



U.S. Department of Education
Office of Inspector General

Wisconsin Department of Public Instruction's Administration and Oversight of Emergency Assistance to Nonpublic Schools Grant Funds

September 29, 2025
ED-OIG/A24NY0195

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UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL

Audit Services

September 29, 2025

Tony Evers
Governor, State of Wisconsin
P.O. Box 7863
Madison, WI 53707

Dr. Jill K. Underly
State Superintendent of Public Instruction
201 W Washington Ave
Madison, WI 53703

Dear Governor Evers and Dr. Underly:

Enclosed is our final audit report, "Wisconsin Department of Public Instruction's Administration and Oversight of Emergency Assistance to Nonpublic Schools Grant Funds," Control Number ED-OIG/A24NY0195. This report incorporates the comments you provided in response to the draft report. The U.S. Department of Education's policy is to expedite resolution by timely acting on findings and recommendations. Therefore, if you have any additional comments or information that you believe may have a bearing on the resolution of this audit, you should send them directly to the following Department of Education official, who will consider them before taking final Departmental action on this audit:

Hayley Sanon
Acting Assistant Secretary
Office of Elementary and Secondary Education
U.S. Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

We appreciate your cooperation during this review. If you have any questions, please contact me at (202) 657-8542 or Keith.Cummins@ed.gov.

Sincerely,

/s/

Keith Cummins
Acting Deputy Assistant Inspector General for Audit

Enclosure



Results in Brief

Wisconsin Department of Public Instruction's Administration and Oversight of Emergency Assistance to Nonpublic Schools Grant Funds

Why Did the OIG Perform This Audit?

In response to the coronavirus disease 2019 pandemic (COVID-19), Congress passed three relief acts that provided more than \$275 billion for an Education Stabilization Fund, including \$5.5 billion for the Emergency Assistance to Nonpublic Schools (EANS) program. The purpose of the EANS programs is to provide services or assistance to eligible nonpublic schools to address educational disruptions caused by the COVID-19 emergency.

Effective application and oversight processes help ensure that EANS funds are appropriately allocated and used for allowable purposes in order to help eligible nonpublic schools address the needs of students, families, and educators. The Wisconsin Department of Public Instruction (Wisconsin) was awarded about \$151.4 million in EANS funds.

Our objectives were to determine whether Wisconsin designed and implemented (1) application processes that adequately assessed nonpublic schools' eligibility for EANS-funded services or assistance and complied with other applicable requirements and (2) oversight processes to ensure that EANS-funded services or assistance were used for allowable purposes.

What Did the OIG Find?

Although Wisconsin's processes to assess nonpublic schools' eligibility for EANS-funded services and assistance ensured that funds were obligated within 6 months of receipt and that applications for the EANS programs were generally approved or denied timely in accordance with Federal regulations, we found that Wisconsin allocated ARP EANS funds to nonpublic schools that did not meet program eligibility requirements and did not verify some information that nonpublic schools provided in their applications for EANS funds.

Additionally, Wisconsin's oversight of its contractor's administration of EANS expenditures and inventory processes could be improved. Specifically, Wisconsin did not effectively monitor its contractor to ensure that expenditures were properly accounted for, supporting documentation was maintained, and assets purchased with EANS funds were tracked. Further, Wisconsin's processes did not ensure that fees charged to the nonpublic schools' EANS funds were reasonable and appropriate. However, Wisconsin's oversight was adequate to ensure that EANS-funded services and assistance were for allowable purposes.

What Is the Impact?

Wisconsin's improper approval of ineligible nonpublic schools' applications resulted in providing over \$20 million in ARP EANS-funded services and assistance to 184 nonpublic schools. Further, because Wisconsin did not verify certain information in nonpublic schools' applications, it provided \$838,829 for EANS-funded services and assistance to one ineligible school and did not have assurance that all schools that were approved to participate in the programs had a nonprofit status.

It is critical that Wisconsin conduct adequate oversight of its contractor's administration of EANS funds to ensure that expenditures are properly accounted for, supporting documentation is maintained, and assets are tracked. The lack of oversight resulted in an improper payment and unsupported expenditures. By not ensuring assets purchased with EANS funds are being tracked, there's an increased risk that some assets will not be used for purposes related to COVID-19 or other permitted Federal program activities; or be lost, or unused.

What Are the Next Steps?

We made seven recommendations to address the issues we identified in Wisconsin's administration and oversight of its EANS programs.

We provided a draft of this report to Wisconsin for comment. Wisconsin disagreed with our findings and all seven recommendations. We summarize Wisconsin's comments and provide our responses at the end of each finding. We also provide the full text of Wisconsin's comments at the end of the report ([Wisconsin's Comments](#))

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Introduction

Background

On March 13, 2020, the President declared a national emergency due to the coronavirus disease 2019 pandemic (COVID-19). In response, Congress passed three COVID-19 relief acts within a 1-year period that provided more than \$276 billion for an Education Stabilization Fund to prevent, prepare for, and respond to COVID-19, including \$5.5 billion for the Emergency Assistance to Nonpublic Schools (EANS) program.

- The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), enacted on December 27, 2020, provided \$2.75 billion in funding for nonpublic schools to provide services and assistance addressing educational disruptions caused by COVID-19, as part of the Governor’s Emergency Education Relief Fund.
- The American Rescue Plan Act (ARP), enacted on March 11, 2021, provided another \$2.75 billion in funding to the EANS programs, bringing the total amount of EANS funding to \$5.5 billion.

Purpose of the EANS Programs

The purpose of the EANS programs is to provide services or assistance to eligible nonpublic schools to address educational disruptions caused by the COVID-19 emergency. Under the CRRSA and ARP EANS programs, governors apply to the U.S. Department of Education (Department) for formula grants for the purpose of providing emergency services or assistance to nonpublic schools. Although a Governor applies for EANS funds and has oversight responsibilities as the grantee, the statutes require that the State educational agency (SEA) administer the programs. SEAs can use up to one-half of 1 percent of its total EANS allocation for administrative costs. SEAs can hire contractors to assist in administering and overseeing a State’s EANS programs. Importantly, nonpublic schools are not recipients of grant awards under the EANS programs, but instead receive services or assistance provided by the SEA as requested in their application, to the extent resources are available.

SEA Administrative Responsibilities

CRRSA section 312(d) describes SEAs’ responsibilities for administering the EANS programs. SEAs are responsible for informing nonpublic schools about the programs, creating applications for eligible nonpublic schools, and ensuring timely and accessible application processes. SEAs must approve or deny applications within 30 days of receipt, determine and provide allowable services either directly or through external service providers, and ensure that no funds are given directly to nonpublic schools. All services must be secular, nonideological, and nonreligious and must be provided by a public

agency. Additionally, SEAs must obligate EANS funds promptly, ideally within 6 months of receiving the funds, and administer the EANS programs in accordance with all applicable regulations.

Additionally, on or before the date it makes its ARP EANS applications for services or assistance available to nonpublic schools, SEAs must publish on its website (1) the minimum percentage it will use to determine whether a nonpublic school enrolls a significant percentage of students from low-income families, (2) the source(s) of poverty data it will use to determine counts of students from low-income families in a nonpublic school, and (3) the factors it will use to identify nonpublic schools as most impacted by COVID-19.¹

Nonpublic School EANS Programs Eligibility

For purposes of the EANS programs, an eligible nonpublic school is an elementary or secondary school that

- is a nonprofit;
- is accredited, licensed, or otherwise operates in accordance with State law;
- was in existence prior to the date COVID-19 was declared a national emergency (March 13, 2020); and
- did not, and will not, apply for and receive a loan under the Small Business Administration's (SBA) Paycheck Protection Program (PPP) that is made on or after December 27, 2020. This limitation applies for as long as the nonpublic school is a participant in the EANS programs under CRRSA or ARP.

