



Oregon

Kate Brown, Governor



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Colt Gill

Director of the Oregon Department of Education

July 31, 2020

Corrinne Callins
Office of State and Grantee Relations
Office of Elementary and Secondary Education
U.S. Department of Education
400 Maryland Ave. SW
Washington, DC 20202

Oregon Elementary Secondary School Emergency Relief Fund 60-Day Report: Award #S425D200049-ESSER

Dear Corrinne,

Since receiving Oregon's Elementary Secondary School Emergency Relief (ESSER) Fund Grant Award Notification of \$121,099,019 on May 28, 2020, Oregon Department of Education (ODE) has been busy collaborating with stakeholders and agency staff to develop a responsive and comprehensive grant program to reimburse Local Education Agencies (LEAs) for eligible costs associated with COVID-19 mitigation.

Summary of 60-day Progress

ODE's goal was to have complete CARES Act grant programs identified and announced in 60 days from the date of our award. This included developing all aspects for a successful federal grant program: developing and processing grant applications for all ESSER funds, establishing formulae and allocations for the 90% as well as the 10% Reserve, creating a process and system to administer and monitor grant funds, creating communication channels, and creating a website for LEAs to easily locate information related to the federal grant programs and ODE guidance. As you will see, ODE met our initial goal.

ODE started sending reimbursements for the first phase, or the 90% allocation of the ESSER Fund, to LEAs on July 28, 2020. In addition to the 90% share of the ESSER grant that is allocated to LEAs based on Title I-A disbursements, ODE decided to use a portion of its 10% Reserve to help LEAs that were not included in the 90% share. These LEAs consist of several small school districts that didn't qualify for Title I-A disbursements in 2019-20, and LEAs whose amount received under the 90% share wasn't very significant. In response to addressing needs for all LEAs, ODE created a \$10,000 minimum floor; there were 21 LEAs that qualified for this minimum level of funding, which resulted in \$210,000 in allocations from the 10% Reserve.

ODE then focused on prioritizing Oregon's 19 Education Service Districts (ESDs), which are regional education service providers, to address their needs with an emphasis on programs providing Early Intervention Early Childhood Special Education (EI/ECSE) services. ODE allocated \$4.5 million of the 10% Reserve to this priority.

ODE also identified \$3 million from the ESSER Fund to serve the needs of Oregon's Nine Federally Recognized Tribes.

In collaboration with the Governor's Office and Oregon's Department of Administrative Services, ODE prioritized a need to address local connectivity and technology gaps for schools, further facilitating reopening

later this year. With this in mind, ODE announced the Comprehensive Distance Learning (CDL) Grant Program on July 29, 2020. This program allocates \$3.46 million from the 10% Reserve, which will be leveraged with \$20 million from the Governor’s Education Emergency Relief (GEER) Fund, and \$1.61 million from the Coronavirus Relief Fund. This grant program is intended to provide greater accessibility and flexibility to distance learning, and to ensure ongoing learning is performed in a safe and responsible manner.

Utilizing the remaining funds from the 10% Reserve, approximately \$335,000 was allocated to ODE’s State-sponsored programs, which includes: Corrections and Juvenile Detention centers, four State-sponsored charter schools, School for the Deaf, Long-Term Care and Treatment facilities, and hospital programs. LEAs will administer these funds, as many of these programs reside with school districts.

Lastly, ODE set aside one-half of one percent, or approximately \$605,000 for administrative costs; these funds will be used for the administration of the grant and provision of technical services to stakeholders, which will focus on distance learning as we innovatively respond to the pandemic and the uncertainty we all face moving forward.

The itemized breakdown of the 10% Reserve categories is as follows:

0.50% Administration:	\$ 605,495.00
\$10K minimum floor:	\$ 210,000.00
ESD/EI/ECSE:	\$ 4,500,000.00
Federally Recognized Tribes:	\$ 3,000,000.00
Comprehensive Distance Learning (CDL)	\$ 3,459,566.76
State-sponsored programs:	\$ 334,840.24
Total:	\$ 12,109,902.00

The itemized breakdown of all categories is as follows.

