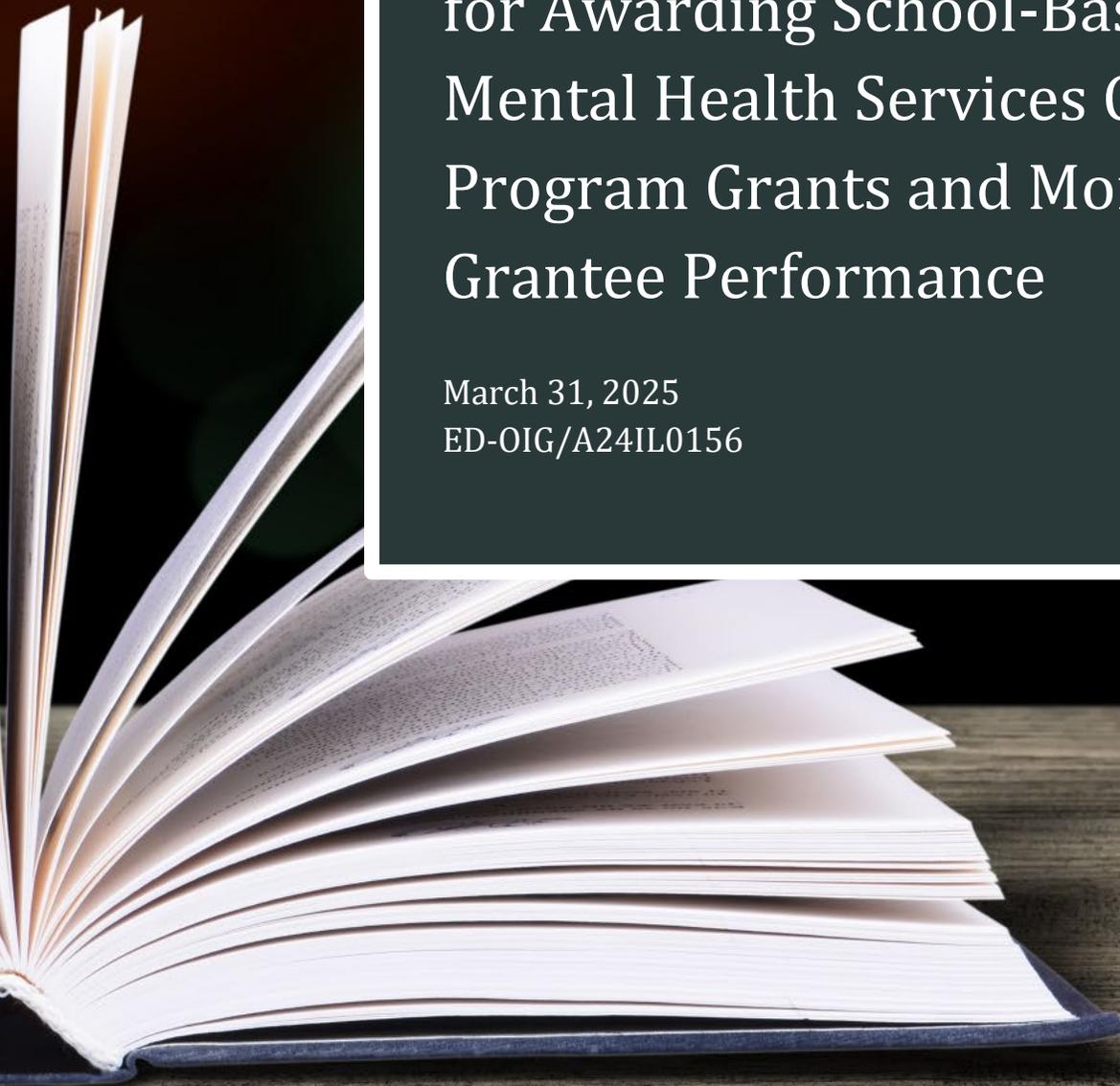




U.S. Department of Education
Office of Inspector General

Office of Elementary and Secondary Education's Processes for Awarding School-Based Mental Health Services Grant Program Grants and Monitoring Grantee Performance

March 31, 2025
ED-OIG/A24IL0156



NOTICE

Statements that managerial practices need improvements, as well as other conclusions and recommendations in this report, represent the opinions of the Office of Inspector General. The appropriate Department of Education officials will determine what corrective actions should be taken.

In accordance with Freedom of Information Act (Title 5, United States Code, Section 552), reports that the Office of Inspector General issues are available to members of the press and general public to the extent information they contain is not subject to exemptions in the Act.



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL

Audit Services

March 31, 2025

TO: Hayley Sanon
Acting Assistant Secretary for Elementary and Secondary Education

FROM: Sean Dawson /s/
Assistant Inspector General for Audit

SUBJECT: Final Audit Report, "Office of Elementary and Secondary Education's Processes for Awarding School-Based Mental Health Services Grant Program Grants and Monitoring Grantee Performance," Control Number ED-OIG/A24IL0156

Attached is the subject final report that consolidates the results of our audit of the Office of Elementary and Secondary Education's awarding and monitoring of School-Based Mental Health Services Grant Program grants. We received your office's comments disagreeing with the recommendations in our draft report.

U.S. Department of Education policy requires that you submit a corrective action plan within 30 days of the issuance of this report. The corrective action plan should set forth the specific action items and targeted completion dates necessary to implement final corrective actions on the findings and recommendations contained in this final audit report. Corrective actions that your office proposes and implements will be monitored and tracked through the Department's Audit Accountability and Resolution Tracking System.

In accordance with the Inspector General Act of 1978, as amended, the Office of Inspector General is required to report to Congress twice a year on recommendations that have not been completed after 6 months from the date of issuance.

We appreciate your office's cooperation during this audit. If you have any questions, please contact me at (202) 245-6268 or Jonathan Enslen, Assistant Director, Elementary and Secondary Education Oversight Team, at (312) 730-1620 or Jonathan.Enslen@ed.gov.

Attachment



Results in Brief

Office of Elementary and Secondary Education's Processes for Awarding School-Based Mental Health Services Grant Program Grants and Monitoring Grantee Performance

Why Did the OIG Perform This Audit?

Increases in mental health needs resulting from traumatic events have brought challenges that affect students' ability to fully engage in learning. The School-Based Mental Health Services (SBMH) Grant Program aims to address these challenges by increasing the number of credentialed mental health services providers providing school-based mental health services to students in local educational agencies (LEA) with demonstrated need. The U.S. Department of Education's (Department) Office of Elementary and Secondary Education (OESE) competitively awarded 6 new 5-year grants totaling about \$11.1 million and 1 new \$2.5 million 5-year grant in fiscal years 2020 and 2021, respectively. In fiscal year 2022, OESE awarded 103 new 5-year grants totaling about \$131.8 million.