The ARP also established separate criteria that SEAs were required to use to determine whether nonpublic schools were eligible to receive services or assistance. Under CRRSA, SEAs were required to prioritize services or assistance to nonpublic schools that enrolled low-income students and were most impacted by the qualifying emergency (COVID-19). The ARP further restricted eligibility for services or assistance to nonpublic schools that enrolled a significant percentage of low-income students and were most impacted by the qualifying emergency. Because the ARP did not identify what constituted a significant percentage of low-income students, the Department established through a notice of final requirements in the Federal Register that, to be eligible for ARP EANS-funded services or assistance, the percentage of low-income students in a nonpublic

¹ Final Requirements for ARP EANS, Federal Register, Vol. 86, No. 131, (July 13, 2021).

school must be at least 40 percent, unless a State requested and received approval from the Department to use an alternate percentage based on circumstances in the State.²

Allowable Uses of EANS Funds

The EANS programs allow a nonpublic school to receive services and assistance from the State's SEA or its contractors to address educational disruptions resulting from COVID-19. These services and assistance can include supplies to sanitize and clean school facilities, educational technology, and reasonable transportation costs, among many others. For a full list of services and assistance covered under the EANS programs, see [Appendix B](#).

Wisconsin Department of Public Instruction's EANS Program Administration

The Wisconsin Department of Public Instruction (Wisconsin) was awarded \$77.5 million in CRRSA funds and \$73.9 million in ARP EANS funds to provide services and assistance to nonpublic schools affected by the pandemic. Wisconsin's Office of Parental Education Options was responsible for the administration and oversight of the EANS programs. Wisconsin made \$77,104,541 in CRRSA funds available to 449 nonpublic schools and \$73,506,205 in ARP EANS funds available to 392 nonpublic schools that it deemed eligible to receive services and assistance. Wisconsin contracted with a vendor to administer the entire EANS program. Wisconsin's contractor was responsible for the delivery of services and assistance to the nonpublic schools in the EANS program.³ This included (1) providing EANS program technical assistance; (2) hosting webinars for nonpublic schools; (3) approving past, current and future expenditure purchases, and (4) overseeing and tracking the nonpublic schools' inventory of equipment purchased with EANS funds. Wisconsin was responsible for developing and processing the EANS applications and determining the categories of allowable expenditures.

² Final Requirements for ARP EANS, Federal Register, Vol. 86, No. 131 (July 13, 2021).

³ Wisconsin paid their contractor \$337,460 to administer the CRSSA program and \$294,378 to administer the ARP EANS program.

Finding 1. Wisconsin Did Not Administer ARP EANS Funds in Accordance with Federal Requirements

Wisconsin did not comply with ARP EANS program requirements when determining nonpublic schools' eligibility for ARP EANS-funded services and assistance. Wisconsin was approved by the Department to use an alternate low-income enrollment threshold of 21.9 percent when determining nonpublic schools' eligibility for ARP EANS-funded services and assistance, as proposed in its ARP EANS application. However, Wisconsin also stated in its application that it would approve ARP EANS-funded services and assistance for nonpublic schools that submitted reimbursement claims or direct assistance requests under the CRRSA EANS program even if those schools did not meet its approved low-income enrollment threshold. The Department approved the application even though this approach did not align with Federal eligibility requirements.⁴

According to the Department's final requirements published in the Federal Register, at least 40 percent of the nonpublic school's students must be from low-income families for the nonpublic schools to be eligible for ARP EANS-funded services or assistance. However, a State could request and must receive approval from the Department to use an alternate percentage based on specific circumstances within the State.⁵

Wisconsin stated that its ARP EANS program was compliant with its application as approved by the Department. In addition to receiving approval to use an alternate low-income percentage, Wisconsin added language to the ARP EANS application that would allow the State to provide ARP EANS funds to nonpublic schools that had ongoing challenges related to the COVID-19 pandemic. Wisconsin stated in its application that the determination of need for ARP EANS funds should not be limited to low-income status and that schools' ongoing challenges to mitigate COVID-19 and address learning loss would incur costs. Wisconsin believed that these associated costs—what it referred

⁴ During a December 2024 meeting, the Department acknowledged that, when reviewing and approving Wisconsin's ARP EANS application, it overlooked the approach outlined by Wisconsin regarding its plan to approve ARP EANS-funded services and assistance for certain nonpublic schools even if they did not meet the State's approved low-income enrollment threshold. The Department stated that disregarding the poverty threshold was inconsistent with Federal requirements.

⁵ Final Requirements for ARP EANS, Federal Register, Vol. 86, No. 131, (July 13, 2021).

to in its application as “transactional data”—could be used as a proxy for demonstrating need.

By not adhering to Federal requirements of the ARP EANS program, Wisconsin provided 184 ineligible nonpublic schools with more than \$20 million in ARP EANS-funded services and assistance. Of these, 77 nonpublic schools had a low-income percentage of 10 percent or below, including 38 nonpublic schools with a low-income percentage below 5 percent and 18 nonpublic schools with zero percent low-income enrollment. Using ARP EANS funds for services and assistance to nonpublic schools that did not meet the approved low-income student enrollment threshold reduces the amount of funds available to eligible nonpublic schools that could have used the funds for additional services or assistance to address educational disruptions caused by the COVID-19 emergency.

Recommendation

We recommend that the Assistant Secretary for the Office of Elementary and Secondary Education require the Governor of Wisconsin to—

- 1.1 Return the more than \$20 million that was used for ARP EANS-funded services and assistance for ineligible nonpublic schools or take other remedial actions as appropriate, such as making accounting adjustments to other valid and allowable obligations incurred during the ARP EANS period of availability.

Wisconsin’s Comments

Wisconsin disagreed with the finding and recommendation, stating that it was fully compliant with its approved application. Wisconsin stated that it proposed an alternate significant poverty percentage, demonstrated why its alternate percentage was appropriate for ARP EANS eligibility, responded to Department inquiries regarding its proposed method, and had its reasoning affirmed by the Department when the Department approved its application—but that OIG has called into question its use of an alternate significant poverty percentage. Regarding Recommendation 1.1, Wisconsin stated that it was inappropriate for OIG to recommend that it return \$20 million to the Department as it was fully compliant with its approved ARP EANS application.

Wisconsin also stated that OIG did not provide any notice or follow-up regarding its audit work between March 13, 2025, and May 13, 2025, at which point OIG contacted Wisconsin to schedule an exit conference; that it inquired whether further information or clarification was needed to complete the audit process multiple times and did not receive a response from OIG; and that OIG did not notify it that the audit work had concluded.

OIG Response

We stand by our finding and recommendation. Notably, we did not find an issue with Wisconsin's use of an approved alternate significant poverty percentage. Rather, we found that Wisconsin provided ARP EANS-funded services and assistance to nonpublic schools with low-income percentages that were below Wisconsin's approved alternate percentage. Therefore, our recommendation remains unchanged.

Additionally, the OIG communicated extensively with both Wisconsin and its contractor throughout the audit, including by making several requests for clarification of program processes, asking for supporting documentation, and discussing our assessments of the documentation that was provided

Finding 2. Wisconsin Did Not Adequately Assess All EANS Programs Eligibility Requirements for Nonpublic Schools

Wisconsin had written policies and procedures for reviewing and approving nonpublic schools' applications for CRRSA and ARP EANS funds, but did not design and implement adequate processes to assess certain eligibility requirements for nonpublic schools to receive EANS-funded services and assistance. Specifically, Wisconsin lacked processes for verifying the accuracy of the data and assurances related to nonprofit status and participation in the PPP that nonpublic schools included in their CRRSA and ARP EANS applications. However, Wisconsin designed and implemented processes to ensure that all CRRSA and ARP EANS funds were obligated within 6 months of receipt and applications for the EANS programs were generally approved or denied timely in accordance with Federal regulations. Also, Wisconsin provided accurate technical assistance and guidance to nonpublic schools regarding the application process and EANS program requirements, except as noting in Finding 1.

Wisconsin's Processes for Reviewing and Approving Nonpublic Schools' Applications for CRRSA and ARP EANS Funds

For the CRRSA EANS program, Wisconsin required nonpublic schools to submit their CRRSA EANS application online. When submitting the CRRSA EANS application, Wisconsin required each nonpublic school to certify that they

- were a nonprofit school;
- were accredited, licensed, or otherwise approved to operate in accordance with State law;
- existed and operated prior to March 13, 2020;
- did not and will not receive a loan under SBA's PPP that is made on or after December 27, 2020; and
- were not requesting services or assistance that have already been supported by an SBA loan under the PPP.

