



**U.S. DEPARTMENT OF EDUCATION
BUDGET INFORMATION NON-CONSTRUCTION PROGRAMS**

OMB Control Number: 1894-0008
Expiration Date: 08/31/2020

Name of Institution/Organization
Arkansas Department of Education

Applicants requesting funding for only one year should complete the column under "Project Year 1." Applicants requesting funding for multi-year grants should complete all applicable columns. Please read all instructions before completing form.

SECTION A - BUDGET SUMMARY U.S. DEPARTMENT OF EDUCATION FUNDS

Budget Categories	Project Year 1 (a)	Project Year 2 (b)	Project Year 3 (c)	Project Year 4 (d)	Project Year 5 (e)	Total (f)
1. Personnel						
2. Fringe Benefits						
3. Travel						
4. Equipment						
5. Supplies						
6. Contractual						
7. Construction						
8. Other	\$12,875,864.00					
9. Total Direct Costs (lines 1-8)						
10. Indirect Costs *Enter Rate Applied						
11. Training Stipends						
12. Total Costs (lines 9-11)						

***Indirect Cost Information (To Be Completed by Your Business Office):**

If you are requesting reimbursement for indirect costs on line 10, please answer the following questions:

- (1) Do you have an Indirect Cost Rate Agreement approved by the Federal government? Yes No.
- (2) If yes, please provide the following information:
 Period Covered by the Indirect Cost Rate Agreement: From: 07 / 01 / 2019 To: 06 / 30 / 2022 (mm/dd/yyyy)
 Approving Federal agency: ED Other (please specify): _____ The Indirect Cost Rate is 16 %
- (3) If this is your first Federal grant, and you do not have an approved indirect cost rate agreement, are not a State, Local government or Indian Tribe, and are not funded under a training rate program or a restricted rate program, do you want to use the de minimis rate of 10% of MTDC? Yes No. If yes, you must comply with the requirements of 2 CFR § 200.414(f).
- (4) If you do not have an approved indirect cost rate agreement, do you want to use the temporary rate of 10% of budgeted salaries and wages? Yes No. If yes, you must submit a proposed indirect cost rate agreement within 90 days after the date your grant is awarded, as required by 34 CFR § 75.560.
- (5) For Restricted Rate Programs (check one) -- Are you using a restricted indirect cost rate that: Is included in your approved Indirect Cost Rate Agreement? Or Complies with 34 CFR 76.564(c)(2)? The Restricted Indirect Cost Rate is _____ %
- (6) For Training Rate Programs (check one) -- Are you using a rate that: Is based on the training rate of 8 percent of MTDC (See EDGAR § 75.562(c)(4))? Or Is included in your approved Indirect Cost Rate Agreement, because it is lower than the training rate of 8 percent of MTDC (See EDGAR § 75.562(c)(4)).

SECTION C – BUDGET NARRATIVE

SEA Reserve - ESSER Funds

Total Other \$12,875,864

Arkansas plans to utilize the SEA Reserve for ESSER Funds to promote Arkansas Ready for Learning, a statewide initiative to promote and support blended learning. The focus of the initiative is ensuring all students have access to a learning management system, quality content (K-12) and diagnostic assessments (K-8). Arkansas will also make these opportunities available to eligible non-public schools. Arkansas is committed to serving all students.

The following budget is proposed because Arkansas is working on finalizing contracts.

