



# Leveraging Fiscal Monitoring

Helping to Ensure Positive Outcomes for Students with Disabilities

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CIFR and IDC in collaboration  
with NCSI Fiscal Team.



# Overview



Highlight aspects of a fiscal monitoring system designed to improve student results.

Provide the fiscal authority that supports this.

Offer a description of the elements of a monitoring system designed for results and apply that to fiscal elements of IDEA.

Share ways to better align fiscal, data and program staff and work to improve results for students with disabilities.

Facilitate networking with other states to share examples of work.

# Audience



Roles

States

Why this session

# Resources



GAO – The Green Book: <http://www.gao.gov/greenbook/overview>

UGG: <http://www.grants.gov/web/grants/learn-grants/grant-policies/omb-uniform-guidance-2014.html>

EDGAR: <http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html>

IDEA: <http://www2.ed.gov/policy/speced/guid/idea/idea2004.html>

# Survey Monkey- Polling Questions



- Please take a couple minutes to complete the Survey Monkey Poll.  
<https://www.surveymonkey.com/r/iff2016survey>
- In order to assist you in participating in this session, you may want to complete the hard copy of this survey as well.
- Take 10 minutes to complete the Survey Monkey Poll and hard copy.

# How does your fiscal system align with and support IDEA outcomes for students with disabilities?

“IDEA requires the primary focus of federal and state monitoring to be on improving educational results and functional outcomes for all children with disabilities and ensuring that each state meets the program requirements under IDEA. In particular, the law places an emphasis on those requirements that are the most closely related to improving educational and early intervention results for children with disabilities.”

(U.S. Department of Education Press Release, June 24, 2014. New Accountability Framework Raises the Bar for State Special Education Programs.)

[http://www.ed.gov/news/press-releases/new-accountability-framework-raises-bar-state-special-education-programs.](http://www.ed.gov/news/press-releases/new-accountability-framework-raises-bar-state-special-education-programs)



# Questions to consider



Grant allocation-flow through funds: Is the student receiving the services which are being purchased through the LEAs IDEA grant?

Proportionate Share/Equitable Services: Are the students placed by their parents in non-public schools receiving the funded services identified for this purpose? Are these services being delivered appropriate to IDEA expectations?

CEIS-directed/voluntary: Are the funds, being directed for this purpose, decreasing disproportionate representation in identification, suspension/expulsion and placement, or decreasing inappropriate special education identification?

Excess Cost: Is the special education student getting what she/he would be entitled to if not disabled, prior to IDEA funds being spent?

# Risk and Subward Management under the Uniform Guidance

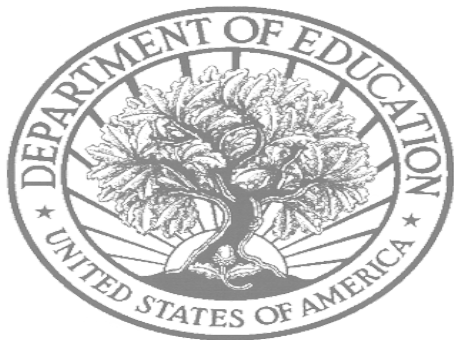


U.S. Department of Education



Results Driven Accountability:

Differentiated Monitoring and Support Engagement  
Decisions – DMS Notices





# Ten Desired Elements of a Results-Based Accountability Monitoring System\*

\*Regional Resource Center Program (RRCP) Cross Regional 12 State Consortium on Results-Based Accountability, Atlanta, GA, October 2013.

CIFR and IDC in collaboration with NCSI Fiscal Team.



# 1. What is your primary role?

Bringing together all parts of the General Supervision System.

## 2. In which of the IDEA requirements do you have some type of role?

Bringing together all parts of the General Supervision System.

