



U.S. Department of Education  
Office of Inspector General

# State and Local Educational Agencies' Use of Digital Wallet- Related Technologies and Services

June 11, 2025  
ED-OIG/F25CA0219

*FLASH REPORT*

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UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF INSPECTOR GENERAL

Audit Services

June 11, 2025

TO: Hayley Sanon  
Acting Assistant Secretary  
Office of Elementary and Secondary Education

FROM: Keith Cummins /s/  
Acting Deputy Assistant Inspector General for Audit

SUBJECT: Final Flash Report, "State and Local Educational Agencies' Use of Digital Wallet-Related Technologies and Services," Control Number ED-OIG/F25CA0219

Attached is the subject final report that consolidates the results of our review of "State and Local Educational Agencies' Use of Digital Wallet-Related Technologies and Services," Control Number ED-OIG/F25CA0219. We have provided an electronic copy to your audit liaison officer. We received your comments in response to our draft report.

We appreciate your cooperation during this review. If you have any questions, please contact me at (202) 657-8542 or [Keith.Cummins@ed.gov](mailto:Keith.Cummins@ed.gov); or Ben Sanders, Director, Elementary and Secondary Education Oversight Team, at (916) 213-7630 or [Ben.Sanders@ed.gov](mailto:Ben.Sanders@ed.gov).

Attachment

# Results in Brief

## State and Local Educational Agencies' Use of Digital Wallet-Related Technologies and Services



### Why the OIG Performed This Work

Digital interactions with government services have increased over time, particularly since the start of the coronavirus pandemic in March 2020. We learned through prior OIG work that some State educational agencies (SEA) were using digital wallet-related technologies and services (digital wallet) to help administer their Governor's Emergency Education Relief Fund (GEER) and Emergency Assistance to Non-Public Schools (EANS) grants. However, there is limited public information regarding digital wallets and how or to what extent SEAs and local educational agencies (LEA) may be using them for their Federal education grants.

We performed this review to determine the extent to which SEAs and LEAs use digital wallets to facilitate the administration of U.S. Department of Education (Department) grant funds. Our review covered the period from October 1, 2022, through December 31, 2024.

For purposes of this review, we define "digital wallet" as a software-based process provided by a third-party vendor that facilitates the disbursement to or expenditure of Federal education grant funds by beneficiaries, such as teachers, students, families, and nonpublic schools.

### What Did the OIG Find?

Forty-five SEAs responded to our survey regarding the use of digital wallets to facilitate the administration of Department grant funds. Twelve of those SEAs reported using digital wallets to help administer some of their Department grants during our review period, and three of these planned to continue using digital wallets in 2025. SEAs primarily relied on one digital wallet vendor to help administer their Department grant funds. That vendor, used by 11 of the 12 SEAs, was responsible for helping to administer more than 95 percent of the Department grant funds for which SEAs reported using digital wallets. SEAs used digital wallets almost exclusively for their pandemic relief Department grants, including the GEER, EANS, and Elementary and Secondary School Emergency Relief Fund (ESSER) grants. SEAs most commonly used digital wallets for automated direct deposit reimbursement or payment, built in controls for fund use, and tracking of funds; and several SEAs reported that they relied, at least partially, on their digital wallet vendors to help ensure that applicable Federal grant requirements were followed.

According to the SEAs that responded to our survey, a small number of LEAs used digital wallets to help administer their Department grant funds during our review period. Only one SEA reported that its LEAs used digital wallets, and that SEA further reported that only 5 to 10 LEAs in the State used digital wallets. Although LEAs' use of digital wallets appeared to be limited based on the survey results, the full extent of LEAs' digital wallet usage is not known since 6 SEAs did not complete the survey and 15 of the 45 respondent SEAs reported that they did not know whether their LEAs used digital wallets to help administer Department grant funds.

### What Are the Next Steps?

Because our report presents information on digital wallets that SEAs provided through the survey, it does not include recommendations. This informational report provides insights into the extent of SEAs' and LEAs' use of digital wallets during our review period and their planned use of digital wallets in 2025, information that may be of interest to key stakeholders, including the Department, SEAs and LEAs, students and their parents, Congress, and the general public.

We provided a draft of this report to the Office of Elementary and Secondary Education (OESE) for comment. We summarize OESE's comments at the end of the "What We Found" section and provide the full text of the comments at the end of the report ([OESE Comments](#)). OESE stated that it found the report to be informative and helpful for the Department and OESE.