Proposed budget for Other - \$12,875,864.00

Amount	Topic/Vendor	Explanation
\$2,400,000	Supplemental Curriculum Support for all students	Arkansas will continue to identify areas for improvement to better meet equity for all students. Arkansas will provide supplemental curriculum supports to meet the needs of all students including low-income students, students with disabilities including significant cognitive disabilities, English learners, migrant students, students experiencing homelessness, and children in foster care. These supplemental curriculum supports will be available to all school districts and eligible non-public schools.
\$4,000,000	Diagnostic Assessments (K-8)	Arkansas will provide K-8 diagnostic assessments for all school districts and eligible non-public schools. Districts may select from state options including: Istation: ISIP NWEA: MAP Growth Renaissance: Star Curriculum Associates: i-Ready
\$ 950,000	CTE Digital Content - Industry Certification	Arkansas will provide students enrolled in Career and Technical Education courses access to digital curriculum for all career clusters and resources that support industry certification assessments.
\$2,300,000	CTE Digital Content - Pathways	Arkansas will create digital CTE courses for complete pathways that allow students to reach concentrator status for Perkins V federal reporting and accountability.
\$ 475,000	CTE Workplace Learning Simulation	Arkansas will provide digital work-based learning simulation and remote engagement with industry professionals that will be available to all districts and eligible non-public schools.

\$ 500,000	Support for Blended Learning Training through Partner Groups	Arkansas will provide support as needed to meet the demands of districts and eligible non-public schools in providing blended learning to all students.
\$ 227,100	Informational materials for students	Arkansas will provide student friendly informational materials for students regarding COVID-19.
\$3,948,764.00	To be budgeted at a later date	These funds will be allocated prior to September 30, 2021. Arkansas will prioritize additional resources needed when schools begin to reopen.

INTERNAL CONTROL AND SUBRECIPIENT MONITORING PLAN

The SEA (Arkansas) must submit to the Department, within 60 days of receiving ESSER funds:

An internal control plan that:

Identifies the management structure for implementing the ESSER Fund grant, including the key personnel responsible for managing and monitoring subrecipients;	Attachment A
Identifies risks , both internal and subrecipient risks, associated with implementing the program based on past performance and identifies strategies for mitigating such risks;	Attachment B
Describes how the Grantee will ensure the existence of primary documentation necessary to support fiscal reviews, including audits (single audit and audits by the Office of the Inspector General) and Improper Payment assessments, as requested by the Department or the Department’s contractor.	Attachment C

A subrecipient monitoring plan that addresses the Grantee’s:

Revised risk assessment and ranks and prioritizes LEAs with consideration for new criteria identified as a result of receiving ESSER funds;	Attachment D
Development and implementation of revised monitoring protocols ;	Attachment E
Schedule for subrecipient monitoring, including both programmatic and fiscal issues, based upon the Grantee’s revised risk assessment.	Attachment F

Arkansas Management Structure – Attachment A

Identifies the **management structure** for implementing the ESSER Fund grant, including the key personnel responsible for managing and monitoring subrecipients.

Please see the management structure for Arkansas:

Arkansas - CARES Act - ESSER Funds - Standard Operating Procedures (Management Structure)		
	Team Responsible	Activity
Records Retention	OIT	establish drive for ESSER documentation- shared access by Leg. Audit, Fiscal Support and PSA
	Federal Program	identify person responsible for archiving substantive correspondence in ESSER folder.
Communication	OIT	establish email account for ESSER communication with LEA and SEA
	R/T	design webpage for CARES Act
	PSA	maintain updated communication on CARES Act webpage
Professional Development	Federal Programs	provide PD for Federal Programs, Fiscal Support, and Federal Monitoring teams regarding SOP and internal controls.
	DESE	provide PD for all DESE team members regarding ESSER
	DESE	provide PD for LEAs regarding ESSER
Assurances/ Application	Federal Programs	establish ESSER folder in Indistar
	LEA	upload completed, signed assurance/application
	LEA	upload consultation and equitable services plan
	Federal Program	review assurance/application, consultation and equitable services plan and provide preliminary approval (or request additional information)
		enter data into spreadsheet (shared with Fiscal Support) - LEA and categories selected
	LEA	upload 427 GEPA statement

