

# American Samoa Department of Education Monitoring Report

1/24/24

<u>Commendations</u>	0
<u>Met Requirements</u>	1
<u>Recommendations</u>	0
<u>Action Required</u>	9



U.S. Department of Education  
 Office of Rural, Insular, and Native Achievement Programs  
 Office of Elementary and Secondary Education  
 400 Maryland Avenue, SW  
 Washington, DC 20202

### **Insular Areas Team Performance Review Process**

The Insular Areas Team (IAT), within the Rural, Insular, and Native Achievement Programs (RINAP) division in the Office of Elementary and Secondary Education (OESE), is committed to supporting the Insular Areas (American Samoa, Guam, Commonwealth of the Northern Mariana Islands, and U.S. Virgin Islands) as they implement United States Department of Education (Department) programs through the Consolidated Grant to the Insular Areas (CG). This includes a monitoring process designed to both address the IAT’s responsibilities for fiscal and programmatic oversight and to also identify areas in which the Insular Areas need assistance and support to meet their goals and obligations. The monitoring process is anchored around ongoing conversations between IAT program officers and grantees and is conducted using both off-site (desk) monitoring and on-site monitoring visits to grantees.

The goal of the monitoring process is to conduct a program-centered, performance-focused review of the CG through a single, streamlined process that results in improved and strengthened partnerships between the Department and the Insular Areas. To accomplish this, the IAT monitoring process is organized into specific grant performance topics, which reflect the programmatic and fiscal requirements of the CG program.

### **Monitoring Report**

This monitoring report summarizes the results of the September 8 – September 14, 2023, IAT on-site review of the American Samoa Department of Education’s (ASDOE) implementation of the fiscal year (FY) 2022 CG. The report is based on information provided in ASDOE’s submitted documentation, information gathered during the on-site review, and other relevant qualitative data gathered from discussions with ASDOE State educational agency (SEA) staff as well as CG project leads and school on-site visits. The primary goal of this monitoring report is to ensure that implementation of the CG program is consistent with the fiscal and administrative requirements contained in the CG authority at 48 U.S.C. 1469a, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR Part 200 (Uniform Guidance), the Education Department General Administrative Requirements (EDGAR), including the CG-specific EDGAR provisions at 34 CFR

76.125-76.137, and applicable program requirements in the Elementary and Secondary Education Act of 1965 (ESEA).<sup>1</sup>

The CG allows Insular Areas to consolidate funds from two or more of nine eligible State-administered formula grant programs<sup>2</sup> under one application, and to decide how to allocate those funds among one or more of these programs. Eight of these programs are administered by OESE, and of these eight, seven are authorized under the ESEA:

1. Title I, Part A – Local Educational Agency (LEA) Grants (Title I-A);
2. Title I, Part B – State Assessment Grants (Title I-B);
3. Title II, Part A – Supporting Effective Instruction State Grants (Title II-A);
4. Title III, Part A – English Language Acquisition State Grants (Title III-A);
5. Title IV, Part A – Student Support and Academic Enrichment Grants (SSAE);
6. Title IV, Part B – 21st Century Community Learning Centers (Title IV-B); and
7. Title V, Part B, Subpart 2 – Rural and Low-Income School Program (RLIS).

The eighth program administered by OESE is the Education for Homeless Children and Youth Grants (EHCY) authorized by the McKinney-Vento Homeless Assistance Act (McKinney-Vento).

The ninth program, the Career and Technical Education-Basic State Grants Program, is authorized by the Carl D. Perkins Career and Technical Education Act of 2006, as amended by the Strengthening Career and Technical Education for the 21st Century Act (Perkins V), and is administered by the Office of Career, Technical, and Adult Education (OCTAE).

### **Section I: Grantee Overview**

In Section I, the IAT includes relevant grantee background information as a way of providing context for the review conversation. All data presented in Section I are reported by grantees to either the National Center for Education Statistics (NCES), Common Core of Data (CCD), through standard oversight activities, or from the ASDOE website.<sup>3</sup>

### **Section II: Grant Administration and Fiscal Management Evaluation**

The information provided in Section II is intended to help a grantee quickly assess whether there are sufficient capacities, infrastructure, and resources allocated to grantee activities by area, in a manner that enables the grantee to achieve its strategic goals for the reviewed Federal program. The section provides the IAT's rating of performance on grant administration of the Federal programs that were

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<sup>1</sup> This report focuses on fiscal and program requirements applicable to the Insular Areas, as well as the uniform administrative requirements and general management systems of State and local educational agencies. Because this report summarizes the results of a non-comprehensive set of CG compliance requirements, the issuance of this report does not preclude Department program offices, or independent auditors, from identifying areas of noncompliance that are not outlined in this report.

<sup>2</sup> Under the Consolidated Grant authority in 48 U.S.C. 1469a, the Department has authority to determine what programs are eligible to be consolidated. Currently, there are nine such programs.

<sup>3</sup> ASDOE website: <https://www.amsamoadoe.com/>

consolidated by the Insular Area in FY 2022. Each rating reflects how a grantee is addressing fiscal and program requirements<sup>4</sup> in a particular area of grant administration. The IAT’s analysis for each area is primarily based on evidence submitted by the grantee in the form of answers to the self-assessment questions, documents submitted by the grantee prior to the monitoring, and the responses provided to questions during monitoring interviews. IAT’s rating is also informed by evidence collected through public sources and other components of the monitoring process.

Ratings are based on a four-point scale, for which “met requirements with commendation” represents high-quality implementation where the grantee is exceeding expectations; “met requirements” indicates that work is of an acceptable quality and the grantee is meeting expectations; “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 Insular Area and will be revisited until the Insular Area has remedied the issue.

### Section III: Met Requirements with Commendation ●●●●

This section highlights those areas where the Insular Area has exceeded requirements and is commended on the grant administration and fiscal management. This section provides an opportunity for the IAT to highlight those areas where the Insular Area has implemented an innovative or highly successful system or approach.

