

January 12, 2024

Greetings, grantees -

As you may be aware, the U.S. Department of Education (Department) conducts an improper payment estimation of select higher risk programs to identify the underlying causes of improper payments—either payments that should not have been made or were made in the incorrect amount—as required by the [Payment Integrity Information Act of 2019](#) (PIIA) and outlined in OMB Circular A-123, Appendix C, [Requirements for Payment Integrity Improvement](#). Any program that estimates an improper payment rate in excess of 10% of annual program outlays will be found noncompliant with the PIIA as determined by the Office of Inspector General (OIG). A non-compliant program is mandated to comply with additional requirements established by the Office of Management and Budget (OMB).

Fiscal Year (FY) 2023 Improper Payment Results

In FY 2022, Education Stabilization Fund (ESF) outlays totaled approximately \$79.3 billion. Last year's improper payment review, conducted in FY 2023, estimated 0.0002% (\$.14 million) of those payments were improper. This is well below the statutory threshold and no corrective action was required on the part of the Department because of this analysis of these programs. A low rate of improper payments is a key indicator of payment integrity.

In FY 2023, the only root cause of improper payments was a failure to access information, meaning that a grantee did not provide the necessary documentation to substantiate a payment was proper. The Department's data and improper payment findings are published in the agency's annual [Agency Financial Report](#).

Upcoming FY 2024 Improper Payments Study

In FY 2024, the ESF Elementary and Secondary School Emergency Relief (ESSER), Emergency Assistance to Non-Public Schools (EANS), and Governors Education Emergency Relief (GEER) programs have been selected for the annual improper payments study.

The Department's Financial Data Integrity and Control Division (FDICD), in the Office of Financial Management, with support from State and Grantee Relations (SGR), will continue to lead the data collection and conduct the improper payment estimation. FDICD will sample drawdowns and payments for the FY 2024 analysis using a random sampling method.

If your grant has been identified for the review, you should have received an invitation to the kick-off webinar for the study, to be held on Tuesday, January 23, 2024, at 2:30 pm EST, from Thomas Gaither (Thomas.Gaither@ed.gov) in the FDICD. Grantees with drawdowns selected for review during the FY 2024 study are (by program):

ESSER grantees included in FY 2024 study – AK, AL, AZ, CA, CO, CT, DE, FL, GA, IA, ID, IL, KS, KY, LA, MA, MD, ME, MI, MN, MO, NC, NE, NJ, NM, NV, NY, OH, OK, PA, RI, SC, TN, TX, UT, VA, WA, WI, and WV

EANS grantees included in the FY 2024 study – FL, IL, NE, and NJ

GEER grantee included in the FY 2024 study – KY

If you have not received an invitation to the kick-off webinar, please send an email through your State's mailbox at *[Statename].OESE@ed.gov*.

Your submission of payment data and documentation is crucial to the success and validity of the improper payments study and the program's compliance with Federal regulations. SGR, along with our partners in FDICD, want to thank you for your past and future efforts to help ensure proper payments and demonstrate sound financial stewardship to the American taxpayer.

In partnership,
Office of State and Grantee Relations