



pennsylvania
DEPARTMENT OF EDUCATION

Elementary and Secondary School Emergency Relief (ESSER) Program Monitoring Cycle 24-25 Announcements

July 24, 2024

Agenda

- Objectives for today
- ARP ESSER background and reminders
- What to expect in monitoring cycle 24-25

Objectives for today

Provide clarity around the following areas for LEAs to prepare for Cycle 24-25 monitoring

- **Deadlines and Reminders:** Review the ARP ESSER monitoring timeline and specific milestones LEAs should know as they prepare for grant closeout.
- **Risk Assessment Updates:** Outline changes made to the Cycle 24-25 Risk Assessment which dedicates more resources to LEAs that have not been previously visited for ESSER monitoring.
- **Visit Scheduling Process:** Provide clarity around the visit scheduling process for Cycle 24-25 and tips for gathering information if your entity receives a visit in this cycle.
- **Monitoring Procedures and Specific Milestones:** Detail the changes to come in the ESSER monitoring scope and what LEAs can expect when receiving a visit.



pennsylvania
DEPARTMENT OF EDUCATION

ARP ESSER background and reminders

ARP ESSER specific dates to remember

- PDE Cycle 23-24 Monitoring and Closeout Review of ESSER II and ARP ESSER Programs (90%, 7% Set Asides, and 2.5%) ends in July 2024.
- PDE Cycle 24-25 Monitoring and Closeout Review of ARP ESSER Programs (90%, 7% Set Asides, and 2.5%) starts in August 2024 and ends in May 2025.
- PDE Cycle 24-25 Monitoring likely includes review of ARP ESSER expenditures life to date, starting from March 13, 2020, until the date of the monitoring review.
- The obligation deadline for ARP ESSER is September 30, 2024.
- The liquidation deadline (and Final Expenditure Report (FER) due date) for ARP ESSER is December 29, 2024.
- The late liquidation period for ARP ESSER ends 14 months after the statutory liquidation deadline of January 28, 2025, if approved, on an LEA-by-LEA basis.
- The closeout survey submission for ARP ESSER is due in January 2025.

ARP ESSER breakdown (slide 1 of 2)

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

- **90% main distribution:** Main ARP ESSER funds were distributed to LEAs for various purposes of which 20% must be used towards learning loss.
 - At least 20% of funding must address learning loss per Section 2001 (e) (1) of ARP Act. This funding should be coded to funding code 990, consider tracking these expenses separately to make sure minimum requirement is met.
 - 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.
 - 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, and extended school year programs.
 - Purpose: LEA must make sure that interventions respond to students' social, emotional, and academic circumstances that address the disproportionate impact of COVID-19 on underrepresented student subgroups.

ARP ESSER breakdown (slide 2 of 2)

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

- **2.5% Relief for Other LEAs:** Must be spent in accordance with section 2001(e)(2) of the ARP Act and includes programs for delinquent, neglected, and at-risk youth.
- **1% After School Program:** Implementation of evidence-based after-school programs.
- **1% Summer Enrichment:** Implementation of evidence-based summer enrichment programs.
- **5% Learning Loss:** Implementation of evidence-based interventions to address learning loss. Additional cost tracking requirements apply.
 - At least 48% of funding must address evidence-based interventions per Section 2001 (f) (1) of the ARP Act. Pennsylvania ACT 24 of 2021 prescribes other use requirements in the categories below. This funding should be coded to funding code 994, consider tracking these expenses separately to make sure minimum requirement is met.
 - Targeted to social, emotional, or mental health supports to students; professional development and technical assistance to educators and school staff to address the social, emotional, and mental health needs of students; and targeted to reading support and improvement for students.



pennsylvania
DEPARTMENT OF EDUCATION

What to expect in monitoring cycle 24-25

Cycle 24-25 changes overview

Monitoring is focused on proactively addressing compliance issues and improving grants management processes.

- Monitoring
 - Time and effort testing
 - Compliance monitoring check for LEAs with Late Liquidation
 - Observation resolution for LEAs that were monitored in a previous cycle
 - Tailored appendix for each Final Results Letter with common policy/procedure-related practices
- Closeout
 - Monitoring Team will request ARP ESSER subledgers for LEAs regardless of visit type once FER has been submitted
 - Self-attestation ARP ESSER closeout survey
- Technical Assistance
 - Development of a pilot training program tailored to business managers for sharing of leading practices

Cycle 24-25 risk assessment process (slide 1 of 2)

Utilizing a risk-based approach, PDE may allocate valuable resources where they are needed.

A risk assessment identifies the likelihood a subrecipient may face challenges in demonstrating compliance with 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 for LEA's in establishing processes and demonstrating compliance with grant requirements.

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

The notable change to the risk assessment for Cycle 24-25 is the significantly higher weighting of subrecipients that have not yet received an ESSER monitoring visit.

Cycle 24-25 risk assessment process (slide 2 of 2)

Utilizing a risk-based approach, PDE may allocate valuable resources where they are needed.