## Purpose

The objective of our flash review was to determine the extent to which State educational agencies (SEA) and local educational agencies (LEA) use digital wallet-related technologies and services (digital wallet)<sup>1</sup> to facilitate the administration of U.S. Department of Education (Department) grant funds. This flash review report presents the results of our review.

## What We Did

We surveyed the SEAs in all 50 States and Washington, D.C. (51 entities total) about their experiences and their LEAs' experiences using digital wallets to facilitate the administration of Department grant funds from October 1, 2022, through December 31, 2024.<sup>2</sup> We achieved an 88 percent response rate based on 45 completed surveys. The survey results represent information provided by the 45 respondent SEAs and should not be projected to the 6 SEAs that did not complete the survey. This report presents information that is focused primarily on the 12 SEAs that reported using digital wallets.<sup>3</sup> We also held post-survey case study follow-up discussions with four SEAs that we judgmentally selected to further explore their responses to survey questions and provide contextual information. We selected these four SEAs for follow-up discussions because they either reported information that was unique in some way or were easily accessible and willing to share additional information with us (see the [Methodology](#) section for additional information regarding our judgmental selections).

Each respondent SEA reported whether it and its LEAs used digital wallets to help administer Department grant funds. The SEAs using digital wallets reported additional information, which in part included the digital wallet vendors used and for which Department grants, the amount of funds administered using digital wallets by

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<sup>1</sup> For purposes of this review, we defined “digital wallet” as a software-based process provided by a third-party vendor that facilitates the disbursement to or expenditure of Federal education grant funds by beneficiaries, such as teachers, students, families, and nonpublic schools.

<sup>2</sup> See [Appendix B](#) for the list of survey questions posed to SEAs.

<sup>3</sup> We do not opine on the pros and cons of digital wallets in this report. Rather, we present and summarize information on digital wallets that SEAs provided through the survey instrument. See the [Reliability of SEA-Provided Survey Responses](#) section for the work we performed to minimize potential errors and problems with SEA-reported information.

Department grant, the features and services provided by digital wallet vendors, and any challenges or technical issues that they experienced using digital wallet.

## What We Found

SEAs used digital wallets more often than LEAs, with 12 (27 percent) of the 45 respondent SEAs reporting that they used digital wallets to help administer some of their Department grants during our review period. Only 1 SEA reported that its LEAs used digital wallets, noting that statewide, only 5 to 10 LEAs used digital wallets. Although LEAs' use of digital wallets appeared to be limited based on the survey results, the full extent of LEAs' digital wallet usage is not known since 6 SEAs did not complete the survey and a third (15) of the 45 respondent SEAs reported that they did not know whether their LEAs used digital wallets during our review period.

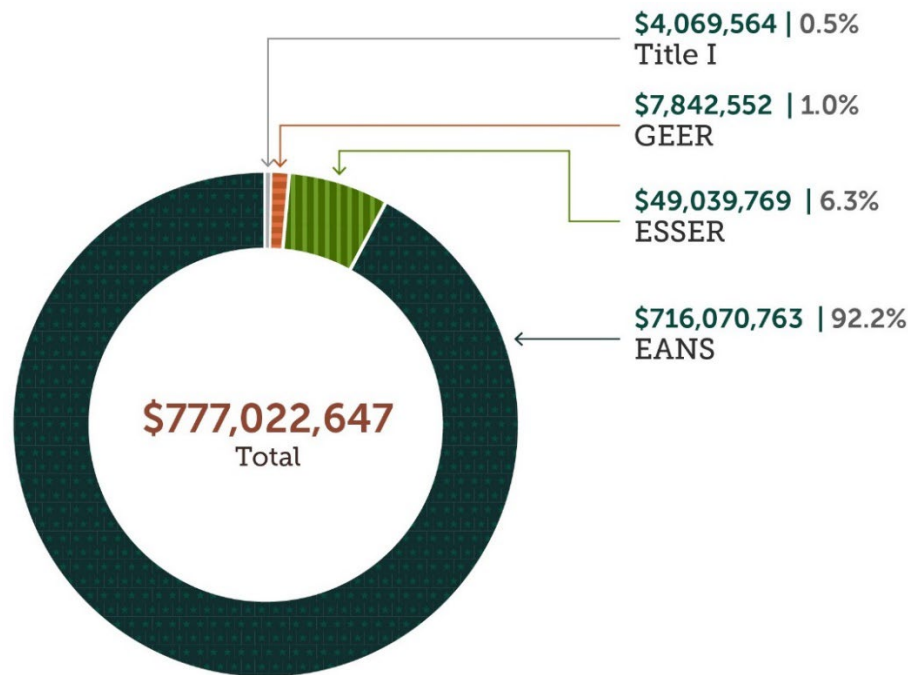
One vendor provided the digital wallet services and technologies for 11 of the 12 SEAs that reported using digital wallets and for the vast majority (about 95 percent) of the Department grant funds administered by those SEAs with the help of digital wallets. With the exception of a Title I, Part A of the Elementary and Secondary Education Act of 1965 (Title I) grant at one SEA, SEAs used digital wallets exclusively for pandemic relief Department grants and primarily to help administer their Emergency Assistance to Non-Public Schools (EANS) grants. In the following sections, we summarize information reported by SEAs, including information on the vendors used, impacted Department grants, and related funding; factors that SEAs considered when selecting vendors; commonly used digital wallet features and services; SEA oversight and monitoring of digital wallet contracts and vendor performance; SEA feedback on digital wallets and vendors and future plans for using digital wallets; and LEAs' use of digital wallets.

