

**State of Illinois**  
**Elementary and Secondary School Emergency Relief Fund 84.425D**  
**Award Number S425D200041**  
**Initial 60 Day Report**

The Illinois State Board of Education (ISBE) is serving as the grantee for Elementary and Secondary School Emergency Relief (ESSER) funding. ISBE is allocating 9.5 percent of ESSER funding to 1) non-Title I, Part A-eligible recipients, Education for Employment Systems (EFEs) /vocational centers; Regional Offices of Education (ROEs)/regional programs; and Special Ed Cooperatives. ISBE will also provide a contract to Illinois Education Association (IEA) for virtual coaching. ISBE plans to reserve .5 percent as a contingency reserve while continuing to navigate the COVID-19 pandemic.

ISBE awarded agencies for pre-K through 12 education. ESSER provides non-Title I, Part A-eligible recipients; EFEs/vocational centers; ROEs/regional programs; and Special Ed Cooperatives that did not receive a fiscal year 2020 allocation under Title I, Part A of the Elementary and Secondary Education Act of 1965 relief funding. ESSER funds provide services to all schools, including charter schools authorized by Local Education Agencies (LEAs), and students in the LEA regardless of participation in Title programs. Nonpublic schools are provided equitable services proportionate share based on low-income count or total enrollment, not funding.

School districts may use funds to provide students with technology tools and home internet access necessary for technology-rich remote learning experiences. Equitable access to technology devices and internet connectivity is the foundational components upon which today's schools create enhanced and empowered digital learning experiences. Students must have access to technology and reliable internet access at home so that digital learning opportunities are available beyond the school environs, especially in the event of implementation of e-learning or remote learning. The Elementary and Secondary Relief – Digital Equity RFP is a onetime grant opportunity that utilizes Coronavirus Aid, Relief, and Economic Security (CARES) Act funding to assist districts in reducing barriers to the continuity of education by addressing the technology and home connectivity needs.

ISBE will contract with IEA to provide virtual coaching new to the career educators. The COVID-19 pandemic prevented many teachers who are starting their careers from having the opportunity to complete student teaching. This additional support will provide growth in the effectiveness of teaching practice strategies.

The previously cited agencies have entered into Intergovernmental Agreements that outline the various processes and procedures that will be utilized to ensure communication and collaboration. They also spell out the responsibilities of each agency regarding oversight and distribution of ESSER funding. Additionally, ISBE is providing oversight and approval of the distribution of grant awards.

Grant funds will be awarded based on the criteria as identified in the grant application. Grant application questions will assess device needs, the availability of home access for students, and the way in which additional funds will complement the district's existing technology plan. In addition, the application will ask districts how they are supporting all students, including, but not limited to, students with disabilities, English Learners, and students from low-income families.

Applicants can request funding for computing devices, home internet connection devices, or both. Applicants applying for only one of the two funding priorities must provide evidence via the technology survey and in the narrative section of the application that all students have equitable access to devices or internet connectivity – whichever one the district is not seeking funding for. Applications for the Elementary and Secondary Relief – Digital Equity RFP were due by 4 p.m. on Friday, August 14, 2020.

LEAs, including charter schools that are LEAs and have an Evidence-Based Funding Final Percent of Adequacy level of 70 percent or lower, are eligible to apply for the Elementary and Secondary Relief – Digital Equity Request for Proposals (RFP). The purpose of the grant opportunity is to assist school districts in closing the digital divide and enabling digital-age teaching and learning

The overall allocations are as follows:

<b>Illinois State Board of Education – 9.5%</b>	
<b>Non-Title I Schools Total</b>	<b>\$1,051,812</b>
Education for Employment/vocational centers	\$249,196
Non-Title I, Part A-eligible recipients	\$446,674
Regional Office of Education (ROEs)/regional programs	\$137,513
Special Ed Cooperatives	\$218,429
<b>ISBE – Device/Connectivity DEGs and Remote/E-Learning PD DEGs</b>	<b>\$53,047,574</b>
Virtual Coaching	\$6,499,988
Devices	\$32,952,770
Connectivity	\$7,139,907
Professional Development on Remote and E-Learning	\$6,454,909
<b>Total</b>	<b>\$54,099,386</b>