# Figure 1: Components of General Supervision

**Figure 1: Components of General Supervision**



# Overlapping Work Chart: NY



Fiscal	Data	Program	Monitoring	TA
<p>CEIS</p> <ul style="list-style-type: none"> <li>LEA describes in the application of how it will be spent (tcher-\$\$\$), if there is a question on the math will talk with LEA.</li> </ul>	<ul style="list-style-type: none"> <li>Students affected by the funds?</li> <li>Impact data on eligibility?</li> <li>Where is this data in the PD?</li> <li>Data triggers the 15% determination.</li> <li>LEA inserts data to be an optional user of funds.</li> </ul>	<ul style="list-style-type: none"> <li>Should there be a review prior to fiscal approval?</li> </ul>	<ul style="list-style-type: none"> <li>What is impact of the funds?</li> <li>SEQA does not routinely review applications.</li> <li>Monitoring informed of the determination.</li> </ul>	
<ul style="list-style-type: none"> <li>Proportionate share.</li> <li>Attach money amount to the #.</li> <li>What is an allowable use? It's in the guidance.</li> </ul>	<ul style="list-style-type: none"> <li>x-# of students in private parental placements.</li> <li>Guidance to LEAs on # and amount to assure how much to spend and if its spending.</li> </ul>	<ul style="list-style-type: none"> <li>How are districts made aware of these requirements?</li> <li>Dual enrollment- LEA dollars; Full FAPE for private. placements, how is money spent.</li> </ul>	<ul style="list-style-type: none"> <li>Fiscal finding that consistently an LEA has to change its number.</li> <li>Issues heard through complaint process.</li> <li>What's an allowable use?</li> </ul>	



## Specific Conditions (§200.207)

- If deemed appropriate based on the risk assessment, specific conditions (e.g., increased reporting, reimbursement plan) may be placed on:
  - A subaward from a pass-through entity (§200.331(c) refers to (§200.207)).
  - In addition, a high-risk designation can be added to a subaward, as per §3474.10.

## §200.207 Specific conditions, (b)

Federal award conditions may include items such as:

1. Requiring payments as reimbursements rather than advance payments.
2. Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance.
3. Requiring additional, more detailed financial reports.
4. Requiring additional project monitoring.
5. Requiring the non-Federal entity to obtain technical or management assistance.
6. Establishing additional prior approvals.

### 3. With whom do you interact in the development, implementation or follow up to IDEA fiscal monitoring?

Breaking down silos assists in maximizing resources and aligning work to achieve outcomes.

## 4. What items do you consider in assigning risk to an LEA?

Risk is the possibility that an event will occur and adversely affect the achievement of objectives.

## Pass-Through Risk Review (§200.331(b))

Items that may be part of the Pass-through entity's review:

- Prior experience with same or similar subawards.
- Results of previous audits.
- Whether new or substantially changed personnel or systems.
- Extent and results of Federal awarding agency monitoring.

# What is Risk? (GAO – The Green Book)

Risk is the possibility that an event will occur and adversely affect the achievement of objectives.



# ORGANIZATIONAL ASSESSMENT OF RISK FACTORS



AREA	FACTORS
<b>RESULTS</b>	Based on: The Results Matrix percentage for the most current year.
<b>COMPLIANCE</b>	Based on: The Compliance Matrix percentage for the most current year.
<b>DISPUTE RESOLUTION</b>	Based on: <ul style="list-style-type: none"> <li>▪ 618 dispute resolution data</li> <li>▪ Missing and invalid data</li> <li>▪ Unresolved dispute resolution findings against SEA</li> </ul>
<b>FISCAL</b>	Based on: <ul style="list-style-type: none"> <li>▪ Date of last monitoring visit</li> <li>▪ Changes in leadership</li> <li>▪ Audits - corrective actions</li> <li>▪ Size of award</li> <li>▪ Maintenance of State Financial Support</li> <li>▪ Percent of State Level funds budgeted for Required Activities (Monitoring and Dispute Resolution)</li> <li>▪ Unresolved Fiscal Monitoring Findings</li> </ul>

## District of Columbia

### Criteria:

- Information provided in the LEA's previous self-assessment.
- Information provided in the LEA's most recent Phase I and Phase II Grant Application.
- Level of compliance on the prior year's APR compliance indicators.
- Level of compliance on data reported in OSSE's CAP reports.
- Number of Hearing Officer Decisions/Sas not timely implemented.
- Number of State complaints filed against the LEA in the past year.