The objective of our audit was to determine whether OESE implemented processes to provide reasonable assurance that it awarded SBMH Grant Program grants in accordance with grant requirements and Department policy and monitored grantee performance. Our audit covered OESE's processes for awarding grants during the fiscal year 2022 SBMH Grant Program competition and for monitoring the performance of the seven grantees included in the fiscal years 2020 and 2021 cohorts.

What Did the OIG Find?

OESE generally implemented processes that provided reasonable assurance that it awarded SBMH Grant Program grants in accordance with grant requirements and Department policy. It completed processes for peer review in accordance with Department policy; however, OESE did not screen grant applications to ensure that they met all application requirements before entering them into the peer review process. Additionally, OESE assessed applicant risk before awarding grants; however, it did not retain all risk assessment records that Department policy requires ([Finding 1](#)).

OESE did not always implement post-award activities as designed. Specifically, OESE did not design, finalize, and implement SBMH Grant Program monitoring plans. Additionally, its reviews of grantees' annual performance reports (APR) were limited to ensuring that the APRs included information in each section. Finally, while OESE designed risk mitigation strategies for fiscal year 2020 grantees with elevated risk, it did not keep records showing that it implemented the strategies as designed ([Finding 2](#)).

What Is the Impact?

OESE awarded SBMH Grant Program grants without ensuring that it had all information needed to compare each grantee's performance with the goals established in their approved applications. It also might not have timely helped all grantees that needed the help to meet their approved goals. Additionally, OESE, Congress, and the public do not have assurances that SBMH Grant Program grantees are effectively using their funds and increasing the number of credentialed school-based mental health services providers and likelihood that credentialed providers stay in their positions in LEAs with demonstrated need.

What Are the Next Steps?

We recommend that the Assistant Secretary for Elementary and Secondary Education require OESE to review the work of program officers to ensure that for future SBMH grant competitions they (a) screen all grant applications for all application requirements before entering them into the peer review process, (b) ensure that review of requirements checklists are completed before making new SBMH Grant Program awards, and (c) consistently follow existing records retention policies for official grant files. We also recommend that the Assistant Secretary verify that OESE has developed, finalized, and implemented a detailed monitoring plan that includes steps for reviewing grantees' progress towards meeting the goals in their approved applications and procedures for reviewing grantees' APRs and documenting its reviews of those APRs.

We provided a draft of this report to OESE for comment. We summarized OESE's comments and provided our responses at the end of each finding. We also provide the full text of OESE's January 17, 2025, comments at the end of the report.

Table of Contents

Introduction	1
Finding 1. OESE Generally Implemented Discretionary Grant Awarding Processes in Accordance with Department Policy	4
Finding 2. OESE Did Not Always Implement Post Award Activities as Designed	10
Appendix A. Scope and Methodology.....	16
Appendix B. Acronyms and Abbreviations.....	20
OESE Comments.....	21

Introduction

Background

Increases in mental health needs resulting from traumatic events have brought challenges that affect students' ability to fully engage in learning. The School-Based Mental Health Services (SBMH) Grant Program¹ aims to address these challenges by increasing the number of credentialed school-based mental health services providers providing services to students in local educational agencies (LEA) with demonstrated need. It is a competitive, discretionary grant program authorized under section 4631(a)(1)(B) of the Elementary and Secondary Education Act of 1965, as amended (20 U.S.C. 7281).

The Bipartisan Safer Communities Act (Public Law 117–159) authorized approximately \$2 billion for the U.S. Department of Education (Department) to fund activities to support school improvement programs, safe schools, and citizenship education. This included approximately \$500 million in additional funding for the Mental Health Service Professional Demonstration Grant Program and \$500 million in additional funding for the SBMH Grant Program for fiscal year 2022 (October 1 through September 30) through fiscal year 2026.

The Department's Office of Elementary and Secondary Education (OESE) Office of Safe and Supportive Schools administers, coordinates, and recommends policy. It also administers grant programs, including the Mental Health Service Professional Demonstration Grant Program and the SBMH Grant Program, and oversees technical assistance centers addressing the overall safety and health of the school community. In fiscal years 2020 and 2021, respectively, it competitively awarded six new 5-year SBMH Grant Program grants totaling about \$11.1 million and one new 5-year \$2.5 million grant. The number and amount of SBMH Grant Program awards significantly increased in fiscal year 2022. Using funding from the Consolidated Appropriations Act for fiscal year 2022 and the Bipartisan Safer Communities Act, OESE competitively awarded 103 new 5-year grants totaling about \$132 million.

Absolute Priorities, Applicant and Application Eligibility, Application Requirements, and Processes for Awarding Grants and Monitoring Grantee Performance

SBMH Grant Program grants are available to applicants that meet one of the program's two absolute priorities: (1) State educational agencies (SEA) that have LEAs with

¹ Assistance Listing Number 84.184H.

demonstrated need or (2) LEAs or consortia of LEAs with demonstrated need. LEAs have demonstrated need if they have (1) a high student to mental health services provider ratio as compared to other LEAs statewide or nationally; (2) high rates of community violence, poverty, substance use, suicide, or trafficking; or (3) a significant number of students who are migratory, experiencing homelessness, have a family member deployed in the military or with a military-service connected disability, have experienced a natural or man-made disaster or a traumatic event, or have other adverse childhood experiences. SEA applications had to include a description of the LEAs with demonstrated need (as designated by the SEA) to be served by the proposed project. LEA or consortia of LEAs' applications had to include a description of how the LEA, or each LEA in the consortia, meets the definition of an LEA with demonstrated need.

A SBMH Grant Program grant application should only be considered for funding if the (1) applicant is eligible; (2) applicant follows all the procedural rules that govern submitting the application; (3) application contains the information required under the program; and (4) proposed project can be funded under the authorizing statute and implementing regulations of the program. In addition, the grant application should

1. describe the LEAs with demonstrated need designated by the SEA to be served by the proposed project;
2. describe how the LEA, or each LEA in the proposed consortium, if applicable, meets the definition of an LEA with demonstrated need;
3. describe the importance and magnitude of the lack of school-based mental health services providers and its effect on students in the LEA(s) to be served by the grant;
4. describe the approach to increase the number of credentialed school-based mental health services providers;
5. include a detailed budget with proposed non-Federal matching funds;
6. show the number of school-based mental health services providers, including the most recent number of providers and the projected number of providers;
7. include a plan for collaboration and coordination with Federal, State, and local organizations and school-based efforts;
8. explain how grant funds will be used to supplement, not supplant, non-Federal funds and expand, not duplicate, efforts to increase the number of credentialed school-based mental health services providers; and
9. explain how the applicant plans to ensure prompt delivery of mental health services to students.

