



New Hampshire

Department of Education

FY24 ESSER Risk Assessment Methodology Summary

February 2024

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

As a pass-through entity, the New Hampshire Department of Education (NHED) 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, NHED conducted a FY24 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 FY24 ESSER programmatic compliance monitoring.

Purpose of the ESSER Programmatic Risk Assessment

The purpose of the ESSER programmatic risk assessment is 1) 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 and 2) to determine which monitoring tools may be useful for ensuring proper accountability and compliance with program requirements and achievement of performance goals.

Development of FY24 ESSER Programmatic Risk Assessment Tool

In developing the FY24 ESSER risk assessment tool, NHED 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 variables described in more detail in the next section, NHED 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.

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



NHED 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 District Risk Assessment Tool

1. Total Amount of All CARES, CRRSA, and ARP ESSER Allocations (Variable Weighting 25%)

The total amount of CARES, CRRSA, 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. Selected for ESSER Monitoring in FY22 or FY23 (Variable Weighting 25%)

Whether a LEA was selected for ESSER monitoring in FY22 or FY23 was included as a primary consideration in the risk assessment, as those LEAs that underwent FY22 or FY23 ESSER monitoring have received targeted monitoring and technical assistance recently.

3. Whether the LEA Has Used ESSER Funds for Construction (Variable Weighting 10%)

Whether the LEA has used ESSER funds for one or more construction projects was included as a secondary consideration in the risk assessment. Due to the complex requirements for federally funded 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. Remaining ARP ESSER Mandatory Subgrant Funds for Learning Loss as of FY22 ARP ESSER ESF Reporting (Variable Weighting 10%)

This variable was included as a secondary consideration in the risk assessment. LEAs are required to use at least 20% of ARP ESSER funds to address learning loss, and a slower deployment of ESSER funds for learning loss introduces greater potential for ESSER programmatic compliance concerns.

5. Whether the LEA Received Final Approval for a Construction Project in FY24 (Variable Weighting 10%)

This variable was included as a secondary consideration in the risk assessment. Due to the complex requirements for federally funded construction projects and the shorter timeframe to meet all requirements prior to the end of the grant, this factor introduces greater potential for ESSER programmatic compliance concerns.

6. Recent Administrative Staff Turnover (Variable Weighting 10%)

This variable was included as a secondary consideration in the risk assessment. Administrative staff turnover introduces greater potential for ESSER programmatic compliance concerns.



7. Whether the District Had a Federal Compliance Finding in an ESSER Program in FY22 or FY23
(Variable Weighting 10%)

This variable was included as a secondary consideration in the risk assessment. A fiscal compliance finding in the LEA's ESSER programs may indicate greater potential for programmatic ESSER compliance concerns.

Variables Used in the Charter Risk Assessment Tool

1. Total Amount of All CARES, CRRSA, and ARP ESSER Allocations (Variable Weighting 25%)

The total amount of CARES, CRRSA, 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. Selected for ESSER Monitoring in FY22 or FY23 (Variable Weighting 25%)

Whether a LEA was selected for ESSER monitoring in FY22 or FY23 was included as a primary consideration in the risk assessment, as those districts that underwent FY22 or FY23 ESSER monitoring have received targeted monitoring and technical assistance recently.

3. Remaining ARP ESSER Mandatory Subgrant Funds for Learning Loss as of FY22 ARP ESSER ESF Reporting (Variable Weighting 20%)

This variable was included as a secondary consideration in the risk assessment. LEAs are required to use at least 20% of ARP ESSER funds to address learning loss, and a slower deployment of ESSER funds for learning loss introduces greater potential for ESSER programmatic compliance concerns.

4. Recent Administrative Staff Turnover (Variable Weighting 15%)

This variable was included as a secondary consideration in the risk assessment. Administrative staff turnover introduces greater potential for ESSER programmatic compliance concerns.

5. Whether the LEA Had a Federal Compliance Finding in an ESSER Program in FY22 or FY23
(Variable Weighting 15%)

This variable was included as a secondary consideration in the risk assessment. A fiscal compliance finding in the LEA's ESSER programs may indicate greater potential for programmatic ESSER compliance concerns.

Collection of ESSER Risk Assessment Data

The CARES, CRRSA, and ARP ESSER allocation data were collected from the NHED Grants Management System (GMS). The prior monitoring status, construction, administrative staff turnover, and



federal compliance finding data were collected using internal tracking documents. The learning loss expenditure data were collected from the FY22 ARP ESSER ESF Report.

Calculation of Risk Assessment Scores

The total weighted risk assessment score for each LEA ranged from 0.85 to 4.50 for districts and 0.45 to 3.35 for charter schools. After a thorough review of the risk assessment scores, NHED determined the following thresholds for high-risk LEAs.

High-Risk LEAs among All Districts

- The 17 districts above the total weighted risk assessment score of 3.8 points.

High-Risk LEAs among Districts with > 300 students:

- The 3 districts above the total weighted risk assessment score of 3.1 points.

High-Risk LEAs among All Charter Schools:

- The 6 charter schools above the total weighted risk assessment score of 2.2 points.

LEA 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, NHED 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, NHED 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, NHED will continue to monitor all LEAs through its internal grant management processes and through providing training and technical assistance on program-related matters.