



650 W. State Street • Suite 307 • Boise, ID • 83702

P.O. Box 83720 • Boise, ID • 83720-0037

---

## Transaction Review Report

6/30/2023

The State Board of Education's team has conducted a full review of the Empowering Parents Grant Program and determined that the overwhelming majority of program purchases were eligible and approved, with less than 1% of the total purchases being identified as ineligible. In total, the Empowering Parents Grant Program has helped 49,429 children across the State of Idaho purchase needed educational items and services, and we look forward to continuing the great work of the program in the months and years ahead.

### Summary of Findings

- The Office of the State Board of education (OSBE) staff have reviewed nearly all Empowering Parents Grant Program purchases made by grant awardees through the end of April, where the bulk of purchases were made before stronger procedures were put into place.
- Less than 1% of the total purchases were identified as ineligible. The total cost of ineligible expenses is less than \$180,000, which represents approximately 0.57% of the total grant funds expended. Additional work is ongoing to determine exactly how much less than \$180,000 the final amount will be.
  - Once ineligible purchases are determined, OSBE and Odyssey will move to reverse the purchases and reimburse the state.
- Of the total purchases made, 6% fall into categories that may be approved as eligible expenses under Idaho Code § 33-1030(3)(f). The Parent Advisory Panel will review these expenses and make a final recommendation.
- As the program is ongoing, OSBE and Odyssey will continue to review and gather information about an additional 8% of purchases, and expect to report back in the coming weeks.
- While the contract with Odyssey did not contain any conditions related to the accrual of interest, Odyssey has committed to return the interest to the State and is in the process of doing so.

### **Ineligible Purchases – <1%**

Less than 1% of the total purchases, and 0.57% of the total dollars spent, were identified as ineligible. Items for which an exact cost has been determined total \$83,466.00. Approximately 100 items were bundled purchases in which only a portion of the purchase was ineligible. These purchases total \$97,754.00, not all of which will need to be reimbursed. Additional work is being done to determine what portion of the total bundled purchases is attributed to ineligible items. The state will be reimbursed for the items for which exact cost has been determined. Once the bundled purchases are disaggregated, Odyssey and OSBE will work to provide any additional reimbursement if needed.

While these items are technically ineligible based on a strict interpretation of statute, many of the items could have been purchased for students with nuanced special education needs; things such as weighted blankets, sensory socks, and others. Odyssey will reach out to the parents who made these ineligible purchases to provide a final opportunity for parents to submit evidence and justification as to why the purchase was made and what the item is being used for to further the student's education. OSBE staff will review that documentation and may remove purchases from the ineligible list based on that review.

### **Categories to be Considered by Parent Advisory Panel – 6%**

OSBE staff is scheduled to present the findings of this review to the Parent Advisory Panel on July 10<sup>th</sup>. We propose that the Empowering Parents Advisory Panel (EPAP) consider recommending the categories of expenditures listed below to the State Board of Education for approval as eligible expenses pursuant to Idaho Code § 33-1030(3)(f). If the EPAP chooses to recommend any or all of the categories below and the State Board of Education subsequently approves the recommendation, the purchases in the newly approved categories would be considered eligible retroactively, and no further action would be taken.

- Camps and Classes \* <1% of all transactions reviewed
- Costumes, athletic gear, and uniforms \* less than 1% of all transactions reviewed
  - This category includes equipment parents have purchased for their students to participate in outside, education-based activities.
- Educational equipment \* 5% of all transactions reviewed
  - Things such as backpacks, lunchboxes, computer cases, and other items to help with the logistics of schooling are included in educational equipment.
- Physical education equipment \* 1% of all transactions reviewed
  - This category includes items that support physical education to support healthy living and well-rounded learners.

### **Continuation of Review**

Odyssey and the State Board of Education are working to compile information to review further purchases as we move into the coming months. We are gathering more information on approximately 8% of the purchases from the program start date through April, as well as the purchases from May and June which are being internally review by Board staff. If additional items are determined to be

questionable per limitations in statute or potential recommendations of the EPAP, OSBE staff will work with Odyssey and either approve them or refer them to the ineligible category.

### **Looking Forward**

- OSBE has implemented procedures for reviewing all purchases within 72 hours of purchase. This practice facilitates timely requests for reversals should any ineligible expenses be purchased in the future. OSBE and Odyssey have internal measures in place on items that have been previously identified as eligible or ineligible, helping streamline this process.
- Odyssey has established procedures for reviewing all purchases and has implemented a “punch-out” system for some vendors that requires Odyssey staff approval of items prior to the purchase being finalized. Odyssey has established agreements with vendors that require vendors to only make eligible products and services available on the marketplace. Along with this, parents using the marketplace will need to submit documentation and attestation as to the educational purpose for ALL items being purchased, not just items that need extra staff review.
- OSBE and Odyssey have worked together to document business processes that outline the workflow, procedures, and safeguards enacted to ensure that moving forward there is tight scrutiny around the program.

### **Conclusion**

The Empowering Parents Grant Program is well positioned to positively impact Idaho families. To date, the program has benefited 49,429 children across the state, with the vast majority of purchases doing exactly what they were intended to do—support improved educational outcomes for Idaho children. This efficiency is a result of OSBE and Odyssey having worked together to review and revise program administration workflows on both sides to ensure that this highly successful program stays on track as we move forward. With less than 1% of the purchases made being deemed ineligible, and proper recourse having been established to rectify, we believe that this program has filled a massive need in Idaho’s education system. Reimbursement is in process and procedures have been established to prevent such purchases in the future. The collaboration between OSBE and Odyssey has resulted in a fine-tuned, well managed program that has helped tens of thousands of students.