### SEAs' Use of Digital Wallets

Collectively, the 12 SEAs that used digital wallets during our review period reported using 5 digital wallet vendors to help administer some of their Department grant funds, with 3 of the 12 SEAs reporting that they used multiple vendors. The SEAs primarily relied on one digital wallet vendor to help administer their Department grant funds, and that vendor was responsible for more than 95 percent of the Department grant funds for which digital wallets were used across 11 of the 12 SEAs. The SEAs used digital wallets almost exclusively for their pandemic relief Department grants, including the Governor's Emergency Education Relief Fund (GEER), Elementary and Secondary School Emergency Relief Fund (ESSER), and EANS grants. Digital wallets were primarily used for pandemic relief Department grants, in part, because some SEAs did not have the administrative processes, internal structures, or resources to effectively and timely administer those grants, particularly the EANS grant. For example, for EANS, SEAs obligated funds and provided services or assistance (including through contractors) to

eligible nonpublic schools at a level that some SEAs were not accustomed to and thus required processes, structures, and resources that some States likely did not have in place. Below, we provide two visuals presenting information on Department grant funds administered using digital wallets by grant (see [Figure 1](#)) and information on the number of SEAs using digital wallets and administered grants and funding by vendor (see [Table 1](#)).

**Figure 1. Funds Administered Using Digital Wallets by Department Grant**



**Table 1. Number of SEAs Using Digital Wallets and Administered Grants and Funding by Vendor**

| Vendor | Number of SEAs | Pandemic Relief Grant | Non-Pandemic Relief Grant | Funding Administered by Digital Wallet Vendor (Percent) |
|--------|----------------|-----------------------|---------------------------|---|
| A      | 11             | GEER, EANS, ESSER     | -                         | \$741,301,116<br>(95.4 percent)                         |
| B      | 1              | ESSER                 | -                         | \$17,020,599<br>(2.2 percent)                           |
| C      | 1              | ESSER                 | -                         | \$1,437,940<br>(0.2 percent)                            |
| D      | 1              | EANS, ESSER           | Title I <sup>4</sup>      | \$13,965,992<br>(1.8 percent)                           |
| E      | 1              | ESSER                 | -                         | \$3,297,000<br>(0.4 percent)                            |
| -      | <b>Total</b>   | -                     | -                         | <b>\$777,022,647<br/>(100 percent)</b>                  |

Although SEAs primarily used digital wallets for their pandemic relief Department grants, one SEA used a digital wallet to help administer its Title I (non-pandemic relief) grant funds (see Vendor D in Table 1). The SEA used Title I grant funds to provide high dosage tutoring to students attending eligible Title I schools. The SEA told us that it chose to use a digital wallet for its Title I grant because of the tracking and oversight features built into the digital wallet platform, features that made it easy for the SEA to identify Title I-eligible schools and move funds to cover the cost of services provided to eligible students attending those schools. According to the SEA, the digital wallet platform also provided it with an opportunity to braid Title I grant funds with ESSER grant funds to expand the impact of an academic acceleration initiative that was funded primarily by ESSER. Lastly, the SEA noted that the digital wallet platform helped it to expand student access to tutoring providers and match eligible students with high quality tutoring providers more efficiently and with minimal administrative burden.

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<sup>4</sup> One SEA used Vendor D's digital wallet platform to help administer \$4,069,564 in Title I grant funds.