### Section IV: Met Requirements ●●●○

This section identifies those areas where the IAT has determined that the Insular Area has met basic requirements of grant administration and fiscal management and is implementing those requirements in a satisfactory manner. In those areas, the IAT is neither recommending nor requiring the Insular Area to take any further action.

### Section V: Met Requirements with Recommendations ●●○○

This section identifies those areas where the IAT has recommendations to improve the quality of grant administration and fiscal management. In those instances, the IAT is determining that the Insular Area is currently complying with requirements, but that improvements could be made to improve the efficiency or effectiveness of operations. Identified issues are grouped according to relevant area and requirement, with citations provided. For each issue listed, the IAT will provide a recommendation for improvement, but is not *requiring* the Insular Area to take any further action.

### Section VI: Action Required ●○○○

This section identifies those areas where the IAT has significant compliance and quality concerns. For those issues, the IAT will outline the current practice, the nature of noncompliance, and the required

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<sup>4</sup> To reduce burden, some fiscal components of the Consolidated Grant monitoring protocol were removed from the Consolidated Grant monitoring instrument due to our collaborative on-site review with Grants Risk Management Services Division on the Reconsideration Evaluation Plan (REP); therefore, those cross-cutting fiscal components are covered in the REP.

action. Documentation indicating completion of required action steps must be provided to the IAT within thirty (30) business days of the receipt of the final performance review report. In some instances, the action required may be too complex to effectively implement and document within thirty business days (30), and, in those cases, the adjusted timeframe will be noted.

## SECTION I

### Grantee Overview



#### COVERED GRANT PROGRAMS<sup>5</sup>

TITLE I, PART B; TITLE V, PART B, SUBPART 2



#### STUDENT CHARACTERISTICS

Enrolled 13,314



#### RACIAL/ETHNIC BACKGROUND (%)

Pacific Islander:	95.0
Asian:	0.4
Multi-racial:	0.2
White (Non-Hispanic)	0.1



#### SCHOOL CHARACTERISTICS

Unitary System:	State Educational Agency (SEA)
Per student spending:	\$2,045.45
Full Time Equivalent Teachers:	810



#### FEDERAL FUNDING

Eligible Program	FY22 Allocation	FY22 Consolidation
Title I, Part A – Improving Basic Programs Operated by Local Educational Agencies	\$21,537,302	
Title I, Part B – State Assessment Grants	\$358,652	\$358,652
Title II, Part A –Supporting Effective Instruction	\$3,042,982	
Title III, Part A – English Language Acquisition, Language Enhancement, and Academic Achievement	\$1,467,917	

<sup>5</sup> Data Source: U.S. Department of Education, Common Core of Data, unless otherwise noted (see [https://nces.ed.gov/ccd/schoolsearch/school\\_list.asp?Search=1&DistrictID=6000030](https://nces.ed.gov/ccd/schoolsearch/school_list.asp?Search=1&DistrictID=6000030))

Title IV, Part A – Student Support and Academic Enrichment Grants	\$1,984,017	
Title IV, Part B:	\$1,446,993	
Title V, Part B:	\$94,740	\$30,022,516
Education for Homeless Children and Youth	\$35,518	
Career and Technical Education-Basic State Grants	\$413,047	

## Monitoring Information

### Monitoring Dates

September 8 – September 14, 2023

### Reviewers

Dr. Tiffany T. Forrester, Group Leader

Matthew Hensell, Program Officer

### **FY 2022 ASDOE CG Approved Projects**

- SEA Administration
- Teacher Quality
- Supporting College and Career Readiness
- Student Assessment
- Integrated Data Services
- Library Services
- Parents and Community Engagement
- Athletics – Health and Fitness for All
- Class Size Reduction
- Technology Integration
- Career and Technical Education Improvement Project
- Promoting Proficiency in Literacy and Numeracy
- ASDOE College Acceleration Program
- Keeping Effective Educators Enriched Program
- ASDOE Student Success & Safety Program
- Wireless Project
- American Samoa Private Schools' Innovative Approaches to Enhancing Student Learning and Achievement

### **FY 2022 ASDOE CG Project Summaries**

#### **ESEA Title I, Part B – State Assessment Grants**

- Student Assessment – This project supports ASDOE's Office of Testing, Evaluation, and Accountability in aligning the Standards-Based Assessment to the 2011 ASDOE College Career Ready Standards.

#### **ESEA Title V, Part B, Subpart 2 – RLIS**

- SEA Administration – This project covers various services and activities related to the oversight and monitoring of CG implementation of activities authorized under RLIS as well as technical assistance for project leads.
- Integrated Data Services – This project provides support for an integrated data system that links individual level data from multiple sources into one unified system, as well as related professional development opportunities.
- Technology Integration – This project provides technology integration and training to improve student learning, prepare students for a technology-driven world, and improve the quality of teaching and administration by integrating technology into the curriculum and classroom.