Further, as part of the CRRSA EANS application process, Wisconsin pre-populated low-income student count data from private schools for the 2019–2020 school year that it reported in its application for the Elementary and Secondary School Emergency Relief program. If a nonpublic school needed to update this data, they had to provide the updated amount along with the data source they used such as free or reduced-priced lunch data, scholarship or financial assistance records, or other allowable sources. Additionally, a nonpublic school authorized representative was required to

electronically sign the CRRSA EANS application. By signing the application, the nonpublic school certified that it would comply with applicable State and Federal requirements for CRRSA EANS funds. Lastly, each nonpublic school had to provide a description of how COVID-19 impacted the school in their application.

For the ARP EANS program, Wisconsin first used the approved CRRSA EANS applications to determine nonpublic schools that were eligible for ARP EANS. Wisconsin then confirmed whether the nonpublic school was interested in participating in ARP EANS prior to allocating any funds. If a nonpublic school did not apply for and receive a CRRSA EANS grant, they could apply for ARP EANS funding following the same application process used for the CRRSA EANS program.

According to CRRSA section 312(d)(2)(B)(v), the SEA must obligate funds to provide services or assistance to nonpublic schools no later than 6 months after receiving funds. Additionally, CRRSA section 312(d)(3)(A)(ii) states that the application must be approved or denied no later than 30 days after the receipt of the application. We found that Wisconsin's processes ensured that the CRRSA and ARP EANS funds were obligated within 6 months of receipt and applications for the EANS program were generally approved or denied within 30 days.

Wisconsin Did Not Verify Nonprofit Status and PPP Participation in Nonpublic Schools' CRRSA and ARP EANS Applications

Wisconsin lacked processes for verifying the accuracy of the data and assurances provided by nonpublic schools in their CRRSA and ARP EANS applications. As stated above, each nonpublic school self-certified that they were a nonprofit school. Additionally, for CRRSA and ARP applications, nonpublic schools must certify and respond that they did or did not receive a PPP Loan on or after December 27, 2020. Wisconsin did not provide support that the schools we reviewed were nonprofit schools and did not have a process to independently verify the PPP data.

According to section C-1 of the Department's 2021 frequently asked questions (FAQ) for EANS Program as authorized by CRRSA and ARP (updated September 17, 2021), an eligible nonpublic school is an elementary or secondary school that is nonprofit and did not, and will not, apply for and receive a loan under SBA's PPP (15 United States Code 636(a)(37)) that is made on or after December 27, 2020. This limitation applies for as long as the nonpublic school is a participant in the EANS program under CRRSA or ARP.

Wisconsin officials stated that they did not have resources to independently verify the data submitted for all nonpublic schools' applications. Wisconsin's EANS program only had one full-time employee, and one term employee assigned to review and approve nonpublic schools' applications for EANS funds. Additionally, Wisconsin stated that the

EANS program was a new Federal program, and to comply with Federal requirements, Wisconsin relied on nonpublic schools' self-certification of their applications. This self-certification served as an assurance that information provided by the nonpublic schools was accurate and complete.

By not verifying information on nonpublic schools' applications for EANS funds, Wisconsin increased its risk of allocating CRRSA or ARP EANS funds to ineligible schools. We reviewed the SBA's PPP loan database and identified at least one nonpublic school that received a PPP loan outside the allowable date and had improperly received CRRSA and ARP EANS-funded services and assistance totaling \$838,829. We found that this school received a PPP loan of \$202,987 on March 12, 2021. We informed Wisconsin of this issue, and a Wisconsin official advised that they had begun the process of requesting that the school return the funds that were improperly expended.

Technical Assistance and Guidance Provided to Nonpublic Schools Regarding CRRSA and ARP EANS Applications

Wisconsin provided clear, accurate, and timely technical assistance and guidance to nonpublic schools regarding the purpose and goals of the CRRSA and ARP EANS programs, how and when to submit their applications, initial and final allocation determinations, and allowable uses of EANS funds. The State accomplished this, in part, through email communications and webinars between March 2021 and October 2024. Wisconsin also provided accurate technical assistance and guidance on eligibility criteria for the CRRSA EANS program. However, it did not provide accurate technical assistance and guidance on eligibility criteria for the ARP EANS program, which resulted in it not complying with program requirements when determining nonpublic schools' eligibility for ARP EANS-funded services and assistance, as discussed in Finding 1.

Recommendations

We recommend that the Assistant Secretary for the Office of Elementary and Secondary Education require the Governor of Wisconsin and Wisconsin's State Superintendent of Public Instruction to—

- 2.1 Provide documentation showing that the \$838,829 in CRRSA and ARP EANS funds that were recovered from the ineligible nonpublic school were returned to the Department.
- 2.2 Obtain supporting documentation that all nonpublic schools that received EANS-funded services and assistance have a nonprofit status.

Wisconsin's Comments

Wisconsin disagreed with the finding and recommendations, stating that it did not have access to resources that it could use to independently verify whether a nonpublic school

received a PPP loan, so it relied on the signed certifications of the applicants. Wisconsin also explained that it prepopulated eligibility data from existing sources, which nonpublic schools were required to verify and update as part of the application process.

Regarding Recommendation 2.1, Wisconsin stated that OIG's recommendation to return \$838,829 was erroneous, as those funds had already been collected from the ineligible nonpublic school and returned to the Department. Regarding Recommendation 2.2, Wisconsin stated that it followed the Department's guidance and there was no indication that any nonpublic school receiving EANS-funded services and assistance lacked nonprofit status.

OIG Response

We maintain our position that Wisconsin did not adequately assess all EANS programs eligibility requirements for nonpublic schools. By relying solely on attestations without requiring any independent evidence, Wisconsin increased the risk that ineligible schools could receive EANS-funded services and assistance. Therefore, except for Recommendation 2.1, our recommendations remain unchanged.

Regarding Recommendation 2.1, we revised but did not remove the recommendation. We received documentation showing that Wisconsin recovered \$838,829 from the ineligible nonpublic school, but we did not receive documentation showing that the funds were returned to the Department.

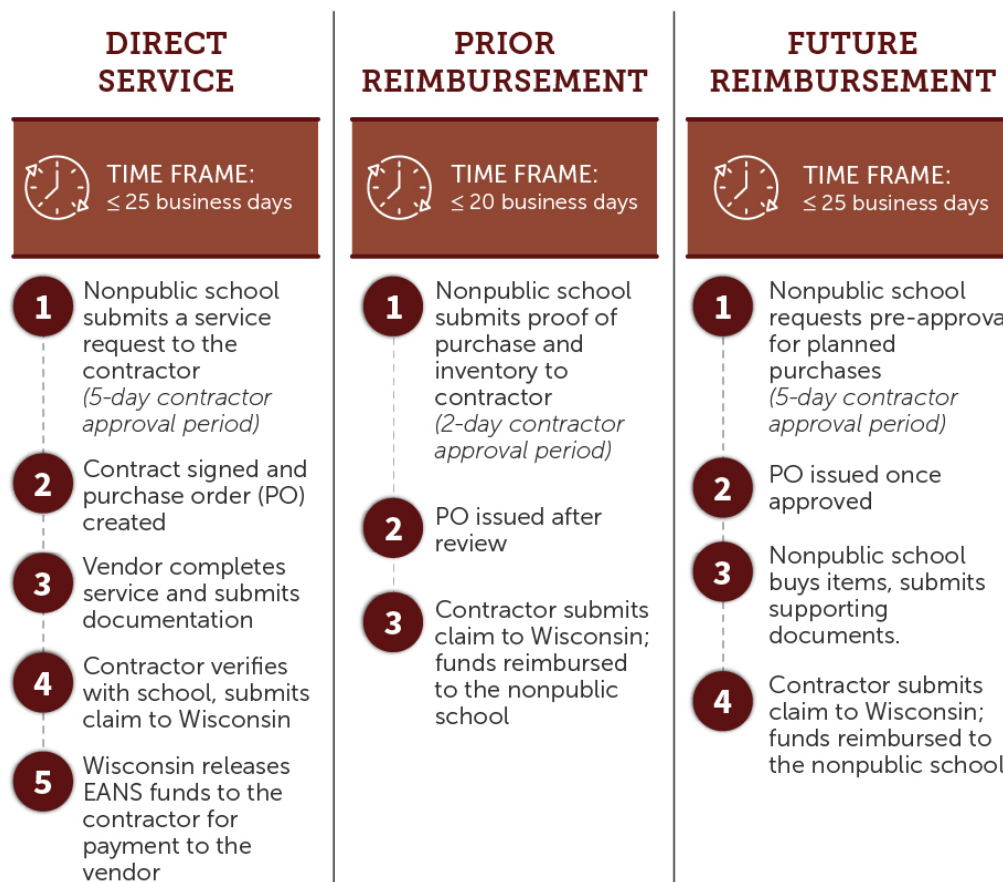
Finding 3. Wisconsin Could Improve its Oversight of the EANS Programs

