



U.S. Department of Education  
Office of Inspector General

# Matanuska-Susitna Borough School District's Use of Elementary and Secondary School Emergency Relief Funds

September 24, 2024  
ED-OIG/FYNY0180

*FLASH REPORT*

## NOTICE

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UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF INSPECTOR GENERAL

Audit Services

September 24, 2024

Deena M. Bishop. Ed.D.  
Commissioner  
Alaska Department of Education and Early Development  
PO Box 110500  
Juneau, Alaska 99811

Dear Commissioner Bishop:

Enclosed is our final flash report, "Matanuska-Susitna Borough School District's Use of Elementary and Secondary School Emergency Relief Funds" Control Number ED-OIG/F24NY0180. This report incorporates the comments you provided in response to the draft report. The U.S. Department of Education's policy is to expedite audit resolution by timely acting on findings and recommendations. Therefore, if you have any additional comments or information that you believe may have a bearing on the resolution of this review, you should send them directly to the following Department of Education official, who will consider them before taking final Departmental action on this review:

Adam Schott  
Delegated the Authority to Perform the Functions and Duties of the Assistant Secretary Office of  
Elementary and Secondary Education  
U.S. Department of Education  
400 Maryland Avenue, SW  
Washington, D.C. 20202

We appreciate your cooperation during this review. If you have any questions, please contact me at (214) 790-5430 or [Myra.Hamilton@ed.gov](mailto:Myra.Hamilton@ed.gov).

Sincerely,

/s/

Myra Hamilton  
Regional Inspector General for Audit

Enclosure



# Results in Brief

## Matanuska-Susitna Borough School District's Use of Elementary and Secondary School Emergency Relief Grant Funds

### Why the OIG Performed This Work

Congress passed three coronavirus relief acts within a 1-year period that provided more than \$275 billion for an Education Stabilization Fund to prevent, prepare for, and respond to the coronavirus, which the President declared as a national emergency in March 2020. This included \$189.5 billion for Elementary and Secondary School Emergency Relief (ESSER), funds intended to provide vital support to States, local educational agencies, and schools to address the impact of the coronavirus. Support, in part, includes activities designed to help students and educators safely return to and sustain in-person instruction, and that address the educational inequities exacerbated by the coronavirus pandemic and students' social, emotional, mental health, and academic needs.

Ensuring that ESSER funds are used for allowable purposes is critical to help address the needs of students and educators. The Matanuska-Susitna Borough School District (Matanuska-Susitna) was allocated approximately \$55.4 million in ESSER funds to support 49 schools serving about 19,700 students.

We performed this review to determine whether Matanuska-Susitna expended ESSER grant funds for allowable purposes in accordance with applicable requirements.

### What Did the OIG Find?

We determined that all the ESSER expenditures we reviewed for Matanuska-Susitna were allowable and in accordance with applicable requirements. Allowable activities generally include those authorized by the Elementary and Secondary Education Act, Individuals with Disabilities Education Act, Adult Education and Family Literacy Act, Carl D. Perkins Career and Technical Education Act of 2006, and subtitle B of title VII of the McKinney-Vento Homeless Assistance Act. It also includes activities listed in section A-3 of the U.S. Department of Education's [Frequently Asked Questions](#) document for the ESSER and Governor's Emergency Education Relief Programs.

We also found that Matanuska-Susitna complied with key Federal procurement requirements, including those covering the procurement methods to be followed and contract cost, price, and provisions, when procuring the goods or services associated with each ESSER expenditure we reviewed.

### What Are the Next Steps?

Because we identified no exceptions, our report does not include recommendations. However, our results are limited to the ESSER expenditures we reviewed, and it is critical that any remaining ESSER funds continue to be used appropriately.

Alaska and Matanuska-Susitna had no comments on our draft report.

## Purpose

The objective of our flash review was to determine whether the Matanuska-Susitna Borough School District (Matanuska-Susitna) expended Elementary and Secondary School Emergency Relief (ESSER)<sup>1</sup> grant funds for allowable purposes in accordance with applicable requirements. This flash review report presents the results of our review.

## Matanuska-Susitna Borough School District

The Matanuska-Susitna Borough School District in Alaska is a local educational agency (LEA) in a town setting with 49 schools serving about 19,700 students. Matanuska-Susitna was allocated approximately \$55.4 million in ESSER funds. As of March 11, 2024, Matanuska-Susitna had spent about \$44.8 million (81 percent) of its \$55.4 million ESSER allocation to address the impacts of the coronavirus pandemic. For our review period, Matanuska-Susitna received \$12.5 million in ESSER funds, \$6.6 million of which were American Rescue Plan (ARP) ESSER funds. In its approved ARP ESSER Plan, Matanuska-Susitna noted that it planned to use its ARP ESSER funds, in part, for supporting summer learning programs, supporting education technology, and paying for preparation time for teachers. Additionally, its funds were to be used, in part, for providing vaccination clinics, contact tracing efforts, mental health services (hiring counselors), and hiring staff for the LEA's early childhood education programs.

