



New Hampshire

Department of Education

FY22 ESSER Risk Assessment Methodology Summary

March 31, 2022

ESSER Programmatic Risk Assessment: Overview of Requirements for Pass-Through Entities

As a pass-through entity, the New Hampshire Department of Education (NHDOE) awards Federal grant funds to eligible subrecipients, including local educational agencies (school districts and charter schools). These Federal grant funds include the emergency assistance provided through the Coronavirus Aid, Relief, and Economic Security Act (ESSER I funds), the Coronavirus Response and Relief Supplemental Appropriations Act (ESSER II funds), and the American Rescue Plan Act (ARP ESSER funds) to help K-12 educational entities prevent, prepare for, and respond to the impacts of COVID-19.

Title II of the Code of Federal Regulations, Part 200.332 states that a pass-through entity must “evaluate each subrecipient’s risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring ...” Although the regulation does not dictate how the risk evaluation must be completed, it states that the risk evaluation may include consideration of such factors as the subrecipient’s prior experience with the same or similar subawards, the results of previous audits, whether the district has new personnel or systems, and the results of federal audits.

To comply with this requirement, the NHDOE conducted a FY2022 risk assessment of districts and charter schools receiving ESSER funds. Based on the outcome of the risk assessment, districts and charter schools were selected for ESSER programmatic compliance monitoring.

Purpose of the ESSER Programmatic Risk Assessment

The purpose of the ESSER programmatic risk assessment is to evaluate the potential for waste, fraud, and abuse of Federal funds should proper Federal grant management protocols not be in place in a district or charter school.

Development of FY22 ESSER Programmatic Risk Assessment Tool

In developing the FY22 ESSER risk assessment tool, the NHDOE identified risk criteria of particular relevance to the use of ESSER funds and determined which variables could be used to measure risk based on available data. For each of the seven variables described in more detail in the next section, NHDOE assigned point values based on the range of data. The point values generated for each of the variables were weighted and then summed to arrive at a final index for each subrecipient.



NHDOE conducted the risk assessment separately for all districts, for all charter schools, and, separately, for all districts with fewer than 300 students to ensure a comprehensive risk evaluation given the differing characteristics among educational entities.

The NHDOE will update the risk assessment model annually to ensure that risk indicators reflect current risks and yield a useful tool for determining which districts and charter schools may require greater oversight and/or technical assistance.

Variables Used in the Risk Assessment Tool

1. Amount of ESSER I, ESSER II, and ARP ESSER Awards (Variable Weighting 25%)

The total amount of ESSER I, ESSER II, and ARP ESSER funds allocated to each LEA was included as a primary consideration in the risk assessment, as there is a greater potential for waste, fraud, and abuse of Federal funds should proper Federal grant management protocols not be in place for the management of a large amount of funds.

2. Number of Schools in a LEA (Variable Weighting 15%)

The number of schools in a LEA was included as a secondary consideration in the risk assessment as a proxy for the size and potential complexity of a LEA. The greater the complexity of the LEA, the greater potential for waste, fraud, and abuse of Federal funds should proper Federal grant management protocols not be in place.

3. Number of Construction Projects (Variable Weighting 15%)

The number of construction projects was included as a secondary consideration in the risk assessment. Due to the complexity of requirements for ESSER construction projects, there is a greater potential for waste, fraud, and abuse of Federal funds should proper Federal grant management protocols not be in place.

4. Bureau of Federal Compliance (BFC) Fiscal Monitoring Status (Variable Weighting 15%)

This variable was included as a secondary consideration in the risk assessment. If the BFC found items of concern related to a LEA's ESSER fiscal compliance in FY2021, there is a greater chance that the LEA might fail to comply with programmatic requirements.

5. Equitable Services Status (Variable Weighting 10%)

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This variable was included as a tertiary consideration in the risk assessment. It is essential that those LEAs that are required to provide equitable services are doing so in compliance with federal requirements, and this factor introduces greater potential for ESSER programmatic compliance concerns.

6. Maintenance of Equity Status (Variable Weighting 10%)

This variable was included as a tertiary consideration in the risk assessment. It is essential that those LEAs that are not exempt from maintenance of equity requirements comply with all federal requirements in this area, and this factor introduces greater potential for ESSER programmatic compliance concerns.

7. Reopening Plan Status (Variable Weighting 10%)

This variable was included as a tertiary consideration in the risk assessment. Those LEAs that submitted and received approval for a Plan on the Safe Return to In-Person Instruction and Continuity of Services received zero risk points for this category. Those LEAs with plans that were substantially approved or not approved were determined to be at a higher risk for failing to comply with ESSER programmatic requirements.

Collection of ESSER Risk Assessment Data

The Total Amount of ESSER I, ESSER II, and ARP ESSER Funds, Number of Schools in a LEA, and Equitable Services Status data were collected from the NHDOE Grants Management System (GMS). The Number of Construction Projects, BFC Fiscal Monitoring Status, Maintenance of Equity Status, and Reopening Plan Status data were determined using internal tracking documents.

Calculation of Risk Assessment Scores

The total weighted risk assessment score for each LEA ranged from 0.25 to 4.00. After a thorough review of the risk assessment scores, the NHDOE determined the following thresholds for high-risk districts.

High-Risk LEAs among All Districts

- The 10 districts above the total weighted risk assessment score of 3.0 points.

High-Risk LEAs among Districts with < 300 students:

- The 5 districts above the total weighted risk assessment score of 1.20 points.

High-Risk LEAs among All Charter Schools:

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- The 4 charter schools above the total weighted risk assessment score of 0.90 points.

District Monitoring Based on the Results of Risk Assessment

Title II of the Code of Federal Regulations, Part 200.332 states that as a pass-through entity, NHDOE must “monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.” The regulations indicate that monitoring tools may include such activities as performing on-site reviews of an LEA’s program operations and providing LEAs with training and technical assistance on program-related matters. As such, NHDOE has determined that for those LEAs that fell into the high-risk category, staff will perform on-site or remote monitoring reviews to assess each LEA’s compliance with ESSER programmatic requirements. Additionally, NHDOE will continue to monitor all LEAs through its internal grant management processes and through providing training and technical assistance on program-related matters.