Department Directive OFO-F-01, “Handbook for the Discretionary Grant Process” (Handbook), and OESE’s application technical review plan (ATRP) covering the SBMH Grant Program describe the application screening, peer review, and risk assessment processes that the Department and OESE designed for awarding discretionary grants. Section 3.4.4 of the Handbook and section III of the ATRP state that the program office must conduct initial eligibility reviews on all grant applications. Applications should only be entered into the peer review process if the applicant is eligible and the application contains the information required under the program. During the peer review process, a panel of peer reviewers should score applications based on how well they meet the application requirements, selection criteria, and competitive preference priorities outlined in the notice inviting applications.² The program office should rank the applications according to their peer review scores. After the peer review process, the program office should review each application expected to be funded for the applicant’s proposed project activities and budgets and complete a risk assessment of each applicant. During the risk assessment, the program office should consider information from past audits, Federal Awardee Performance and Integrity Information System (FAPIS)³ information, and the competencies of the applicant’s key personnel.

According to section 6.3.3 of the Handbook, principal officers should ensure that program monitoring plans are developed, maintained, and evaluated to assess effectiveness and make improvements, as appropriate. Section 6.3.2 states: “Program offices monitor active discretionary grants with a focus on technical assistance (TA), continuous improvement, and attaining promised results and reliable performance and financial data.” They should conduct monitoring to ensure that grantees make progress against the established performance measures and project measures; provide reliable data that demonstrate the effectiveness and quality of their projects; and follow their approved applications and any approved amendments.

² 87 Federal Register 60137–60144

³ FAPIS is the Federal government’s designated integrity and performance system established to aid Federal agencies in determining whether an applicant or grantee is qualified for an award.

Finding 1. OESE Generally Implemented Discretionary Grant Awarding Processes in Accordance with Department Policy

OESE generally implemented processes that provided reasonable assurance that it awarded SBMH Grant Program grants in accordance with Department policy. It completed the processes for peer review and risk assessment of applications that were likely to be funded in accordance with the Handbook and OESE's ATRP. However, OESE did not (1) screen grant applications to ensure that they met all application requirements before entering them into the peer review process, (2) design or include an individual requirements checklist in the technical review forms provided to peer reviewers, or (3) retain all risk assessment records in accordance with the Handbook.

OESE Generally Implemented Processes for Peer Review and Risk Assessment in Accordance with Department Policy and Its ATRP

OESE screened each application to determine whether the applicant was eligible and its application met one of the two absolute priorities for the SBMH Grant Program. However, it did not screen each application to ensure that it met all SBMH Grant Program [application requirements](#) before entering the application into the peer review process. According to section 3.4.4 of the Handbook, a program office must conduct initial eligibility reviews of all applications. An application should be entered into the peer review process only if (1) the applicant is eligible, (2) the applicant has followed all procedural rules that govern submitting the application, and (3) the application contains the information required under the program. According to section III of its ATRP, OESE should screen applications to determine whether they meet eligibility requirements, absolute priorities, and application requirements.

OESE provided training to peer reviewers before the peer review process. The training described the purpose of the SBMH Grant Program, absolute priorities, competitive preference priorities, grant application requirements, selection criteria, and peer reviewers' roles and responsibilities. Using technical review forms, peer reviewers scored SBMH Grant Program applications based on how well they met the selection criteria and competitive priorities. However, the technical review forms did not show whether they reviewed applications to determine whether they met all SBMH Grant Program application requirements.

According to attachment K of the ATRP, peer reviewers were to use an individual review of requirements checklist to indicate whether the application satisfactorily addressed statutory and other requirements. They also were to list any requirements that the

application did not meet. The individual review of requirements checklist should have been included in the technical review form. However, OESE did not design or include such a checklist in the technical review forms it provided to peer reviewers.

OESE employees told us that they reviewed each SBMH Grant Program application for one of the [application requirements](#) (budget) if they expected to fund the application. According to the grant funding slate for the fiscal year 2022 competition, OESE reviewed each grantee's budget after the peer review process to ensure that the proposed costs were allowable, allocable, and reasonable, and applicants proposed the required annual match in their budget. However, OESE did not determine whether the applicant requested a waiver to the non-Federal matching requirement. OESE planned to address requests for a waiver after funding awards. According to sections 3.7.1, 4.3.A, and 4.3.B of the Handbook, program offices should review applications after the peer review process and before making funding recommendations. The review should include the applicant's budget, including the proposed non-Federal matching funds, and any concerns that the peer reviewers identified in their technical review forms.

OESE employees also told us that they made a concerted effort to adhere to the guidance provided in the Handbook when awarding fiscal year 2022 SBMH Grant Program grants. However, because of the large number of applications (265) that had to be reviewed and time constraints related to the Bipartisan Safer Communities Act, they made a risk-based decision to only review applications to determine eligibility on a broad scale before entering them into the peer review process. They also told us that it is not inconsistent with the Handbook to finalize eligibility determinations after, rather than before, peer review when doing so is necessary to ensure the timely award of grants. According to section 3.2.1.B.6 of the Handbook, if a program office decides there is a need to deviate from or change an ATRP, and the deviation or change is substantive, it must submit the revision to its program attorney for review. After the program attorney's review, program officials must submit the revision and a written justification to the principal officer for review and approval. The revised ATRP and the written justification must be retained in the grant competition file. OESE employees told us that they did not consult with their program attorney before deciding not to review applications for all application requirements before the peer review process.

As a result of not always following the Handbook and ATRP, OESE might have awarded SBMH Grant Program grants without all the information needed to compare grantees' performance with the goals established in their approved applications. To determine whether deviating from the Handbook and ATRP had any effect, we selected and reviewed a nonstatistical stratified random sample of 21 (20 percent) applications from the population of 103 new grants awarded based on the fiscal year 2022 SBMH Grant Program competition. Six (29 percent) of the 21 applications did not meet 1 or more of

the 9 application requirements included in the notice inviting applications. Two of those six applications did not include the most recent number of school-based mental health services providers, five did not include a description of how the applicant planned to ensure prompt delivery of mental health services to students, and one did not meet either of these application requirements.

Without including the most recent number of school-based mental health services providers, the Department cannot determine how many new providers can be attributed to the SBMH Grant Program. Additionally, without a description of how applicants planned to ensure prompt delivery of mental health services to students, the Department does not have assurances that LEAs will timely provide mental health services to students who need them.