## District of Columbia Cont.

- Number of students in the LEA placed in a more restrictive setting during the past school year.
- Timely submission of data (programmatic and fiscal) to OSSE.
- Number of requests for reimbursement not approved by OSSE.
- Number of students served by the LEA.
- Public Charter School Board Charter Renewal Cycle.
- Date of last on-site monitoring visit.
- Other information available to OSSE.

# Maine DOE LE Risk Assessment Tool

Sample measures used in the calculation of the total risk value include:

- SAU total grant award dollar amount.
- type of accounting system(s) used by SAUs.
- Current and prior SAU grant management experience and history.
- Prior SAU grant compliance reporting experience and history.

# This form is for use across all federal grant programs

1. Amount	Small <\$25,000	Medium \$25,000 to \$250,000	Large >\$250,000	
Amount of the award <i>(If award amount is unknown, an estimated award amount should be used.)</i>				
<b>2. Accounting System</b>				
Type of accounting system used by the entity	Automated	Manual	Combination	
<b>3. Program Complexity</b>				
Rate the complexity of the program	Not Complex	Slightly Complex	Moderately Complex	Highly Complex
<p>Programs with complex compliance requirements have a higher risk of non-compliance. In your determination of complexity consider whether the program has complex grant requirements <i>(If you choose one, select slightly complex; if you choose two, select moderately; if you choose three or four, select highly complex)</i>. The following are some examples of reasons a program would be considered more complex:</p> <ul style="list-style-type: none"> <li>▶ Complex programmatic requirements and/or must adhere to regulations</li> <li>▶ Matching funds or Maintenance of Effort are required</li> <li>▶ Various types of program, financial or data reports are required</li> <li>▶ The entity further subcontracts out the program</li> </ul>				
<b>4. Entity Risk</b>			Yes/No	
Rank the entity based on your knowledge of the following:				
a. Is the entity receiving an award for the first time?				
b. Did the entity adhere to all terms and conditions of prior grant awards?				
c. Does the entity have prior experience with similar programs?				
d. Does the entity have an accounting system that will allow them to completely and accurately track the receipt and disbursements of funds related to the award?				
e. Does the federal program require staff to track their time associated with the award?				
f. If yes, does the entity have a system in place that will account for 100% of each employee's time? <i>(If answered no to 4e, leave blank)</i>				
g. Did the entity have one or more audit findings in their last single audit regarding program non-compliance?				
h. Did the entity have one or more audit findings in their last single audit regarding significant internal control deficiency?				
i. Other issues that may indicate high risk of non-compliance? Explain: <i>(Assign 5 points for each issue from below that applies)</i>				
<p><i>Other Issues:</i> (1) Having new or substantially changed systems or software packages, i.e. accounting, payroll, reporting, technology, administration; (2) turnover in personnel, i.e. business, award management, program; (3) external risks including: economic conditions, political conditions, regulatory changes &amp; unreliable information; (4) loss of license or accreditation to operate program; (5) Federal government audits and finding(s); (6) new activities, products, or services; (7) organizational restructuring; (8) where indirect costs are included, does the organization have adequate systems to segregate indirect from direct costs.</p>				
<b>5. Reporting &amp; Budget</b>			Yes/No	
Rank the entity based on your knowledge of the following:				
a. Were performance reports submitted timely for prior grant awards? <i>(i.e. within the DOE specified timeframe)</i>				
b. Was reasonable progress made towards performance goals for prior grant awards?				
c. Were financial reports submitted timely for prior grant awards? <i>(i.e. award application, year end and monthly reimbursement reports)</i>				
d. Were financial reports accurate for prior grant awards? <i>(i.e. award application, year end and monthly reimbursement reports)</i>				
e. Did the entity stay on budget in prior years?				
Low = 0 - 67 Moderate = 68 - 134 High = 135 and higher			TOTAL RISK POINTS: 0	