	LEA	uploads Accounts Payable Check Register and Payroll Detail Distribution Detail Report into Indistar at end of the year
	Federal Programs	review Accounts Payable Check Register and Payroll Detail Distribution Detail Report
		archive assurance/application and Accounts Payable Check Register and Payroll Detail Distribution Detail Report in shared drive
	Team Responsible	Activity
Allocations	Federal Grants Management - Amy Thomas	utilize data to determine calculation of allocation and equitable services for LEAs. Post allocations on DESE Website.
	Federal Grants Management - Amy Thomas	Monitor expenditures within period of availability.
	Federal Grants Management - April Cooper	Maintains a list of SAM registrations for all LEA and ensures that a LEA with expired registration receive no funds until registration is updated.
	Team Responsible	Activity
Desk Monitoring of Expenditures	Fiscal Support-Cindy Smith	run Accounts Payable Check Register, Payroll Detail Distribution Detail Report expenditure, audit trail, check registers twice monthly
	Fiscal Support-Cindy Smith	request supporting evidence based on spending threshold; spending pattern with a vendor; unknown vendor; unidentified expenditure
	Fiscal Support-Cindy Smith	upload Accounts Payable Check Register, Payroll Detail Distribution Detail Report expenditure, audit trail, check registers, and additional requested evidence into LEA folder in shared drive
	Fiscal Support-Cindy Smith	log review on spreadsheet
	Fiscal Support-Cindy Smith	identify risks and notify Federal Programs (Jayne Green)
	Team Responsible	Activity
Reimbursement	Federal Grants Management - Amy Thomas	pull data from Data Warehouse on 2nd and 4th Saturday through October 10, 2020 and then monthly on the 2nd Saturday and send monthly reimbursement report to Federal Programs
	Federal Grants Management - Amy Thomas	send file to Federal Programs for review of reimbursement requests

	Federal Programs - Bobby Lester	send reimbursement requests file to Fiscal Support - Cindy Smith and Federal Programs - Jayne Green for approval
	Federal Programs - Jayne Green	desk monitor LEA folders bi-weekly for allowability
	Fiscal Support - Cindy Smith	
	Federal Programs - Jayne Green	request supporting evidence as needed
	Federal Programs - Jayne Green	identify risks and notify Federal Programs Monitoring - Tracy Webb
	Federal Programs - Jayne Green and Fiscal Support - Cindy Smith	review monthly reimbursement report by LEA for allowability and approve for reimbursement
	Fiscal Support - Cindy Smith	Districts with unallowable expenditures will be contacted and require movement of expenditure to another fund source. Expenditure disputes will be forwarded to Federal Programs - Jayne Green.
	Federal Programs - Jayne Green	Districts with unallowable expenditures will be removed from reimbursement file
	Federal Programs - Jayne Green	send revised reimbursement file to Federal Programs- Bobby Lester
	Federal Programs - Bobby Lester	send revised reimbursement file to Federal Grants Management - Amy Thomas for correction.
	Federal Grants Management - Amy Thomas	send final reimbursement file to Federal Programs - Bobby Lester
	Federal Programs - Bobby Lester	send final reimbursement file to Federal Programs - Jayne Green for final approval
	Federal Programs - Jayne Green	review final reimbursement file, approve and send to Federal Programs - Bobby Lester
	Federal Programs - Bobby Lester	send final reimbursement file for payment approval to Federal Grants Management
	Federal Grants Management - Amy Thomas	provide reimbursement; no reimbursement will be provided unless prior month revenue is received.
	Team Responsible	Activity
Federal Programmatic and Fiscal Monitoring	Federal Monitoring - Tracy Webb	Review spreadsheet monthly and consult with Fiscal Support and Federal Programs for identified risks
	Federal Monitoring - Tracy Webb	request supporting evidence as needed

	Federal Monitoring - Tracy Webb	Determine need for additional monitoring and/or on-site monitoring
	Team Responsible	Activity
Internal Controls	PSA - Internal Control - Dr. Mitzi Smith	Conduct yearly review of Standard Operating Procedures, including records retention, and internal controls. Report to Assistant Commissioner.
	DESE Office of Internal Audit - Traci Boyd	Conduct internal audit reviews of expenditures and internal controls at the SEA and LEA level. Report to Secretary of Education.