Wisconsin's oversight of its CRRSA and ARP EANS expenditures and inventory processes could be improved. Wisconsin's contractor was responsible for administering and providing services and assistance using EANS funds and tracking assets purchased with EANS funds. However, Wisconsin did not implement effective monitoring processes over the contractor's administration of the EANS programs. Specifically, Wisconsin did not have monitoring processes to ensure that the contractor implemented policies and procedures to (1) properly account for expenditures, (2) maintain supporting documentation for EANS-funded services and assistance, and (3) track assets purchased with EANS funds for nonpublic schools. Further, Wisconsin's processes did not ensure that fees charged to the nonpublic schools' EANS funds were reasonable and appropriate. However, we found that Wisconsin's oversight processes ensured that EANS-funded services or assistance were for allowable purposes.

Wisconsin's Contractor's Processes for Administering the EANS Programs

Wisconsin's contractor developed written policies and procedures for reviewing and approving nonpublic schools' expenditures under the EANS program and tracking assets purchased with EANS funds. The procedures for reviewing and approving expenditures included an evaluation and approval process for services and assistance requested by nonpublic schools to ensure compliance with Federal requirements. Under the CRRSA EANS program, nonpublic schools were allowed to use any of the three types of requests: direct services, prior reimbursements, or future reimbursements. However, for the ARP EANS program, nonpublic schools were only allowed to request direct services. The figure below describes the processes that Wisconsin's contractor developed for each type of request.

Figure. Summary of Wisconsin’s Processes for Types of Expenditures Submitted by Nonpublic Schools Under the EANS Program



Additionally, the contractor maintained written policies and procedures for tracking inventory of equipment purchased with EANS funds. This process included performing an annual verification that nonpublic schools’ assets listed on the inventory sheets⁶ were actively used by the nonpublic school. As part of the asset verification, nonpublic schools should have received an email to update their inventory sheet and confirm whether their assets were in use or had been disposed. The nonpublic schools were asked to reply to the email confirming that updates were made to their inventory sheets, which would prompt the contractor to conduct an inventory audit.

⁶ The contractor required each nonpublic school to record all assets purchased with EANS funds on an inventory sheet. The contractor provided each nonpublic school with a Google spreadsheet link, which was accessible via the contractor’s interface system.

Wisconsin Did Not Effectively Monitor its Contractor's Administration of the EANS Program

Wisconsin lacked sufficient monitoring processes to ensure that its contractor implemented its policies and procedures to ensure that expenditures were properly accounted for, supporting documentation for EANS-funded services and assistance was maintained, and assets purchased with EANS funds for nonpublic schools were tracked. As part of its oversight of the EANS program, Wisconsin held weekly meetings with its contractor and discussed expenditures requiring final determination of allowability under the program and depreciation and tracking of assets. However, Wisconsin did not develop any other monitoring processes to provide reasonable assurance that the EANS programs were administered in accordance Federal requirements and expenditures were supported.

Lastly, Wisconsin did not provide oversight to ensure that the contractor tracked assets purchased with ARP and CRRSA EANS funds as required by Federal requirements. We requested replies to emails confirming the status of nonpublic schools' inventories and support that assets were still in use or returned that were within our sample. However, the contractor did not provide this documentation.

According to 2 Code of Federal Regulations (C.F.R.) section 200.303(a), nonfederal entities must have internal controls that ensure these funds are managed in compliance with Federal statutes, regulations, and the terms and conditions of the award. State grantees (pass-through entities) are required to establish monitoring priorities based on the risks posed by each subgrantee and to monitor the fiscal activity of subgrantees as necessary to ensure that the subaward complies with Federal statutes, regulations, and the terms and conditions of the subaward; and achieves performance goals (2 C.F.R. section 200.332(c) and (e)). In addition, section 10.01 of Government Accountability Office's "Standards for Internal Control in the Federal Government" states that management should design control activities to achieve objectives and respond to risks.

Wisconsin stated that it entered into a contract with the contractor to fully administer the EANS program and determined that it did not need to maintain full oversight of the contractor's processes for administering the program. Wisconsin officials stated that the contractor's primary function was to serve educational needs throughout the State by providing leadership, coordination, and services to school districts, universities, technical colleges, and other educational entities.

Wisconsin's lack of adequate oversight of its EANS programs and its contractor's processes resulted in \$21,312 in improper payments that were expended outside of the CRSSA EANS program period and \$297,477 in unsupported expenditures in CRSSA and

ARP EANS funds. We reviewed a sample of 30 CRRSA EANS and 30 ARP EANS expenditures and found 1 expenditure in which the vendor provided services almost 6 months after the CRRSA EANS program ended. This expenditure was for supplies that were allowable under CRRSA EANS for which the contractor submitted a claim for reimbursement from Wisconsin in January 2024. However, according to the contractor's documentation, the supplies were invoiced and delivered to the nonpublic school in July 2024, which was outside of the CRRSA EANS program period.

For our sample of expenditures, we reviewed POs, contracted direct service agreements,⁷ invoices, vendor payment, and other documentation that fully supported the expenditures reviewed. While we determined that the expenditures were for allowable purposes under the CRRSA and ARP EANS programs, Wisconsin did not provide sufficient support documentation for seven expenditures. In several instances, contracted direct service agreements identifying the vendor and describing materials or services to be provided to a nonpublic school were not provided. A few of the expenditures were for staff hired to provide services at nonpublic schools, but documentation such as payroll or timesheets were not provided to support that the services were provided. Not having supporting documentation for all expenditures for our review limited our ability to confirm the allowability of those expenditures.

Because Wisconsin did not adequately oversee the contractor's processes to track assets, there's no assurance that the assets were still being used for purposes related to COVID-19 or for allowable purposes under other Federal programs.

Wisconsin's Did Not Ensure that Fees Charged for Nonpublic Schools' EANS-Funded Services and Assistance Were Reasonable and Appropriate

Wisconsin did not design and implement adequate oversight of its EANS programs to ensure that service fees charged to nonpublic schools' EANS funds were appropriate and reasonable. Wisconsin's contractor charged a service fee in the form of a processing fee for assistance in procuring goods and services on behalf of the nonpublic schools. Wisconsin allowed service fees to be charged for providing direct services to nonpublic schools without determining a reasonable fee percentage. During our review, we found service fees from 2.44 percent to 10.5 percent that were charged to nonpublic schools for direct service expenditures. While Wisconsin was aware that service fees were charged to nonpublic schools, it was not aware of the specific percentages charged and

⁷ The direct service agreement was a contract between the nonpublic schools and the contractor which provides the nonpublic schools with direct services to materials and services allowable under the EANS program.

did not state that service fees were allowable in the contract terms with its contractor for administering the EANS programs.

According to 2 C.F.R. section 200.303(a), nonfederal entities must establish and maintain effective internal control over the Federal award that provides reasonable assurance that they are managing the award in compliance with Federal statutes, regulations, and the terms and conditions of the award.

Wisconsin stated that it was aware that service fees were charged to nonpublic schools' EANS funds as part of standard practice, but it did not provide a reason for not assessing reasonable service fee percentages and including them within the contract conditions and terms. Not ensuring that service fees charged to the CRRSA and ARP EANS programs were reasonable and documented in the contract increases the risk of unallowable expenditures and reduces the amount of EANS funds available to address educational disruptions caused by the COVID-19 emergency.