## Results of Our Review

For the selected transactions covered by our review, Matanuska-Susitna expended ESSER grant funds for allowable purposes and in accordance with applicable requirements. We selected and reviewed 5 non-personnel and 15 personnel ARP ESSER<sup>2</sup> expenditures (less than 1 percent) from a total population of 7,667 ARP ESSER

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<sup>1</sup> ESSER is one of multiple emergency relief funds comprising the Education Stabilization Fund, which was first authorized and funded under the Coronavirus Aid, Relief, and Economic Security Act (March 27, 2020), and for which Congress later provided additional funding under the Coronavirus Response and Relief Supplemental Appropriations Act (December 27, 2020) and the American Rescue Plan (March 11, 2021). Under ESSER, the U.S. Department of Education awarded grants to State educational agencies for the purpose of providing local educational agencies with emergency relief funds to address the impacts that the coronavirus pandemic had on elementary and secondary schools and their students.

<sup>2</sup> We limited the scope of our review to ARP ESSER expenditures because they represented the highest dollar amount of ESSER expenditures when compared to other ESSER funds during our review period.

expenditures for the period July 1, 2022, through June 30, 2023 (review period). We used a judgmental, risk-based process to select the 20 expenditures that represented \$424,946 (7 percent) of the \$5,937,357 in total ARP ESSER expenditures for the period July 1, 2022, through June 30, 2023 (review period).

We reviewed each expenditure to determine whether it was (1) connected to the coronavirus pandemic (intended to prevent, prepare for or respond to the coronavirus pandemic, including its impact on the social, emotional, mental health, and academic needs of students); (2) an authorized use of ESSER funds under applicable law and regulations; and (3) reasonable and necessary and otherwise permissible under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance, 2 Code of Federal Regulations (C.F.R.) Part 200). We also performed additional work, as needed, to determine whether Matanuska-Susitna complied with key Federal procurement requirements, specifically those covered under 2 C.F.R. sections 200.320 (methods of procurement to be followed), 200.324 (contract cost and price), and 200.327 (contract provisions), when procuring the goods or services associated with each expenditure. We interviewed Matanuska-Susitna officials to gain a basic understanding of how they used ESSER funds, and their processes for approving and monitoring ESSER expenditures.

An LEA can use ESSER funds for any activity deemed allowable under section 18003(d) of the Coronavirus Aid, Relief, and Economic Security Act (P.L. 116-136); section 313(d) of the Coronavirus Response and Relief Supplemental Appropriations Act (P.L. 116-260); and section 2001(e) of the American Rescue Plan Act (P.L. 117-2). These activities generally include any activity authorized by the Elementary and Secondary Education Act, Individuals with Disabilities Education Act, Adult Education and Family Literacy Act, Carl D. Perkins Career and Technical Education Act of 2006, and subtitle B of title VII of the McKinney-Vento Homeless Assistance Act; as well as those listed in section A-3 of the U.S. Department of Education's [Frequently Asked Questions](#) document for the ESSER and Governor's Emergency Education Relief Programs (May 2021, and updated on December 7, 2022).

We determined that all 20 (100 percent) expenditures that we reviewed for Matanuska-Susitna were used for allowable purposes and in accordance with applicable requirements. These expenditures were generally for heating, ventilation, and air conditioning upgrades; indirect costs; iPads; and payroll. They were connected to the coronavirus pandemic, authorized uses of ESSER funds under applicable law and regulations, and reasonable and necessary and otherwise permissible under Uniform Guidance. In addition, we found that Matanuska-Susitna complied with key Federal procurement requirements covered under 2 C.F.R. sections 200.320 (methods of

procurement to be followed), 200.324 (contract cost and price), and 200.327 (contract provisions) when procuring the goods or services associated with each expenditure.

Because all the expenditures we reviewed were for allowable purposes and in accordance with applicable requirements, we make no recommendations in this report. However, our results are limited to the ESSER expenditures we reviewed, and it is critical that any remaining ESSER funds continue to be used appropriately.

### **Alaska Department of Education and Early Development's Comments**

The Alaska Department of Education and Early Development had no comments on the draft report since no issues were identified. Matanuska-Susitna also had no comments on this report.



