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## Fiscal Risk

**Fiscal Risk:** Ensure fiscal accountability at each phase in the distribution and use of the IDEA Part B funds.

### Dates to Remember

- **January 13<sup>th</sup>** - Fiscal Risk Toolkit due.
- **March 31<sup>st</sup>** - First Progress Review due.
- **May 31<sup>st</sup>** - Final Progress Review due.
- **May 31<sup>st</sup>** - Professional Development documentation due.

**The Toolkit will be completed in EdPlan. Professional Development documentation will be uploaded to the LEA Document Library Compliance tab in EdPlan.**

## Purpose

Based on the district's Fiscal Risk score, the district has been assigned a risk category which has monitoring requirements (*see exception below*). Please refer to the District Special Education Risk Score report for results. This toolkit is designed to guide the district in a review of its special education program. Please complete the toolkit in EdPlan.

- **Identify** the root cause by answering the guiding questions and analyzing data with a team.
- **Develop** an improvement plan (which includes professional development).
- **Submit** an assurance statement signed by the Superintendent and Special Education Director ensuring correction of noncompliance to 100% in accordance with 34 CFR 300.600(e).
- **Review** the progress of the improvement plan twice (**by March 31<sup>st</sup> and again by May 31<sup>st</sup>**).
- **Submit** professional development documentation (**summarized agenda and sign-in sheets by May 31<sup>st</sup>**).

**Exception:** Additional activities are required if the fiscal risk score places the district in a category 3: Moderate Risk (DMR 3) or a category 4: High Risk (DMR 4) for three consecutive years. The district will be notified for additional required activities. Activities are developed on a tiered system based on the number of consecutive years with a growth measure built in. Refer to the General Supervision System for additional information.

**Exception:**

**Tier 1: 3rd year** of consecutive noncompliance and/or not meeting target in one or more areas. Complete the required additional activities below:

- Review the past two years' root cause findings to assist with developing an improvement plan.
- Utilize 615 funds to address improvement plan implementation (fund amount/percentage is determined by SDE).

**Tier 2: 4th year** of consecutive noncompliance and/or not meeting target in one or more areas below. Complete the required activities below:

- Review the past two years' root cause findings to assist with developing an improvement plan.
- Utilize 615 funds to address improvement plan implementation (fund amount/percentage is determined by SDE).
- Develop/utilize a Parent Advisory Board, meet quarterly, discuss root cause and improvement plan, and how the 615 funds will be utilized.

**Tier 3: 5th plus** year of consecutive noncompliance and/or not meeting target in one or more areas below. Complete the required activities below:

- Review the past two years' root cause findings to assist with developing an improvement plan. An SDE staff or contracted outside representative will participate in team planning to support the identification of the root cause, data review, and the plan for improvement.
- Utilize 615 funds to address improvement plan implementation (fund amount/percentage is determined by SDE).
- Develop/utilize a Parent Advisory Board, meet quarterly, discuss root cause and improvement plan, and how the 615 funds will be utilized to support the plan and share progress made towards the plan.
- Invite parents to a school board meeting to discuss the plan for improvement and data trends for the past three years related to the area.

## Fiscal Risk Toolkit Process

- **Establish a Team.** Identify site-based personnel (administrative, instructional, specialized, and /or support staff) to participate as members of this team. The team should consist of experts in this area who have the ability to implement improvement strategies.
- **Review guiding questions and gather important supporting documents.** Prior to meeting, provide each team member a copy of the toolkit, allowing them to become familiar with the tool and gather supporting documentation describing the district's current practices and procedures. Review the progress made on last school year's Improvement Plan if the district was identified as Moderate or High-Risk last year.
- **Identify Data** - Prior to meeting, identify all relevant data needed to assist the team through the review process. Below are a few suggested sources.