## Factors SEAs Considered When Selecting Digital Wallet Vendors

Seven of the 12 SEAs reported that they selected the digital wallet vendor, in part, because of the vendor's reputation. Other factors that many SEAs considered were the security features, ease of use of the vendor's platform, and whether the vendor was the only entity that could perform the services. [Table 2](#) lists the main factors that the 12 SEAs considered when selecting digital wallet vendors and the number of SEAs that considered those factors.<sup>5</sup>

**Table 2. Factors that the 12 SEAs Considered When Selecting Digital Wallet Vendors**

| Factor   | Number of SEAs that Considered the Factor |
|--|---|
| Vendor reputation  | 7   |
| Security features  | 5   |
| Ease of use of the vendor's platform   | 5   |
| Only vendor able to perform services   | 5   |
| Highest scoring, lowest cost provider, or both (as determined through SEA's procurement process) | 3   |
| Vendor platform could operate well with SEA systems  | 2   |

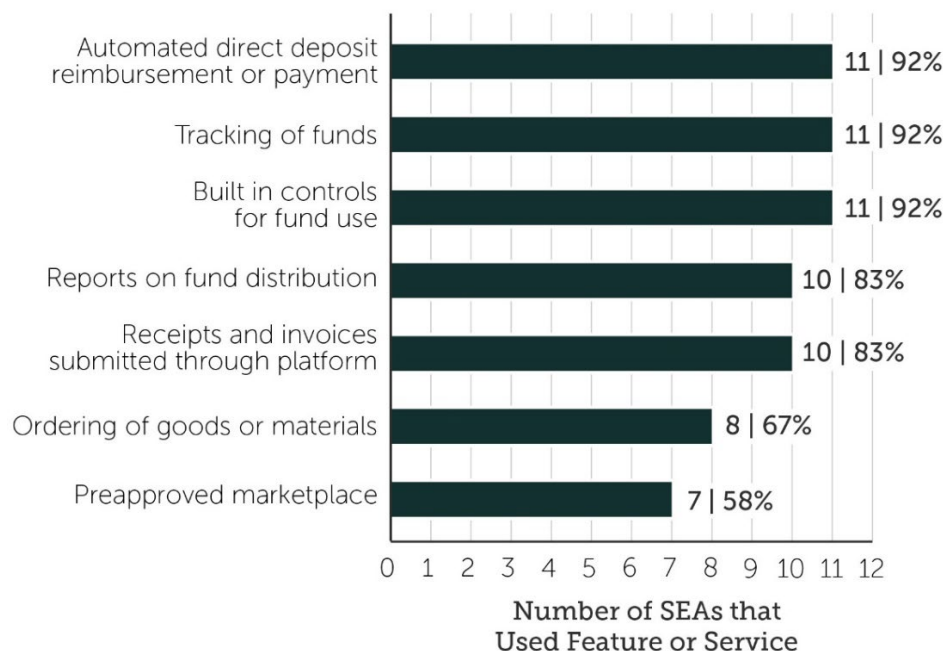
## Digital Wallet Features and Services

The digital wallet features and services most commonly used by the 12 SEAs were automated direct deposit reimbursement or payment, built in controls for fund use, and tracking of funds. All but one SEA reported using these three features and services. Other features and services commonly used by SEAs were generating reports on fund distribution, receipt and invoicing through the digital wallet vendor platform, online ordering of goods and materials, and use of the digital wallet vendor's preapproved marketplace. [Figure 2](#) provides a visual representation of the digital wallet features and services commonly used by SEAs and the number (and percent) of SEAs that used them.

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<sup>5</sup> SEAs could select multiple factors when completing the survey.

**Figure 2. Digital Wallet Features and Services Commonly Used by the 12 SEAs**



### **SEA Oversight and Monitoring of Digital Wallet Contracts and Vendor Performance**

All 12 SEAs reported that they relied, at least in part, on their own contract monitoring activities to ensure that applicable Federal grant requirements were followed. Seven SEAs relied exclusively on their own contract monitoring activities, whereas the other five SEAs relied on both their own contract monitoring activities and their digital wallet vendors to ensure that applicable Federal grant requirements were followed. Additional survey results related to SEA oversight and monitoring of digital wallet contracts and vendor performance include the following.

- All 12 SEAs reported that they documented in writing the roles and responsibilities of the digital wallet vendors in relation to the goods or services those vendors provided in support of the Department grants.
- Eleven SEAs reported that the digital wallet vendor performed at or above the minimum performance level established in the contract. The remaining SEA selected “neither agree nor disagree” in response to the survey question in this area.
- Nine SEAs reported that they used performance metrics to monitor the digital wallet vendor’s performance against applicable contractual requirements.