# Maine's Risk Value Monitoring Procedures

Federal Program Pre-Award Risk Assessment			
Matrix for Monitoring by Risk Type			
SAU Fiscal Monitoring Procedures	Risk Type		
	<u>Low</u>	<u>Medium</u>	<u>High</u>
One random and one forced documentation request for grant invoice submissions	x		
Scheduled technical assistance to address and correct identified weaknesses for new grant award**		x	x
Requested corrective action plan to resolve identified weaknesses and assess progress during on site review		x	x
Increased documentation requests for grant invoice submissions per program manager discretion		x	
Forced documentation request for all grant invoice submissions			x***
Scheduled site visit per established monitoring schedule	x	x	
Scheduled site visit if not part of established monitoring visit			x***
Required quarterly MEDMS Financial Submissions to include grant transactions			x
<b>** Technical assistance</b>			
✓ documented by date/delivery method/sub recipient attendance/topic(s) covered			
✓ delivery methods may include:			
• Webinar • one on one meeting • conference call • group meeting			
<b>***High Risk Monitoring</b>			
For SAUs placed in the high risk tier due to late reporting, noted high risk requirements may be forgone IF a corrective action plan is filed by the school unit detailing how reports will be received by due date for subsequent award year.			



## 5. What are components of your fiscal monitoring process?

Multiple data sources bring together program, fiscal and data aspects of your system to address student results.

# Have a discussion at your table

- Why or why not would you incorporate any of these items into your system?
- What are some of the benefits or how are you using these to support your system?
- Are there some that are more likely to get at bringing together program and fiscal aspects of your system?

6. Do you conduct fiscal monitoring with any other federal grant program staff? If so, which ones and why?

Maximize resources and reduce risk.

# Cross Division Monitoring for Results

<b>FISCAL</b> <ul style="list-style-type: none"> <li>• IDEA</li> </ul>	<b>FISCAL</b> <ul style="list-style-type: none"> <li>• IDEA</li> <li>• Other Fed Grants</li> </ul>	<b>FISCAL</b> <ul style="list-style-type: none"> <li>• Other Fed Grants</li> </ul>
<b>FISCAL/PROGRAM</b> <ul style="list-style-type: none"> <li>• IDEA</li> </ul>	<b>FISCAL/PROGRAM</b> <ul style="list-style-type: none"> <li>• IDEA</li> <li>• Other Fed Grants</li> </ul>	<b>FISCAL/PROGRAM</b> <ul style="list-style-type: none"> <li>• Other Fed Grants</li> </ul>
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## 7. What topics of fiscal technical assistance and training do you offer?