- **Indicators that an LEA may have a lower risk profile as it relates to ESSER funding include (but are not limited to) the following:** previously visited in ESSER monitoring cycles, compliant in Quarterly Reports with timely and accurate submission, improvement and/or consistent levels of compliance noted in ESSER monitoring, no change in accounting software, little to no turnover of key personnel, and/or active participation in Federal grant related trainings.
- **Indicators that an LEA may have a moderate risk profile as it relates to ESSER funding include (but are not limited to) the following:** not visited in previous ESSER monitoring cycles, noncompliance with Quarterly Reports, turnover of key personnel, some participation in Federal grant related trainings, and/or moderate grant funding amount.
- **Indicators that an LEA may have a higher risk profile as it relates to ESSER funding include (but are not limited to) the following:** not visited in previous ESSER monitoring cycles, significant non-compliance noted in previous ESSER monitoring, non-compliance with Quarterly Reports, turnover of key personnel, new accounting software, little or no participation at Federal grant related trainings, and/or relatively large grant funding amount.

Monitoring requirements by visit type

Monitoring activities vary depending on the LEA's visit type.

- **LEAs receiving no visit are required to:** complete the cycle 24-25 questionnaire, upload required ARP ESSER subledgers to FedMonitor once the FER is submitted, and complete the ARP ESSER closeout survey.
- **LEAs receiving a virtual visit are required to:** complete the cycle 24-25 questionnaire, upload required ARP ESSER subledgers to FedMonitor once the FER is submitted, complete the ARP ESSER closeout survey, and comply with virtual monitoring requests. If additional documentation is needed during the monitoring period, the Monitoring Team may reach out accordingly.
- **LEAs receiving an on-site visit are required to:** complete the cycle 24-25 questionnaire, upload required ARP ESSER subledgers to FedMonitor once the FER is submitted, complete the ARP ESSER closeout survey, and comply with on-site monitoring requests. If additional documentation is needed during the monitoring period, the Monitoring Team may reach out accordingly.

Scheduling overview

The scheduling plan for cycle 24-25 monitoring visits is outlined below:

- Batch 1 includes LEAs identified as “Closeout-Ready” as of March 2024. The scheduling letter date was June 28, 2024. The visit timeline is from August 5, 2024, through October 18, 2024.
- Batch 2 will include new LEAs identified as “Closeout-Ready.” The estimated scheduling letter month is September 2024. The visit timeline is from October 14, 2024, through December 20, 2024.
- Batch 3 will include remaining LEAs receiving a visit in Cycle 24-25. The estimated scheduling letter month is December 2024. The visit timeline is from January 6, 2025, through May 16, 2025.
- Closeout-Ready is defined as LEAs who have reported full spend of ARP ESSER 90% funding and/or submitted ARP ESSER 90% FERs OR LEAs who received only the 2.5% ARP ESSER allocation and have reported full spend of 2.5% funding and/or submitted ARP ESSER 2.5% FERs. Spend is based on LEA Quarterly Reporting data and PDE payment distribution data.
- If you have a question on if your LEA is getting a visit and/or when you may expect a scheduling letter, please reach out to RA-EDESSERMONITOR@PA.GOV.

Timeline of ESSER monitoring procedures (slide 1 of 3)

Below are the steps that occur before, during, and after the monitoring visit.

- 1. Questionnaire completion:** To kick off the monitoring cycle each LEA was required to submit the 2024-2025 Questionnaire in FedMonitor.
- 2. Scheduling letters sent:** A scheduling letter was emailed to the LEAs Chief Administrator, Business Manager, and Federal Programs Coordinator (POCs) based on when ARP ESSER funds have been expended. This letter included a link to view available monitoring start dates.
- 3. Announcement letter:** An announcement letter will be emailed to your entities POCs about a month before the monitoring visit start date. The letter details when initial documentation will be due, what to expect during the monitoring week, and FedMonitor upload instructions.
- 4. Introductory call:** A monitoring team coordinator will reach out to schedule a pre-monitoring call to discuss expectations for the visit, meeting schedule times, and answer questions the LEA may have regarding visit logistics.

Timeline of ESSER monitoring procedures (slide 2 of 3)

Below are the steps that occur before, during, and after the monitoring visit.

5. **Preparation for monitoring:** The monitoring team will request detailed general ledger reports for ARP ESSER programs and set-asides life-to-date (in excel format). Selected samples will be sent a week before the visit in a Request for Information for the LEA to begin gathering documentation such as purchasing documents, procurement documents, various policy and procedures, etc.
6. **Monitoring week:** The monitoring week starts with a Kickoff Call where we discuss your experience with ESSER funds, then take a deep dive into your entities' policies and procedures. Check in Calls are held to discuss expenditures selected for testing. The week wrap ups with an Exit Meeting including a high-level discussion of observations found.
7. **Feedback survey:** LEAs are requested to complete a post-monitoring feedback survey to provide details on their experience with the monitoring process and provide areas of improvement.

Timeline of ESSER monitoring procedures (slide 3 of 3)

Below are the steps that occur before, during, and after the monitoring visit.