### **SEA Feedback on Digital Wallets and Vendors, and Future Plans**

SEAs generally reported positive feedback regarding their experiences with digital wallets and vendors. For example, during a post-survey case study follow-up discussion that we held with an SEA, the SEA told us that using the digital wallet was helpful because the digital wallet vendor generated expenditure reports that the SEA could use to quickly review and identify unallowable expenses (through sort and search functions). That SEA also noted that using the digital wallet reduced the administrative burden and number of employees it needed to administer the grant. However, as discussed below, two SEAs initially experienced minor technical issues using digital wallets to help administer their Department grant funds. A few SEAs reported that they plan to use digital wallets in 2025 but not thereafter, generally aligning with when their existing pandemic relief grant funds will be fully expended or expire.

### ***SEAs' Challenges and Issues with Digital Wallets and Vendors***

Two of the 12 SEAs reported that while using digital wallets, they experienced technical issues related to application usability, user interface, and functionality of the vendors' platforms that required significant modifications to meet SEA requirements and align with agency processes. One SEA used two different digital wallet vendors to help administer its EANS and ESSER grants, and it reported having technical challenges with both vendors. During a post-survey case study follow-up discussion that we held with this SEA, the SEA told us that it needed a digital wallet platform that would accommodate its reimbursement payment processes and enable it to pay entities for goods and materials after receiving those items. Initially, neither vendor had a digital wallet platform that included the reimbursement payment functionality that the SEA needed. However, the SEA told us that it worked closely with both vendors to modify the functionality of their platforms to accommodate the SEA's reimbursement payment processes. Another SEA reported (through its completed survey) that initially the digital wallet vendor did not always follow established controls. However, because the SEA held weekly meetings with the vendor, the SEA was able to identify this issue early on and worked with the vendor to timely correct things.

### ***SEAs' Planned Use of Digital Wallets in 2025***

Three of the 12 SEAs reported that they plan to continue using digital wallets in 2025. They plan to continue using digital wallets to help administer their remaining EANS and ESSER grant funds.<sup>6</sup> We followed up with one of the other nine SEAs to better understand why it did not plan to use digital wallets in 2025 and beyond. According to an SEA official working in external affairs, the SEA used a digital wallet for its EANS grant because it had not previously administered a grant similar to EANS and it did not have the internal structure or processes in place to administer such a grant. The official noted that once the SEA fully expended its EANS grant funds, it no longer had a need for the digital wallet services unique to EANS.

### **LEAs' Use of Digital Wallets**

The full extent of LEAs' use of digital wallets is not known because 6 SEAs did not complete the survey and 15 (33 percent) of the 45 respondent SEAs reported that they did not know if their LEAs used digital wallets. However, based on information provided by the 30 respondent SEAs with knowledge of their LEAs' use of digital wallets, LEAs did not appear to use digital wallets to help administer Department grant funds very often. In fact, only one SEA reported having LEAs that used digital wallets during our review period.<sup>7</sup> That SEA further reported that only about 5 to 10 LEAs used digital wallets, representing less than 7 percent of the 156 LEAs in the State and 0.1 percent of the 9,994 LEAs across the 30 respondent SEAs knowledgeable about their LEAs' use of digital wallets.

### **How LEAs Used Digital Wallets**

The SEA reported that the LEAs used digital wallets to help administer both their Federal (for example, Title I) and State and local program funds. The SEA added that LEAs used digital wallets primarily for ordering goods and materials, noting that the digital wallet

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<sup>6</sup> After our survey was administered, the Department notified all chief state school officers that it was modifying the time period to liquidate obligations under the Education Stabilization Fund, including ESSER, GEER, EANS, and all other programs funded by the Coronavirus Response and Relief Supplemental Appropriations and American Rescue Plan acts, to end on March 28, 2025. In response to this action, 16 States and the District of Columbia filed a lawsuit against the Department on April 10, 2025, and a related motion for preliminary injunction on April 11, 2025. On May 6, 2025, a federal judge issued a preliminary injunction order that, in part, temporarily prohibited the Department from enforcing the March 28, 2025, liquidation deadline against the 16 States and District of Columbia while the case was being litigated or until further court order.

<sup>7</sup> Twenty-nine SEAs reported that their LEAs did not use digital wallets during our review period.

vendor provided a platform for teachers<sup>8</sup> working in those districts to purchase materials and supplies from office and school supply vendors online and receive them quickly. According to the SEA, the platform also provided authorized school personnel in those LEAs with access to a dashboard displaying key financial information, including the status of purchases and remaining funds available. These LEAs plan to continue using digital wallets in this manner for the foreseeable future.

