Technical Assistance Guidance

ESSER Program Compliance

Why Are We Here?

As a federal pass-through entity, the Pennsylvania Department of Education (PDE) is responsible for performing reviews of Subrecipient program operations, in accordance with Title 2 of the Code of Federal Regulations (CFR) Part 200, Subpart D.

This training course has been developed by PDE to help educate and inform Subrecipients on Federal grant requirements.

Grants Management Overview

A grant is a legal instrument of financial assistance between a Federal awarding agency or pass-through entity and a non-Federal entity used to enter a relationship to transfer anything of value to carry out a public purpose authorized by a law of the United States. (2 CFR 200.1)

Grants Management is a discipline within Public Sector Finance concerned primarily with the administration required to carry out the requirements of a grant.

Agenda

- Grants Management and 2 CFR 200

- The ESSER Program

- Areas of Review

- Appendix

Introduction to Grants Management

Most grants flow down from Federal Awarding Agencies (FAAs), to States (Recipients / Pass-Through Entities (PTE), then to Subrecipients. Below are the key players:

US DOE: Federal Awarding Agency

- Conducts pre-award activities
- Translates legislative intent into actionable programs

PDE: Recipient: (Pass through Entity)

- Manages portfolios, programs, and projects of their own
- Rolls federal priorities into their own budgets/agendas
- Responsible for compliance with applicable grants guidance

LEAs: Subrecipient

- Implements projects funded by grants
- Beholden to both federal and state regulation
- Reports back to the Recipient on performance and financial results

Tenth Amendment to the Constitution:
The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

Over each of the last six years, grants have represented around 72% of the President's Budget. (USASpending.gov)

Introduction to 2 CFR 200

Uniform Guidance: Appendices to Part 200 Topical Requirements

200.0 Subpart A
Acronyms and Definitions
44 acronyms and 105 Definitions

200.100 Subpart B
General provisions
Contains the general provisions of the guidance, like purpose and applicability.

200.200 Subpart C
Pre-Federal Award Requirements
Instructions and other pre-award matters to be used by Federal awarding agencies in the program planning, announcement, application, and award processes Gartner, 2017.

200.300 Subpart D
Post Federal Award Requirements
List Federal post award requirements, including financial and program management, property standards, procurement standards, requirements, for monitoring and reporting on financial and program performance, subrecipient monitoring and management, records retention, remedies for noncompliance, post-closeout adjustments, and collections.

200.400 Subpart E
Cost Principles
Contains the cost principles. Section 200.401, Application, requires that the principles must be used in determining the allowable costs of work performed by the nonfederal entity under federal awards. List general provisions, basic considerations, direct and indirect costs, special considerations for state, local governments, Indian tribes and institutions of higher learning, and selected items of cost.

200.500 Subpart F
Audit Requirements
What entities are audited and when, information on sanctions and program-specific audits.

Grant Management Lifecycle

Lifecycle Phases

1. Pre-Award
FAA grounds grant programs in authorizing legislation.

Recipients find and plan for grant awards.

2. Award
FAA prepares award packages and obligates funds, sets expectations for performance, and submits a notice of award to the recipient.

3. Post-Award
Recipients and Subrecipients execute the work of the grant. Grant administrators use systems to make sure that only allowable costs are charged to the grant. PTE Requirements come into effect.

4. Monitoring
PTE monitors their Subrecipients to:

1) Identify areas of grant noncompliance.

2) Provide technical assistance to help remediate issues identified.

5. Close-out
PTEs complete and submit final performance and financial support.

6. Audit
PTE and Subrecipients procure auditors and undergo Single Audit. Auditors issue findings, subjects issue management decisions, and implement "corrective action plan".

The Federal Government has obligated $3,167,029,923,709 in grants for COVID-19 spending.

