

IDEA Part B Subrecipient Fiscal Monitoring



Connecticut State Department of Education – 2025-26 School Year

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Overview of CSDE's IDEA Part B Fiscal Management System

The Government Accountability Office (GAO) defines risk management 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.

The CSDE, as a recipient of federal formula grants, under Uniform Grant Guidance (UGG), is required to complete risk assessments on each subgrantee/local education agencies (LEAs) to ensure that potential risks are identified and appropriate monitoring is established to mitigate those risks.

The CSDE has a fiscal management system that monitors risk for the IDEA Part B funds through an internal collaborative effort (i.e., BSE, Bureau of Fiscal Services (BFS)/Bureau of Grants Management (BGM), Performance Office, Office of Internal Audit (OIA)).



BSE's Fiscal Monitoring Process

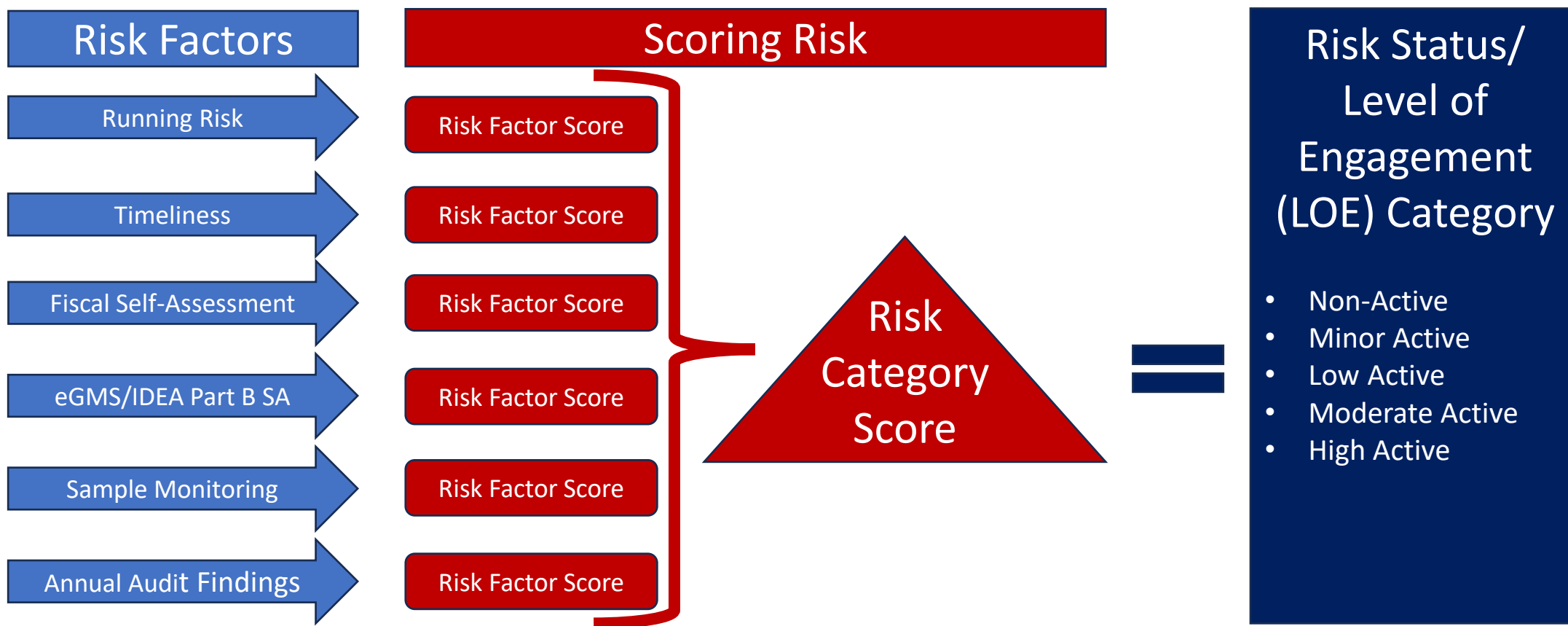
Process under UGG ([2 CFR §§ 200.331 - 200.333](#)) for monitoring risk associated with the LEA use of IDEA Part B funds:

- **Risk Review Cycle:** January 1st - December 31st
- **Risk Factors:** Each LEA is examined within the context of several risk factors.
- **Risk Category Score:** For each risk factor, a score is generated by calculating the total number of concerns/increased need for review (i.e., the amount of engagement the BSE has with the LEA to address risk factors). The scores for each risk factor are totaled.
- **Risk Status/Level of Engagement (LOE) Category:** Reflects the LEA's overall Risk Status/LOE Category.

NOTE: The process of monitoring and tracking risk associated with the use of IDEA Part B grant funds is supported by the BSE's Differentiated Monitoring System (DMS) Team/Fiscal Review Team (FRT).

