



U.S. Department of Education
Office of Inspector General

Lower Kuskokwim School District's Use of Elementary and Secondary School Emergency Relief Funds

September 26, 2024
ED-OIG/F24NY0181

FLASH REPORT

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UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL

Audit Services

September 26, 2024

Deena M. Bishop. Ed.D.
Commissioner
Alaska Department of Education and Early Development
PO Box 110500
Juneau, Alaska 99811

Dear Commissioner Bishop:

Enclosed is our final report, "Lower Kuskokwim School District's Use of Elementary and Secondary School Emergency Relief Funds," Control Number ED-OIG/F24NY0181. This report incorporates the comments you provided in response to the draft report. The U.S. Department of Education's policy is to expedite audit resolution by timely acting on findings and recommendations. Therefore, if you have any additional comments or information that you believe may have a bearing on the resolution of this review, you should send them directly to the following Department of Education official, who will consider them before taking final Departmental action on this review:

Adam Schott
Delegated the Authority to Perform the Functions and Duties of the Assistant Secretary Office of
Elementary and Secondary Education
U.S. Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

We appreciate your cooperation during this review. If you have any questions, please contact me at (214) 790-5430 or Myra.Hamilton@ed.gov.

Sincerely,

/s/

Myra Hamilton
Regional Inspector General for Audit

Enclosure

Results in Brief

Lower Kuskokwim School District's Use of Elementary and Secondary School Emergency Relief Grant Funds



Why the OIG Performed This Work

Congress passed three coronavirus relief acts within a 1-year period that provided more than \$275 billion for an Education Stabilization Fund to prevent, prepare for, and respond to the coronavirus, which the President declared as a national emergency in March 2020. This included \$189.5 billion for Elementary and Secondary School Emergency Relief (ESSER), funds intended to provide vital support to States, local educational agencies, and schools to address the impact of the coronavirus. Support, in part, includes activities designed to help students and educators safely return to and sustain in-person instruction, and that address the educational inequities exacerbated by the coronavirus pandemic and students' social, emotional, mental health, and academic needs.

Ensuring that ESSER funds are used for allowable purposes is critical to help address the needs of students and educators. The Lower Kuskokwim School District (Lower Kuskokwim) was allocated approximately \$47.1 million in ESSER funds to support 29 schools serving about 4,000 students.

We performed this review to determine whether Lower Kuskokwim expended ESSER grant funds for allowable purposes in accordance with applicable requirements.

What Did the OIG Find?

We determined that all the ESSER expenditures we reviewed for Lower Kuskokwim were allowable and in accordance with applicable requirements. Allowable activities generally include those authorized by the Elementary and Secondary Education Act, Individuals with Disabilities Education Act, Adult Education and Family Literacy Act, Carl D. Perkins Career and Technical Education Act of 2006, and subtitle B of title VII of the McKinney-Vento Homeless Assistance Act. It also includes activities listed in section A-3 of the U.S. Department of Education's [Frequently Asked Questions](#) document for the ESSER and Governor's Emergency Education Relief Programs.

We also found that Lower Kuskokwim complied with key Federal procurement requirements, including those covering the procurement methods to be followed and contract cost, price, and provisions, when procuring the goods or services associated with each ESSER expenditure we reviewed.

What Are the Next Steps?

Because we identified no exceptions, our report does not include recommendations. However, our results are limited to the ESSER expenditures we reviewed, and it is critical that any remaining ESSER funds continue to be used appropriately.

Alaska and Lower Kuskokwim had no comments on our draft report.

Purpose

The objective of our flash review was to determine whether the Lower Kuskokwim School District (Lower Kuskokwim) expended Elementary and Secondary School Emergency Relief (ESSER)¹ grant funds for allowable purposes in accordance with applicable requirements. This flash review report presents the results of our review.

Lower Kuskokwim School District

The Lower Kuskokwim School District in Alaska is a local educational agency (LEA) in rural remote setting with 29 schools serving about 4,000 students. Lower Kuskokwim was allocated approximately \$47.1 million in ESSER funds, and as of March 11, 2024, it had spent about \$43 million (91 percent) of its \$47.1 million ESSER allocation to address the impacts of the coronavirus pandemic. For our review period, Lower Kuskokwim received \$29 million in ESSER funds, \$24.7 million of which were American Rescue Plan (ARP) ESSER funds. In its approved ARP ESSER Plan, Lower Kuskokwim noted that it planned to use its ARP ESSER funds, in part, for additional instructional aides, robust summer school, intensive and extended day opportunities for students, professional development for instructional staff, and a data analysis specialist. Additionally, its funds were to be used, in part, for increases in custodial hours for cleaning and sanitization; ventilation improvements; air purifiers; materials to ensure universal masking, hand hygiene, and social distancing; cameras for contact tracing and monitoring social distancing; and buses and staff to allow for socially distanced transportation to and from in-person learning.

