

Maine Comprehensive Performance Review Report FY 2020 ESSER and GEER

04 14 2022



U.S. Department of Education
Office of State Support
Office of Elementary and Secondary Education
400 Maryland Avenue, SW
Washington, DC 20202

Office of State and Grantee Relations Performance Review Process

The Office of State and Grantee Relations (SGR) is committed to supporting States as they implement Federal grant programs. Part of this commitment includes a performance review process designed to not only address the SGR's responsibilities for fiscal and programmatic oversight, but to also identify areas in which States need assistance and support to meet their goals and obligations. The performance review process is anchored around ongoing conversations between the SGR and grantees and includes multiple components: *Quarterly Reviews, Desk Reviews, and On-Site Reviews*.

As a result of the passage of the Coronavirus Aid, Relief and Economic Security (CARES) Act, SGR created a comprehensive monitoring review process. Ideally, the comprehensive monitoring review process should result in improved and strengthened partnerships between the United States Department of Education (the Department) and States and encourages States to develop and implement fiscal systems that align with Federal requirements.

The comprehensive review is intended to ensure the funds received under the CARES Act are managed by States in a manner consistent with the fiscal, administrative, and program requirements contained in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), the Education Department General Administrative Requirements (EDGAR), Office of Management and Budget (OMB) Memorandum 20-20 (OMB M-20-20), and the Cash Management Improvement Act (CMIA).

To accomplish this, SGR's CARES Act comprehensive monitoring review process focuses on the Governor's Emergency Education Relief (GEER) and the Elementary and Secondary School Emergency Relief (ESSER) funds.

SGR's comprehensive monitoring review process comprises of a self-assessment questionnaire and a virtual desk review. Where CARES Act funds have been distributed to subrecipients, SGR includes subrecipients in the review as a matter of due diligence to learn how State agencies plan to monitor subrecipient expenditures and ensure grant funds are used for allowable purposes.

Navigating the Consolidated Monitoring Report

This report contains three sections.

Section I is an overview of SGR's monitoring.

Section II is a summary of the State's performance of the Fiscal and Program Fiscal section indicators included in the review. For each indicator, the Department assigns one of four ratings:

- "Met requirements with commendation" represents high-quality implementation where the grantee is exceeding expectations;
- "Met requirements" indicates that no instances of noncompliance were identified;
- "Met requirements with recommendations" indicates there are quality implementation concerns and some improvements could be made to ensure the grantee continues to meet expectations; and

- “Action required” indicates there are significant compliance or quality concerns that require urgent attention by the reviewed entity and will be revisited until the issue is addressed.

Section III corresponds with cross-cutting feedback on the Fiscal and Program Fiscal sections and commendations, where applicable.

Section IV corresponds with the Met Requirements with Recommendations.

Section V corresponds with the action required areas of the Fiscal and Program Fiscal sections where there were findings from the review that requires corrective action, and lists the action required to resolve any findings.

DRAFT

SECTION I

ESSER and GEER Performance Review

Covered grant programs

GEER

ESSER

Federal funding

GEER:	\$9,273,552
ESSER:	\$43,793,319

Dates of Review

November 2 – 5, 2021

Reviewers

Amy Huber (State and Grantee Relations)

Eve Allen (State and Grantee Relations)

Jane Hodgdon (State and Grantee Relations)

Christopher Fenton (State and Grantee Relations)

LEA/Subrecipient Participants

Lewiston Public School District (Lewiston, Maine)

RSU #39 (Caribou, Maine)

SECTION II

Assessment Criteria Key



Met requirements with commendation

High quality implementation & compliance.



Met requirements

Satisfactory implementation & compliance.



Met requirements with recommendation

Satisfactory compliance with quality concerns.



Action required

Significant compliance & quality concerns.

		GEER	ESSER
Accounting Systems and Fiscal Controls	A	●●●○	●●●○
Cash Management and Payment Systems	B	●●●○	●●●○
Period of Availability	C	●●●○	●●●○
Internal Controls	D	●●●○	●●●○
Audit Requirements	E	●●●○	●●●○
Records and Information Management	F	●●●○	●●●○
Equipment Management	G	●●●○	●●●○
Personnel	H	●●●○	●●●○
Procurement	I	●●○○	●●○○
Indirect Costs	J	●●●○	●●●○
Budgeting of the State Reserve and Subawards	K	●●●○	●●●○
Allocations/Sub-Award Process	L	●●●○	●●●○
CARES Act/Transparency Act Reporting	M	●●●○	●●●○
Risk Assessment (LEA)	N	●●●○	●●●○
Subrecipient Monitoring	O	N/A	●○○○
Maintenance of Effort	P	●●●○	●●●○
Equitable Services	Q	●●●○	●●●○

SECTION III

Cross-cutting Feedback

When reviewing artifacts for the GEER and ESSER program comprehensive monitoring, the Department became aware MDE did not post standard Report Fraud, Waste, and Abuse from the Department's Office of Inspector General. The Department recommends adding this standard language to website pages and other communication materials:

OIG Hotline - Report Fraud, Waste, and Abuse

Think an institution is misusing or abusing ED funds? Do not let COVID-19 pandemic Education Stabilization Funding for Schools and Students end up in the wrong hands. File a complaint online with our Inspector General (OIG) or call their Hotline.

[File a complaint online with the OIG Here](#)

[Contact information for the OIG Hotline Here](#) (1-800-MIS-USED; 1-800-647-8733)

If you have a state webpage that is focused on GEER and/or ESSER funding and implementation, please consider adding the OIG Hotline information to your state webpage.

SECTION IV

Met Requirements with Recommendation

D.

