



The Future of Fiscal Monitoring

Ruth Ryder: Acting Director of OSEP

Matthew Schneer: Fiscal Implementation Team Facilitator

CIFR and IDC in collaboration
with the NCSI Fiscal Support Team



Setting the Stage

Ruth Ryder, Acting Director

Office of Special Education Programs

Why Do We Care About Fiscal Monitoring

- Meeting the IDEA and Uniform Guidance requirements
- Protecting the Federal/State interest
- Using funds wisely
- Improving results for children with disabilities and their families

The Fiscal Monitoring Challenge



- Connections between fiscal and programmatic issues:
 - Are funds being used according to IDEA requirements (compliance)?
 - Are funds being used in effective ways that are aligned with local, State and Federal priorities (results)?
 - Are SEA staff being used in ways that improve results for children with disabilities and their families?
- How to strike the balance!

OSEP's Commitment to States and How We Made the Shift



- Support
- Partnership
- Honesty

OSEP's Fiscal Monitoring

Matthew Schneer,

Fiscal Implementation Team Facilitator

OSEP's Fiscal Implementation Team (FIT)



OSEP's Homeroom Team	Audit Facilitator	Fiscal Accountability Facilitator
Team A (Jones)	Susan Kauffman	Jennifer Finch
Team B (Gregorian)	Charlie Kniseley	Dan Schreier
Team C (Tanner-Dean)	Debra Jennings	Hillary Tabor
Team D (Ringer)	Lynne Fairfax	Susan Murray
FIT Facilitator	Matthew Schneer	

History and Background of OSEP's FIT



- Creation of Audit Team
- Hiring of Recovery Act Facilitators
- Creation of Fiscal Workgroup, now FIT
- FIT's staff have program, *not* fiscal background:
 - All still involved in program work
 - Keeps us grounded and connected to program

From One Size Fits all to Differentiated Monitoring and Support (DMS)

- May 2016, issued final fiscal monitoring letter from previous round (2012-2016)
- 2016 transition to DMS approach
- Truncated DMS cycle from April-September 2016:
 - Intensive TA - Conducted 3 Intensive Fiscal Monitoring Visits
 - Targeted TA - Continuing ongoing assistance to States (audits, fiscal monitoring findings, special conditions)
 - Universal TA - LEA MOE Q&A's, Fiscal Monitoring Protocols, Webinars: <https://osep.grads360.org/#program/fiscal>

DMS Process



Replaces cyclical, one size fits all monitoring with monitoring and support based upon needs of State and best use of OSEP resources.

- Starts with Organizational Assessment in key areas (risk to Department and IDEA).
- Evaluates additional factors about State and OSEP resources (engagement decision tree).
- Leads to designation of intensive, targeted or universal in each key area.

DMS Organizational Assessment (OA)



Each State is scored based on a rubric in the following areas:

- Results
- Compliance
- Special Focus Area
- Fiscal
- SSIP

Engagement Decision Tree

Results				
Determination Matrix Percentage	Any factors that may contribute to elevated risk	TA accessed	Additional Information	Final IT recommendation re: level of monitoring and TA
Compliance				
Determination Matrix Percentage	Any factors that may contribute to elevated risk	TA accessed	Additional Information	Final IT recommendation re: level of monitoring and TA
Special focus: State-level Dispute Resolution System				
Organizational Assessment Score	Any factors that may contribute to elevated risk	TA accessed	Additional Information	Final IT recommendation re: level of monitoring and TA
Fiscal				
Organizational Assessment Score	Any factors that may contribute to elevated risk	TA accessed	Additional Information	Final IT recommendation re: level of monitoring and TA
SSIP				
	Challenges or barriers to implementation	TA accessed	Additional Information	Final IT recommendation re: level of monitoring and TA

Fiscal DMS Notice



Fiscal			
Designation	Factors	Existing/Current Engagement	New Engagement
Intensive	<ul style="list-style-type: none"> • Change in leadership • Audits • Unresolved fiscal monitoring Findings • Late liquidation request • Lapsed Funds 	<p>OSEP continues to make information and TA resources available, and provide universal support to all States. OSEP has provided TA on unresolved fiscal findings. NCSI and CIFR have provided TA on allocations, excess cost and LEA MOE.</p>	<p>OSEP will provide intensive monitoring and support using protocols on LEA allocations and fiscal monitoring.</p>

Fiscal Risk Factors: 2016-2017



Turnover in Leadership	Unresolved Fiscal Monitoring Findings
Audits—Corrective Actions	Lapsed Funds—611 or 619
Size of the Award	Late Liquidation Requests
Maintenance of State Financial Support	

Intensive Fiscal Monitoring 2015-2016



- OSEP focused on:
 - Local Educational Agency (LEA) Allocations
 - Subrecipient Monitoring
- Protocols posted on GRADS 360:
<https://osep.grads360.org/#program/fiscal-monitoring>
- For 2016-2017, we are continuing to focus on the same area
- Protocols will be essentially the same, with some modifications (coming soon)

Early Lessons from 2015-2016

Monitoring: General

- Essential to have clear and detailed written policies and procedures:
 - Include definitions of key terms in your policies and procedures.
 - Make sure to update regulatory citations (uniform guidance).
- Fiscal staff should have *and use* IDEA regulations, uniform guidance and EDGAR.
- **Coordination and communication with key offices is critical:** program, grants, data, charter school and fiscal.
- If you are unsure, ask OSEP and/or your TA provider.

Early Lessons from 2015-2016 Monitoring: LEA Allocations

- This is complicated! Charter School LEAs make it really complicated!
- Keep documentation of base adjustments.
- Be aware of allocation requirements for new and expanded charter schools (Charter School Expansion Act, EDGAR Part 86).
- If you have Educational Service Agencies (ESAs) that are subgrantees, make your allocations accordingly.
- Remember 619 serves all 3-5 year olds, not just preschool!
- Population counts for both 611 and 619 are based on relative numbers of all students enrolled in public and private elementary and secondary schools.

Early Lessons from 2015-2016 Monitoring: Subrecipient Monitoring

- Use your risk assessments wisely to best use your resources.
- Think about partnering with other offices (Title I, grants, audit, etc.).
- Make sure there is good communication between fiscal and program staff, and that program staff is aware of relevant monitoring and audit findings.
- Think about how to align your fiscal monitoring with program priorities.
- Use your monitoring findings to shape your technical assistance and guidance.
- Fiscal noncompliance must be corrected within one year.
- Local determinations must consider audit findings.

Future of Fiscal Monitoring



- Fiscal Monitoring under IDEA is a shared task between OSEP and SEAs.
- In age of limited resources, there are challenges to fulfilling this responsibility.
- But also a heightened need to protect the resources that we have and make sure they are used in both a compliant and effective manner.
- Our shared task is to find creative ways to meet our responsibilities:
 - Utilize risk assessments to focus resources in areas of greatest need and risk.
 - Utilize technology to increase efficiency and minimize costs.
 - Partner with sister offices and agencies.

A Note on Collaboration



- Collaboration is hard work.
- We all have our own perspectives and needs, and it is hard to meet everyone's expectations.
- But the rewards are large:
 - Breaking down of silos.
 - Shared resources.
 - Learning from others.
 - Coordinated responses.

Learning from Each Other



- The purpose of monitoring is not only trying to identify problems or concerns, but also to identify innovative and best practices.
- IFF provides another opportunity to share with each other.
- OSEP is looking forward to hearing about State practices, ideas, questions and concerns.
- Thank you for letting us join you in this collaborative forum!

Questions and Comments

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