OESE Assessed Applicant Risk Before Making New Awards but Did Not Retain All Records Relevant to Those Risk Assessments

OESE assessed applicant risk before awarding new grants based on the fiscal year 2022 SBMH Grant Program competition in accordance with Department policy. However, it did not retain all risk assessment records. Specifically, OESE did not retain records documenting its reviews of grantees with missing audits and risk score data or its review of the competencies of grantees' key personnel.

According to section 4.6.A of the Handbook, the program office should conduct risk assessments, including but not limited to assessments related to available audit information, key personnel, applicants' competencies, and FAPIIS before making new grant awards. It should also review the resumes of key personnel to ensure that they have not been disbarred from participating in Federal programs. If the program office learns that an applicant failed to file an audit in any prior years or cannot confirm that an applicant complied with its obligation to file the required audit, it should place a risk-related condition on the grant award notification requiring the submission of the missing audit or audits. Additionally, if the program office finds unsatisfactory information in FAPIIS, it may still fund the award but only if it determines that the unsatisfactory information is not relevant to the award or it can apply specific conditions to mitigate the effects of the risk.

We reviewed the data that OESE provided to us for all 103 grantees awarded a grant based on the fiscal year 2022 SBMH Grant Program competition. OESE's records for 21 (20 percent) of the 103 grantees were missing audit information, risk scores, or both. For 7 (33 percent) of the 21, OESE indicated that the applicant might not have submitted required audit information based on the year of the last audit on file. For 14 (67 percent) of the 21, the data indicated that no audit information or risk scores

were available. OESE employees told us that the data was not available at the time they needed it because the 14 applicants had not yet obtained the required unique entity identifier.

OESE employees also told us that they reviewed (1) the 7 applicants with potentially missing audits and determined that they did not need to place any special conditions in the grant award notification, (2) data for the 14 applicants that did not have a unique entity identifier at the time they retrieved the data, and (3) key competencies and exclusion information for all 103 grantees' key personnel. However, OESE did not provide us records documenting their reviews or showing their determinations regarding whether additional audit information was required, risk mitigation strategies were necessary, or grantees posed a significant risk if funded.

According to section 3.3.B of the Handbook, the program office should incorporate into the grant competition files any legal documents governing a grant competition, including records of its assessments of grantee risk and the results of its risk assessments. Without records detailing its reviews for prior audit and FAPIIS information for the 21 grantees and risk assessment determinations on the competencies of key personnel for all 103 grantees, OESE did not have assurances that the program office completed the required risk assessments, identified all grantees with elevated risk, and developed strategies to mitigate the risks before awarding the grants.

Recommendations

We recommend that the Assistant Secretary for Elementary and Secondary Education require OESE to review the work of program officers to ensure that for future SBMH grant competitions they—

- 1.1 Screen all grant applications for all application requirements before entering them into the peer review process and ensure that review of requirements checklists are completed before making new awards.
- 1.2 Consult with their program attorney, create a written justification, and obtain the principal officer's approval before deviating from or changing the ATRP.
- 1.3 Consistently follow records retention policies for official grant files as described in the Handbook.

OESE Comments

OESE disagreed with the first part of Recommendation 1.1, stating that a full, detailed review of every application before peer review was not feasible for the fiscal year 2022 SBMH Grant Program competition because of the limited number of program office

employees and tight Congressional timelines. OESE added that it needed to make risk-based decisions and adjustments to administer the fiscal year 2022 grant competition effectively and efficiently. Program officials reviewed applications initially to determine eligibility broadly before sending them to peer reviewers. After peer review, they completed comprehensive eligibility reviews on the highest scoring applications. Regarding the second part of Recommendation 1.1, OESE stated that it agreed that requirement checklists can be beneficial but disagreed with the recommendation to make checklist completion the responsibility of peer reviewers.

Regarding Recommendation 1.2, OESE stated that the Handbook does not use the term “prior approval” in the context of program attorneys. The audit report should not suggest that prior approval from the program attorney is needed before deviating from the ATRP.

OESE disagreed with Recommendation 1.3, stating that it has consistently practiced records retention practices for the fiscal year 2022 SBMH Grant Program cohort and subsequent cohorts in accordance with the Handbook. Grant files include any administrative changes to the grant, key email communications, notes from grantee performance-related calls, reviews of drawdown reports, and grantee performance reports.

OIG Response

We added clarification regarding deviations from an ATRP and modified Recommendation 1.1 based on OESE’s comments on the draft of this report (see [OESE Comments](#)). We also modified Recommendation 1.2 based on technical comments that OESE provided after its January 17, 2025, comments on the draft report. We did not make any other changes to the finding or Recommendation 1.3 based on OESE’s comments.

Regarding the first part of Recommendation 1.1, OESE’s ATRP for the fiscal year 2022 SBMH Grant Program competition stated that program office employees were to screen grant applications to determine whether they met eligibility requirements, absolute priorities, and application requirements **before** entering them into the peer review process. Both the Handbook (section 3.2.1.B.6) and OESE’s ATRP allow for the program office adjusting the processes for a grant competition. However, the program office must consult with its program attorney before doing so. OESE did not provide evidence showing that the program office consulted with its program attorney before adjusting the processes for screening and reviewing grant applications for the fiscal year 2022 competition. We changed the second part of Recommendation 1.1 from recommending that peer reviewers complete review of application requirements checklists to OESE

ensuring that review of requirements checklists are completed before making new awards.

Regarding Recommendation 1.3, OESE did not provide evidence showing that it used outreach templates, conducted monitoring calls, undertook additional tracking of performance data, and included administrative changes to the grant in its official SBMH Grant Program file.

Finding 2. OESE Did Not Always Implement Post Award Activities as Designed

OESE did not always implement post-award activities as designed. Specifically, OESE

- did not design and implement post-award program monitoring plans,
- had not performed desk reviews of any grantees since the inception of the SBMH Grant Program in fiscal year 2020,
- did not retain records showing that it implemented the risk mitigation strategies that it designed in fiscal year 2022 for fiscal year 2020 grantees,
- limited its reviews of the fiscal year 2022 annual performance reports (APR) submitted by grantees included in the fiscal years 2020 and 2021 cohorts to ensuring that the grantees provided information for each section of the APR,
- did not address the quality of grantees' reported data or the grantees' progress toward meeting goals during reviews of APRs, and
- limited its monitoring efforts to providing technical assistance and reviewing grantees' drawdown reports.

OESE Did Not Design and Implement Post-Award Program Monitoring Plans, or Perform Desk Reviews

OESE did not design and implement post-award program monitoring plans for the grantees included in the fiscal years 2020, 2021, and 2022 SBMH Grant Program cohorts. Additionally, as of August 2024, it had not completed desk reviews of any of the 110 SBMH Grant Program grantees since the program's inception in fiscal year 2020.