Policy and procedures regarding:

IDEA funding

Maintenance of Effort (MOE)

Tracking and labeling equipment purchased with federal funds

Claim submission process and responsible party

Training of staff relating to State and federal compliance

Special Education Identification Rates

- **Meet and review practices and procedures.**
  - Review results of last year's data to determine if the current plan is effective or needs revising (if the district did not meet target for fiscal risk last year).
  - Complete a root cause analysis by answering the guiding questions and analyzing collected data.
  - Provide a summary describing how the team determined factors linked to the root cause.
  - Develop and implement an improvement plan to improve fiscal risk.
  - Identify professional development to support the improvement plan (professional development must align with area of need identified and must be provided after the improvement plan is submitted and before May 31st).
  - Establish monitoring tools needed to measure effectiveness of the improvement plan.
- **Continued monitoring and improvement.** Once the plan has been implemented, the team will meet again to analyze results, identify areas of improvement, and adjust the plan as needed to move towards improving performance.

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**Root Cause Guiding Questions: Fiscal Risk**

**Step 1:** Consider why the district was identified as a moderate or high-risk by answering the following questions.

1. If the district was identified as moderate or high-risk last year, describe the progress made on last school year's improvement plan. Does the data indicate the improvement plan was effective? If not, please describe why the team feels it was not effective and what are the next steps?
2. How does the district monitor the use of Federal IDEA funds and State funding for special education? How effective are these policies at ensuring federal funding requirements, but does not supplant State funds?
3. If the district incurred one or more Maintenance of Effort (MOE) penalties in the past five years, why and how did it happen? How is the district working to meet MOE requirements? How are the expenditures of funds monitored to ensure that the district spends an equal amount of state and/or local funds on special education as the previous fiscal year?
4. Auditing the use of funding typically has to do with the misuse of equipment purchased with IDEA funds. Did the district use IDEA funds to purchase equipment in the past three years? If so, what are the policies to ensure equipment is used to enhance the educational outcomes for students with disabilities? Consider the policies regarding disposal of equipment, labeling, tracking use and location, etc. How effective are these policies at preventing misuse?
5. Late claim submissions must be taken to Oklahoma State Board of Education for approval. Has the district submitted a late claim in the past five years? If so, why? What are the policies and procedures to ensure timely submission of all claims? How effective are these policies?
6. How does the district appoint and train the director of special education (or the individual/position who handles IDEA budgets and/or claims)? How is it ensured that the person with those responsibilities understands the fiscal and compliance requirements of the IDEA? How is the effectiveness of these procedures measured?
7. Are policies and procedures in place to ensure that the Assurances and LEA Agreement are submitted by the annual due date of June 30? Consider how information is gathered and entered, who is involved, how transitions in personnel (including Superintendent) are handled, etc. How is the effectiveness of these procedures measured?

**Step 2:** Summarize the responses to the questions above, identifying the factors that the team believes are most linked to the root cause in the areas identified.

## Assurance Statement

**Submit** an assurance statement in EdPlan ensuring the district's improvement plan for Fiscal Risk will be implemented and monitored.

Please have it signed by both the Superintendent and Special Education Director.

## Improvement Plan

- **Develop** an improvement plan for Fiscal Risk.
- **Include** professional development as a part of the plan.
  - Describe the professional development needed to assist with improving fiscal risk.
  - Identify the topic, audience, and date professional development will be provided.
- **Describe** the progress review activity and/or data source that will assist in determining effectiveness of the improvement plan.
- **Identify** the person responsible for monitoring the progress of the improvement plan.

## Progress Review

**Analyze** the collected data identified in the improvement plan as well as any other data gathered to measure the effectiveness of the improvement plan. If the data sources analyzed do not demonstrate progress towards improving fiscal risk, the district may continue or amend the improvement plan. Provide justification for the decision to either continue or amend the plan.

### **Guiding Questions for the first progress review (due March 31st):**

Has a team been established with each member having defined roles?

Have meetings been scheduled to review the data?

Have current district policies, practices, and procedures been reviewed and amended if needed?

Have staff been informed and know how to access the improvement plan?

Does the data demonstrate growth toward intended outcomes or are other sources of data needed?

### **Guiding Questions for the final progress review (due May 31st):**

Does the data demonstrate growth toward intended outcomes or are other sources of data needed?

Was the activity implemented with fidelity?

What additional activities can be added to the district's improvement plan?

What policies, practices, and/or procedures can be changed or implemented?

What strategies need to be carried into the following school year?

Upload **Professional Development** documents (agenda and sign-in sheets) to the LEA Documents Library Compliance tab in EdPlan by May 31<sup>st</sup>.