- Student Services – This project provides support and services to reduce the dropout rate, increase the amount of high school students who graduate on time, and prepare students for career and life.
- Promoting Proficiency in Literacy and Numeracy – This project aims to improve math and reading literacy through improving integrated geometry-reading skills for 4<sup>th</sup> through 6<sup>th</sup> grades, accelerated pre-algebra and advanced reading skills for 7<sup>th</sup> grade, educator trainings, and after-school and summer school tutoring.
- Teacher Quality – This project aims to improve teacher quality by implementing a support system to retain effective teachers, invest in teacher training, and support pathways to teacher certification.
- Class Size Reduction – This project aims to reduce the teacher-student ratio in ASDOE classrooms from a teacher-student ratio of 1 to 30 to a teacher-student ratio of 1 to 25 by recruiting, hiring, and retaining highly effective teachers.
- Keeping Effective Educators Enriched Program – This project supports principals and potential school leaders in becoming effective instructional leaders for student academic success through the implementation of the KEEEP Professional Development and Incentive Plan.
- Supporting College and Career Readiness – This project provides resources, interventions, professional development, and training to improve student academic growth and outcomes as well as to implement the College and Career Readiness Standards as part of a well-rounded education program so students are college and career ready.
- ASDOE Student Success and Safety Program – This project supports student success and safety through implementation of a behavior intervention project, a Response to Intervention program, a positive behavior intervention and supports (PBIS) program, and a high school guidance transition program.
- American Samoa Private Schools' Innovative Approaches to Enhancing Student Learning and Achievement – This project supports the following projects that will be implemented in non-public schools in American Samoa: Supporting Effective Instruction, Improving Academic Achievement in Literacy, Student Support and Academic Enrichment, and afterschool and summer school services.
- Library Services – This project supports student learning by providing supplemental materials and services through ASDOE's Library Division as well as providing teachers and students with media resources for instruction and learning.
- Parents and Community – Providing Positive Engagement of Parents and Community in ASDOE Schools – This project will support meaningful and effective parent involvement in the education of their children. The project will implement a Parent Learning Center, community afterschool enrichment and tutoring, community summer school, and engaging the community in safe and secure schools.
- Athletics – Health and Fitness for All – This project will provide the necessary support to assist the ASDOE physical education program to extend more time and more activities for students to stay healthy and physically active.
- ASDOE College Acceleration Program – This project prepares students for college, career, and life through Advanced Placement courses, dual enrollment, and computer science courses.
- Wireless Project – The project will fill in the internet gap that is needed to enhance teaching and learning by expanding broadband access, training staff on new technology, and installing wireless access points.
- Career and Technical Education Improvement Project – This project supports the implementation of a Comprehensive CTE Improvement Plan that focuses on career readiness and career pathways for high school students, career awareness and exploration in middle school, and CTE professional development.



## SECTION II

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# Grant Administration and Fiscal Management Evaluation

### 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.

### IAT Rating<sup>6</sup>

Program Management	<b>A</b>	● ○ ○ ○ ○
Evaluation	<b>B</b>	● ○ ○ ○ ○
Equipment and Supplies Management	<b>C</b>	● ○ ○ ○ ○
Travel Activities	<b>D</b>	● ● ● ○ ○
Non-Public Schools	<b>E</b>	● ○ ○ ○ ○
Uses of Funds	<b>F</b>	● ○ ○ ○ ○
Period of Availability	<b>G</b>	● ○ ○ ○ ○
Financial Management	<b>H</b>	● ○ ○ ○ ○
Procurement	<b>J</b>	● ○ ○ ○ ○
Indirect Costs	<b>K</b>	● ○ ○ ○ ○

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<sup>6</sup> The following cross-cutting fiscal components from the Consolidated Grant monitoring instrument were revised due to our collaborative on-site visit with the Management Support Office (MSO) regarding fiscal components of Consolidated Grant project implementation: Equipment and Supplies Management; Uses of Funds; Period of Availability; Financial Management; and Indirect Cost.

**SECTION III**

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**Met Requirements with Commendation**

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N/A

**REQUIREMENT SUMMARY**

N/A

## SECTION IV

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### Met Requirements

D.

#### TRAVEL ACTIVITIES



#### REQUIREMENT SUMMARY

An Insular Area shall ensure that any travel costs funded with CG funds are reasonable, necessary, and allocable (2 CFR 200.403) and that they are consistent with Uniform Guidance requirements at 2 CFR 200.475.

[Uniform Guidance, 2 CFR 200.475](#)



#### ISSUE

ASDOE travel regulations are governed by the Travel and Transportation Policy, established in May 2023 by the American Samoa Government's (ASG) Department of Treasury (AS Treasury), which sets requirements for travel and limits on associated expenses. Federal guidance from General Services Administration (GSA) has been incorporated into AS Treasury policy, specifically regarding per diem rates for travelers. Prior to each travel activity, travelers must submit a "note of commitment" verifying that they will carry out an "echo workshop" upon their return. The echo workshop is a professional development opportunity conducted by the traveler in order to share lessons and resources gained through the travel activity. Travelers must also receive approval from the respective Project Lead and various leaders within ASDOE via a routing form. All documents must be submitted 45 days prior to departure. AS Treasury receives hard copy documentation and ASDOE maintains electronic records.

AS Treasury's policy states that travelers pay associated costs for last-minute travel adjustments out of pocket and submit an expense report upon return for reimbursement. ASDOE's Travel Division, which is within ASDOE's Business Office, has discretion on what is allowable for reimbursement. Project leads have access to the Travel and Transportation Policy, which outlines acceptable costs. Expense reports are submitted within either two weeks or thirty days of return, based on the nature and duration of the travel activity. Travelers must also submit contact information, boarding passes, lodging receipts, and proof of attendance. The Travel Division reviews the documentation and sends it to the ASDOE Director for final approval before costs are reimbursed.

## SECTION V

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### Met Requirements with Recommendation

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N/A

**REQUIREMENT SUMMARY**

N/A

## SECTION VI

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## Action Required

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A.

### PROGRAM MANAGEMENT



#### REQUIREMENT SUMMARY

An Insular Area shall ensure that projects undertaken using CG funds are allowable under relevant specific authorized programs whose funds were included in the consolidation. Personnel conducting CG activities should ensure the efficient use of Federal funds to accomplish the goals of approved CG activities.