Pass-Through Entity Requirements

Execute a Subgrant Agreement
1. Formal agreement between the Recipient and Subrecipient
- Must include the 14 data elements as prescribed by Federal Funding Accountability and Transparency Act (FFATA).
- Scope of Work
- Budget

Develop a Risk Assessment
1. Evaluate each Subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward.
2. A Subrecipient's Risk Score dictates how they will be monitored.
3. Three distinct processes:
- Data collection and analysis
- Design of weighted risk criteria
- Computation of "Risk Scores"

Perform Subrecipient Monitoring
1. Reviewing financial and performance reports
2. Make sure Subrecipients act on deficiencies detected through audits, on-site or virtual reviews, and written confirmation from the Subrecipient.

The Subgrant Agreement

Below are the key components of the subgrant agreement between PDE and Local Education Agencies (LEAs)

The Grant Agreement
- Contains information on the award including awarded amount, period of performance, and authorized signatures from both parties to the agreement.

Appendix A
- Contains the terms and conditions of the grant that the Subrecipient agrees to comply with.

Appendix B
- Contains the Subrecipient's budget information for the grant. The budget is detailed and broken out by object code in accordance with the PA Chart of Accounts.

Appendix C
- Contains the payment information and reporting requirements of the grant.

The Elementary and Secondary School Emergency Relief (ESSER) Program

What is the ESSER grant?

COVID-19 created a waterfall of grant funding for local education agencies 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

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 and Regulations:	Federal Statutes:	Federal Regulations:	Agency Specific Guidance:
	• PDE ARP ESSER Act 24 • PA ARP ESSER State Plan • PA LEA Chart of Accounts • PA Master Standard Terms and Conditions	• CARES Act • CRRSA Act • ARP Act of 2021	• 2 CFR 200 • ESF Compliance Supplement	• U.S. Dept. of Education

ESSER Grant Funding is NOT "Business as Usual"

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

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

- **~$8 Billion** → Total grant funding administered by PDE
- **AFTER** ESSER

- **In FY22 alone**, ESSER made up 54% of total grant expenditures by PDE

ESSER funded a significant portion of these unique activities:
- 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.

Allowable Uses of ESSER Programs

ESSER I

- Coordinate preparedness and response efforts to COVID-19.
- Provide principals and other school leaders with resources to address individual school needs.
- Address the unique needs of low-income children, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth, including outreach and service delivery.
- Implement systems to improve LEA preparedness and response efforts.
- Provide professional development for LEA staff on sanitation and minimizing the spread of infectious disease.
- Plan for and coordinate operations during long-term closures, including providing meals, technology for online learning, guidance for carrying out Individuals with Disabilities Education Act (IDEA) requirements, and providing educational services.
- Purchase educational technology (including hardware, software and connectivity) for students.
- Provide staff and student mental health services and supports.
- Plan and implement summer learning and supplemental afterschool programs.
- Initiate other activities necessary to maintain LEA operations and services and employ existing LEA staff, including activity authorized by Elementary and Secondary Act (ESEA).

ESSER I Does Not:

- Address learning loss among students, including low-income students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and children and youth in foster care.
- Make school facility repairs and improvements to enable operation of schools to reduce risk of virus transmission, exposure to environmental health hazards, and to support student health needs.
- Inspect, test, repair, and other projects to improve the indoor air quality in school facilities.
- Develop strategies to implement public health protocols, policies for the reopening and operation of school facilities.

Allowable Uses of ESSER Programs (Cont. 1)

ESSER II

- Coordinate preparedness and response efforts to COVID-19.
- Provide principals and other school leaders with resources to address individual school needs.
- Address the unique needs of low-income children, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth, including outreach and service delivery.
- Implement systems to improve LEA preparedness and response efforts.
- Provide professional development for LEA staff on sanitation and minimizing the spread of infectious disease.
- Plan for and coordinate operations during long-term closures, including providing meals, technology for online learning, guidance for carrying out Individuals with Disabilities Education Act (IDEA) requirements, and providing educational services.
- Purchase educational technology (including hardware, software and connectivity) for students.
- Provide staff and student mental health services and supports.
- Plan and implement summer learning and supplemental afterschool programs.
- Initiate other activities necessary to maintain LEA operations and services and employ existing LEA staff, including activity authorized by Elementary and Secondary Act (ESEA).
- Address learning loss among students, including low-income students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and children and youth in foster care.
- Make school facility repairs and improvements to enable operation of schools to reduce risk of virus transmission, exposure to environmental health hazards, and to support student health needs.
- Inspect, test, repair, and other projects to improve the indoor air quality in school facilities.