Obligated Funding

At this time in the grant cycle (60 days), ODE cannot state definitively how all funds will be budgeted and spent by the LEAs and partners; ODE is still receiving and reviewing applications. As stated in the US DOE Office Hours training, funds that are unallocated or unbudgeted, can be reported as “Other” on the ED form 524 until such time more information is available. In an attempt to be timely in submitting our SEA report, this is the strategy we will use until we have a complete dataset. ODE will account for the half of one percent set aside for administration under Personnel and the remainder of the 10% Reserve will be reported under Other on the ED form 524. With the data received to date, ODE has a report showing the overall funding and approach LEAs are taking with the ESSER Fund grant.

At this time, of the \$121,099,019 ESSER Fund grant allocated to Oregon, \$32,437,849.96 is being reported as “Other”, \$605,495.00 is being reported as administrative costs, and \$88,055,674.04 in LEA obligations as

reported in the table below. ODE gathered this information as of July 23, 2020 from the LEA budget narratives included in each reviewed LEA application.

Category	Year 1 2020 FY	Year 2 2021 FY	Year 3 2022 FY	Year 4 2023 FY	Total
Personnel	\$ 2,183,218.43	\$ 19,626,715.47	\$ 1,382,807.83	\$ -	\$ 23,192,741.73
Fringe Benefits	\$ 1,386,705.72	\$ 10,539,968.16	\$ 768,839.45	\$ -	\$ 12,695,513.33
Travel	\$ 1,020.75	\$ 210,244.66	\$ -	\$ -	\$ 211,265.41
Equipment	\$ 2,207,258.82	\$ 19,849,734.54	\$ 390,000.00	\$ -	\$ 22,446,993.36
Supplies	\$ 1,337,545.32	\$ 9,778,136.46	\$ 349,723.37	\$ -	\$ 11,465,405.14
Contractual	\$ 389,929.98	\$ 7,538,210.14	\$ 284,107.00	\$ -	\$ 8,212,247.12
Construction	\$ 22,676.00	\$ 1,807,198.00	\$ -	\$ -	\$ 1,829,874.00
Other	\$ 327,425.36	\$ 4,711,603.96	\$ 446,982.00	\$ -	\$ 5,486,011.32
Total Direct Costs	\$ 7,855,780.38	\$ 74,061,811.39	\$ 3,622,459.65	\$ -	\$ 85,540,051.41
Indirect Costs	\$ 49,918.42	\$ 1,134,007.70	\$ 69,333.00	\$ -	\$ 1,253,259.12
Training Stipends	\$ 62,300.00	\$ 1,170,063.51	\$ 30,000.00	\$ -	\$ 1,262,363.51
Total	\$ 7,967,998.80	\$ 76,365,882.60	\$ 3,721,792.65	\$ -	\$ 88,055,674.04

Attachment T – Internal Control and Subrecipient Monitoring Plans

Please see ODE’s Internal Control and Subrecipient Monitoring Plans as follows.

Internal Control Plan:

- i. Identify the management structure for implementing the ESSER Program:

Mike Wiltfong, School Finance and Facilities Director, is the Grant Manager for ESSER Fund grants. Mike reports to Rick Crager, Assistant Superintendent for the Office of Finance and Technology, who is listed as the Recipient State Director for the Oregon ESSER Fund award.

- ii. Identify risks associated with implementing the program based on past performance and identify risk mitigation strategies.

Oregon provides guidance for developing district level programming and financial budget structure, however, each LEA is responsible to develop their own program within the guidance and federal guidelines. LEAs receiving ESSER Fund grants are regular recipients of federal dollars through ODE. All subgrants are issued through ODE's Electronic Grants Management System (EGMS) which shows the financial progression of each subgrant. Each subrecipient agrees to the terms and conditions of the federal pass-through award and the allowable uses of funds.

Risk mitigation strategies include monitoring plans and reimbursement request forms for the proper use of ESSER Fund grants, subrecipient monitoring, and desk reviews.

- iii. Describe how the Grantee will ensure existence of primary documentation necessary to support fiscal reviews, including audits and improper payment assessments.