### **Office of Elementary and Secondary Education Comments**

The Office of Elementary and Secondary Education (OESE) stated that it was interesting to understand the extent of survey respondents' usage of digital wallet applications and helpful for the Department and OESE to know that some SEAs and LEAs still intend to continue using these technologies for funds management until the closeout of the applicable grants.

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<sup>8</sup> Teachers submit their purchase requests, which are subject to review and approval by school administrators prior to purchase, through the digital wallet platform. School administrators review the purchase requests for allowability and compliance with applicable requirements.

## Appendix A. Scope and Methodology

Our review covered SEAs' and LEAs' use of digital wallets to facilitate the administration of Department grant funds from October 1, 2022, through December 31, 2024. We limited our review to the SEAs (and their LEAs) in the 50 U.S. States and District of Columbia (51 SEAs total). We conducted our review remotely from December 2024 through April 2025. We discussed the results of our review with officials from OESE and the Department's Office of the General Counsel on April 23, 2025.

### Methodology

To accomplish our objective, we first gained a basic understanding of digital wallets and how they could be used to help administer Federal education grants by reviewing publicly available information. We then developed a web-based survey with questions designed to obtain key information about SEAs' and LEAs' use of digital wallets. To ensure that the survey questions would be interpreted in the way we intended and provide the information we sought, we (1) tested the survey internally, (2) shared a draft of the survey with OESE and solicited feedback on the survey instructions and questions, and (3) piloted the survey and spoke with two SEAs to obtain feedback on their experience answering survey questions and using the web-based survey. We refined the survey as needed based on the feedback provided by OESE and the two pilot SEAs. Next, we distributed the refined survey to the remaining 49 SEAs and requested that they complete the survey.<sup>9</sup>

We then reviewed the responses provided by the 45 SEAs that completed the survey and identified four SEAs as good candidates for post-survey case study follow-up discussions to further explore their responses to survey questions and provide contextual information. We judgmentally selected the four SEAs for follow-up discussions because they either reported information that was unique in some way or were easily accessible and willing to share additional information with us. Specifically, we selected the four SEAs based on the following.

- **SEA 1.** Only SEA to use a digital wallet for a non-pandemic relief Department grant (Title I grant).
- **SEA 2.** Only SEA with LEAs that used a digital wallet to help administer their Department grant funds.

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<sup>9</sup> We did not send the refined survey to the two pilot SEAs because we concluded that they had already provided the requested information as part of the pilot testing of the survey.

- **SEA 3.** SEA reported having challenges with multiple digital wallet vendors and platforms.
- **SEA 4.** SEA was one of the two pilot SEAs, and thus easily accessible and willing to provide additional information about its experience with digital wallets.

Lastly, we summarized the survey responses and case study information in ways that could be easily understood and interpreted by readers of this report. Our survey primarily covered (1) the number of SEAs that used digital wallets, the vendors used, and the Department grants and related funding amounts administered by SEAs using digital wallets; (2) the factors SEAs considered when selecting vendors; (3) the digital wallet features and services commonly used by SEAs; (4) SEA oversight and monitoring of digital wallet contracts and feedback on digital wallets and vendor performance, including challenges faced; and (5) LEAs' use of digital wallets.

### Reliability of SEA-Provided Survey Responses

We did not independently verify the accuracy of the SEAs' self-reported information, but we took a series of steps—from survey development through survey review and analysis—to minimize potential errors and problems. To identify the survey questions, we held several internal discussions with OIG team members and senior officials and spoke with subject matter experts such as OESE and SEAs. To improve the survey (as needed) and verify the clarity, length of time of administration, and understandability of the survey questions, we piloted the survey to two SEAs and solicited their feedback. To identify obvious or material technical errors in reporting, we examined survey responses for missing data, irregularities, and input errors; and followed up with the applicable SEAs and performed additional research as needed to resolve those reporting errors.

### 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's "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. Survey Questions for SEAs

### Section I. Identifying Questions

1. Name of SEA.
2. Name of the person completing the survey.
3. Job title of the person completing the survey.
4. Phone number of the person completing the survey.
5. Email address of the person completing the survey.