Consolidated Grant Authority 48 U.S.C. 1469a

EDGAR 34 CFR 76.131(c)(3)

EDGAR 34 CFR 76.129(b) and 76.132(a)(2)

EDGAR 34 CFR 76.132(a)(3)

EDGAR 34 CFR 76.132(a)(4)

EDGAR 34 CFR 76.132(a)(11)

Uniform Guidance 2 CFR 200.302



#### ISSUE

Insular Areas are required to ensure all CG funded activities are allowable under applicable authorized programs, based on their approved applications, as well as ensure the efficient use of Federal funds and that fiscal controls are in place to accomplish the goals of approved CG activities. With respect to ASDOE's consolidation and use of funds under Title I-B and RLIS, ASDOE works with Department staff to determine allowability of proposed CG activities. CG project leads are responsible for determining project needs based on observations, but projects generally stay within parameters of previously established projects to avoid potential allowability concerns. Project leads meet with ASDOE's Grants Management Office (GMO) to discuss activities to be included in the CG application. After meeting with project leads, GMO officials meet with the ASDOE Director and Deputy Directors before submitting the SEA's CG application to the Department. ASDOE staff communicated that they rely on Federal guidance from the Department to determine whether or not project activities are

allowable; however, there is a limited review of CG project activity allowability prior to submission.

ASDOE staff indicated that projects receive input from relevant stakeholders based on the office proposing the project and the substance of project activities. Based on further on-site discussions, however, it appears that ASDOE and other AS government agencies exclusively determine community needs for development of the CG application. Additionally, the documentation submitted by ASDOE lacks evidence of opportunities for participation in the planning and operating of the CG by entities and individuals interested in the program, including most notably parents, students, and teachers. Discussion with ASDOE staff also indicated that ASDOE determines its allocation of CG funds by project primarily based on enrollment numbers with a limited focus on the needs of its student population through a process such as a needs assessment and/or stakeholder feedback.

GMO has a range of responsibilities that include project monitoring; coordination with other internal ASDOE offices; ad hoc responses to questions from project leads; and timekeeping. GMO and other ASDOE staff also indicated that some responsibilities are delegated across different AS government agencies. For example, the AS Treasury manages the draw down of all Federal funds, including drawing down CG funds to reimburse purchases for CG activities made using local funds. This practice contributes to ASDOE's lack of knowledge about grant finances and has resulted in multiple purchases being bundled together and of the comingling of Federal funds.



## **REQUIRED ACTION**

Within 120 business days of receiving this report, ASDOE must submit:

- A written policy outlining its internal process for reviewing the allowability of proposed CG project activities in advance of Department review.
- A written policy outlining the internal process for CG project development that takes into account student needs and stakeholder feedback.
- A comprehensive Federal use of funds training plan for project leads. The training plan should be implemented annually, occur prior to project implementation, and cover allowability under all authorized programs whose funds are included in program consolidation.
- A description of the process ASDOE uses to track and approve grant draw downs before draw downs occur, to ensure the proper liquidation of CG funds.

B.

## EVALUATION



### REQUIREMENT SUMMARY

An Insular Area is responsible for ensuring that it has some means of evaluating program outcomes for each project implemented under the CG (34 CFR 76.132(a)(9)). Each project lead should develop a mechanism for monitoring effectiveness and progress and be prepared to adjust the project as needed to maximize the impact of Federal funding.

Consolidated Grant Authority, 48 U.S.C. 1469a

EDGAR, 34 CFR 76.132(a)(9)



### ISSUE

In order for ASDOE to comprehensively monitor project implementation and effectiveness, monitoring efforts should be proactive, multi-layered, allow for mid-course corrections, and confirm alignment with CG requirements. Although ASDOE requires project leads to complete a grant monitoring template regularly, the data collected is limited to yes/no responses and an open-ended section to share implementation challenges. The limited amount of data collected from project leads results in unproductive quarterly progress update meetings with Department staff, incomplete annual performance reports, and without a means to evaluate program outcomes. During on-site discussions, GMO noted that ASDOE is developing a more comprehensive template for monitoring which will require project leads to submit more long form, qualitative responses that articulate implementation successes and challenges.

Although ASDOE verbally communicated how they monitor projects during on-site meetings with Department staff, the monitoring activities described were not sufficiently documented nor were there written Standard Operating Procedures (SOPs) to ensure consistency in CG project evaluation across all CG projects. ASDOE also referred to the distribution of CG projects among GMO staff, but did not provide any written processes to support this. The ASDOE website includes a schedule that outlines the expectation of quarterly monitoring activities, but the grantee was not able to substantiate implementation of their protocol during on-site meetings. ASDOE did share that each CG analyst is responsible for managing roughly four CG projects that they continuously monitor via requisition tracking. However, based on the delegation of requisition responsibilities between ASDOE and AS Treasury, ASDOE analyst do not follow a standard requisition tracking process.

During the on-site visit, ASDOE also stated they are currently developing SOPs that outline the process to follow when a project is deemed ineffective. The current process is undocumented; however, in on-site meetings ASDOE noted that the process starts with a consultation between ASDOE and the project lead, after which the project lead is given time to develop a contingency plan to address known implementation issues. ASDOE leadership then consults with the GMO team or ASDOE Director, or, if necessary, will elevate to the Department. ASDOE was unable to provide any documentation of mid-course corrections made to CG projects in order to improve project outcomes.



### **REQUIRED ACTION**

Within 120 business days of receiving this report, ASDOE must submit:

- An internal CG project evaluation template that allows ASDOE to effectively measure project implementation progress. This template must enable ASDOE to evaluate if CG programs are meeting the purposes and objectives of the authorizing statutes under which CG funds are used and administered.
- The SOP ASDOE staff assigned to work with project leads on CG project implementation and monitoring follow.
- Evidence of monitoring activities conducted by GMO and recent CG project monitoring reports authored by project leads.
- A consultation plan that describes how ASDOE and project leads will discuss and assess project effectiveness.
- A mid-course corrections SOP that ASDOE will follow when CG project implementation issues are identified.



### **RECOMMENDATION**

- Develop an SOP that describes how CG projects are assigned to GMO coordinators. The SOP would outline coordinator responsibilities related to assigned CG projects (monitoring, on-site visits, technical assistance, etc.). A comprehensive SOP would promote consistent implementation practices, reduce compliance risk, and improve organizational productivity.



C.