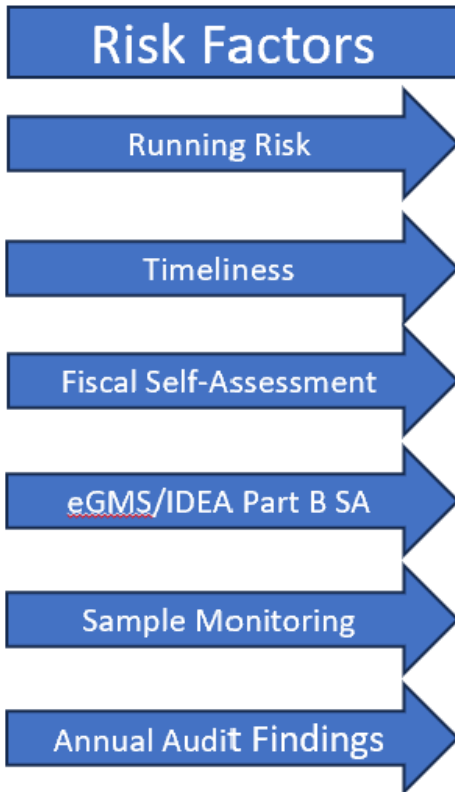


BSE's Fiscal Monitoring Process Graphic





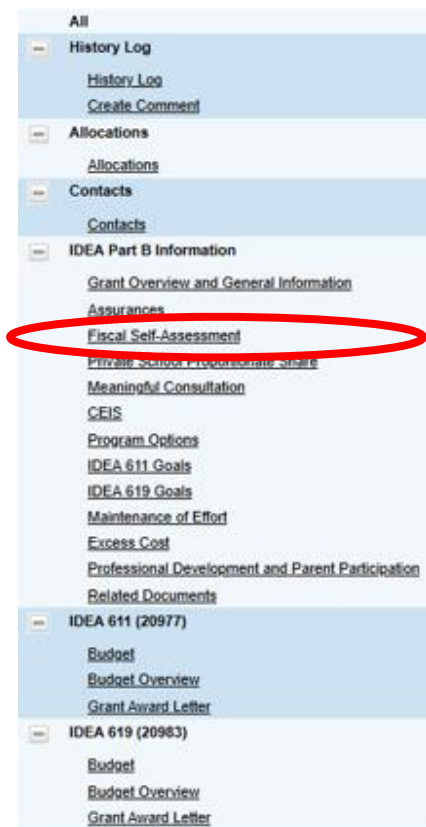
Risk Factors



- 1. Running Risk (RR) from Year to Year**
- 2. Timeliness**
- 3. Fiscal Self-Assessment (FSA)**
- 4. eGMS/IDEA Subrecipient Application (SA)**
- 5. Sample Monitoring**
- 6. Annual Audit Findings**



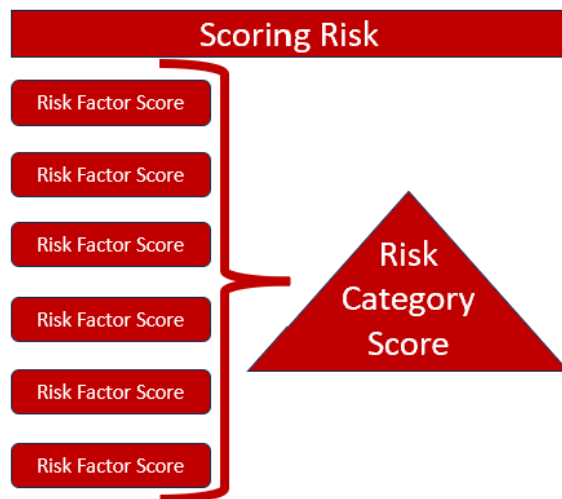
Fiscal Self Assessment (FSA)



- Must be completed annually as part of the BSE's Fiscal Monitoring Process.
 - Is a universal screen that examines common indicators that each LEA has related to the factors of risk monitoring and components of the IDEA Part B Section 611/619 grant.
 - Is comprised of seven questions and four graded responses (no risk, low risk, moderate risk, or high risk).
1. **What was the most recent LEA IDEA Determination?**
 2. **Changes in LEA Special Education leadership?**
 3. **Changes in LEA business office staff and/or fiscal system?**
 4. **Most recent total IDEA Part B award (combination of section 611 and 619)?**
 5. **Most recent annual internal IDEA single fiscal audit and if any findings noted to BSE?**
 6. **Most recent Maintenance of Effort (MOE) for Eligibility and Compliance status?**
 7. **LEA expended IDEA Part B Section 611/619 funds in a timely manner?**



Scoring Risk



Each risk factor is scored separately based on a scale:

- **Noted Concern**
- **Increased Review**
- **Met Threshold**

Then, they are added to determine the total risk category score.

NOTE: An individual risk factor or a combination of risk factors, as well as change in risk status/LOE category is brought to the DMS/FRT for review/recommendations.