Arkansas Identified Risks and Internal Controls – Attachment B

Identifies **risks**, both internal and subrecipient risks, associated with implementing the program based on past performance and identifies strategies for mitigating such risks.

Please see the objectives, risks, and controls utilized by Arkansas:

Objective	Risk ID	Risk	Control	Functional Position
Ensure compliance with Federal statutes, regulations, and guidance pertaining to the Federal Program award.	18-0000-030	A deficiency detected through an audit is not monitored to ensure the subrecipient has taken timely and appropriate corrective action.	Coordinator of District Support, Title I, ESA reviews Corrective Action Plans submitted by LEAs, as a result of an audit finding to address compliance anomalies. Coordinator of District Support, Title I, ESA follows up with a monitoring process to ensure any needed Corrective Action Plan(s) are implemented. Significant audit findings may result in onsite monitoring.	Coordinator of District Support, Title I, ESA
Ensure compliance with Federal statutes, regulations, and guidance pertaining to the Federal Program award.	18-0000-001	Activities performed, or approved for subgrantees to perform, are not allowable per grant guidelines.	Coordinator of District Support, Title I, ESA notifies LEAs of non-allowable activities or expenditures through letters uploaded into Indistar. All documents are archived in the Federal Programs share drive which is backed up by DESE.	Third Party Coordinator of District Support, Title 1, ESA
Ensure compliance with Federal statutes, regulations, and guidance pertaining to the Federal Program award.	18-0000-012	Amounts provided to eligible individuals or awarded to subrecipients is not properly approved; or proper documentation supporting eligibility of participants is not maintained.	Coordinator of District Support, Title I, ESA maintains a list of eligible LEAs. CARES Act ESSER funds are allocated by formula. Allocations are posted on the DESE website.	Coordinator of District Support, Title I, ESA
Ensure compliance with Federal statutes, regulations, and guidance pertaining to the	18-0000-036	Changes made to issuances, policies, laws or regulations are not communicated to grant staff.	Federal and state guidelines, regulations, laws, etc. are communicated to the Coordinator of District Support, Title I, ESA and the Federal Programs Coordinator through	Federal Grants Management-PSA Coordinator of District Support, Title 1, ESA Federal

Federal Program award.			meetings, emails, phone conferences, video conferences, national and state conferences, phone calls, website, etc.	Programs Coordinator
Ensure compliance with Federal statutes, regulations, and guidance pertaining to the Federal Program award.	18-0000-032	Documentation of subrecipient monitoring is not sufficient.	Coordinator of District Support, Title I, ESA archives all monitoring documents in the Federal Programs share drive which is backed up by DESE.	Coordinator of District Support, Title I, ESA
Ensure compliance with Federal statutes, regulations, and guidance pertaining to the Federal Program award.	18-0000-003	Expenditures charged to a grant are not supported by the required documentation.	Coordinator of District Support, Title I, ESA approves all ESSER applications. LEAs are responsible for documentation of all expenditures for CARES Act - ESSER. Fiscal Support Team will review expenditures weekly and notify Federal Programs of any potential issues. Coordinator of District Support, Title I, ESA approves reimbursement requests. Coordinator of District Support, Title I, ESA oversees the implementation of any Corrective Action required by the LEA. LEAs may repay funds if Corrective Action is not complete or timely.	Fiscal Support Team Coordinator of District Support, Title 1, ESA
Ensure compliance with Federal statutes, regulations, and guidance pertaining to the Federal Program award.	18-0000-026	Required reports are not submitted timely.	LEAs submit the completed forms by a targeted deadline communicated in the Indistar system, Commissioner's Memos, email, phone, conferences, etc. Records are maintained in Indistar and submitted to the Coordinator of District Support, Title I, ESA through the Academic Development Institute (ADI). All documents are archived in the Federal Programs share	Coordinator of District Support, Title I, ESA Third Party