Recommendations

We recommend that the Assistant Secretary for the Office of Elementary and Secondary Education require the Governor of Wisconsin and Wisconsin's State Superintendent of Public Instruction to—

- 3.1 Return the \$21,312 in CRRSA EANS funds that were expended improperly for services and assistance for a nonpublic school.
- 3.2 Require the contractor to provide sufficient support for the \$297,477 of unsupported CRRSA and ARP EANS-funded expenditures or return funds to the Department.
- 3.3 Conduct a full review of the contractor's vendor service fees to determine reasonableness. Return EANS funds for any vendor service fees deemed to be unreasonable.
- 3.4 Ensure that assets purchased with EANS funds are tracked in accordance with Federal requirements.

Wisconsin's Comments

Wisconsin disagreed with the finding and recommendations, stating that the OIG's claims regarding program improvements run counter to the positive performance record that it has with the Department and its other Federal partners.

Regarding Recommendation 3.1, Wisconsin stated that the \$21,312 in alleged improper expenditures was tied to an eligible claim that was resubmitted under the ARP EANS program. Regarding Recommendation 3.2, Wisconsin stated that its contractor had

already provided documentation to support these expenditures and that the OIG either missed or disregarded it. Regarding Recommendation 3.3, Wisconsin maintained that the service fees charged by the contractor were appropriate, necessary for administering the EANS programs, properly identified, and lower than standard administrative rates. Regarding Recommendation 3.4, Wisconsin stated that its contractor followed established procedures, obtained annual inventory updates, and provided records to OIG to confirm compliance.

OIG Response

We maintain our position that Wisconsin could improve its oversight of the EANS programs. We thoroughly reviewed all documentation provided by Wisconsin's contractor and, based on our professional judgement, determined that some of the documentation provided was insufficient to support expenditures that we tested, as detailed in the finding. Our assessments were made in accordance with professional audit standards and supported our conclusions that Wisconsin did not ensure that its contractor consistently applied its written processes for supporting expenditures and tracking federally funded assets. Wisconsin also did not provide any documentation of its assessment of the reasonableness of service fees charged to nonpublic schools. Therefore, except for Recommendation 3.4, our recommendations remain unchanged.

Regarding Recommendation 3.4, we revised but did not remove the recommendation. We received documentation showing that assets were identified and located, but we did not receive documentation showing that they are being tracked in accordance with Federal requirements.

Appendix A. Scope and Methodology

Our audit covered Wisconsin’s processes for reviewing and approving nonpublic schools’ applications and overseeing nonpublic schools’ use of EANS funds for the period March 13, 2020, through June 30, 2024.

To achieve our objectives, we reviewed and gained an understanding of the following laws, regulations, and guidance relevant to CRRSA and ARP EANS:

- CRRSA (Public Law 116-260, December 27, 2020), section 312 “Governor’s Emergency Education Relief Fund”;
- ARP (Public Law 117-2, March 11, 2021), section 2002, “Emergency Assistance to Nonpublic Schools”;
- ARP Federal Register July 13, 2021;
- Department guidance, including the Certification and Agreement for Funding EANS Program under CRRSA; FAQ, EANS Program as authorized by CRRSA and ARP (Updated September 17, 2021); Addendum to FAQ, Disposition of Equipment and Supplies, EANS Program (January 23, 2023); Final Requirements for ARP EANS Federal Register Vol. 86, No. 131 (July 13, 2021);
- Wisconsin’s Grant Award Notification for the CRRSA and ARP EANS programs;
- the Government Accountability Office’s *Standards for Control in the Federal Government* (September 2014); and
- 2 C.F.R. Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

We gained an understanding of Wisconsin’s application and oversight processes through interviews with key Wisconsin and contractor officials who had knowledge of or were responsible for establishing, administering, or overseeing the CRRSA and ARP EANS programs. To assess the reliability of the testimonial evidence, we compared information obtained from interviews with records related to Wisconsin’s application and oversight activities when provided by the interviewees. We concluded that the testimonial evidence we obtained was sufficiently reliable within the context of our audit objectives.

We assessed the adequacy of Wisconsin’s application and nonpublic school eligibility determination processes by (1) reviewing the applications that Wisconsin developed for the CRRSA and ARP EANS programs to determine whether they contained data fields that would allow Wisconsin to properly assess a school’s eligibility and prioritize schools as required by law, (2) assessing the timeliness of Wisconsin’s dissemination of EANS programs information and related applications, and (3) testing a sample of nonpublic

schools' applications to determine whether Wisconsin properly determined the schools' eligibility.

We also gained an understanding and assessed the adequacy of Wisconsin's oversight processes through reviews of relevant documents and records. We reviewed documents identifying Wisconsin offices and staff who had a role in establishing, administering, or overseeing the CRRSA and ARP EANS programs. We reviewed and evaluated the guidance and technical assistance (such as webinars and emails) that Wisconsin provided to nonpublic schools regarding the use of CRRSA and ARP EANS funds. We also reviewed the written procedures that Wisconsin's contractor developed to gain an understanding of how requests for services and assistance were reviewed and approved.

We assessed the implementation of Wisconsin's oversight processes by testing samples of CRRSA and ARP EANS expenditures to determine whether they complied with applicable requirements. Specifically, we reviewed each expenditure to determine whether it was (a) connected to the pandemic, (b) authorized under applicable law and regulations, (c) reasonable and necessary in accordance with the Uniform Guidance, and (d) sufficiently supported. We also determined whether purchased equipment and supplies in the samples were properly approved and inventoried, if applicable.

Sampling Methodology

To determine whether Wisconsin designed and implemented application processes that adequately assessed nonpublic schools' eligibility for EANS-funded services or assistance and complied with applicable requirements, we selected a nonstatistical, random sample of applications for both CRRSA and ARP EANS. In total, we reviewed 9 approved applications and 10 rejected applications. Specifically, for the CRRSA EANS program, we sampled 10 applications (2 percent) of the 467 nonpublic schools that completed the application process. This included 5 of the 451 eligible applicants (1 percent) and 5 of the 16 rejected applicants (31 percent). For the ARP EANS program, we sampled 10 applications (4 percent) of the 251 nonpublic schools that applied. This consisted of 5 of the 196 nonpublic schools that were approved (3 percent) and 5 of the 55 nonpublic schools that were rejected (9 percent). Additionally, we judgmentally selected one school that was newly approved under ARP EANS.

To determine whether Wisconsin's oversight processes ensured that EANS funds were used for allowable purposes and assets acquired with those funds were tracked and maintained, we selected nonstatistical, random samples of nonpublic schools' expenditures of CRRSA and ARP EANS funds. We sampled a total of 60 (2 percent) of the 3,649 expenditures that were charged to the EANS programs. For the CRRSA EANS program, we sampled 30 (1 percent) of the 2,319 expenditures that were

reimbursement payments and direct payments to vendors. For the ARP EANS program, we sampled 30 (2 percent) of the 1,330 expenditures that were direct payments to vendors.

To determine whether Wisconsin complied with cash management requirements, we attempted to reconcile Wisconsin's G5 drawdowns to its CRRSA and ARP EANS expenditures. Although we could not reconcile them as of a specific date during the grant period, we were able to reconcile CRRSA EANS in total at the end of the grant period and ARP EANS to a sufficient extent for us to be comfortable that we were testing the entire ARP EANS amount.

The results of our testing apply only to the samples selected and cannot be projected.

Internal Controls

We obtained an understanding of all five areas of internal control (control environment, risk assessment, control activities, information and communication, and monitoring) as they related to Wisconsin's processes for ensuring that nonpublic schools were eligible and used CRRSA and ARP EANS funds in accordance with applicable requirements. We limited our internal control work to the two areas we deemed significant to the audit objective: control environment and control activities.

- Control environment—assignment of responsibility and delegation of authority, documentation of the internal control systems, and enforcing accountability.
- Control activities—design of appropriate types of control activities, design of control activities at various levels, documentation of responsibilities through policies, and periodic review of control activities.

As discussed in the findings, we concluded that Wisconsin did not comply with Federal requirements (see [Finding 1](#)), did not adequately assess all eligibility requirements for nonpublic schools' applications for EANS-funded services and assistance (see [Finding 2](#)), and could improve its oversight of the EANS programs (see [Finding 3](#)).