### Section II. SEA's Use of Digital Wallet-Related Technologies and Services

6. Did the SEA use digital wallets to facilitate the administration of U.S. Department of Education grant funds between **October 1, 2022, and December 31, 2024**?  
(Check one.)
  - ☐ Yes.
  - ☐ No. (proceed to Question No. 19)
  - ☐ Other. (Please explain.)
7. For which U.S. Department of Education grants does/did the SEA use digital wallets?
8. For the U.S. Department of Education grants identified in Question No. 7, please list which vendor(s) the SEA uses/used for digital wallets, the date (month and year) the SEA began using the vendor(s), and the amount of grant funds that the vendor administered (disbursed or processed).
9. What goods or services do/did the digital wallet vendors typically provide for the SEA? (Check all that apply.)
  - ☐ Automated direct deposit reimbursement or payment.
  - ☐ Tracking of funds.
  - ☐ Reports on fund distribution.
  - ☐ Built in controls for fund use.
  - ☐ Ordering of goods or materials.
  - ☐ Receipts and invoices submitted through platform.
  - ☐ Preapproved marketplace.
  - ☐ Other. (Please explain.)
10. Has the SEA experienced any problems or challenges using digital wallets to facilitate the administration of U.S. Department of Education grant funds?
  - ☐ Yes.
  - ☐ No. (proceed to Question No. 12)
  - ☐ Other. (Please explain.)

11. What digital wallet-related problems or challenges has the SEA experienced?  
(Check all that apply.)
- ☐ Privacy or security concerns/challenges.
  - ☐ Technical issues or other challenges related to application usability and user interface.
  - ☐ Inadequate technical support from the digital wallet vendor.
  - ☐ Digital wallet vendor not fulfilling one or more of its contractual obligations.
  - ☐ Other. (Please explain.)
12. Does the SEA identify the digital wallet vendors as contractors or subrecipients?  
(Check one.)
- ☐ Contractors.
  - ☐ Subrecipients.
  - ☐ Other. (Please explain.)
13. When digital wallets are used, how does the SEA ensure that applicable U.S. Department of Education grant requirements are being followed? (Check one.)
- ☐ The SEA conducts its own contract or subrecipient monitoring activities to ensure that applicable Federal grant requirements are followed.
  - ☐ The SEA relies on the digital wallet vendors to ensure that applicable Federal grant requirements are followed.
  - ☐ The SEA conducts its own contract or subrecipient monitoring activities AND relies on the digital wallet vendors to ensure that applicable Federal grant requirements are followed.
  - ☐ Other. (Please explain.)

Most Recent Digital Wallet Vendor Experience

14. What goods or services does/did the digital wallet vendor provide to the SEA?  
(Check all that apply.) Note: Please answer this question based on the SEA's experience with the digital wallet vendor that it most recently executed a contract with.
- ☐ Automated direct deposit reimbursement or payment.
  - ☐ Tracking of funds.
  - ☐ Reports on fund distribution.
  - ☐ Built in controls for fund use.
  - ☐ Ordering of goods or materials.
  - ☐ Receipts and invoices submitted through platform.
  - ☐ Preapproved marketplace.
  - ☐ Other. (Please explain.)

15. Has the SEA documented in writing the roles and responsibilities of the digital wallet vendors in relation to the goods or services those vendors provide in support of the U.S. Department of Education grant? (*Check one.*) Note: Please answer this question based on the SEA's experience with the digital wallet vendor that it most recently executed a contract with.
- ☐ Yes.
  - ☐ No.
  - ☐ Other. (Please explain.)
16. Does/Did the SEA use performance metrics to monitor the digital wallet vendor's performance against applicable contractual requirements? (*Check one.*) Note: Please answer this question based on the SEA's experience with the digital wallet vendor that it most recently executed a contract with.
- ☐ Yes.
  - ☐ No.
  - ☐ Other. (Please explain.)
17. Why did the SEA choose the selected digital wallet vendor? (*Check all that apply.*) Note: Please answer this question based on the SEA's experience with the digital wallet vendor that it most recently executed a contract with.
- ☐ Vendor reputation.
  - ☐ Security features.
  - ☐ Could operate well with SEA systems.
  - ☐ Ease of use of the vendor's platform.
  - ☐ Only vendor available to perform the required services.
  - ☐ Other. (Please explain.)
18. Please provide your level of agreement with this statement: "The SEA's digital wallet vendor performs/performed at or above the minimum performance level established in the contract." (*Check one.*) Note: Please answer this question based on the SEA's experience with the digital wallet vendor that it most recently executed a contract with.
- ☐ Strongly Agree.
  - ☐ Agree.
  - ☐ Neither agree nor disagree.
  - ☐ Disagree.
  - ☐ Strongly Disagree.