### **Control Environment**

ISBE, an agency of Illinois state government, functions under the legal and regulatory framework of financial management defined within the Illinois Compiled Statutes and the Illinois administrative Code, found at <http://www.ilga.gov/>. Related statutes include the State Finance Act 30 ILCS 105/, the State Comptroller Act 15 ILCS 405/, and the Fiscal Control and Internal Audit Act 30 ILCS 10/. The Comptroller’s Statewide Accounting Management System is codified at Title 74, Part 245 of the Illinois Administrative Code.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/) requires each Illinois state agency to establish, maintain, and annually evaluate its internal control systems. The evaluation is facilitated by annual Internal Control Questionnaires (ICQs) distributed to ISBE management. The ICQs include 75 questions specifically related to grants management. The questions include, but are not limited to, the following areas:

- Policies and procedures regarding acquiring, expending, and monitoring grants in accordance to guidelines
- Grant accounting segregation
- Application review and approval
- Allowable costs, approved cost allocation plan
- Receipt and disbursement controls
- Expenditure comparisons to budgets
- Budget revisions and approvals prior to incurring additional expenditures
- Closeout procedures
- Independent monitoring systems
- Financial and programmatic reports submission and review
- Audit finding follow-up process
- Written grant agreements include grant requirements and conditions

Grant management-specific Illinois statutes include the Grant Accountability and Transparency Act (GATA) (30 ILCS 708). The GATA statute establishes statewide grant administration processes and controls based on a standard interpretation of 2 CFR 200 requirements for all programs administered by all Illinois grant-making agencies.

ISBE grant-making and management activities are conducted in accordance with rules promulgated under GATA (<http://ilga.gov/commission/JCAR/admincode/044/04407000sections.html>) and via the systems established by the statewide grants management unit of the Governor’s Office, as well as through the several data systems maintained by ISBE. The GATA rules represent a comprehensive system of internal controls applicable to grants throughout the grant life cycle. ISBE processes fully embrace controls, such as segregation of duties and multiple levels of approval with Board approval required for larger transactions. ISBE also administers all federal funds on a reimbursement basis.

### **Risk Assessment**

GATA specifies that all Illinois grant programs utilize a standard approach to risk assessment. All potential grant applicants are required to register and pre-qualify through the GATA statewide grantee portal accessible at <https://grants.illinois.gov/portal/>. The system checks for applicant status related to SAM.gov registration, federal excluded parties lists, and federal delinquent debt lists.

GATA also implements a standard approach to compliance with 2 CFR 200.205. Grant applicants are required to complete a standard ICQ that covers 10 categories of fiscal and administrative risk. Applicants are also required to complete a two-part Programmatic Risk Assessment covering five areas of programmatic risk with one part focusing on organization-wide programmatic risk and the other part being specific to the grant in question.

GATA also establishes standard risk mitigation conditions related to each assessed area of risk in conformance with 2 CFR 200.207. These conditions are applied to grants where elevated risk is revealed through the assessment process and are available at <https://www.isbe.net/Documents/FY20-Risk-Conditions.pdf>.

### **Control Activities**

- **Grant Application**

- Subgrantees are required to complete a grant application and budget, including a narrative description of how grant funds will be expended in accordance with program rules. The grant application process also requires the grantee to complete a pre-qualification process. The pre-qualification process includes a check to make sure the grantee is not on the federal debarred and suspended list and requires the grantee to complete a Fiscal and Administrative Risk Assessment, Programmatic Risk Assessment, and Organizational Risk Assessment. The risk assessments are then used to determine whether additional conditions need to be placed on the grantee. Grant applications and budgets must be reviewed and approved by program staff prior to award.
- **State and Federal Grant Administration Policy, Fiscal Requirements, and Procedures**
  - All grantees are required to follow ISBE’s State and Federal Grant Administration Policy, Fiscal Requirements, and Procedures Manual. This manual is available at [https://www.isbe.net/Documents/fiscal\\_procedure\\_handbk.pdf](https://www.isbe.net/Documents/fiscal_procedure_handbk.pdf).
- **Grant Accountability and Transparency Act**
  - As previously mentioned, the Grant Accountability and Transparency Act established a statewide grant administration processes and controls based on a standard interpretation of 2 CFR 200 requirements for all programs administered by all Illinois grant-making agencies, including the following control activities:
    - **General**
      - The ISBE GATA Department is responsible for maintaining the agency’s Catalog of State Financial Assistance pages; assisting grant applicants through the legislated pre-qualification process, reviewing all Notice of Funding Opportunities (NOFOs) before issue and monitoring their progress until awarded, maintaining the agency Stop Pay list, monitoring grantee risk assessments and providing reports on status of risk assessments, maintaining the agency’s merit-based review policy, reviewing grantees’ single audit submissions, coordinating management decision memos for audit findings, and budgeting for results program management and reporting.
      - The Grant Accountability and Transparency Unit (GATU) is the Governor’s Office of Management and Budget (GOMB) team responsible for developing rules and assisting agencies in implementing requirements of the Act.
    - **NOFO/NOSA/RFPs**
      - ISBE utilizes GATA standardized forms in our NOFO/RFP processes. NOFOs/RFPs are used when there is a need to elicit proposals from eligible applications for competitive grant funds. The NOFO/RFP stipulates requirements and conditions of funding, program objectives, deliverables and milestones, performance measures, performance standards, etc. ISBE also adopted the use of the state’s