OESE employees told us that following the significant increase in the number of new SBMH Grant Program grants awarded based on the fiscal year 2022 competition, they began designing a program monitoring plan for the fiscal year 2022 cohort in December 2023. However, OESE had not finalized the design or implemented that program monitoring plan as of the end of our audit work in September 2024. As a result, OESE employees have limited written procedures to guide their monitoring activities, including their monitoring of grantee performance and evaluating grantee progress toward meeting approved goals.

OESE Designed Risk Mitigation Strategies for Grantees with Elevated Risk but Did Not Retain Records to Show that it Implemented the Strategies as Designed

OESE assessed risk during fiscal year 2022 for the seven grantees included in the fiscal years 2020 and 2021 cohorts. It also designed risk mitigation strategies to address all six grantees from the fiscal year 2020 cohort. However, OESE provided little evidence showing that it implemented the risk mitigation strategies as designed.

According to its “Non-Competing Continuation Award SBMH Grant Fiscal Year 2021 Grant Funding Slate,” OESE planned to implement one or more of the following strategies to mitigate grantees’ elevated risk: (1) discuss identified issues or risks during monthly or quarterly performance calls, (2) work collaboratively with the grantees to establish a plan of action for addressing the risk levels, (3) monitor grantees’ progress and financial drawdowns monthly rather than quarterly, (4) ongoing communication with the project director, or (5) conduct site visits. OESE employees told us that they did not conduct site visits for any of the six grantees from the fiscal year 2020 cohort. They provided us with emails to show that they had ongoing communication with the six grantees. However, the emails were about providing technical assistance on interim performance reports and APRs, and they were not retained in official grant files. OESE employees also told us that they conducted performance calls to discuss issues, risks, or both, but did not provide us with records of the calls. They also did not provide us with records showing that OESE established an action plan for addressing identified issues, risks, or both, or showing that it monitored the six grantees’ drawdowns monthly.

Without records documenting post-award monitoring activities, OESE cannot demonstrate that it implemented the five risk mitigation strategies that it designed to provide reasonable assurance that SBMH Grant Program funds were being effectively used to increase the number of credentialed school-based mental health services providers.

OESE’s Reviews of APRs Did Not Ensure that Grantee Data were Accurate and Complete or that Grantees were Making Progress Toward their Approved Goals

OESE’s reviews of the fiscal year 2022 APRs submitted by the seven grantees included in the fiscal years 2020 and 2021 cohorts did not provide reasonable assurance that grantees submitted accurate and complete data or were making progress towards their approved goals. OESE provided us with a spreadsheet documenting its reviews of the seven APRs. However, the spreadsheet showed that OESE’s reviews were limited to ensuring that the grantees completed each section of their APRs. It did not show that

OESE's reviews addressed the quality of the data that grantees reported and included assessments of the grantees' progress toward meeting approved goals, or whether OESE discussed any concerns about the APRs with the grantees.

OESE employees told us that a contractor completed more comprehensive reviews of the performance data included in grantees' APRs and provided technical assistance to grantees as necessary. However, the records that OESE provided to support the contractor's reviews showed that the work was limited to aggregating the performance data reported in the APRs. OESE did not provide any records to show that the contractor ensured that grantees reported accurate and complete performance data.

We reviewed all the fiscal year 2022 APRs submitted by the seven grantees included in the fiscal years 2020 and 2021 SBMH Grant Program cohorts. Three of the seven APRs were missing information about target performance and actual performance or included information that might have been inaccurate. For example, the reported target and actual performance data in one APR was different than the information in the grantee's performance explanation, with no indication as to which was correct. The three APRs also did not include explanations for one or more of the five performance measures required by the Government Performance and Results Act of 1993. OESE employees said that the grantees did not receive communication or technical assistance regarding the missing or potentially inaccurate data.

According to section 6.3.3 of the Handbook, principal officers should ensure that program monitoring plans are developed, maintained, and evaluated to assess effectiveness and make improvements, as appropriate. Section 6.3.2 states that the program office should monitor active discretionary grants with a focus on technical assistance, continuous improvement, and attainment of promised results and reliable performance and financial data. Monitoring should ensure that a grantee (1) makes progress against established performance measures and project measures; (2) provides reliable data that demonstrate the effectiveness and quality of the project; (3) adheres to all applicable laws, regulations, conditions of the grant, certifications, and assurances; and (4) follows its approved applications and any approved amendments.

Additionally, section 5.7 of the Handbook states that the program office should create an official grant file for each application awarded a grant and store detailed records of all monitoring activities in that file. An official grant file should contain records applicable to the grant program and the grant award, including APRs; internal assessment tools or notes of discussions regarding the APRs; and correspondence concerning the grant and grant monitoring. The program office should also complete an annual supervisory review of a sample of official grant files to ensure that they contain all required records.

Section 2.4.A of the Handbook states that the program office should collect data on performance to inform regular program improvements and to provide greater transparency to Congress and the public about the program’s impact. Because of the limited monitoring activities and lack of records supporting OESE’s implementation of risk mitigation strategies, we could not confirm that OESE timely helped grantees that needed help to meet their project goals. Additionally, without accurate and complete performance data, OESE cannot effectively use the data to help ensure grantees achieve expected results. Finally, OESE, Congress, and the public do not have reasonable assurance that SBMH Grant Program funds are being effectively used and increasing the (1) number of credentialed school-based mental health services providers and (2) likelihood that credentialed providers stay in their positions in LEAs with demonstrated need.

Recommendations

We recommend that the Assistant Secretary for Elementary and Secondary Education verify that OESE—

- 2.1 Developed, finalized, and implemented a program monitoring plan for the fiscal year 2022 SBMH Grant Program cohort. The plan should consider the use of desk reviews for a sample of grantees.
- 2.2 Retains records of all SBMH Grant Program monitoring activities, including but not limited to email and telephone communications, grantee performance-related calls, and reviews of drawdown reports and APRs, in official grant files.

We also recommend that the Assistant Secretary require OESE to—

- 2.3 Develop, finalize, and implement procedures for reviewing grantees’ APRs and documenting the reviews of those APRs. At a minimum, the review procedures should cover (a) the quality of Government Performance and Results Act of 1993 data, (b) how to assess a grantee’s progress toward achieving approved goals, and (c) follow up with grantees when the information they provide is inaccurate or incomplete.
- 2.4 Implement the risk mitigation strategies as designed in the grant funding slates for new SBMH Grant Program awards and noncompeting continuation awards.

OESE Comments

OESE did not state whether it agreed or disagreed with the finding but disagreed with Recommendations 2.1, 2.2, and 2.3. It did not comment on Recommendation 2.4.