8. **Final Results letter:** The monitoring team will send a Final Results letter based on monitoring observation details with recommendations based on regulatory guidance. The letter has an area for the LEAs to respond to each observation due one month after the Final Results letter is sent.
9. **Technical assistance:** Technical assistance may be offered which provides the LEAs an opportunity to receive one-on-one time to ask specific questions about observations or discuss general areas of review.
10. **Subrecipient response:** LEAs must submit a response to each observation received, with a corrective action plan, and upload of supporting documentation. Once this is submitted, a Subrecipient Confirmation Letter will be sent closing the loop on the monitoring visit.

Scope of monitoring procedures (slide 1 of 2)

The monitoring team may review the following components of the ESSER program during their visit.

- **Federally Compliant Policies and Procedures:** Review the policies for federal programs, and make recommendations as needed to make sure you are in alignment with federal and state requirements.
- **Claimed Expenditures:** Review of your General Ledger to select a sample for testing. During the monitoring process, the team assesses your ability to test your expenditures and comply with audit requirements.
- **Allowable Uses:** Review your expenditures against the allowable uses of ESSER and make recommendations, if needed, surrounding allowability.
- **Supporting Documentation:** For the selected sample, review supporting documentation, such as purchase orders, invoices, and proof of payments, required by federal guidance to make sure expenditures are eligible and supported.

Scope of monitoring procedures (slide 2 of 2)

The monitoring team may review the following components of the ESSER program during their visit.

- **Procurement:** For the selected sample, review procurement documentation, (for example advertisements, quotations, requests for proposal (RFPs), bid evaluations, bid tabulations) and discuss the procurement requirements suggesting leading practices to maintain compliance.
- **Contractor Oversight:** Review how you oversaw contractor performance to check for alignment with federal and state contractor oversight requirements. Our team selects one major contract and conduct an interview during the visit.
- **Equipment Management:** Review property records, physical inventory, and depreciation schedules for alignment with federal and state requirements. If you receive an onsite visit our team likely also conduct physical inspections.
- **Closeout:** Reconcile your General Ledgers, Final Expenditure Reports, and Subgrant Agreements to check for variances at the object and function code level.

Closeout process

The following processes should be considered for closeout.

- **Work deadline review:** Expenses submitted must be within the work deadline and period of performance. Approved time extension requests are required to submit expenses outside the work deadline.
- **Reconciliations:** General Ledger should reflect the actual cost incurred. The budget should be revised if the actual expenses amount is greater or equal to 20% of the line item (function) of the current budget or out of scope of the budget.
- **Allowable uses:** Expenses claimed should align with allowable uses in accordance with ESSER guidelines.
- **Expense documentation:** Expenses claimed at closeout must be supported with an invoice/receipt or timesheets. Proof of payment is recommended to support costs for each work category and costs over the current budget.
- **Final expenditure report (FER):** Costs recorded in the FER should reflect actuals spent during the period of performance of the grant and align to general ledgers.

Closeout requirements

Keep the following questions in mind as you become ARP ESSER Closeout-Ready:

- Is funding fully spent, regardless of period of performance deadline?
 - Once funds are fully expended for ARP ESSER the FER must be submitted within 30 days.
- Have you reconciled your ARP ESSER expense subledger to reflect actual costs incurred?
 - If your actual cost by function code is greater or equal to 20% compared to budget amount or a line item is out of budget, a budget revision should be submitted.
- Do your expenses align with the allowable uses as outlined in the Appendix B budget?
- Have you completed the FER? Is it submitted in eGrants?
 - Budget revisions must be approved before the FER is created.
 - FER amounts entered in eGrants should reflect actual recorded expenditures.
- Have you addressed each observation from the monitoring visit?
- Do you have the relevant documentation to support your expenditures as reported in your internal records and FER?

Monitoring visit reminders

Leading practices for a positive monitoring visit.

- Have relevant people available the week of the visit.
- Maintain digital-based, organized files.
- Be prepared to talk through the procedures behind your policies.
- Redact personally identifiable information (PII) from each file.
 - PII may include Student Counseling Information, Bank Account Number, Social Security Number, Personal Addresses (Students Only), Certificate/License Numbers, Dates of Birth, Education Information, IP Address, Personal Phone Numbers, Photographic or Video audio recording identifiable to an individual, and License Plates/Vehicle Identifier Numbers (VIN).
- Document procurement rationale & archive it in procurement files.
- Be transparent about gaps and ask for guidance to address those gaps.
- Adhere to appropriate cost tracking requirements.

Resources

- Ask questions beforehand.
 - Questions may be directed to RA Account- RA-EDESSERMONITOR@PA.GOV
 - Asking questions will better prepare you for your visit – we are here to help!
- Review the PDE ESSER website.
 - PDE Website - [Monitoring of LEAs' Coronavirus Associated Federal Programs](#) (pa.gov)
 - [ARP ESSER Frequently Asked Questions](#)
 - Review the checklist and document request list, so you are aware of what is required for the visit.
- Attend ESSER PDE office hours.
 - Weekly ESSER GEER Extra Communications
 - PDE Office Hours: every Monday from 1-2pm and every Thursday from 9-10AM. [Join the office hours.](#)