Use of Computer-Processed Data

We relied, in part, on computer-processed data (spreadsheets) provided by Wisconsin to select and review the CRRSA and ARP EANS nonpublic school applications that we sampled. We obtained the computer-processed application data and the electronic applications from Wisconsin; in addition, we obtained any additional supporting documentation. To assess the reliability and completeness of the data, we compared the fields in the applications to the provided support, school websites, and PPP website and found that the fields from the applications we sampled matched data from the support obtained. Some of the fields included were total student enrollment, the data

source used to determine the number of students from low-income families, and whether the school indicated that it received a PPP loan prior to December 27, 2020. Although we identified some issues with Wisconsin's processes as explained in [Finding 2](#), we concluded that the data were sufficiently reliable for their intended use.

We obtained the universes of expenditures for both CRRSA and ARP EANS for the audit period. We used the universes to select samples of expenditures for detailed testing to determine whether Wisconsin's oversight processes ensured that EANS funds were used for allowable purposes. To assess the completeness of the data, we compared total CRRSA and ARP EANS expenditures to amounts drawn down by Wisconsin from the Department's G5 grants management system for the audit period. To assess the reliability of the expenditure data, we traced the expenditures to supporting documentation, such as invoices and POs for our sample of 60 expenditures (30 expenditures for each EANS program). While we found that supporting documentation was not provided for some expenditures as identified in [Finding 3](#), we concluded that the data were sufficiently reliable for their intended use.

Finally, we relied, in part on the Department's G5 grants management system as it is the official system of record for the Department's grants data. As a result, we considered it to be the best available data for its intended purpose. To assess the reliability of the data, we compared total CRRSA and ARP EANS expenditures to amounts drawn down by Wisconsin from G5 for the audit period. We did not identify any issues that affected our using the data and concluded that the computer-processed data were sufficiently reliable for their intended use.

Compliance with 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 remotely conducted our audit from July 2024 through May 2025. We discussed the results of our audit with Wisconsin officials on May 22, 2025.

Appendix B. Allowable Uses of EANS Funds

According to section D-1 of the Department's September 2021 EANS FAQ guidance document, a nonpublic school may apply to receive services and assistance from the SEA or its contractors to address educational disruptions resulting from the COVID-19 emergency. These services and assistance include:

1. Purchasing supplies to sanitize, disinfect, and clean school facilities.
2. Providing personal protective equipment.
3. Improving ventilation systems, including windows or portable air purification systems.
4. Training and professional development for staff on sanitization, the use of personal protective equipment, and minimizing the spread of infectious diseases.
5. Installing physical barriers to facilitate social distancing.
6. Purchasing other materials, supplies, or equipment recommended by the Centers for Disease Control and Prevention for reopening and operation of school facilities to effectively maintain health and safety.
7. Expanding capacity to administer coronavirus testing to effectively monitor and suppress the virus.
8. Purchasing educational technology (including hardware, software, connectivity, assistive technology, and adaptive equipment) to assist students, educators, and other staff with remote or hybrid learning.
9. Redeveloping instructional plans, including curriculum development, for remote or hybrid learning, or to address learning loss.
10. Leasing sites or spaces to ensure safe social distancing, including guidelines and recommendations from the Centers for Disease Control and Prevention.
11. Paying for reasonable transportation costs.
12. Initiating and maintaining education and support services or assistance for remote or hybrid learning or to address learning loss.

Under CRRSA EANS (but not ARP EANS) reimbursement is allowed for the expenses of any services or assistance described above that a nonpublic school incurred on or after March 13, 2020, except for

- improvements to ventilation systems (including windows), except for portable air purification systems, which may be reimbursed;

- staff training and professional development on sanitization, the use of personal protective equipment, and minimizing the spread of the COVID-19;
- redeveloping instructional plans, including curriculum development, for remote or hybrid learning or to address learning loss;
- initiating and maintaining education and support services or assistance for remote or hybrid learning or to address learning loss; and
- any expenses reimbursed through a loan guaranteed under the PPP (15 United States Code 636(a)) prior to December 27, 2020.

Appendix C. Acronyms and Abbreviations

ARP	American Rescue Plan
C.F.R.	Code of Federal Regulations
COVID-19	coronavirus disease 2019
CRRSA	Coronavirus Response and Relief Supplemental Appropriations Act
Department	U.S. Department of Education
EANS	Emergency Assistance to Nonpublic Schools
FAQ	frequently asked questions
PO	purchase order
PPP	Paycheck Protection Program
SBA	Small Business Administration
SEA	State educational agency
Wisconsin	Wisconsin Department of Public Instruction

Wisconsin's Comments



WISCONSIN DEPARTMENT OF
Public Instruction

Jill K. Underly, PhD, State Superintendent

July 31, 2025

AUDITEE RESPONSE TO OIG FINAL REPORT

SENT VIA EMAIL

Keith Cummins
Acting Deputy Assistant Inspector General of Audit
Office of Inspector General

Doral Hill
Assistant Director
Office of Inspector General

Dear Mr. Cummins and Ms. Hill,

The Office of Inspector General (OIG) within the U.S. Department of Education (ED) provided the Wisconsin Department of Public Instruction (DPI) with a copy of the report (ED-OIG/A24NY0195) "Wisconsin's Administration and Oversight of Emergency Assistance to Nonpublic Schools Grant Funds," that focused on the DPI's design and implementation of:

- (1) application processes that adequately assessed nonpublic schools' eligibility for Emergency Assistance to Nonpublic School (EANS)-funded services or assistance and complied with other applicable requirements; and
- (2) oversight processes to ensure that EANS-funded services or assistance were used for allowable purposes.

The OIG reviewed DPI oversight from the period of March 13, 2020, through June 30, 2024.

Before responding to specific findings in the report, the DPI notes that **no notice or follow-up was provided by OIG staff from March 13, 2025, through May 13, 2025**. During that time, DPI staff repeatedly contacted OIG with OIG-requested materials. DPI also inquired whether further information or clarification was needed to complete the audit process multiple times. OIG did not respond. The **OIG also failed to alert DPI that the audit work had concluded** and did not communicate in any manner with DPI until May 13, when OIG requested that DPI staff indicate possible dates for an exit interview.

Finding No. 1: Wisconsin Did Not Administer ARP EANS Funds in Accordance with Federal Requirements

DPI Comments: The DPI disagrees with this finding by OIG.

As noted in the OIG report, under the final requirements for the ARP EANS program, a State may propose and, if approved by the Secretary, use an alternate significant poverty percentage based on circumstances in the State, which could include "other factors that the State demonstrates support an alternate significant poverty percentage." In Wisconsin, the DPI proposed an

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alternative percentage, demonstrated why this alternative was appropriate for ARP EANS eligibility, responded to ED staff inquiries regarding the proposed alternate method, and ED affirmed this reasoning by approving the application.

Despite its approved alternate significant poverty percentage, the OIG has called into question the use of Wisconsin's alternate percentage, asserting that its use deprived making additional ARP EANS funds available to eligible nonpublic schools that might have needed additional services or assistance. However, the OIG did not identify which, if any, nonpublic school had indicated that it failed to receive sufficient ARP EANS assistance in Wisconsin. In addition, DPI and CESA 6 had to run a second statewide pool application process for ARP EANS schools because there was insufficient demand from the first process to commit all available funds. These statewide pool processes were fully explained to OIG staff.

DPI's administration of the American Rescue Plan (ARP) Act EANS program was fully compliant with its application as approved by the U.S Department of Education (ED) via an ED email from Diane Rentner on November 4, 2021. The email, which was previously shared with OIG, stated, "I am writing to share with you that Wisconsin's American Rescue Plan Act of 2021 Emergency Assistance to Non-Public Schools (ARP EANS) program application has been approved.

Wisconsin's application is consistent with all ARP EANS statutory and regulatory requirements and addresses all of the ARP EANS application elements. You will soon receive a Grant Award Notification with information on your award." (emphasis added)

The OIG contacted ED staff about this approval in December 2024, including Diane Rentner and her supervisor, who then contacted DPI staff to discuss OIG's concerns with the ARP EANS approval. ED staff readily acknowledge that the U.S. Department of Education had approved all parts of the Wisconsin DPI's ARP EANS application. **If the OIG has now determined that this application should not have been approved, the fault does not lie with the DPI, which reasonably relied on the U.S. Department of Education's approval.**

Even taking OIG's position that 184 nonpublic schools were ineligible for EANS services as correct (which DPI disputes), there is no identifiable harm to the federal interest because the demand by "eligible" nonpublic schools for ARP EANS was insufficient to fully expend the award, thus the funding would have reverted to the Governor's Emergency Education Relief Fund (GEER). The 184 nonpublic schools, with established, significant COVID impact, were undoubtedly eligible for these services under GEER.