Future Plans (if applicable)

19. Does the SEA plan to use or continue to use the services of a digital wallet vendor to facilitate the administration of U.S. Department of Education grant funds during calendar year 2025? Note: Please answer this question based on the SEA's future plans to use digital wallets (if applicable).
- ☐ Yes.
- ☐ No. (proceed to Question No. 22)
20. Please list the name of the digital wallet vendor(s) and for which U.S. Department of Education grants the SEA plans to use digital wallet-related services and technologies during calendar year 2025. Note: Please answer this question based on the SEA's future plans to use digital wallets (if applicable).
21. What goods or services will the digital wallet vendor provide to the SEA in 2025? (*Check all that apply.*) Note: Please answer this question based on the SEA's future plans to use digital wallets (if applicable).
- ☐ Automated direct deposit reimbursement or payment.
- ☐ Tracking of funds.
- ☐ Reports on fund distribution.
- ☐ Built in controls for fund use.
- ☐ Ordering of goods or materials.
- ☐ Receipts and invoices submitted through platform.
- ☐ Preapproved marketplace.
- ☐ Other. (*Please explain.*)

**Section III. Other State Agencies' Use of Digital Wallet-Related Technologies and Services**

22. Is the SEA aware of any other state agencies that used digital wallets to facilitate the administration of U.S. Department of Education grant funds between October 1, 2022, and December 31, 2024?
- ☐ Yes.
- ☐ No. (*proceed to Question No. 25*)
- ☐ Other. (*Please explain.*)
23. Which other state agencies used digital wallets to facilitate the administration of U.S. Department of Education grant funds? (*Provide the name of the state agency*)
24. For which U.S. Department of Education grants did the other state agencies use digital wallets?

#### **Section IV. LEAs' Use of Digital Wallet-Related Technologies and Services**

25. Do any LEAs in your State use digital wallets to facilitate the administration of U.S. Department of Education grant funds? *(Check one.)*
- ☐ Yes.
  - ☐ No. *(proceed to Question No. 29)*
  - ☐ Other. *(Please explain.)*
26. How many LEAs (or approximately how many LEAs, if the exact number is not known) use digital wallets to facilitate the administration of U.S. Department of Education grant funds? *(Please provide the number or approximate number of LEAs using digital wallets.)*
27. For which U.S. Department of Education grants do the LEAs use digital wallets to facilitate the administration of U.S. Department of Education grant funds?
28. What goods or services do the digital wallet vendors typically provide for the LEAs? *(Check all that apply.)*
- ☐ Automated direct deposit reimbursement or payment.
  - ☐ Tracking of funds.
  - ☐ Reports on fund distribution.
  - ☐ Built in controls for fund use.
  - ☐ Ordering of goods or materials.
  - ☐ Receipts and invoices submitted through platform.
  - ☐ Preapproved marketplace.
  - ☐ Other. *(Please explain.)*

#### **Section V. Additional Information (optional)**

29. Please provide any additional comments or clarifying information regarding the survey or your survey responses, if desired or as needed. *(If a comment is related to a specific question, please include the question number in your response.)*

## Appendix C. Acronyms and Abbreviations

|                |   |
|----------------|---|
| Department     | U.S. Department of Education  |
| digital wallet | digital wallet-related technologies and services                      |
| EANS           | Emergency Assistance to Non-Public Schools                            |
| ESSER          | Elementary and Secondary School Emergency Relief Fund                 |
| GEER           | Governor's Emergency Education Relief Fund                            |
| LEA            | local educational agency  |
| OESE           | Office of Elementary and Secondary Education                          |
| SEA            | State educational agency  |
| Title I        | Title I, Part A of the Elementary and Secondary Education Act of 1965 |

## OESE Comments



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

May 28, 2025

Mr. Ben Sanders, Director  
Elementary and Secondary Education Oversight Team  
Office of Inspector General  
U.S. Department of Education  
400 Maryland Avenue, SW  
Washington, DC 20202

RE: Control Number ED-OIG/F25CA0219

Dear Mr. Sanders,

It was my pleasure to review the Office of Inspector General's Draft Flash Report, "*State and Local Educational Agencies' Use of Digital Wallet-Related Technologies and Services*," (Control Number ED-OIG/F25CA0219). We appreciate the work that went into this audit and report, and we found the information and analysis of the use of these technological tools by State Educational Agencies and Local Educational Agencies who received our grant awards, both informative and helpful.

While I understand that your team did not have any findings or recommendations for the Office of Elementary and Secondary Education (OESE) resulting from this effort, it was especially interesting to understand the extent of usage of these applications by respondents to your survey who were mainly our pandemic relief grantees, and also helpful for us to know that some still intend to continue using these technologies for funds management, until closing out their related grant and program requirements.

Thank you again for the opportunity to provide a response on behalf of the U.S. Department of Education and OESE.

Respectfully,

Hayley B. Sanon  
Principal Deputy Assistant Secretary  
and Acting Assistant Secretary