MICHIGAN Department of Education

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RAG Application: Monitor, Adjust, Evaluate

MICHIGAN DEPARTMENT OF EDUCATION

Office of Educational Supports

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RAG FISCAL MONITORING

INTRODUCTION

The Michigan Department of Education (MDE) is required to conduct fiscal monitoring on entities that receive federal awards. Fiscal monitoring is subject to the following federal legislation and requirements:

- Every Student Succeeds Act (ESSA) of 2015
- General Education Provisions Act (GEPA)
- 200 CFR, Part 501 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)

Fiscal monitoring involves reviewing the financial management and expenditures of federal grant funds awarded to educational institutions. Specifically, fiscal monitoring ensures that these funds are used appropriately, in compliance with federal regulations, and for authorized purposes.

RISK ANALYSIS

MDE conducts Fiscal Monitoring on an annual basis. Entities for monitoring are selected based on the following criteria.

- Risk Factors Assessment 2 CFR 200.518, 2 CFR 200.519)
- Grant Allocation Amount 2 CFR 200.501
- Length of Time Since Last Fiscal Monitoring 2 CFR 200.504
    - Final Expenditure Report (FER) Deviations 2 CFR 200.507
    - Entities' Annual Single Audit Findings 2 CFR 200.507
- Additional areas the MDE reviews
    - Number of Days Grant Allocation in the Entity's Possession
    - Grant Funds Available
    - Last Fiscal Monitoring
    - Grant Funds Drawn
    - Grant Funds Underspent
    - Follow-Up Fiscal Monitoring Concerns Identified

FISCAL MONITORING SECTIONS

MDE reviews the following sections to ensure that RAG funds are used appropriately, in compliance with federal regulations, and for authorized purposes.

- Staffing, Time and Effort, and Payroll Expenditures
- Policies and Procedures
- Cash Management
- Budget
- Final Expenditure Reports (FERs)
- General Expenditures
- Purchased Services
- Equipment

FISCAL MONITORING PROCEDURES

A Fiscal Monitoring notification letter is sent to selected entities requesting the following documentation:

- Completed Questionnaire
- A list of RAG-funded staff, name, position title, FTE
- General Ledger/Expenditure Detail Report
- An inventory of ALL RAG-funded equipment (if applicable)
- Internal procedures manual for federal grant management

MDE schedules a Fiscal Monitoring Review Introduction webinar for all selected entities to attend.

The MDE reviews the initial requested documentation. Additional detailed documentation samples will be requested in the following areas as appropriate:

- Expenditure transactions for General Ledger/Expenditure Detail Report
  - Invoices, quotes, and/or other expenditure documentation
  - Expenses charged to the RAG general ledger in the same way they are pre-approved in the application
- Time and effort for RAG-funded positions
  - Verify that time and effort documentation has been completed, signed, and dated as required
  - Verify payroll has been reconciled with time and effort
- Professional learning agenda and sign-in sheets (for in-house professional learning)
- Contracts(s)
  - Awarded to vendors through an open and competitive process
  - Contain all elements of a legal contract, including services to be performed, start and end dates, payment amount for performance, signed and dated by all parties, cancellation clause, and date change fees
  - Verify that contracts are only awarded to vendors who are eligible to receive federal dollars (suspension or debarment from receiving federal funds)
- Staff calendars and/or activity logs

MDE reviews all requested documentation and determines:

- All documentation is sufficient in all areas
  - Entity receives RAG Monitoring No Finding Approval Letter
- Documentation has section(s) that are non-compliant
  - Entity receives RAG Monitoring Findings Corrective Action Plan (CAP) Letter, which includes the Corrective Action Plan
  - Based on the recommendations provided, the Corrective Action Plan should include specific policies or procedures the entity will implement when working with federal grantsWhen appropriate, MDE schedules a Fiscal Monitoring Exit virtual or in person meeting for each entity to discuss the sections included in the fiscal monitoring report and clarify all tentative/open findings.