## EQUIPMENT AND SUPPLIES MANAGEMENT\*



### ISSUE

ASDOE is required to use, manage, and dispose of all equipment and supplies purchased with CG funds in accordance with State laws and procedures per 2 CFR 200.313(b) and 2 CFR 200.314. During on-site meetings, ASDOE stated that responsibility for managing equipment and supplies is delegated primarily between the Warehouse and EdTech divisions (both within ASDOE) and the Office of Property Management (OPM), an external department within the ASG. Equipment tracking is initiated at the warehouse level. All equipment and supplies are tied to a purchase requisition number generated when a project lead submits a procurement request. These numbers are collected in Excel maintained by the Warehouse, though technology is maintained in a separate list. EdTech is the technology division within ASDOE that handles technology inventory for all schools and sites within American Samoa. ASDOE submitted sample documentation of the technology inventory log utilized by EdTech for Afonte Elementary School during the 2019-2020 school year and a summary report for their public high schools for the most recent school year.

During the on-site visit, ASDOE provided the Department with a copy of the Asset Inventory System Electronic Binder, outlining the grantee's internal tracking system. ASDOE also sent the same documentation to the Department's Grants Risk Management Services Division in October 2023, as part of the grantee's high-risk corrective action plan. A review of the documentation submitted finds that ASDOE is not properly accounting for the depreciation of assets. Additionally, neither the on-site discussion nor supporting documentation explained how the grantee is preventing waste, fraud, and abuse with respect to CG funds used for equipment and supplies.

### REQUIREMENT SUMMARY

An Insular Area shall use, manage, and dispose of equipment and supplies purchased using Federal funds in accordance with all relevant laws and procedures, including the requirements of the Uniform Guidance at 2 C.F.R. 200.313(b).<sup>7</sup> Insular Areas shall ensure that equipment and supplies are used only for authorized purposes of the CG project during the period of performance (or until no longer needed).

Uniform Guidance, 2 CFR 200.313(b)

Uniform Guidance, 2 CFR 200.314

<sup>7</sup> ASDOE's use, management, and disposal of equipment and supplies purchased with CG funds is governed by State laws and procedures, in accordance with 2 C.F.R. 200.313(b).

ASDOE provided documentation of the process EdTech employees follow when reporting any damage, loss, or theft of ASDOE equipment, which is required to occur within 48 hours of an incident. ASDOE also reports missing inventory to OPM, but stated the process results in missing equipment and supplies sometimes being miscategorized as damaged instead of lost. ASDOE also stated that the warehouse typically collects damaged inventory and makes efforts to repair equipment, when possible, but did not provide written documentation describing this process. ASDOE also did not provide a description of the process for replacing or repairing equipment damaged or destroyed in the event of a disaster.

\*This section of the CG monitoring instrument was modified due to the collaborative fiscal monitoring effort with the Department's OESE Management Support Office (MSO) in order to reduce redundancy. Please note that the SEA is required to address all required actions within this CG programmatic report and MSO's cross-cutting fiscal report.



### **REQUIRED ACTION**

Within 90 business days of receiving this report, ASDOE must provide:

- An SOP for maintaining an inventory database that explains which offices and individuals are responsible for maintaining the database and how often the database is updated.
- Sample documentation of post-inspection reports produced by the OPM.
- An SOP that describes how ASDOE tracks equipment to ensure that missing items are not inaccurately identified as damaged. The SOP should include steps for correcting inventory records if it is determined that equipment has been inappropriately reported as “damaged.”



### **RECOMMENDATION**

- Develop an SOP that describes the process for transporting equipment and supplies to school sites. ASDOE indicated that there are issues with equipment transportation because they do not own a delivery truck. As a result, schools are occasionally responsible for arranging their own equipment delivery. An SOP would reduce risk of lost or damaged equipment and supplies, increase efficiency, and improve productivity.

E.

**NON-PUBLIC SCHOOLS****REQUIREMENT SUMMARY**

An Insular Area shall ensure that it follows all relevant Federal statutes and regulations (ESEA sections 8501-8504; 34 CFR Part 299, Subpart E; 2 CFR Part 200, Subpart E) regarding the provision of services to students and teachers in non-public schools within an Insular Area with CG funds.

[ESEA sections 8501-8504](#)

[EDGAR, 34 CFR Part 299, Subpart E](#)

[Uniform Guidance, 2 CFR Part 200, Subpart E](#)

**ISSUE**

Under its approved CG application, ASDOE is responsible for implementing equitable services with respect to CG funds used under ESEA programs in accordance with statutory and regulatory requirements. This includes ensuring that services are supplemental; reasonable, necessary, and allocable to the applicable program; meet the needs of non-public school students and teachers identified through meaningful consultation; remain under supervision and control of a public entity; and are secular, neutral, and non-ideological. Under its current practice, ASDOE has been allocating Federal funds to non-public schools solely based on student population and then sending those allocated amounts to non-public school officials prior to consultations taking place. Then the non-public schools submit their consolidated grant activities to the SEA for review. Although statute requires that the amount of funds determined by the SEA to provide equitable services to students and teachers in a given non-public school be based on the number of eligible students enrolled in the non-public school and the relative needs of those students, it is prohibited to allocate Federal funds directly to non-public schools. Instead, the SEA calculates an amount of its Federal funds to be used by the SEA to provide equitable services for non-public school students as opposed to allocating Federal funds directly to the non-public schools. This amount for equitable services for students and teachers in each non-public school should be based on a combination of student population and relative student needs. The amount of funds to be used for equitable services and how it is determined is a required topic of consultation with non-public school officials.