Regarding Recommendation 2.1, OESE agreed that it did not initially have a formal, written monitoring plan in place specifically for the SBMH Grant Program. However, it stated that it has consistently implemented post-award monitoring and records retention practices for this and subsequent cohorts consistent with the Handbook. OESE stated that it has formalized its monitoring practices in a monitoring plan for the SBMH Grant Program. These practices include templates for outreach, monitoring calls, and additional tracking of performance data. These commonly shared tools ensure consistent monitoring practices across Federal project officers. OESE further stated that it has not had the budget or capacity to routinely conduct onsite visits with grantees.

Regarding Recommendation 2.2, OESE stated that it maintains grant files in alignment with the Handbook. The files include any administrative changes to the grant, key email communications, notes from grantee performance-related calls, reviews of drawdown reports, and grantee performance reports.

Regarding Recommendation 2.3, OESE stated that it reviews each grantee's interim performance report and APR to evaluate progress toward established goals and objectives. This includes reviewing them for the required government performance measures data, the grantee's explanation of its progress, budget balances, and expenditures. Program office employees and OESE's contractor maintain spreadsheets tracking these submissions and any follow-up contact.

OIG Response

We reconsidered OESE's not having the budget or capacity to routinely conduct onsite monitoring visits and removed that part of the finding and the associated part of draft report Recommendation 2.1. We did not make any other changes to the finding or Recommendations 2.2, 2.3, and 2.4.

Regarding Recommendations 2.1 and 2.2, OESE did not provide sufficient evidence to support that it conducted the post-award monitoring processes as stated in its comments on the draft report or to support that it formalized a post-award monitoring plan and completed the practices it stated were included in its monitoring plan. However, the actions that OESE stated it has taken since the fiscal year 2022 SBMH Grant Program competition, if implemented as described, would be responsive to the draft report recommendations and would add rigor, consistency, and depth to its post-award monitoring process. We did not remove the recommendation because we

have not verified whether OESE has taken the actions described in its comments (those actions would have been implemented after our audit period). Instead, we revised the recommendation to state that the Assistant Secretary should verify that OESE implemented the corrective actions as described.

Regarding Recommendation 2.3, OESE did not provide evidence showing that it has designed and implemented procedures for the APR review process and has documented its reviews of APRs in official grant files. According to OESE, program office employees reviewed each APR to determine completeness and responsiveness and to assess whether the grantee is making progress toward its goals and objectives. However, for the seven fiscal year 2020 and 2021 SBMH Grant Program grantees' APRs that we reviewed, OESE did not have evidence that it evaluated the APRs for the relevant elements. It also did not provide us with any spreadsheets maintained by either the program office or the contractor.

Appendix A. Scope and Methodology

Our audit covered OESE's processes for awarding SBMH Grant Program grants based on the fiscal year 2022 competition. Those processes covered the initial screening of applications, peer review, reviews of applications, and risk assessment. Our audit also covered OESE's post-award monitoring processes, including its monitoring of the performance of the seven grantees included in the fiscal years 2020 and 2021 SBMH Grant Program grantee cohorts.

To achieve our objective, we first gained an understanding of section 4631(a)(1)(B) of the Elementary and Secondary Education Act of 1965, as amended (20 U.S.C. 7281); the Bipartisan Safer Communities Act (Public Law 117-159); the Department's Handbook (July 23, 2020); OESE's ATRP relevant to the SBMH Grant Program; and the notice inviting applications for the SBMH Grant Program (87 Federal Register 60137-60144, October 4, 2022).

To determine whether OESE implemented processes for awarding SBMH Grant Program grants and monitoring grantee performance, we reviewed

- the list of grants awarded through the fiscal year 2022 SBMH Grant Program competition;
- grant applications for the fiscal year 2022 competition;
- records of OESE's reviews of grant applications for the fiscal year 2022 competition;
- records of training that OESE provided to peer reviewers and panel monitors before the fiscal year 2022 competition;
- records of peer reviewers' scoring of applications for the fiscal year 2022 competition;
- the "FY 2022 New Awards for School-Based Mental Health Services Grant Program Funding Slate," "Funding Down the Slate School-Based Mental Health Services Grant Fiscal Year 2021 Grant Funding Slate," and "Non-Competing Continuation Award School-Based Mental Health Services Grant Fiscal Year 2021 Grant Funding Slate;"
- records of OESE's risk assessments for grants awarded through the fiscal year 2022 competition;

- the APRs that the six fiscal year 2020 and one fiscal year 2021 grant recipients submitted for fiscal year 2022 and records of OESE’s reviews of those APRs; and
- records of OESE’s post-award monitoring activities.

Sampling Methodology

We used sampling to determine whether OESE verified that SBMH Grant Program applications met eligibility requirements, peer reviewers completed technical review forms, and OESE used the peer reviewers’ scores to rank applicants. We obtained a list of the 103 (10 SEAs and 93 LEAs) new grants that OESE awarded based on the fiscal year 2022 SBMH Grant Program competition. We then stratified the list into two strata (SEAs and LEAs) and selected a nonstatistical stratified random sample of 21 (2 SEAs and 19 LEAs) new grants.

We designed our sampling plan and chose our sample size specifically to accomplish our audit objective. Because the results of our testing apply only to the awards that we reviewed, the results of our samples cannot be projected to the entire population of 103 new SBMH Grant Program grants that OESE awarded based on the fiscal year 2022 competition.

Analysis Techniques

We reviewed the Department’s Handbook and OESE’s ATRP relevant to the SBMH Grant Program and interviewed OESE employees to gain an understanding of OESE’s processes for awarding SBMH Grant Program grants and monitoring grantee performance. To ensure that OESE implemented the processes as designed, we analyzed records relevant to reviewing grant applications, peer review, risk assessment, and post-award monitoring.

Reviewing Grant Applications

We compared the processes that the Department and OESE designed for reviewing grant applications before entering them into the peer review process and funding new awards to records detailing OESE’s reviews of grant applications from the fiscal year 2022 grant competition. We concluded that OESE implemented the grant application review processes in accordance with the Handbook and ATRP if it (1) reviewed the applications for applicant eligibility, procedural requirements, absolute priorities, and application requirements before entering them into the peer review process and (2) performed a thorough review of each applicant’s budget, including identifying proposed non-Federal matching funds, before funding new awards.

Peer Review

We compared the processes that the Department and OESE designed for peer review to records of OESE's implementation of those processes. We concluded that OESE implemented the peer review processes in accordance with the Handbook and ATRP if it (1) provided training to peer reviewers and panel monitors before the peer review process started, (2) monitored peer review panels, (3) ensured that peer reviewers completed technical review forms, and (4) used the scores documented in the technical review forms to rank applicants.

