

Performance Review: Department of Education

Agency Purpose:

The purpose of the West Virginia Department of Education (WVDE) is to exercise general supervision of the public schools of the state and carry into effect the laws and policies of the state relating to education.

What Did PERD Find?

The WVDE lacks adequate capacity or structure to monitor local school districts' use of federal emergency education funds which has resulted in an increased risk of fraud, waste, and abuse of these funds.

PERD's Objective:

The objective of this review was to determine whether the WVDE and local education agencies (LEAs) are following procedures for sub-recipient audits, with an emphasis on the Elementary and Secondary School Emergency Relief (ESSER) grants for the COVID-19 pandemic.

Key Recommendations:

The WVDE should increase its monitoring and internal controls capacity by assigning more personnel to assist with cyclical monitoring.

The fiscal monitoring process should be established in writing with specifics on what program monitors should examine.

The WVDE should incorporate in Policy 8200, and in the monitoring instrument for ESSER monitoring, the requirement that LEAs use vendors that are appropriately registered to be authorized to do business in West Virginia.

Table 2 ESSER Fund Balances as of October 6, 2023			
Topic	ESSER I (CARES Act)	ESSER II (CRSSA Act)	ARP ESSER (ARP Act)
Amount Awarded	\$86,640,471	\$339,032,096	\$761,960,095
Amount Spent	\$86,613,872	\$293,875,018	\$294,427,526
Unspent Amount	\$26,599	\$45,157,108	\$467,532,569
% of Awarded Funds Spent	99.97%	86.7%	38.6%
Expiration of Funds	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024

Source: U.S. Department of Education, Economic Stabilization website (<https://covid-relief-data.ed.gov/profile/state/WV>), as of October 6, 2023.

- The WVDE's Office of Federal Programs (OFP) used no more than five personnel to conduct cyclical monitoring of ESSER I funds for 54 counties.
- The WVDE's fiscal monitoring system identified a prevalence of non-compliance violations for unallowable expenditures and improper purchasing procedures, yet no risk assessment was completed by the agency to determine if more staff should be hired to maintain adequate oversight.
- Of the 29 LEAs that the WVDE determined were compliant with proper purchasing procedures, PERD's review of the same transactions found that 7 transactions, totaling over \$285,000, were noncompliant.
- Because the OFP's cyclical monitoring does not consider if vendors are registered to do business in the State, the vast majority of LEAs made federal grant purchases with unregistered vendors totaling over \$2.1 million.
- Preliminary findings from the ESSER II/ARP cyclical monitoring reports suggest similar issues of non-adherence of purchasing guidelines with eight counties being repeat offenders.