INTERNAL CONTROLS

● ○ ○ ○

REQUIREMENT SUMMARY

The State educational agency (SEA) shall establish and maintain a system of effective internal controls over Federal awards that provides reasonable assurance that the SEA is managing Federal awards in compliance with Federal statutes, regulations, and the terms and conditions of Federal awards. These internal controls should be in accordance with guidance stated in the "Standards of Internal Control in the Federal Government" (GAO Green Book) or the "Internal Controls Integrated Framework" (Treadway Commission).

Uniform Guidance 2 C.F.R. 200.303



ISSUE

During the review, the Maine Department of Education (MDE) described the quick implementation of the Governor's Emergency Education Relief (GEER) funds. The Governor of Maine established proactive communication with education stakeholders to understand the needs of the education community. The Governor implemented a broadband program to give every student in Maine the ability to connect to educational resources and programs when the students were virtual learning. Working with three different vendors, the Governor initiated the program, then the Governor transferred the program to MDE for implementation. At that time, MDE had formed an Ad Hoc team to manage this program. A few months later, the Ad Hoc team became permanent.



RECOMMENDATION

The Department recommends the Maine Governor and MDE revisit the implementation of the program and develop a memo of understanding (MOU) between the Governor's Office and MDE. An MOU will ensure both parties have established roles and responsibilities in the implementation of this program. The MOU serves as an internal control document which management develops and maintains for the length of the program, with regular reviews and revisions, as needed. An effective and clearly written MOU will provide greater transparency to the implementation of the program. For reference, the "Standards for Internal Control in the Federal Government" (GAO Green Book) GAO-14-704G, provides further information on environmental control for internal controls.

I.

PROCUREMENT-GEER and ESSER



REQUIREMENT SUMMARY

An SEA shall ensure that all relevant State procurement procedures are followed when procuring goods and services using Federal funds. An SEA must also maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specification of their contracts.

Uniform Guidance 2 C.F.R. 200.317, 200.322, and 200.326



ISSUE

The procurement process used for the broadband program was supported by the Division of Procurement Services, another state government agency. MDE is dependent on this office’s services for the procurement process. While the Division of Procurement Services follows federal guidelines regarding procurement, there was one noticeably absent piece. The Division of Procurement Services uses the SAM.gov (System for Award Management). SAM.gov is a web-based, government-wide application that collects, validates, stores, and disseminates business information about the federal government's trading partners in support of the contract awards, grants, and electronic payment processes.¹ In general, Maine uses a federal system to review vendor, which may or may not have state and local vendors listed. Maine does not have a state system in place for the performance of state/local contracts. A vendor wishing to contract with Maine must self-certify on the Division of Procurement Services website.



RECOMMENDATION

It is the Department’s understanding the state of Maine does have a preferred vendor list, though it may not include state/local vendors who are debarred or suspended from working with the state of Maine at the point when a procurement has been initiated, depending on when the list is updated at the state level. The Department recommends that Maine have a process in place to verify vendor debarment and suspension at the state level as part of their internal control system as part of the risk assessment process.

¹ <https://www.grants.gov/applicants/organization-registration/step-2-register-with-sam.html#:~:text=SAM%20is%20a%20web%2Dbased,grants%2C%20and%20electronic%20payment%20processes>

SECTION V

Action Required

O.

SUBRECIPIENT MONITORING - ESSER



REQUIREMENT SUMMARY

An SEA shall monitor local educational agencies (LEAs) and any other entities, including external providers, receiving Federal funds from programs covered in the Consolidated State Plan to ensure that performance goals are achieved and that subawards are used for authorized purposes and in compliance with Federal statutes, regulations, and the terms and conditions of Federal awards.

Uniform Guidance 2 C.F.R. 200.331(d)



ISSUE

The Uniform Guidance section 2 C.F.R. 200.331(d) requires that an SEA monitor LEAs receiving Federal funds from programs to ensure that all applicable fiscal and programmatic performance goals are achieved and that subawards are used for authorized purposes and in compliance with Federal statutes, regulations, and the terms and conditions of Federal awards. During the review MDE noted that, while they have informal monitoring and review activities with LEAs, its subrecipient monitoring process had not been fully developed and implemented. During the review, MDE could not provide documentation to demonstrate how it ensures that LEAs are monitored for compliance with many of the fiscal requirements covered during the review. MDE indicated that financial information is monitored through ongoing processes such as single audits, grant reimbursement requests, and application reviews. However, in order to ensure compliance with fiscal requirements, Uniform Guidance section 2 C.F.R. 200.331(d) requires that an SEA not fully relinquish fiscal monitoring responsibilities to auditors and that fiscal monitoring be conducted during the post-award phase of grant making. MDE stated during the review that their team was working on a draft subrecipient monitoring plan.

REQUIRED ACTION

Within 60 business days of receipt of this report, MDE must provide to the Department a plan and a timeline to implement a post-award fiscal monitoring process to ensure compliance with fiscal requirements of applicable Federal statutes, regulations, and the terms and conditions of Federal awards for LEAs that receive subgrants under the covered Federal programs during the next fiscal year. The process outlined in the submitted plan must result in MDE monitoring the

following fiscal elements: procedures for documenting personnel expenditures (time and effort documentation), procurement procedures, equipment management and inventory procedures, and LEA procedures for determining cost allowability, in addition to any other fiscal topics or requirements MDE determines should be covered. The plan and timeline for implementing a post-award fiscal monitoring process must also include the LEA identification procedure, a description of planned monitoring activities, and any other information necessary to sufficiently describe its design and implementation.

DRAFT