			drive which is backed up by DESE.	
Ensure SEA properly complies with all laws and regulations related to CARES Act.		DESE risks being out of compliance with CARES Act regulations.	Coordinator of District Support, Title I, ESA reports data into the Consolidated State Performance Report (CSPR) or other data collection tool and maintains records as per Uniform Grants Guidance.	Coordinator of District Support, Title I, ESA
Ensure Federal funds are used to the fullest extent for specified purposes	18-0000-035	Deadlines for deliverables are not on schedule or are not met.	Commissioner's Memos, phone calls, face to face, Indistar, conferences, emails including guidance, video conference, are used to communicate applications, forms, deadlines, and deliverables by the Coordinator of District Support, Title I, ESA.	Coordinator of District Support, Title I, ESA
Ensure Federal funds are used to the fullest extent for specified purposes	18-0000-033	The full amount of the grant was not utilized.	Coordinator of District Support, Title I, ESA reviews grant balances quarterly.	Coordinator of District Support, Title I, ESA
Ensure that the individuals performing the work have the skills and capacity to do so, and to provide employees with appropriate supervision, monitoring, and training to reasonably assure that the office has the capability to carry out its work.	14-0500.PSA-614	All subprograms are complex and can result in a lack of understanding, employee conflict, poor decisions and inadequate technical support, which can ultimately cause harm to the overall program.	Coordinator of District Support, Title I, ESA will provide the necessary guidance and training to help minimize errors and to ensure that staff understand all program regulations; clearly communicate the duties and responsibilities assigned to those performing the activities; and monitor, review and approve, as appropriate, the work of those performing the activity to ensure the work is performed correctly and that technical assistance/support is provided in a timely manner.	Coordinator of District Support, Title I, ESA

Arkansas Primary Documentation – Attachment C

Describes how the Grantee will ensure the existence of **primary documentation** necessary to support fiscal reviews, including audits (single audit and audits by the Office of the Inspector General) and Improper Payment assessments, as requested by the Department or the Department’s contractor.

The SEA, Arkansas Division of Elementary and Secondary Education (DESE), retains Fiscal Records in accordance with the [Arkansas Records Retention Schedule](#). Generally, the schedule requires that financial records be retained until the State Legislative Auditor authorizes their disposal. The ADE Finance Office will retain the originals of most financial documents such as: State Treasury deposits, Interoffice Requests, vendor contracts, invoices, ADE employee TR-1s, grant payment requests, Purchasing Card records, budgets, general ledger documents, risk assessments, audits, bid documents, equipment inventory records, employee benefit files. (excerpt from DESE Financial Policy and Procedures Manual)

Arkansas requires LEAs retain primary documentation for all expenditures from ESSER funds. Guidance is provided on the CARES Act webpage <http://dese.ade.arkansas.gov/divisions/public-school-accountability/federal-programs/cares-act> As noted in the Management Structure – Attachment A, DESE team members may request a copy of the primary documentation as evidence during the tiered monitoring process:

Fiscal Support-Cindy Smith	request supporting evidence based on spending threshold; spending pattern with a vendor; unknown vendor; unidentified expenditure
Federal Programs - Jayne Green	request supporting evidence as needed

Webpage excerpt: What are the retention requirements for ESSER funds records?

Financial records, supporting (primary) documents, and all documentation of reasonable, necessary, and allocable must be retained for four (4) years from the date of submission of the final expenditure report. 2 CFR § 200.333

Arkansas Risk Assessment – Attachment D

Revised risk assessment and ranks and prioritizes LEAs with consideration for new criteria identified as a result of receiving ESSER funds.