Risk Status/LOE Category

Risk Status/ Level of Engagement (LOE) Category

- Non-Active
- Minor Active
- Low Active
- Moderate Active
- High Active

- **Non-active:** No actions required
- **Minor Active:** Universal Supports
- **Low Active:** Advanced Supports
- **Moderate Active:** Targeted Supports
 - *LEA Moderate LOE Letter* and *LEA Moderate LOE Self-Assessment* required
- **High Active:**
 - H1 – Intensive Supports / H2 – Immediate Intensive Supports
 - *LEA High LOE Letter* and *LEA High LOE Worksheet/Documentation* required
 - DMS/FRT may recommend an On-site Visit.

NOTE: An LEA can be considered in High Active Risk (H1 or H2) but is not a “high-risk grantee” – a separate determination process that is driven by programmatic elements.



Addressing Concerns – Moderate Active Risk Status

- The BSE sends the LEA the *LEA Moderate LOE Letter* and the *LEA Moderate LOE Self-Assessment*.
- The LEA completes and submits the *LEA Moderate LOE Self-Assessment*, explaining the elevated risk factors and elements that will be addressed, to the BSE.
- The DMS/FRT will review the information submitted by the LEA and determine if a referral for greater supports is required.

Area of Review	Area of Action
Explain what the LEA defines as challenges related to fiscal practices.	Explain how the LEA will address the challenges defined related to IDEA fiscal practices. NOTE: Please identify areas in which assistance, training, or technical assistance is needed.



Addressing Concerns – High Active Risk Status

- The BSE sends the LEA the *LEA High LOE Letter* and the *LEA High LOE Worksheet*.
- The LEA completes/submits the *LEA High LOE Worksheet*, with all required documentation, to the BSE.
- The DMS/FRT will review the information submitted by the LEA and discuss if corrective actions are necessary and/or if an *On-site Visit* is necessary.

If an LEA remains in High Active Risk Status for two years in a row:

- The BSE sends the LEA the *IDEA Part B Fiscal Monitoring - LEA High Risk Grantee Corrective Action Plan (CAP)*.
- The LEA completes/submits the *IDEA Part B Fiscal Monitoring - LEA High Risk Grantee Corrective Action Plan (CAP)*, with all required additional documentation, to the BSE.
- The DMS/FRT will review the information submitted by the LEA and discuss if corrective actions are necessary and/or if an *On-site Visit* is necessary.



LEA High Risk LOE Worksheet

Area of Review	Required Documentation for Verification of Policy/Procedure
A. LEA Maintenance of Effort	<ol style="list-style-type: none"> 1. LEA MOE Written Protocols 2. LEA MOE Eligibility Standard: Current Proposed Budget 3. LEA MOE Compliance Standard: Most Recent Actual Expenditures
B. Excess Costs	<ol style="list-style-type: none"> 1. Documentation of Elementary and Secondary calculations, as appropriate 2. Documentation of Accurate Formula 3. Documentation that the LEA Met the Excess Costs Compliance Test in the Prior Year
C. Comprehensive Coordinated Early Intervening Services (CCEIS)/Coordinated Early Intervening Services (CEIS)	<p>If Mandated CCEIS: 1. Current CCEIS Plan, 2. Documentation that CCEIS funds were used for both students with disabilities and nondisabled students, ages 3 through grade 12, 3. Publicly reported revision of policies, procedures or practices, and 4. CCEIS/CEIS Tracking Forms</p> <p>If Voluntary CEIS: 1. Documentation that CEIS funds were used for nondisabled students only, Kindergarten through grade 12, and 2. CCEIS/CEIS Tracking Forms</p>



LEA High Risk LOE Worksheet -2

Area of Review	Required Documentation for Verification of Policy/Procedure
D. State and Districtwide Assessment Policies and Procedures	If CTAA and CTAS student rates are above 1%: 1. Documentation explaining assessment policies and procedures (how and when the LEA determines state and districtwide alternative assessment need)
E. Parentally-Placed Private School Children with Disabilities (PPPSC)	1. Written policy and formula for determining proportionate share. 2. Proof of centralized census of students evaluated, found eligible, and are receiving services.
F. Property, Equipment, and Supplies/Technology	1. Policies and Procedures for Property, Equipment, and Supplies/Technology (preapproval, description and labeling) 2. Property, Equipment, and Supplies/Technology Preapprovals 3. Copies of Purchase Orders Indicating source of funds for Property, Equipment, and Supplies/Technology purchased great than \$4,999



LEA High Risk LOE Worksheet -3

Area of Review	Required Documentation for Verification of Policy/Procedure
F. Participant Support Costs (In-Service/Travel)	<ol style="list-style-type: none">1. Participant Support Costs Preapprovals with Documentation2. Copies of Purchase Orders Indicating source of funds for Participant Support Costs
G. Single Audit	<ol style="list-style-type: none">1. Most Recent Certified Audit for the LEA2. Documentation demonstrating corrective actions and recommendations are accepted or are in progress
H. Corrective Action Plans	<ol style="list-style-type: none">1. All CSDE imposed Corrective Action Plans in place over the last year2. Documentation demonstrating the status of corrective actions and recommendations



Questions and/or Comments

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