Results of Our Review

For the selected transactions covered by our review, Lower Kuskokwim expended ESSER grant funds for allowable purposes and in accordance with applicable requirements. We

¹ ESSER is one of multiple emergency relief funds comprising the Education Stabilization Fund, which was first authorized and funded under the Coronavirus Aid, Relief, and Economic Security Act (March 27, 2020), and for which Congress later provided additional funding under the Coronavirus Response and Relief Supplemental Appropriations Act (December 27, 2020) and the American Rescue Plan (March 11, 2021). Under ESSER, the U.S. Department of Education awarded grants to State educational agencies for the purpose of providing local educational agencies with emergency relief funds to address the impacts that the coronavirus pandemic had on elementary and secondary schools and their students.

selected and reviewed 16 non-personnel and 4 personnel ARP ESSER² expenditures (less than 1 percent) from a total population of 8,548 ARP ESSER expenditures for the period July 1, 2022, through June 30, 2023 (review period). We used a judgmental, risk-based process to select the 20 expenditures that represented \$8,529,895 (52 percent) of the \$16,439,545 in total ARP ESSER expenditures during our review period.

We reviewed each expenditure to determine whether it was (1) connected to the coronavirus pandemic (intended to prevent, prepare for or respond to the coronavirus pandemic, including its impact on the social, emotional, mental health, and academic needs of students); (2) an authorized use of ESSER funds under applicable law and regulations; and (3) reasonable and necessary and otherwise permissible under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance, 2 Code of Federal Regulations (C.F.R.) part 200). We also performed additional work, as needed, to determine whether Lower Kuskokwim complied with key Federal procurement requirements, specifically those covered under 2 C.F.R. sections 200.320 (methods of procurement to be followed), 200.324 (contract cost and price), and 200.327 (contract provisions), when procuring the goods or services associated with each expenditure. We interviewed Lower Kuskokwim officials to gain a basic understanding of how they used ESSER funds, and their processes for approving and monitoring ESSER expenditures.

An LEA can use ESSER funds for any activity deemed allowable under section 18003(d) of the Coronavirus Aid, Relief, and Economic Security Act (P.L. 116-136); section 313(d) of the Coronavirus Response and Relief Supplemental Appropriations Act (P.L. 116-260); and section 2001(e) of the American Rescue Plan Act (P.L. 117-2). These activities generally include any activity authorized by the Elementary and Secondary Education Act, Individuals with Disabilities Education Act, Adult Education and Family Literacy Act, Carl D. Perkins Career and Technical Education Act of 2006, and subtitle B of title VII of the McKinney-Vento Homeless Assistance Act; as well as those listed in section A-3 of the U.S. Department of Education's [Frequently Asked Questions](#) document for the ESSER and Governor's Emergency Education Relief Programs (May 2021, and updated on December 7, 2022).

We determined that all 20 (100%) expenditures that we reviewed for Lower Kuskokwim were used for allowable purposes and in accordance with applicable requirements. These expenditures were generally for indirect costs, iPads, educational software, construction costs, equipment, internet service, travel reimbursement, training, and

² We limited the scope of our review to ARP ESSER expenditures because they represented the highest dollar amount of ESSER expenditures when compared to other ESSER funds during our review period.

payroll. They were connected to the coronavirus pandemic, authorized uses of ESSER funds under applicable law and regulations, and reasonable and necessary and otherwise permissible under Uniform Guidance. In addition, we found that Lower Kuskokwim complied with key Federal procurement requirements covered under 2 C.F.R. sections 200.320, 200.324, and 200.327 when procuring the goods or services associated with each expenditure.

Because all the expenditures we reviewed were for allowable purposes and in accordance with applicable requirements, we make no recommendations in this report. However, our results are limited to the ESSER expenditures we reviewed, and it is critical that any remaining ESSER funds continue to be used appropriately.