Response to Recommendation 1.1: The DPI disagrees with Recommendation 1.1 and the assertion that nonpublic schools were inaccurately deemed eligible for ARP EANS-funded services and assistance. It would be inappropriate for the State of Wisconsin to return \$20 million to ED, as the DPI was fully compliant with its ED-approved ARP EANS application. Deference to state-proposed alternatives was permitted under Federal Register, Vol. 86, No. 131 (July 13, 2021)¹, if approved by the Secretary. If the Secretary's approval was provided in error, then **the Acting Assistant Secretary for the Office of Elementary and Secondary Education should hold ED accountable for the error, not the DPI.**

¹ Federal Register. U.S. Department of Education, 34 CFR Chapter II, RIN 1810-AB63 Rule: *American Rescue Plan Act Emergency Assistance to Non-Public Schools Program*, pp. 36649-36650 (July 13, 2021). <https://www.federalregister.gov/documents/2021/07/13/2021-14862/american-rescue-plan-act-emergency-assistance-to-non-public-schools-program>

Finding No. 2: Wisconsin Did Not Adequately Assess All EANS Programs Eligibility Requirements for Nonpublic Schools

DPI Comments: The DPI disagrees with this finding, which is overly broad and reflects lack of understanding of EANS timelines imposed on participating states by ED. On September 17, 2021, ED published updated guidance regarding the administration of EANS funds.² In FAQ B-2, the State Education Agency (SEA) responsibilities for administering the EANS program include:

- Making an application easily available to non-public schools in the State **as soon as possible** but no later than 30 days after receipt of the EANS funds.
- Approving/denying each non-public school application **promptly but no later than 30 days after the SEA receives the application from a non-public school.** (emphasis added)

Additionally, FAQ C-8 states “An SEA may require an eligible non-public school to provide information in an application for services or assistance under the EANS program as the SEA deems reasonable to ensure expedited and timely provision of services or assistance.”

In designing the EANS application, the DPI followed ED guidance, namely FAQ C-9, which states:

“...An SEA was permitted to use the Department’s sample application template in developing the application non-public schools submitted under the CRRSA EANS program. An SEA may modify and use the sample application template for the ARP EANS program as long as it meets the requirements of the ARP Act.”

The Sample Application Template contains the following acknowledgement:

I certify to the best of my knowledge and belief, all of the information in this application is true and correct. I further understand that knowingly making a false statement or misrepresentation on this application may subject me to criminal or civil penalties under applicable State and Federal laws.

Underneath this statement, the template requires the name, telephone number, and signature of the applicant school’s authorized representative, as well as the date of the application’s completion. On page 2 of the template, the applicant is required to check several boxes and in doing so, affirms that the statement following each box is true and correct regarding the applicant school.

The affirmations include the following statements:

- The school requesting services or assistance is a non-profit school.
- The school requesting services or assistance did not and will not apply for and receive a loan under the Small Business Administration’s Paycheck Protection Program (PPP) (15 U.S.C. 636(a)(37)) that is made on or after December 27, 2020.³...
- None of the services or assistance for which I am requesting support in Part D of this application have already been supported by a loan under the PPP.

² U.S. Department of Education. *Frequently Asked Questions Emergency Assistance to Non-Public Schools (EANS) Program as authorized by the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA Act) and the American Rescue Plan Act of 2021 (ARP Act)*. (September 17, 2021) Accessed: May 20, 2025.
<https://www.ed.gov/sites/ed/files/2021/09/Final-EANS-FAQ-Update-9.17.21.pdf>

³ This statement is followed by a lengthy note clarifying what constitutes a PPP loan “made on or after December 27, 2020.”

After these assurances, the template provides bracketed, italicized guidance that “**At its discretion**, an SEA may require a non-public school applicant to submit reasonable and appropriate documentation to substantiate one or more of the above assurances.” (emphasis added)

As noted in the OIG report:

Furthermore, as part of the CRRSA EANS application, Wisconsin pre-populated low-income student count data from private schools that reported this information in Wisconsin’s State application for the Elementary and Secondary School Emergency Relief program during the 2019-2020 school year. If a nonpublic school needed to update this data, they had to provide the updated amount along with the data source they used such as free or reduced-priced lunch data, scholarship or financial assistance records, E-rate data, etc. Additionally, a nonpublic school official was required to electronically sign the CRRSA EANS application. By signing the application, the nonpublic school certified that it would comply with applicable State and Federal requirements while administering CRRSA EANS funds. Lastly, each nonpublic school had to provide a description of how COVID-19 impacted the school in their application.

Following ED guidance, the DPI required nonpublic schools to apply and – through a separate application linked to data⁴ validated by a formerly approved CCRSA EANS application – provide all information necessary to determine ARP EANS eligibility. If a nonpublic school had not received a CRRSA EANS grant, the school could apply for ARP EANS funding by completing a full application, modeled on the DPI’s CRRSA EANS school application. The DPI followed and improved upon the ED CCRSA EANS Sample Non-public School Application Template⁵ by requiring additional information, beyond what was required in the sample template. Also, the Wisconsin CCRSA and ARP EANS school applications utilized the same assurances and requested the same requisite information as was required within the ED Sample Non-public School Application Template.

It is also important to note that at the time applications were submitted for approval, there was no comprehensive, reliable online resource, such as <https://www.pandemicoversight.gov/>, through which to validate PPP loan application approval. Given the 30-day application determination period and the SEA responsibility to provide the “expedited and timely provision of services or assistance,” state verification of nonpublic school eligibility was limited to readily available data and school assurances.

DPI Response to the Recommendations

Recommendation 2.1: The DPI disagrees with Recommendation 2.1, in which the OIG erroneously directs the return of \$838,829 already returned. The DPI had already acted to collect funds from the ineligible school and return them to ED at the time of the writing of the report and notified the OIG on April 22, 2025, that the school in question had repaid all CRRSA and ARP EANS expenditures.

⁴ DPI utilized information previously provided by nonpublic schools through the annual submission of the state’s PI-1207 Data Collection application to ensure that basic school information and contact details were accurate.

⁵ U.S. Department of Education, OMB Number: 1810-0751. Accessed: May 20, 2025.
https://www.ed.gov/sites/ed/files/2021/01/FINAL_Sample-application-template-from-SEA-to-non-public-schools_2021_01.14.21.docx

Recommendation 2.2: The DPI disagrees with Recommendation 2.2 to obtain further nonpublic school documentation. As noted above, the DPI followed the guidance provided in FAQ C-9 and utilized the ED CCRSA EANS Sample Non-public School Application Template as the basis for the design of Wisconsin's CCRSA EANS and ARP EANS school applications. Following the ED template, DPI relied upon a nonpublic school's signed application with repeated assurance language regarding nonprofit status and PPP loan receipt, and a declaration that the information provided by the nonpublic school was accurate and complete. As instructed, the DPI utilized its discretion, based on already available data, as to whether further documentation was necessary to validate the information provided by the applicant. There have been no indications that a Wisconsin nonpublic school receiving EANS services and assistance did not have nonprofit status.

Finding No. 3: Wisconsin Could Improve its Oversight of the EANS Programs

DPI Comments: The DPI disagree with this finding as an unnecessarily broad claim against DPI's administration of the EANS programs. DPI has a longstanding track record of positive program review and auditing results from USDE and its other federal partners. OIG's blanket statement runs counter to that fact pattern.

The OIG report asserts that the DPI did not properly monitor EANS program administration by the Cooperative Educational Service Agency 6 (CESA 6), the contracted EANS administrator. "Specifically, Wisconsin lacked sufficient monitoring processes to ensure that CESA 6 implemented policies and procedures to: (1) properly account for expenditures, (2) maintain supporting documentation for EANS-funded services and assistance, and (3) identify, locate, or track assets purchased with EANS funds for nonpublic schools." The Wisconsin Legislative Audit Bureau (LAB) completed full programmatic and financial reviews of DPI's administration of the EANS programs for the 2021-22 and 2022-23 fiscal years. The LAB spent significant time working through CESA 6's processes and procedures. The LAB had no findings in either audit regarding DPI's oversight of CESA 6.

