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)

<table>
<thead>
<tr>
<th>OSEP’s Homeroom Team</th>
<th>Audit Facilitator</th>
<th>Fiscal Accountability Facilitator</th>
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<tbody>
<tr>
<td>Team A (Jones)</td>
<td>Susan Kauffman</td>
<td>Jennifer Finch</td>
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<tr>
<td>Team B (Gregorian)</td>
<td>Charlie Kniseley</td>
<td>Dan Schreier</td>
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<tr>
<td>Team C (Tanner-Dean)</td>
<td>Debra Jennings</td>
<td>Hillary Tabor</td>
</tr>
<tr>
<td>Team D (Ringer)</td>
<td>Lynne Fairfax</td>
<td>Susan Murray</td>
</tr>
<tr>
<td>FIT Facilitator</td>
<td>Matthew Schneer</td>
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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

<table>
<thead>
<tr>
<th>Determination Matrix Percentage</th>
<th>Any factors that may contribute to elevated risk</th>
<th>TA accessed</th>
<th>Additional Information</th>
<th>Final IT recommendation re: level of monitoring and TA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance</td>
<td></td>
<td></td>
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<td>Determination Matrix Percentage</td>
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<td>Additional Information</td>
<td>Final IT recommendation re: level of monitoring and TA</td>
</tr>
<tr>
<td>Special focus: State-level Dispute Resolution System</td>
<td></td>
<td></td>
<td>Final IT recommendation re: level of monitoring and TA</td>
<td></td>
</tr>
<tr>
<td>Organizational Assessment Score</td>
<td>Any factors that may contribute to elevated risk</td>
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</tr>
<tr>
<td>SSIP</td>
<td>Challenges or barriers to implementation</td>
<td>TA accessed</td>
<td>Additional Information</td>
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# Fiscal DMS Notice

<table>
<thead>
<tr>
<th>Fiscal</th>
<th>Designation</th>
<th>Factors</th>
<th>Existing/Current Engagement</th>
<th>New Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Intensive</td>
<td>• Change in leadership</td>
<td>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.</td>
<td>OSEP will provide intensive monitoring and support using protocols on LEA allocations and fiscal monitoring.</td>
</tr>
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## Fiscal Risk Factors: 2016-2017

<table>
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<tr>
<th>Turnover in Leadership</th>
<th>Unresolved Fiscal Monitoring Findings</th>
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<tbody>
<tr>
<td>Audits—Corrective Actions</td>
<td>Lapsed Funds—611 or 619</td>
</tr>
<tr>
<td>Size of the Award</td>
<td>Late Liquidation Requests</td>
</tr>
<tr>
<td>Maintenance of State Financial Support</td>
<td></td>
</tr>
</tbody>
</table>
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
Contacts

- Matthew Schneer: matthew.schneer@ed.gov
- Team A (Jones): susan.kauffman@ed.gov and jennifer.finich@ed.gov
- Team B (Gregorian): charles.kniseley@ed.gov and daniel.schreier@ed.gov
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