During the on-site meetings, ASDOE stated that each non-public school has a project lead that directly manages the CG project and meets with the SEA's Private School Office. The Department informed ASDOE during on-site meetings that non-public school staff should not serve as CG project leads and should never assume any direct

responsibility for CG funds. The SEA is responsible for providing equitable services, not funds, to non-public school students and educators. Prior to the on-site visit, the Department discovered that previous CG projects for non-public schools had used CG funds to pay staff salaries for full-time, non-public school employees. The Department clarified that this is an unallowable use of funds, per 34 CFR 76.660, and the FY 2023 CG application was amended to remove the unallowable expense. These issues point to ASDOE and ASG's large-scale misunderstanding regulations governing the use of Federal funds in relation to non-public school students, as CG funds can only be used to pay staff employed by ASDOE or a vendor, which may include non-public school personnel outside of normal duty hours, to provide supplemental services to non-public school students. Moving forward, the SEA is aware that they should clarify with non-public school officials that non-public schools do not receive an allocation of Federal funds and instead receive equitable services provided by the SEA with Federal funds. Further, the amount of funds reserved for equitable services is equal, based on a per-pupil basis to the expenditures for participating public school children and educators, taking into account the number and educational needs of the eligible private school children and educators to be served. Such services are identified through timely and meaningful consultation between the SEA and non-public school officials.

In meetings with non-public school officials, ASDOE stresses the requirement that CG project activities be secular, neutral, and non-ideological. Each year, the non-public schools submit CG project and budget narratives to the SEA for review. The SEA reviews these project and budget narratives for the CG application prior to submission to ensure that the requirement is met. If these project and budget narratives violate the regulations, ASDOE follows up with the non-public school to seek revisions. ESEA section 8501 requires that the SEA keep on file affirmation of consultation forms signed by all participating non-public school officials. ASDOE was unable to produce samples of this documentation. ASDOE stated that there are meetings with non-public schools prior to the submission of the CG application and that the SEA maintains constant contact with non-public schools to develop project narratives. ASDOE also monitors the provision of equitable services provided in non-public schools quarterly, based on a timeline that is publicly available on the SEA website. Monitoring efforts also ensure that the equitable services are being utilized to address student needs, rather than the general needs of the non-public school.

ASDOE stated that the role of the ESEA ombudsman for non-public schools is filled by the newly developed Equity Division within the SEA because the previous ombudsman assigned by the Governor's office did not fulfill the role and the responsibilities fell on the GMO. The Equity Division was established by the ASDOE Director to serve the SEA across all funding streams and provide training to public and

non-public schools. The fact that the Equity Division serves all of ASDOE raises concerns regarding the proportional use of CG funds. If the Equity Division is paid using CG funds, those funds should only be in proportion to the work done that is directly CG-related.



## **REQUIRED ACTION**

Within 120 business days of receiving this report, ASDOE must provide:

- The SOP for how ASDOE conducts timely and meaningful consultation with non-public school officials in order to determine the needs of students and educators, the size and scope of the equitable services to be provided based on the amount of funds available for those services, and how that amount is determined; and other topics as required by ESEA section 8501 for CG applications.
- Written affirmation forms, as required by ESEA section 8501(c)(5), to verify that meaningful consultation between ASDOE and non-public school officials has occurred.
- Documentation identifying the specific individuals tasked with fulfilling the role of ombudsman and a list of training activities the Equity Division staff have received to ensure they have an adequate understanding of the requirements and regulations that apply to equitable services for students and educators in non-public schools. Documentation of the type of training non-public school staff members receive.
- Documentation showing CG funds are only applied to the Equity Division in proportion to CG-related roles and responsibilities. ASDOE must also indicate the specific individuals tasked with fulfilling the role of ombudsman and demonstrate how such individuals have the knowledge, capacity, and impartiality needed to implement the role with fidelity. Information regarding the specific duties of an ombudsman is available in the ESEA Title VIII Equitable Services Non-Regulatory Guidance available at <https://www2.ed.gov/about/inits/ed/non-public-education/files/esea-titleviii-guidance-2023.pdf>. If the Equity Division also serves other roles outside of CG-related projects and activities, ASDOE should apply shared proportionate costs between the relevant funding sources.
- Documentation of correspondence with non-public school officials communicating that non-public schools are not permitted to receive Federal funds and instead receive equitable services provided by the SEA with Federal funds.
- An SOP for a procurement process for non-public school CG projects that ensures that only ASDOE staff, and not non-public school staff, engage in and handle procurements for services to be provided to non-public school students and educators.

- Documentation of the SOP that ensures CG funds are not used to pay full-time, non-public school personnel salaries. CG funds can only be used to pay staff employed by ASDOE or a vendor, which may include non-public school personnel outside of normal duty hours, to provide supplemental services to non-public school students.

F.

**USES OF FUNDS\*****REQUIREMENT SUMMARY**

An Insular Area may only use CG funds for allowable costs, determined by the applicable program(s) as approved in the CG application and by the cost principles in the Uniform Guidance. Additionally, an Insular Area may only use CG funds for allowable costs, as authorized by the applicable program(s) as approved in the CG application and by the cost principles in the Uniform Guidance (2 CFR Part 200, Subpart E).

EDGAR, 34 CFR 76.129(b) and 76.132(a)(2)

Uniform Guidance 2 CFR 200.403

Uniform Guidance 2 CFR 200, Subpart E

**ISSUE**

ASDOE's GMO is responsible for ensuring that project lead requests are necessary and allocable to the stated CG project activities outlined in the approved CG application. During the on-site meeting, the SEA indicated that their CG application is primarily based on the application from the previous year because they can rely on existing authority and project approval. As a result, ASDOE staff do not receive training on the different regulations, uses, and restrictions associated with the nine eligible Federal Title programs. This creates a significant gap in programmatic knowledge at the SEA level and results in ASDOE frequently elevating programmatic questions to the Department.

ASDOE stated that the GMO ensures CG funds are only used for activities, goods, or services that are allowable, allocable, and reasonable through regular on-site monitoring and monthly and quarterly meetings. However, GMO monitoring of use of fund allowability appears to be limited to check on adherence with the previously approved CG application and implementation of Department feedback, rather than any independent review by the SEA. Additionally, SEA staff commented that the ASG Office of Procurement has primary responsibility for ensuring compliance with Federal use of fund regulations, which the Department corrected for the SEA during the on-site visit, reminding the SEA they are responsible for oversight of all purchases made using CG funds for CG project activities.