Risk Assessment

We compared the processes that the Department designed for assessing grantee risk to records of OESE's risk assessments of grantees first funded through the fiscal year 2022 SBMH Grant Program competition. We concluded that OESE implemented the risk assessment processes in accordance with the Handbook if it reviewed audit and FAPIIS information and assessed the competencies of applicants' key personnel before funding the new awards.

Post-Award Monitoring

We compared the processes that the Department designed for post-award monitoring of a grantee's performance to records of OESE's monitoring of the fiscal years 2020 and 2021 SBMH Grant Program cohorts during fiscal year 2022. We concluded that OESE implemented the post-award monitoring processes in accordance with the Handbook if it (1) completed the relevant monitoring activities described in the Handbook and the fiscal years 2020 and 2021 grant funding slates and (2) reviewed grantees' APRs for fiscal year 2022.

For the reviews of grantees' APRs for fiscal year 2022, we concluded that data were inaccurate if the numbers in the APR were not in the correct format, grantee's explanation did not match the data reported, or target and actual data were inconsistent without an explanation.

Use of Computer-Processed Data

We relied, in part, on entity risk review (ERR) data and the rank-ordered list of applicants for the fiscal year 2022 SBMH Grant Program competition. OESE used the ERR data, which includes audit and FAPIIS information, to assess applicant risk before awarding new SBMH Grant Program grants. We used the ERR data to determine whether OESE completed risk assessments and identified applicants that it considered high risk before awarding new SBMH Grant Program grants.

To assess the completeness of the ERR data that OESE used for the fiscal year 2022 SBMH Grant Program competition, we compared the list of new grants awarded in fiscal year 2022 to the fiscal year 2022 ERR data. We confirmed that the ERR data included all grants first awarded in fiscal year 2022; therefore, we concluded that the ERR data that OESE used was complete and therefore sufficiently reliable for the purposes of our audit.

OESE also used a rank-ordered list for the fiscal year 2022 SBMH Grant Program competition to determine which applicants should receive new awards based on the fiscal year 2022 competition. We used the rank-ordered list to determine whether OESE calculated applicant scores using the scores recorded by peer reviewers in their technical review forms.

To assess the reliability of the rank-ordered list, we compared the average of the peer reviewers' scores as documented in the technical review forms to the scores in the rank-ordered list for a sample of 21 of the 103 grants that OESE awarded based on the fiscal year 2022 competition. We did not identify any scores in the list that were not supported by the scores documented in the technical review forms. Therefore, we concluded that the rank-ordered list was sufficiently reliable for the purposes of our audit.

Compliance with Auditing Standards

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

We conducted our audit at our offices from January 2024 through November 2024. We discussed the results of our work with OESE officials on November 19, 2024, and provided them with a draft of this report on January 8, 2025.

Appendix B. Acronyms and Abbreviations

APR	annual performance report
ATRP	Application Technical Review Plan
Department	U.S. Department of Education
ERR	entity risk review
FAPIS	Federal Awardee Performance and Integrity Information System
Handbook	Handbook for the Discretionary Grant Process
LEA	local educational agency
OESE	Office of Elementary and Secondary Education
SBMH	School-Based Mental Health Services
SEA	State educational agency

OESE Comments



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

January 17, 2025

Jonathan Enslin
Assistant Director, Elementary and Secondary Education Oversight Team
Office of Inspector General
Jonathan.Enslin@ed.gov

Dear Mr. Enslin:

Thank you for the opportunity to review the draft inspection report, "Office of Elementary and Secondary Education's Processes for Awarding School-Based Mental Health Services Grant Program Grants and Monitoring Grantee Performance" (Control Number ED-OIG/A24IL0156). We anticipate providing technical comments and edits for your consideration on the report by the end of the month.

We appreciate your finding that the U.S. Department of Education (Department) generally implemented processes that provided reasonable assurance that it awarded School-Based Mental Health Services (SBMH) grants and completed processes for peer review in accordance with Department policy. As background, the Bipartisan Safer Communities Act (BSCA) was the largest investment in youth mental health ever, with the Department receiving \$1 billion to help schools across the country hire and train new school-based mental health services providers under two discretionary grant programs – SBMH and the Mental Health Service Professional Demonstration Grant program (MHSP). This represented a 900% increase in School Safety National Activities discretionary grant funding managed by the Office of Elementary and Secondary Education (OESE). In a very limited timeframe, program staff needed to develop and run two concurrent grant competitions appropriately, and OESE received a large number of applications for each of these programs. Department staff made significant efforts to follow the policies in the *Handbook for the Discretionary Grants Process (Handbook)*, however as previously noted, risk-based decisions and adjustments were required to administer these grant competitions efficiently and effectively so that all BSCA grant funds could be obligated in a timely manner. Since this time, the Department has hired additional staff to help manage these grants and implemented steps to improve support for the effective implementation of the program. We are committed to the ongoing review and improvement of our grant administration processes. Below we provide responses to and suggest edits for the report.

Recommendation 1: *Review grant applications for application requirements before entering them into the peer review process.*

Response: While we agree that application requirements are important, a full, detailed staff review of every application prior to submission to peer review was not feasible in the FY2022 SBMH grant competition. Specifically, in large discretionary grant competitions, it is not always possible to conduct a full review of each application prior to peer review, particularly with limited staff and tight Congressional timelines, as was the case for the SBMH competition in FY 2022. Further, a detailed application review prior to submission to peer review is not required by the *Handbook*; rather, the *Handbook* recognizes that, in certain situations, there is flexibility to finalize eligibility determinations after peer review. With

400 MARYLAND AVE., SW, WASHINGTON, DC 20202
www.ed.gov

The Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.

limited staff, a significant increase in funds, and a truncated timeframe, the Department needed to make risk-based decisions and adjustments to administer the grant competition most effectively and efficiently. Thus, program officials reviewed applications initially to determine eligibility broadly prior to sending applications to the peer reviewers.

The process of reviewing application requirements for SBMH competitions has been adjusted since the FY 2022 SBMH grant competition and implemented during our most recent competitions this past summer. We believe that our practice is consistent with the general policy established in the *Handbook* at Section 3.4.4 Standards for Reviewing Applications Section A: Policy, which states that “Program offices conduct initial eligibility reviews on all applications in accordance with EDGAR § 75.216. However, comprehensive reviews for eligibility are conducted on the highest scoring applications.”

Additional staffing were secured beginning in 2023 to ensure that the Office of Safe and Supportive Schools (OSSS) within OESE had full capacity for the competitions this past summer and moving forward.