## Appendix A. Scope and Methodology

Our review covered Matanuska-Susitna's ARP ESSER expenditures from July 1, 2022, through June 30, 2023 (review period). We limited the scope of our review to ARP ESSER funds because Matanuska-Susitna's ARP ESSER funds represented the highest dollar amount (\$6.6 million) of all ESSER funds (\$12.5 million) that were allocated to and expended by them during our review period. We also limited our internal control work to gaining a basic understanding of the process that Matanuska-Susitna used to account for ESSER funds, including the accounting system and accounting codes used by Matanuska-Susitna. We conducted our review remotely from March 2024 through June 2024. We discussed the results of our review with Matanuska-Susitna and Alaska Department of Education and Early Development officials on June 24, 2024.

### Sampling Methodology

To determine whether Matanuska-Susitna expended ARP ESSER grant funds during our review period for allowable purposes in accordance with applicable requirements, we selected and reviewed 20 expenditures (less than 1 percent) from a total population of 7,667 expenditures using a judgmental, risk-based, selection process. We stratified the population between personnel and non-personnel expenditures and selected 5 non-personnel expenditures and 15 personnel expenditures. The 5 non-personnel expenditures (3 percent) were selected from a total of 156 non-personnel ARP ESSER expenditures and represented \$241,137 (31 percent) of the \$783,910 in total non-personnel ARP ESSER expenditures from our review period. The 15 personnel expenditures (less than 1 percent) were selected from the total population of 7,511 personnel expenditures and represented \$183,809 (4 percent) of the \$5,153,447 in total personnel ARP ESSER expenditures from our review period.

We selected the 20 expenditures using one or a combination of the following criteria: For non-personnel expenditures, we selected the two highest dollar transactions (all exceeding \$65,000) and unique comment descriptions that were different from the previous two high-dollar transactions selected, and for personnel expenditures, we selected the highest dollar transaction per object description and location description. We selected the two highest dollar non-personnel expenditures and the five highest dollar personnel expenditures. Since the expenditures were selected using a judgmental, risk-based selection process, the results of our testing cannot be projected to the universe of ARP ESSER expenditures.

### Use of Computer-Processed Data

We relied, in part, on computer-processed data (LEA expenditure data) from Matanuska-Susitna's accounting system. Matanuska-Susitna provided us with an Excel spreadsheet report generated from its accounting system that contained its ARP ESSER



expenditure data from July 1, 2022, through June 30, 2023. To assess the completeness of the expenditure data in the spreadsheet, we compared total expenditures in the spreadsheet to total expenditures in the four quarterly ARP ESSER expenditure reports that Matanuska-Susitna submitted to the Alaska Department of Education and Early Development for our review period. To assess the reliability of the expenditure data in the spreadsheet, we reviewed supporting documentation, such as invoices and proof of payment, for the 20 expenditures covered by our review. We did not identify any issues and concluded that the expenditure data in the spreadsheet were reliable for their intended use.

### **Compliance with Standards**

We conducted our work in accordance with OIG quality control standards and the Council of the Inspectors General on Integrity and Efficiency “Quality Standards for Federal Offices of Inspector General,” which require that we conduct our work with integrity, objectivity, and independence. We believe that the information obtained provides a reasonable basis for our conclusions.

## Appendix B: Acronyms and Abbreviations

ARP	American Rescue Plan
C.F.R.	Code of Federal Regulations
ESSER	Elementary and Secondary School Emergency Relief
LEA	local educational agency
Matanuska-Susitna	Matanuska-Susitna Borough School District
Uniform Guidance	Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

# Alaska Department of Education and Early Development's Comments



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

## Department of Education & Early Development

OFFICE OF THE COMMISSIONER

333 Willoughby Ave., 9th Floor, SOB  
P.O. Box 110500  
Juneau, Alaska 99811-0500  
Main: 907.465.2800  
TTY/TDD: 907.465.2815  
Fax: 907.465.2806

August 14, 2024

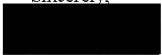
Myra Hamilton, Regional Inspector General for Audit  
U.S. Department of Education  
Office of Inspector General

Dear Inspector General Hamilton:

The Department of Education & Early Development (DEED) appreciates the opportunity to respond to the Matanuska-Susitna Borough School District's Use of Elementary and Secondary School Emergency Relief Funds Draft Flash Report ED-OIG/F24NY0180.

As no issues were identified in the report, DEED and the school district have no comments at this time.

Sincerely,

  
Deena M. Bishop, Ed. D.  
Commissioner