ASDOE and the AS Treasury have also, on more than one occasion, inappropriately treated CG funds as interchangeable with COVID-relief funds, despite their distinct rules and regulations. In January 2023, ASDOE moved approximately \$7 million in FY 2019 and FY 2020 CG funds to COVID-relief funds in G5 as the liquidation deadline

for the CG funds approached. In August 2023, ASDOE moved approximately \$1 million from American Rescue Plan funds to the FY 2021 CG in G5. Both transactions have not yet been fully explained to the Department.

\*This section of the CG monitoring instrument was modified due to the collaborative fiscal monitoring effort with the Department's OESE Management Support Office (MSO) in order to reduce redundancy. Please note that the SEA is required to address all required actions within this CG programmatic report and MSO's cross-cutting fiscal report.



### **REQUIRED ACTION**

Within 120 days of receiving this report, ASDOE must provide:

- A training and professional development plan that addresses gaps in institutional knowledge regarding the allowable uses of funds for the nine eligible Federal programs that can be included in the CG application.
  - ✓ Training activities should incorporate information on the administrative caps for different Title programs.
- An SOP for determining if CG project activity costs meet Uniform Guidance requirements for allowability – i.e., are reasonable and necessary, and allocable to, the program under which funds have been consolidated.
- A written policy outlining ASDOE oversight of procurement to ensure that funds are used in a manner consistent with the approved CG application. The policy must clearly state that ASDOE cannot delegate this responsibility to a separate office or government agency.
- An SOP that describes how ASDOE collaborates with AS Treasury in order to properly account for and track CG funds separate from other Federal funds.
- A statement verifying that the 2023 COVID-relief fund transactions referenced above have been properly obligated under their correct program and that any related errors in G5 have been remedied.



G.

**PERIOD OF AVAILABILITY\*****REQUIREMENT SUMMARY**

An Insular Area and its subgrantees may only charge a grant program for allowable costs incurred during the period of availability and any pre-award costs that have been authorized by the Department. Unless the Department authorizes an extension, the Insular Area shall liquidate all obligations incurred under the award not later than 120 calendar days after the end date of the performance period. If the Insular Area fails to obligate all funds by the end of the award year, it can “carryover” the remaining funds for a period of one additional fiscal year. Any funds not obligated by the end of the carryover period shall be returned by the Insular Area to the Federal government as an unobligated balance. The Insular Area and its subgrantees must demonstrate an understanding of obligation and the period of liquidation and have in place written procedures for liquidating CG funds.

EDGAR, 34 CFR 76.707 and 76.709-76.710

Uniform Guidance, 2 CFR 200.309 and 200.344

**ISSUE**

To ensure federal funds are obligated by the end of the period of availability and liquidated not later than 120 calendar days after the end date of the performance period, ASDOE implements a first in, first out process for all carryover CG funds. The SEA also makes publicly available their project implementation timeline with important deadlines highlighted and as the end of the fiscal year approaches, convenes weekly meetings between the three ASDOE offices that work on CG projects (GMO, Business, and Finance).

Although ASDOE tries to obligate and liquidate CG funds within a fiscal year, they routinely carry over large balances. For example, in 2022, ASDOE submitted a Tydings request waiver for the FY 2020 CG, seeking to extend the obligation period for over \$5 million by one year. In response, the Department communicated waiver requirements to ASDOE, after which ASDOE rescinded its request due to their inability to address all requirements. In part, outcomes like this are the result of an unwritten procurement process that ASDOE states can typically takes between two or three months. Although the internal ASDOE procurement process, where the Business Office and ASDOE Director review and approve purchase requisitions, is generally only a week, requests also require AS Treasury approval and depending on the cost threshold can be delayed up to six months if a competitive bidding process is required. Delays due to geographic isolation are also common, as there are a limited number of ships that travel to American Samoa regularly.

\*This section of the CG monitoring instrument was modified due to the collaborative fiscal monitoring effort with the Department’s OESE Management Support Office

(MSO) in order to reduce redundancy. Please note that the SEA is required to address all required actions within this CG programmatic report and MSO's cross-cutting fiscal report.



### **REQUIRED ACTION**

Within 30 business days of receiving this report, ASDOE must provide:

- An SOP that describes the procurement duties assigned to AS Treasury and identifies the AS Treasury positions responsible for each step of the drawdown review process and the timeline for their approval and logging of finalized drawdowns.
- An SOP that outlines how AS Treasury differentiates CG funds by fiscal years and collaborates with ASDOE on procurement requests.
- Documentation of the internal control procedures that ensure all CG carryovers are well documented and follow use of funds grant requirements.



### **RECOMMENDATION**

- To help decrease large carryover balances, the Department suggests time stamping documents, such as budget adjustment requests, to help track when items are submitted and approved. Such data could be used by ASDOE to benchmark against in future years, helping to create performance metrics for staff implementation.

H.

**FINANCIAL MANAGEMENT\*****REQUIREMENT SUMMARY**

An Insular Area may only use CG funds for allowable costs, as authorized by the applicable program(s) as approved in the CG application and by the cost principles in the Uniform Guidance (2 CFR Part 200, Subpart E). An Insular Area must provide for proper and efficient administration of funds in accordance with the authorizing statutes and implementing regulations for those programs under which funds are to be used and administered; and provide for fiscal control and fund accounting procedures to assure proper disbursement of, and accounting for, Federal funds received under the consolidated grant.

Uniform Guidance 2 CFR Part 200, Subpart E

34 CFR 76.132(a)(3)

34 CFR 76.132(a)(4)

**ISSUE**

Financial management duties have been largely delegated to AS Treasury within ASG, as detailed in an AS Treasury SOP that outlines their oversight of major aspects of the Federal grant and identifies their key personnel with respect to grant management duties. AS Treasury often uses local funds to fund purchases related to project activities and then reimburses those funds with Federal funds. This process is administered with minimal involvement from ASDOE. However, as the grantee, ASDOE is responsible for management and the use of funds and therefore should review and approve CG fund use before AS Treasury draws down funds.