Recommendation 2: *Ensure that peer reviewers complete a requirements checklist as part of their reviews of applications before making new SBMH Grant Program awards.*

Response: The Department agrees that checklists to ensure application requirements are met can be beneficial. However, we do not agree with the recommendation to make this the responsibility of peer reviewers, nor is that suggested by the *Handbook*. In general, making eligibility and application requirement determinations are the responsibility of the program officials; whereas peer reviewers assess the quality of applicant responses to application requirements via the lens of the selection criteria. As authorized by the Department of Education Organization Act (DEOA) (20 U.S.C. 3462(b)), OESE uses a portion (up to one percent) of the appropriated funds for the program to secure non-Federal peer reviewers to review applications and help ensure an unbiased, confidential review, based on the priorities and selection criteria, not application requirements. The Department’s *Handbook* at Section 3.5.1 considers pre-screening applications for technical elements an *unallowable* activity when using the one percent set-aside funds. As such, Department staff are generally tasked with screening for application requirements. We have incorporated similar practices for several grant competition programs, including the FY 2024 SBMH grant competition program.

Recommendation 3: *Consistently follow existing records retention policies for official grant files, and develop, finalize, and implement a detailed monitoring plan that includes steps for reviewing grantees’ progress towards meeting the goals in their approved applications and analyzing APRs to identify areas for improvement.*

Response: The Department respectfully disagrees with OIG’s findings that post-award monitoring lacked rigor, consistency, and depth. Although we acknowledge that we did not initially have a formal, written monitoring plan in place specifically for this new grant program, OSSS has consistently implemented post-award monitoring and practiced records retention practices for this and subsequent cohorts based on, and consistent with, the Department’s *Handbook*. With the addition of new program staff, the Department has improved its management of these grants to ensure consistent processes, coordination, and technical assistance support.

The Department respectfully disagrees with the implication that "...OESE, Congress, and the public do not have assurances that SBMH Grant Program grantees are effectively using their funds and increasing the number of credentialed school-based mental health services providers and likelihood that credentialed providers stay in their positions in LEAs with demonstrated need." The Department ensures consistent, regular, and rigorous monitoring of these grants, not only on an ongoing basis, but through the careful review of grantees' Interim and Annual Performance Reports (IPR and APR, respectively), as described in the next paragraph. Post-award monitoring includes, but is not limited to, consistent post-award grants administration guidance in written and oral format (via email and a grantee webinar), in-depth budget reviews, post-award calls between each grantee and Department staff using a uniform call template that addresses goals and objectives, activities, and budgets, as well as six-month check-in calls, review of available cash balances, notification of large available balances and other budget concerns, and individual technical assistance calls, as needed, budget questions and reviews, webinars, professional learning communities, and other opportunities for communication and collaboration between grantees. These practices are consistent with other offices and grant programs within the Department, which have concluded that virtual monitoring is an effective and efficient monitoring tool.

Although the Department has not had the budget or capacity to routinely conduct onsite visits with grantees, the Department has conducted local onsite visits with its leadership and Congressional staff. The Secretary visited Anne Arundel Public Schools in May 2024 to learn more about their SBMH grant program, and Department staff visited Fairfax County Public Schools with a bipartisan team of Congressional staff in October 2024 and January 2025. During these site visits, the grantees shared insights on their grant implementation, including how they have used funds to recruit, hire, and retain staff, as well as direct services provided to students. Both sites were chosen because of their exemplary progress, as identified by Federal Project Officers (FPOs), to provide insights on facilitators and barriers to implementation. These visits clearly refute the finding that the Department has inadequately tracked grantee progress, use of funds, or progress to date. The visits demonstrate both careful monitoring and information-sharing with Congress and the public by creating opportunities for leadership and Congressional staff to directly question grantees about funds, the number of providers, and project implementation.

The Department has formalized its monitoring practices in its monitoring plan for this grant program, which includes templates for outreach, monitoring calls, and additional tracking of performance data. These commonly shared tools help ensure consistent monitoring practices across FPOs. Grant files are maintained in alignment with the *Handbook*, including any administrative changes to the grant, key email communications, notes from grantee performance-related calls, reviews of drawdown reports, and grantee performance reports.

Additionally, the Department reviews each grantee's IPR to determine progress toward established goals and objectives, including provider recruitment, hiring, and retention and service provision, as part of the continuation award process. This in-depth process involves communication with each grantee, review of fiscal and programmatic progress, and overall grantee performance as it relates to both. Careful consideration of this information is required and reviewed prior to the process of developing a slate and making continuation awards. Department staff review each APR to determine completeness and responsiveness and evaluate whether the grantee is making substantial progress towards its goals and

objectives by reviewing the required government performance measures data (for both quality and progress) as well as the grantee’s explanation of progress, and budget balances and expenditures. The Department has developed detailed timelines, processes to support grantees in report submission, and provides both IPR/APR training and review annually. As part of these processes, our program-specific Technical Assistance Center, METRICS, and Department staff reach out to grantees if additional information is needed on data, budget, or explanation of progress. Both METRICS and Department staff maintain spreadsheets tracking these submissions and any follow up contact. METRICS also provides to the Department aggregated required government performance data, which informs reports for the Department’s Budget Office, and through them, to the Office of Management and Budget.

The Department has carefully tracked the number of current providers for each grantee, the number of planned providers to be hired, retained, and student services (including the number of students served by the grant during each project period), since the beginning of the grant, as these are required government performance measures for which all grantees must provide data as part of their IPR and APR. Department staff confirm the numbers with grantees during post-award calls. These numbers were provided to the White House early in the first year of the FY 2022 grant and made publicly available on the Department’s website through a press release for this cohort, and were updated again in October 2024 with numbers from the FY 2024 grantee cohort. The Department has been and remains committed to accurate and consistent tracking of the number of providers since the program’s beginning through technical assistance, monitoring, scheduled and non-scheduled communication with grantees, and the IPR and APR process including analyzing grantee data in response to government performance measures that require provider and service data. As such, the Department respectfully disagrees with the determination that: *“[w]ithout including the most recent number of school-based mental health services providers, the Department cannot determine how many new providers can be attributed to the SBMH Grant Program. Additionally, without a description of how applicants planned to ensure prompt delivery of mental health services to students, the Department does not have assurances that LEAs will timely provide mental health services to students who need them.”*

The Department will continue to review its practices as part of its ongoing commitment to quality improvement and assurance efforts. Thank you for your consideration of the Department’s feedback to this draft report.

Respectfully,

MARK WASHINGTON Digitally signed by MARK WASHINGTON
Date: 2025.01.17 17:57:12 -0500

Mark Washington
Deputy Assistant Secretary
Office of Elementary and Secondary Education