Random samples are selected by object code with relative sample sizes based on the potential for questioned costs
- ✓ Testing criteria differ based on the type of expenditure (i.e. procurement documentation is tested for contracts and purchases, whereas payroll is tested for salaries and benefits)
- ✓ Testing will focus on programmatic and financial compliance with Federal cost principles and ESSER-specific allowable activities
- ✓ Observations, risks, leading practices, and guidance references to are developed and provided to enable LEA's to modify processes and minimize exposure to questioned costs during future audits

Key areas reviewed per guidance in 2 CFR 200

Salaries and Benefits

Professional and Technical Services

Purchased Property Services

Other Purchased Services

Supplies, Dues, and Fees

Property and Asset Management

Administrative Cost

Closeout Review Process

Closeout

Closeout review will be focused on verifying that LEAs are accurately reporting on how they **spent** their federal funds, according to their own records.

What will be reviewed?

ESSER II grant program information:

- Subrecipient's Final Expenditure Report (FER)
- Approved Budget
- Subledgers

ESSER Monitoring Year 23-24 Scheduling Announcement

FY23-24 Monitoring Cycle Timeline

The next cycle of ESSER monitoring begins Oct. 2023, and will conclude Jul. 2024.

There will be a population of 241 subrecipients who will be getting a virtual or in person monitoring visit in the upcoming cycle. This visit will include both ESSER monitoring and ESSER II closeout reviews.

Scheduling Letters will be sent in two batches:

1. Subrecipients Ready for ESSER II Closeout
2. Remaining Subrecipients

Batch 1: Subrecipients Ready for ESSER II Closeout

The first period of visits (Oct. 2023 – Feb. 2024) is reserved for subrecipients deemed ready for ESSER II closeout currently. **Scheduling Letters for this population were sent on Sept. 21, 2023.**

Criteria used to determine closeout readiness:

1. ESSER II FER has been submitted
2. ESSER II FER has not been submitted but is due for submission because ESSER II was fully expended per Quarterly Reports as of 6/30/23

Batch 2: Remaining Subrecipients

The remaining population receiving visits will be monitored during the second period of the upcoming cycle (Mar. 2024 – Jul. 2024). Please note that this population will also be receiving ESSER II closeout reviews during monitoring.

Scheduling Letters are expected to be sent in Nov. 2023, once scheduling for Batch 1 is complete.

Please note that the last ESSER Monitoring Cycle will be the FY24-25 Cycle, which has an expected start date of Sept. 2024.

Technical Assistance: Two Distinct Methods

As we learn more about common gaps in LEA grant compliance and their underlying implications, we have developed two distinct methods for providing technical assistance:

- **One-on-one assistance** based on assessed need and monitoring observations
- **Other technical assistance support with targeted trainings** open to any LEA regardless of risk level

Technical Assistance Townhalls: Schedule Outline

#	Topic	Timeline*
1	Grants Management and 2 CFR 200	Oct. 2023
2	The ESSER Programs	Nov. 2023
3	Procurement	Dec. 2023
4	General Entity-Level Standards & Policies	Jan. 2024
5	Financial Management	Feb. 2024
6	Internal Controls	Mar. 2024
7	Equipment and Property Management	Apr. 2024
8	Salaries & Benefits	May 2024
9	Closeout Preparedness	Jun. 2024
10	Equitable Shares	Jul. 2024

*Timeline is an estimate and is subject to change

10/2/2023

Virtual live, recorded webinars led by PDE that allows for questions to be submitted via controlled chat monthly.

Objectives

Extend educational reach to low-risk populations in addition to moderate and high-risk

Provide recurring technical assistance support on **targeted learning areas** that LEAs can choose to attend based on their needs

ESSER Monitoring Year 2023-2024

We are here to help you

By:

- Offering T/A
- Recorded T/A Sessions
- T/A Repository
- Invitations to Q & A Discussions
- Weekly ESSER GEER Extra communications
- ESSER office hours

Monday from 1-2 PM and every **Thursday from 9-10 AM**. [Join the office hours.](#)

Questions can be directed to RA Accounts RA-EDESSERMONITOR@PA.GOV, RA-EDARPESSE@PA.GOV

ESSER Monitoring Year 2023-2024

Get ready, get set, go!

Contact/Mission

For more information on the ESSER Monitoring 23-24 please visit PDE's website at www.education.pa.gov

ESSER Monitoring 23-24 Questions:

RA-EDESSERMONITOR@PA.GOV

RA-EDARPESSER@PA.GOV

The mission of the Department of Education is to ensure that every learner has access to a world-class education system that academically prepares children and adults to succeed as productive citizens. Further, the Department seeks to establish a culture that is committed to improving opportunities throughout the commonwealth by ensuring that technical support, resources, and optimal learning environments are available for all students, whether children or adults.