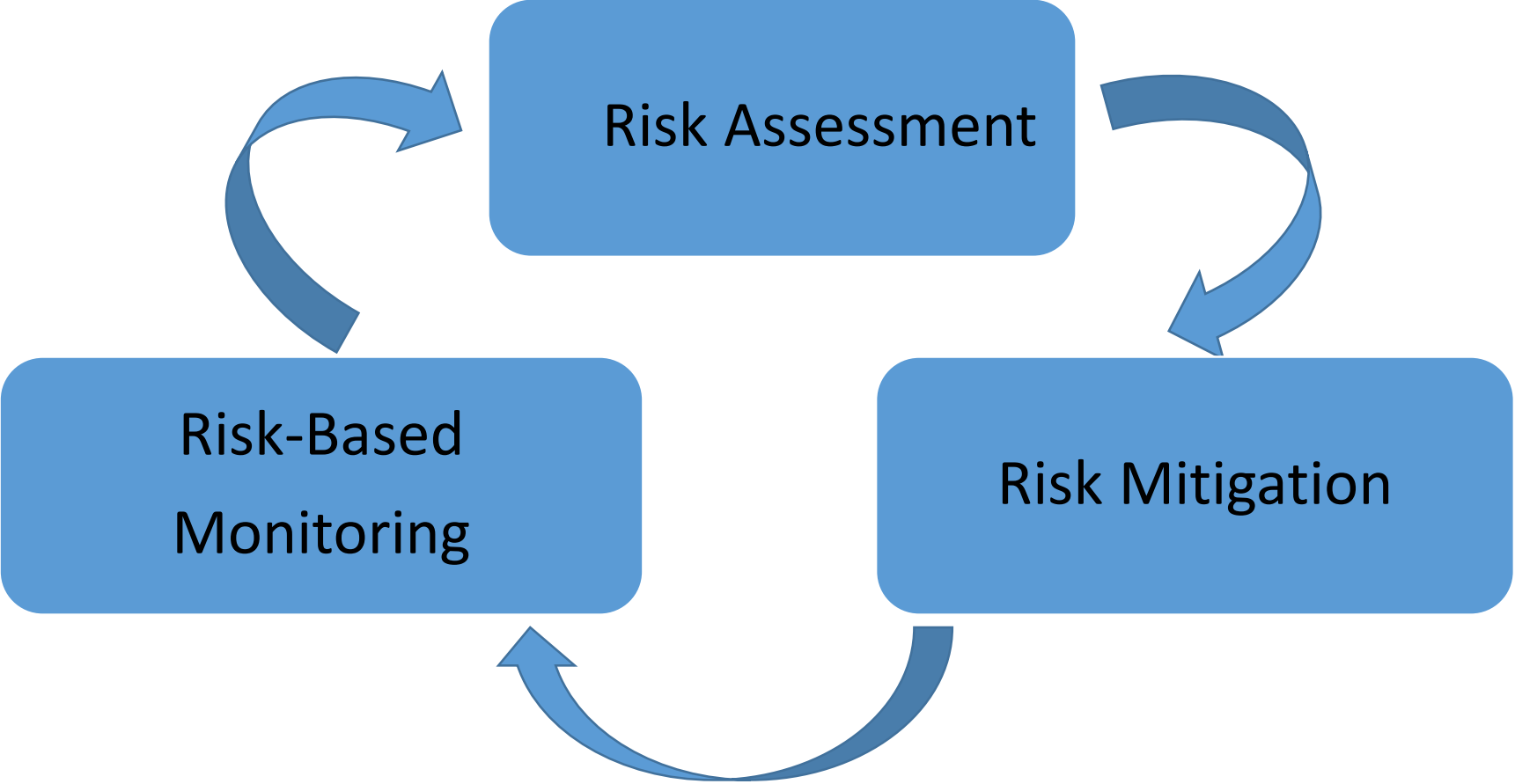
Reduce noncompliance and focus on quality improvement.

# What is Risk Management? (GAO)

Risk management can be described as the continuous process of assessing risks, reducing the potential that an adverse event will occur, and putting steps in place to deal with any event that does occur.



# Risk Management



## Next Steps

- Determine DMS activities for FY15 (May 2016).
- Complete and document DMS activities for FY15 (May 2016-September 2016).
- FY15 Activities Follow Up (Ongoing).
- Populate OA and Decision Tree for FY16 RDA (July 2016-August 2016).
- Send out FY2016 DMS Notices (beginning of September 2016).
- Conduct DMS Activities for FY2016 (October 1, 2016-September 30, 2017).

## 8. To whom do you provide fiscal training?

Training and communication among stakeholders helps assure effective and sustainable results.

## 9. What types of formats do you use to provide training or technical assistance?

Adults learn best through reflection and engagement. Use multiple mediums.



# Ten Desired Elements of a Results-Based Accountability Monitoring System\*

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# Ten Desired Elements

1. Transparency: Creating and sharing monitoring system, tools, sharing in advance, etc. with stakeholders, not a “gotcha.”
2. Front Loading TA: Providing LEAs with upfront training and skills prior to monitoring to allow for impact on results.
3. Selection for Differentiated Intervention: Tiers and tiered cycles of monitoring and interventions based on data or findings.
4. Qualitative Data Collection: More than just compliance, interviews, observations or other sources needed to inform the why of the quantitative data.
5. Root Cause Analysis: To understand the problem represented in the data.



## Ten Desired Elements (Cont.)

6. Improvement Planning: To address the root cause and improve the results, not just about correction of noncompliance.
7. Building Capacity of State Staff: Different skill set needed by state staff for results monitoring.
8. Active Engagement: Involving LEAs and stakeholders in the work rather than just SEA staff, not state doing something to an LEA.
9. Cross-Division Work: Engaging in monitoring, sharing protocols, staff, timing with other federal or accountability systems within the SEA — no longer silos.
10. Incentives (Rewards, Sanctions towards Accountability): To support sustainability and accountability.



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