standard Notice of State Award (NOSA) and Uniform Grant Agreement templates.

- ***Grantee Portal***

- ISBE grantees are required to be registered and pre-qualified in GATU's Grantee Portal. The portal contains grantee information, including organization address, organization type, DUNS and FEIN numbers, organization contacts, Fiscal ICQ, indirect cost rate, audit reviews, Stop Pay Federal Excluded Parties status, Illinois Secretary of State registration, NOSAs, and funding information by state agency.

- ***Risk Assessment and Conditions***

- See section on Risk Assessment on page 3.

- ***Merit-Based Review Policy***

- ISBE has developed a merit-based review policy for competitive grants in Illinois, including fully or partially funded federal, federal pass-through, and state-funded grants, to comply with GATA (30 ILCS 708) and 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).
- Grants funded solely by private funds are not subject to GATA legislation and 2 CFR 200 requirements. Merit-based review can be found at 2 CFR 200.204. ISBE is required to design and execute a merit-based review process for applications for competitive grants, unless prohibited by federal or state statute. This process is incorporated by reference in all applicable funding opportunities. See also Section 200.203 regarding NOSAs. An appeals process is described and incorporated within this merit-based review process.
- ISBE grant awards are transacted through Uniform Grant Agreements in conformity with 2 CFR 200.201.
- All federal grant funds are drawn and disbursed to grantees on a reimbursement basis in conformity with the Cash Management Improvement Act.

- ***Periodic Performance Reports***

- Unless statutorily exempt, all grant awards are subject to periodic performance reporting. Quarterly reports are due 30 calendar days after the reporting period in accordance with 2 CFR 200.328 (b) (1) and GATA Rules Section 7000.410 b) 2. These reports are completed by grantees in an online system developed by ISBE's Software Solutions Department.



ISBE also provides information on all aspects of grants administered by the agency through a public website at <https://www.isbe.net/Pages/Grants.aspx>.

### **Monitoring**

The Federal and State Monitoring Department (FSM) performs an annual risk assessment that is used to select the programs and grantees toward which we direct monitoring activities. FSM will incorporate Governor's Emergency Education Relief (GEER) grant funds into the risk assessment tools. FSM will monitor, on a sample basis, the usage of GEER funding by selected grant recipients to ensure the funding is used for authorized purposes. FSM will review required financial reports and the underlying documentation to determine whether funds were utilized appropriately. Should any monitoring findings be issued related to GEER funding, FSM will require corrective action plans that ensure timely and appropriate action is taken with respect to any underlying control issues. Please see the attached supporting documents for a more detailed description of activities conducted by FSM and for an example of our standard monitoring tool.

### **Cash Management**

ISBE processes federal grant payments on a reimbursement basis in accordance with Part 200-Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, §200.305 Payment. Subrecipient cumulative expenditures are reported online using ISBE's Electronic Expenditure Reporting System. Expenditures are extracted and loaded each day by Funding and Disbursements staff. Payments are created by comparing cumulative expenditures to current disbursements. Created payments are vouchered by Funding and Disbursements and processed by the Fiscal Department each week. A tape is created of all vouchers being presented to the Comptroller for processing. The vouchers on the tape determine the immediate cash needs of the agency.