ODE requires grant recipients to provide documentation upon request for ad-hoc desk audits or site-visits (as needed based on results from desk audits.)

All grant data in EGMS is available for report generation from ODE's financial system of record, SFMA. The ESSER Fund grants are set up in ODE's budget with separate identifying numbers for reporting.

All ESSER Fund grants will be awarded as cost reimbursement grants. Recipients are required to submit a reimbursement request form via secure file transfer which includes supporting information regarding the claim placed in ODE's Electronic Grants Management System (EGMS). The Grant Manager is responsible to review the reimbursement request form ensuring claims include allowable expenses and that expenses align with the LEA plan submitted in the application. If a claim includes a non-eligible cost, the claim is rejected so the claimant can resubmit a correct request. Reimbursement request forms and claims in EGMS must match prior to approval. Approved reimbursement request forms will be saved to electronic project files.

The reimbursement request form requires expenses to be reported using the accounting structure defined in the Program Budgeting and Accounting Manual (PBAM) published by ODE. The reimbursement request form contains general ledger information including function and object codes from the PBAM and plugs directly into established ODE datasets for quarterly reporting.

Oregon Department of Education

ODE requires all LEAs to submit single-audit reports annually. Single audits are reviewed for risks, and if found, the identified risks are forwarded to the Grant Manager and the recipient to work toward resolution.

iv. Internal controls – Segregation of Duties

The Administrative Assistant for School Finance and Facilities will monitor email for reimbursement requests and forward to the Grant Manager for review and approval. The Administrative Assistant will provide some technical support to the LEAs and, as needed, forward to the Grant Manager for further follow-up and response.

Once claims in EGMS are approved by the Grant Manager, EGMS staff process the claims and send them in batches to Financial Services. Financial Services staff complete the claims process by reviewing, then releasing payments to Oregon’s financial system of record (SFMA) for payment to the LEAs. Claims batch documentation, including the Grant Manager approval for payment, are saved in Financial Services for audit.

Subrecipient Monitoring Plan

- i. Revised risk assessment and ranks and prioritizes LEAs with consideration for new criteria identified as a result of receiving ESSER funds;

Revised risk for LEAs around in-school and comprehensive distance learning (CDL) and the uncertainty of how education and district operations will be conducted moving forward. Criteria being:

- a. Capability to provide CDL to all students;
 - i. Staff trained to use all tools necessary for CDL, and
 - ii. Students have access to online learning tools.
 - b. Capability to provide safe in-school education to all students;
 - i. Staff trained to provide safe environment for all students and staff in schools, and
 - ii. Students have access to needed resources for safe learning environment.
 - c. Capability to provide hybrid learning model using both CDL and in-school learning environments, considering measurements listed in criteria 1. and 2. above.
- ii. Development and implementation of revised monitoring protocols;

Monitoring will be revised to include the risks associated with student safety and access to either in-school or CDL environments, as mentioned in item i. above. There are several steps in our review and

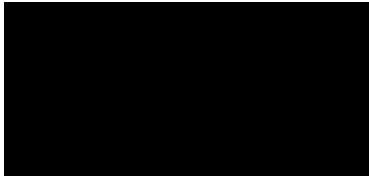
reimbursement process that monitors LEA reporting and spending. LEAs are also audited by independent auditors every year and the vast majority are subject to a Single Audit under Uniform Guidance, which is also reviewed by Mike Wiltfong's team. Also, ODE monitors LEAs on a regular basis and has previous experience working with and administering US Education grants; this additional risk assessment will be included in communications with LEAs and regular monitoring.

- iii. Schedule for subrecipient monitoring, including both programmatic and fiscal issues, based up on the Grantee's revised risk assessment.

ODE will monitor subrecipients regularly. The schedule will vary depending on the periodic requests for reimbursements and regularly scheduled monitoring.

On behalf of the Oregon Department of Education and Oregon's K-12 stakeholders, thank you for your assistance during these challenging times. If you should have any questions, please don't hesitate to contact me.

Thank you,



Mike Wiltfong

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