Arkansas utilizes a tiered monitoring process that includes a risk assessment (see below) for all LEAs. The risk assessment is updated monthly as DESE staff desk monitors (Tier 1) all LEAs. Please see the risk assessment below from 2020-2021 Federal Programs Programmatic and Financial Monitoring Tool:

Risk Assessment

A risk assessment will be completed annually to assist DESE in identifying districts which may be at risk of not being in compliance with state or federal laws or requirements. Evidence for the risk assessment will be collected throughout the school year and scores updated to reflect new information. All LEAs earning 50 points or more on the risk assessment will be considered high risk for an onsite monitoring.

Risk Criteria	Value	Points Earned
District uses a private auditor or had an audit finding in previous year	30	
District has 40% or more students in need of support in reading in previous state assessment	20	
District or school has a Probation or Citation during previous year	20	
District is identified as high risk by any DESE unit or division	20	
District has been identified as fiscal distress or early intervention	15	
District or school was late in submitting a budget or required report	10	
District had expired federal funds during previous year	10	
District has a new bookkeeper	10	
District has a new superintendent	10	
District has not participated in an onsite monitoring in the last five (5) years	5	
TOTAL POINTS	150	

As noted in the Management Structure – Attachment A, DESE desk monitors (Tier 1) each LEA's ESSER fund expenditures prior to reimbursement of funds. In addition, any identified risks to using ESSER funds (expenditures that are not reasonable, necessary, and allowable) are added to the overall risk of the LEA and may increase the need for on-site monitoring (Tier 4).

Please see excerpt from Risk Assessment provided above:

District is identified as high risk by any DESE unit or division 20

Please see examples below from Management Structure – Attachment A:

Fiscal Support-Cindy Smith identify risks and notify Federal Programs (Jayne Green)

Federal Programs - Jayne Green identify risks and notify Federal Programs Monitoring - Tracy Webb

Arkansas Revised Monitoring Protocol – Attachment E

Development and implementation of revised **monitoring protocols**;

Arkansas included CARES Act – ESSER funds in the 2020-2021 Federal Programs Programmatic and Financial Monitoring Tool. The complete tool is posted on the DESE Website at

http://dese.ade.arkansas.gov/public/userfiles/Public_School_Accountability/Federal_Programs/FEDERAL_PROGRAMS_MONITORING_TOOL_2020-2021.pdf

Please note that CARES Act – ESSER funds are included in the Overarching Programmatic Requirements (page 10) and CARES Act – ESSER (page 32).

Arkansas Monitoring Schedule – Attachment F

Schedule for subrecipient monitoring, including both programmatic and fiscal issues, based upon the Grantee’s revised risk assessment.

Please see the monitoring schedule for CARES Act – ESSER funds.

CARES Act - ESSER Funds - Monitoring Schedule for LEAs	
Tier 1 (desk monitoring)	<p>Programmatic: All LEA applications are monitored (Tier 1). Any issue is identified and the LEA is contacted (Tier 2). All letters are posted in Indistar.</p> <p>Fiscal: All LEA expenditures are monitored twice a month. Monitoring is documented.</p>
Tier 2 (request additional information)	<p>Additional documentation is requested as needed from the LEA.</p> <p>Please see Arkansas - CARES Act - ESSER Funds - Standard Operating Procedures (Management Structure)</p>
Tier 3 (deeper dive into data or evidence)	<p>DESE completes a deeper dive into data and evidence for LEAs identified for risks, sampling, or request. DESE completes a written monitoring document.</p> <p>A written request for documents and other evidence is sent to the LEA. (programmatic and fiscal)</p>
Tier 4 (on-site monitoring)	<p>LEAs identified for risks, sampling, or request.</p> <p>After careful review of documents (Tier 3) any unanswered, undocumented, or unresolved issues will be investigated during on-site monitoring visit (Tier 4).</p> <p>Monitoring visits are scheduled each month after the risk assessment is updated with the latest information.</p> <p>LEA on-site monitoring is scheduled September through May each year. (programmatic and fiscal)</p>