As referenced in Sections F and G, ASDOE and AS Treasury have previously treated CG funds as interchangeable with other Federal funds, specifically the COVID-relief funds. AS Treasury and ASDOE staff were unable to articulate the cause of these actions, suggesting such transactions may be a common occurrence.

\*This section of the CG monitoring instrument was modified due to the collaborative fiscal monitoring effort with the Department's OESE Management Support Office (MSO) in order to reduce redundancy. Please note that the SEA is required to address all required actions within this CG programmatic report and MSO's cross-cutting fiscal report.

**REQUIRED ACTION**

Within 120 days of receiving this report, ASDOE must provide:

- Documentation of the internal controls that ASDOE follows with respect to fiscal control and fund accounting procedures that assure the proper disbursement of, and accounting for CG funds. The documentation should also include an SOP that clearly states that ASDOE is responsible for reviewing and approving the use of CG funds from appropriate funding sources prior to AS Treasury drawing down funds.
- Evidence of weekly internal meetings and every-other-week external meetings conducted with AS Treasury, to discuss grant financial management and drawdown procedures.

J.

**PROCUREMENT****ISSUE**

The procurement process for ASDOE involves internal operations with the Finance and Business offices, before including the external ASG Office of Procurement and AS Treasury. ASDOE's Finance Office tracks available CG funds in real time using Excel and deducts all requisitions once processed, although the office depends on updates from AS Treasury for processing information. The Business Office completes the last step in ASDOE's internal process, which is to ensure there are sufficient funds, and has full access to the OneSolution software program AS Treasury uses for procurement. All other offices and teams within ASDOE use a view only version of OneSolution. ASDOE stated that ASG's Office of Procurement is in the process of updating their SOP to standardize procurement operations and submitted their most recent draft SOP, which was developed in 2020. During the on-site visit the Office of Procurement was unable to provide an estimate for when the SOP would be finalized. Additionally, there does not appear to be an SOP that connects ASDOE with the other ASG entities involved in the procurement process. For example, the ASG's Department of Commerce is responsible for controlling costs of materials on-islands, preventing excessive costs, a critical activity that is not documented in either the existing SOP submitted for ASDOE or the Office of Procurement's draft SOP.

**REQUIRED ACTION**

Within 120 days of receiving this report, ASDOE must provide:

- Documentation of internal controls and an SOP which outlines steps taken to prevent fraud, waste, and abuse, as well as clarifying the full process and delegation of duties between ASDOE and external organizations.
  - ✓ The SOP should include a detailed description of the use of the OneSolution system.
- Samples of documents referenced during the on-site meetings, including:

**REQUIREMENT SUMMARY**

An Insular Area shall ensure that it complies with applicable procurement requirements under the Uniform Guidance when procuring goods and services using Federal funds.<sup>8</sup>

[Uniform Guidance 2 CFR 200.317-200.326](#)

<sup>8</sup> ASDOE's procurements with CG funds are governed by State laws and procedures, in accordance with 2 CFR 200.317.

- ✓ The SOP for the Excel tracking system referenced during the on-site meeting.
- ✓ The BUD 202, the amended uses of funds form referenced during the on-site meeting by the Finance Office.
- ✓ Forms used to track procurement requests once organizations external to ASDOE are involved.
- An SOP that assigns procurement responsibility to GMO for non-public school CG projects, indicating that non-public school personnel cannot directly submit purchase requests.
- An SOP that clarifies how the SEA ensures that costs are reasonable and allocable (equipment, supplies, contracts, etc.). The SOP should clearly explain how SEA prevents excessive spending.

K.

**INDIRECT COSTS\*****ISSUE**

For multiple years, ASDOE has failed to conduct indirect cost rate negotiations in a timely manner. Timely initiation of indirect cost rate negotiations is crucial for the U.S. Department of the Interior (Interior) to establish the unrestricted indirect cost rate and for the Department's Indirect Cost Division to establish the restricted indirect cost rate, which relies on the rate set by Interior. ASG's Treasury Department is responsible for negotiating the restricted and unrestricted indirect cost rates for CG funds and ASDOE stated that reminders are submitted to them two months prior to the expiration date of the existing indirect cost rates. ASDOE also reminds ASG's Treasury Department during interagency meetings, but does not initiate reminders renegotiations for indirect cost rates, which may commence six months prior to the end of the performance period (*i.e.*, March 30<sup>th</sup>, as the performance period for the CG ends on September 30<sup>th</sup>).

ASDOE also stated that the project leads follow indirect cost rates by adhering to amounts established in the relevant CG application. ASDOE does not conduct check-in meetings with project leads to discuss indirect cost specifically. There does not appear to be a mechanism for ensuring proper implementation.

\*This section of the CG monitoring instrument was modified due to the collaborative fiscal monitoring effort with the Department's OESE Management Support Office (MSO) in order to reduce redundancy. Please note that the SEA is required to address all required actions within this CG programmatic report and MSO's cross-cutting fiscal report.

**REQUIRED ACTION**

Within 30 business days of receiving this report, ASDOE must provide:

- Documentation of internal controls and an SOP which outlines how ASDOE ensures project leads do not exceed the established indirect cost rates.
- Evidence that ASDOE and project leads discuss indirect costs regularly.
- Timeline and SOP from AS Treasury for requesting new indirect cost rates.

**REQUIREMENT SUMMARY**

An Insular Area may only use CG funds for allowable costs, as authorized by the applicable program(s) as approved in the CG application and by the cost principles in the Uniform Guidance (2 CFR Part 200, Subpart E).

Uniform Guidance 2 CFR Part 200, Subpart E