Delayed Supply Delivery. The OIG indicated that it sampled 30 CRRSA EANS and 30 ARP EANS expenditures and found one expenditure of \$21,312 in which the vendor was reimbursed six months after CRRSA EANS program ended. The OIG noted that CESA 6 allowed for the expenditure to be reimbursed under CRRSA EANS after the program period had lapsed. CESA 6 advanced a claim for reimbursement in January 2024 for an expenditure to obtain supplies, which was allowable under CRRSA. The OIG asserts that, according to CESA 6's documentation, the supplies were invoiced and delivered to the nonpublic school in July 2024, which was outside of the CRRSA EANS program period.

CESA 6 has clarified that the expense in question was not reimbursed from CRRSA EANS funds but was for supplies where an invoice was originally submitted under the CRRSA EANS program and was afterwards revised and resubmitted as an ARP EANS claim. As such, this claim should be deemed eligible under ARP EANS.

Sufficient Support for Expenditures. The OIG report also states that seven CRRSA and ARP EANS expenditures for goods and services purchased, totaling \$297,477, lacked sufficient supporting documentation. CESA 6 reports that OIG made two requests to pull claims information, which CESA 6 provided to the OIG and DPI. CESA 6 affirms that the agency thoroughly reviewed each request and submitted all relevant documentation on or before the specified deadlines. In response to the second pull request, the OIG made an additional request for purchase order (PO)

follow-up documentation, which was compiled by CESA 6 and submitted to the OIG. The submission was not acknowledged by the OIG.

The DPI contracted with CESA 6 to provide program guidance and process, as well as account for, verify, and audit EANS claims submitted by eligible nonpublic schools. CESA 6 had substantial processes and procedures in place, per contract with DPI, to support claims for EANS reimbursement. The OIG determined that there was insufficient support for seven expenditures in CRRSA and ARP EANS funded nonpublic schools' goods and services. Both the ARP-related direct service contracts and the CRRSA payment records in question had previously been provided to the OIG by CESA 6. The OIG either missed or ignored the documentation. CESA 6 has resubmitted the documentation to make the \$297,477 eligible.

Direct Services Fees. The OIG asserts that the DPI failed to ensure that service fees charged in the provision of EANS services and assistance were appropriate and reasonable. The OIG noted that CESA 6 and its partner agencies, collectively known as the Cooperative Services Network (CSN), were providing direct services and charging various service fees to nonpublic schools without determining if the fee percentages were reasonable. By not ensuring that reasonable service fees were charged and documented in "the contract," OIG claims this increases the risk of unallowable expenditures and reduces the amount of EANS funds available to address educational disruptions caused by the COVID-19 emergency. The OIG fails to identify how or why the service fees were unreasonable.

DPI and CESA 6 have affirmed, and continue to affirm, that CESA service fees were necessary and transparent. Standard business practice dictates that revenues are collected and applied to account for the overhead and administrative costs associated with the delivery of services. These costs can be embedded within the overall production or service price, but to promote transparency, CESAs identified overhead costs as a clearly defined percentage tied to each transaction (rather than incorporating it into the base cost). Notably, the applied percentage for CESA 6 was lower than its standard administrative fee, reflecting the agency's commitment to both fiscal responsibility and program integrity. It is also important to note that the amount of funds paid by the DPI to CESA 6 for EANS administration would have been the same had CESA 6 chosen to forgo the provision of any direct service to nonpublic schools under the EANS programs.

The OIG report noted that CESA direct services fees varied, and that DPI did not know the fee percentages. Participating CESAs determined applicable fees based on the overhead tied to the service(s) provided. In reviewing the EANS programs, the Wisconsin Legislative Audit Bureau, a nonpartisan legislative service agency, did not take issue with these fees during its 2022 and 2023 audits. The CSN, of its own volition, voluntarily agreed to collaborate with CESA 6 to create a statewide catalog of eligible EANS services that each CESA could provide to nonpublic schools. Certain CESAs were limited to providing services and assistance to nonpublic schools within their region, while others provided statewide services, such as CESAs 2, 6, and 10. Utilizing CESAs for services and assistance was not required under Wisconsin's EANS programs, and when providing direct services, CESAs were acting as third-party vendors to nonpublic schools. As a third-party service provider, each CESA had its own existing fee schedule for various administrative, indirect, or overhead expenses, as would any third-party vendor. The DPI would not have been able to dictate these rates, as costs vary by vendor.

Asset Inventories. The OIG asserts that because DPI did not adequately oversee CESA 6 tracking of school assets, the DPI cannot affirm that the assets were used for purposes related to the coronavirus mitigation or were properly disposed of in accordance with EANS guidance. CESA 6 upholds its written policies and procedures for auditing nonpublic school assets purchased under

the EANS program. Annually, CESA 6 verified that nonpublic schools updated EANS-related asset inventory tracking. As part of the asset verification process, nonpublic schools received correspondence notifying the school to update its EANS inventory tracking document and acknowledge whether assets had been disposed of or were in use. Once nonpublic schools confirmed that inventory documentation was up-to-date, CESA 6 would conduct an inventory audit of the school.

The OIG acknowledges that CESA 6 requested inventory status updates and that CESA 6 acknowledges having received confirmations from participating schools, indicating whether assets were still in use or returned. However, the OIG states that CESA 6 did not provide documentation of these confirmations.

To ensure EANS compliance, CESA 6 implemented a robust and comprehensive inventory management program. Utilizing Google Sheets, the agency established an effective and transparent communication process with participating nonpublic schools, allowing for real-time updates regarding the receipt and operational status of inventoried items. These documents were previously shared with the OIG. In response to the OIG's request for additional documentation and verification, confirming items that remain in active service, CESA 6 submitted the required evidence via SharePoint on April 2, 2025. These documents collectively provide verification of item utilization and support CESA 6's efforts to maintain accountability, compliance, and transparency in inventory management.

DPI Response to the Recommendations

Recommendation 3.1: The DPI disagrees with Recommendation 3.1 that it return \$21,312 in CRRSA EANS funds that were allegedly expended improperly for services and assistance for a nonpublic school. CESA 6 has clarified that the claim was not paid from CRRSA EANS funds but was a revised and resubmitted ARP EANS claim for a nonpublic school that participated in both EANS programs.

Recommendation 3.2: The DPI disagrees with Recommendation 3.2 that CESA 6 be compelled to provide sufficient support for the \$297,477 of "unsupported" CRRSA and ARP EANS-reimbursed expenditures or return funds to the Department. CESA 6 already provided support for these expenditures. Both the ARP-related direct service contracts and the CRRSA payment records in question had previously been provided to the OIG by CESA 6. The OIG either missed or ignored the documentation. Documentation has been resubmitted by CESA 6 to support the seven claims.

Recommendation 3.3: The DPI disagrees with Recommendation 3.3 to conduct a full review of the reasonableness of CESA 6's vendor service fees and return funds for fees deemed unreasonable. To promote transparency, CESAs did identify overhead costs as a clearly defined percentage tied to each transaction (rather than incorporating it into the base cost), and in the case of CESA 6, those costs were lower than its standard administrative fee. The DPI would have been required to provide the same amount of funds to CESA 6 for EANS administration regardless of whether CESA 6 had chosen to forgo or provide eligible services and assistance to nonpublic schools. Again, this situation was fully explained to OIG staff.

Recommendation 3.4: The DPI disagrees with Recommendation 3.4, which implies that not all assets purchased with EANS funds were identified, located, and tracked in accordance with federal requirements. As noted above, CESA 6 had written policies and procedures in place to audit nonpublic school assets purchased under the EANS program, including the

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annual updated verification of EANS-related asset inventory by nonpublic schools. CESA 6 provided OIG records to validate these procedures.

Sincerely,



Tom McCarthy
Deputy State Superintendent

c: Chanell Crawford, Assistant State Superintendent, DPI
Michael Bormett, Section Leader, Bureau of Education Options, DPI
Anne Hanson, Deputy Secretary, Wisconsin Department of Administration
Jerome Pearce, Auditor, Office of Inspector General, USDE