Alaska Department of Education and Early Development's Comments

The Alaska Department of Education and Early Development had no comments on the draft report since no issues were identified. Lower Kuskokwim also had no comments on this report.

Appendix A. Scope and Methodology

Our review covered Lower Kuskokwim’s ARP ESSER expenditures from July 1, 2022, through June 30, 2023 (review period). We limited the scope of our review to ARP ESSER funds because Lower Kuskokwim’s ARP ESSER funds represented the highest dollar amount (\$24.7 million) of all ESSER funds (\$29 million) that were allocated to and expended by them during our review period. We also limited our internal control work to gaining a basic understanding of the process that Lower Kuskokwim used to account for ESSER funds including the accounting system and accounting codes used by Lower Kuskokwim. We conducted our review remotely from April 2024 through July 2024. We discussed the results of our review with Lower Kuskokwim and Alaska Department of Education and Early Development officials on July 9, 2024.

Sampling Methodology

To determine whether Lower Kuskokwim expended ARP ESSER grant funds during our review period for allowable purposes in accordance with applicable requirements, we selected and reviewed 20 expenditures (less than 1 percent) from a total population of 8,548 expenditures using a judgmental, risk-based, selection process. We stratified the population between personnel and non-personnel expenditures and selected 16 non-personnel expenditures and 4 personnel expenditures. The 16 non-personnel expenditures (1 percent) were selected from a total of 1,233 non-personnel ARP ESSER expenditures and represented \$8,390,546 (66 percent) of the \$12,809,181 in total non-personnel ARP ESSER expenditures from our review period. The 4 personnel expenditures (less than 1 percent) were selected from the total population of 7,315 personnel expenditures and represented \$139,349 (4 percent) of the \$3,630,363 in total personnel ARP ESSER expenditures from our review period.

We selected the 20 expenditures using one or a combination of the following criteria: For non-personnel expenditures, we selected the highest dollar transactions for each of the 17 unique account descriptions above \$1,808, and for personnel expenditures, we selected the highest dollar transactions for each of the 9 unique account descriptions above \$23,007. We selected the 16 highest dollar non-personnel expenditures per account description and the 4 highest dollar personnel expenditures per account description. Since the expenditures were selected using a judgmental, risk-based, selection process, the results of our testing cannot be projected to the universe of ARP ESSER expenditures.

Use of Computer-Processed Data

We relied, in part, on computer-processed data (LEA expenditure data) from Lower Kuskokwim’s accounting system. Lower Kuskokwim provided us with a PDF of a report generated from its accounting system that contained its ARP ESSER expenditure data

from July 1, 2022, through June 30, 2023. We converted the PDF document to a spreadsheet for quicker review and analysis. To assess the completeness of the expenditure data in the spreadsheet, we compared total expenditures in the spreadsheet to total expenditures in the four quarterly ARP ESSER expenditure reports that Lower Kuskokwim submitted to the Alaska Department of Education and Early Development for our review period. To assess the reliability of the expenditure data in the spreadsheet, we reviewed supporting documentation, such as invoices and proof of payment, for the 20 expenditures covered by our review. We did not identify any issues and concluded that the expenditure data in the spreadsheet were reliable for their intended use.

Compliance with Standards

We conducted our work in accordance with OIG quality control standards and the Council of the Inspectors General on Integrity and Efficiency “Quality Standards for Federal Offices of Inspector General,” which require that we conduct our work with integrity, objectivity, and independence. We believe that the information obtained provides a reasonable basis for our conclusions.

Appendix B: Acronyms and Abbreviations

ARP	American Rescue Plan
C.F.R.	Code of Federal Regulations
ESSER	Elementary and Secondary School Emergency Relief
LEA	local educational agency
Lower Kuskokwim	Lower Kuskokwim School District
Uniform Guidance	Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Alaska Department of Education and Early Development's Comments



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Education & Early Development

OFFICE OF THE COMMISSIONER

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August 14, 2024

Myra Hamilton, Regional Inspector General for Audit
U.S. Department of Education
Office of Inspector General

Dear Inspector General Hamilton:

The Department of Education & Early Development (DEED) appreciates the opportunity to respond to the Lower Kuskokwim School District's Use of Elementary and Secondary School Emergency Relief Funds Draft Flash Report ED-OIG/F24NY0181.

As no issues were identified in the report, DEED and the school district have no comments at this time.

Sincerely,



Deena M. Bishop, Ed. D.
Commissioner