ESSER II Does Not:

- Develop strategies to implement public health protocols, policies for the reopening and operation of school facilities.

Allowable Uses of ESSER Programs (Cont. 2)

ARP ESSER
- Coordinate preparedness and response efforts to COVID-19
- Provide principals and other school leaders with resources to address individual school needs.
- Address the unique needs of low-income children, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth, including outreach and service delivery.
- Implement systems to improve LEA preparedness and response efforts.
- Provide professional development for LEA staff on sanitation and minimizing the spread of infectious disease.
- Plan for and coordinate operations during long-term closures, including providing meals, technology for online learning, guidance for carrying out Individuals with Disabilities Education Act (IDEA) requirements, and providing educational services.
- Purchase educational technology (including hardware, software and connectivity) for students.
- Provide staff and student mental health services and supports.
- Plan and implement summer learning and supplemental afterschool programs.
- Initiate other activities necessary to maintain LEA operations and services and employ existing LEA staff, including activity authorized by Elementary and Secondary Act (ESEA).
- Address learning loss among students, including low-income students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and children and youth in foster care.
- Make school facility repairs and improvements to enable operation of schools to reduce risk of virus transmission, exposure to environmental health hazards, and to support student health needs.
- Inspect, test, repair, and other projects to improve the indoor air quality in school facilities.
- Develop strategies to implement public health protocols, policies for the reopening and operation of school facilities.

ARP ESSER Breakdown

ARP ESSER had multiple allocations across funding codes for various purposes, detailed below.

90% Main Distribution (990)
Main ARP ESSER funds were distributed to LEAs for various purposes of which 20% must be used towards learning loss*

5% Learning Loss (994)
Implementation of evidence-based interventions to address learning loss. Additional cost tracking requirements apply*

1% Summer Enrichment (995)
Implementation of evidence-based summer enrichment programs

1% Afterschool Program (996)
Implementation of evidence-based afterschool programs

2.5% Relief for other LEAs (998)
Must be spent in accordance with section 2001(e)(2) of the ARP Act and includes programs for delinquent, neglected, and at-risk youth

* Requirements will be covered in the next sections

ARP ESSER 20% Learning Loss

For the 90% ARP ESSER distribution, at least 20% of funding must address learning loss per Section 2001 (e) (1) of ARP Act. Here's what you need to know:

Mandatory Reserve

- LEAs must reserve at least 20% of the 90% ARP ESSER award to address learning loss.

- While learning loss portion of costs should be tracked, there is no separate Chart of Account code for this portion. These costs should be coded as 990.

Implementation

- The purpose of this reservation is to address learning loss through implementation of evidence-based interventions, such as:
  - Summer learning or summer enrichment
  - Extended School Day
  - After-School Programs
  - Extended School Year Programs

Purpose

- LEA must make sure that interventions respond to students':
  - Social
  - Emotional
  - Academic needs that address the disproportionate impact of COVID-19 on underrepresented student subgroups.

5% Learning Loss Set Aside

For the 5% ARP ESSER Learning Loss Set-Aside distribution, at least 48% of funding must address evidence-based interventions per Section 2001 (f) (1) of the ARP Act as follows:

≥30%

Targeted to social, emotional, or mental health supports to students

≥10%

Targeted to professional development and technical assistance to educators and school staff to address the social, emotional, and mental health needs of students

≥8%

Targeted to reading support and improvement for students

Areas of Review

Areas of Review:

General/Entity Level Standards

Equipment and Property Management

Financial Management

Equitable Shares

Internal Controls

Salaries and Benefits

Procurement

Program Closeout

Contact/Mission

For more information on the (the topic of the presentation) please visit PDE's website at
www.education.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.