- If all documentation is sufficient, the entity will receive the final fiscal monitoring report.
- If sections are non-compliant, a Corrective Action Plan Form is sent with the final report to complete within 30 days.

If MDE determines that item(s) identified in the Corrective Action Plan are internal control deficiencies:

- The entity Superintendent receives a letter with the MDE's intent to recapture funds
- The ISD has 30 days from the date of the letter to appeal costs

Within 30 days of receiving a response from the entity:

- If MDE receives an appeal, the State Superintendent will review information as submitted with the compliance plans, as well as information reviewed during the fiscal monitoring
    - The State Superintendent's office responds in writing within 30 days
- If the ISD chooses not to appeal the final determination, it will recapture questioned costs.
    - A Fiscal Monitoring Recapture memo will be sent to the ISD Superintendent.
    - The costs will be recaptured through the administrative process through a cash draw reduction on the next draw from the State of Michigan.

CONTACT INFORMATION

Should you have any questions regarding the process, please contact Bill Witt, Continuous Improvement Unit Manager at wittb1@michigan.gov.

RAG PROGRAM REVIEW SELF-STUDY

INTRODUCTION

The Title I Regional Assistance Grant (RAG) program review self-study is intended and used for grantees to reflect upon their internal practices and procedures using Title I, Part A, Section 1003 funds to support their school districts with schools identified under Federal Accountability. The RAG program review provides an opportunity for the RAG grant recipient (grantee) to demonstrate that the support and services provided with RAG funds are consistent with:

a. the requirements of the Every Student Succeeds Act (ESSA), Title I, Part A, Section 1003, for the use of funds,
b. the requirements of the ESSA, Title I, Part A, Section 1111(d) for the development, implementation, monitoring, and evaluation of Comprehensive Support and Improvement (CSI), Targeted Support and Improvement (TSI), and Additional Targeted Support (ATS) plans,
c. the Michigan Revised School Code (RSC), section 380.1277, and
d. the Michigan Integrated Continuous Improvement Process (MICIP)

Section 1111(d) and 380.1277 plan requirements are embedded in the MICIP process, mitigating the need for additional plan development, implementation, monitoring, and evaluation processes for schools identified for CSI, TSI, and ATS.

Approximately three to five grantees will be selected annually for a program review based on factors such as total RAG award amount, number of schools/districts supported, and the date of the last fiscal review.

THE PROGRAM SELF-STUDY

The RAG self-study prompts grantees to provide a narrative response addressing requirements. The grantee has an allotted amount of time to complete the study and return it to the Continuous Improvement Unit for review. Once received, the self-study is reviewed, and feedback is provided.

The self-study asks grantees to reflect on how they address ESSA Requirements for CSI-, TSI-, and ATS-identified schools in the context of the MICIP process, including developing and implementing the MICIP and RAG service plans, the review process for external vendors, aligning resources, and developing internal and external policies and procedures.

The process provides grantees with a tool for self-reflection to better understand what processes and procedures they have in place to support districts and their identified schools receiving data-based support consistent with the MICIP and associated plans.

Grantees must develop and implement the annual RAG service plan for each district supported by these funds. The RAG service plan serves as an extension of the MICIP plan, supporting those activities the school and district do not have the capacity and/or resources to implement at the local level.

STATEWIDE SYSTEM OF SUPPORT PROGRAM EVALUATION

INTRODUCTION

The program services and supports provided through the Statewide System of Support (SSoS) are evaluated annually by a third-party vendor. The vendor is selected through a competitive Request for Proposals (RFP) process.

Basis Policy Research (BPR) is the current vendor contracted to conduct the SSoS Program Evaluation. BPR is a Michigan-based, independent research firm specializing in applied research in education. Their researchers have experience conducting research and evaluation for a variety of initiatives for school districts, state departments of education, and other organizations. BPR has expertise in program evaluation, research design, data analysis, and reporting.

METHODOLOGY

The annual evaluation focuses on 7-10 research questions designed to:

- Determine the correlation of changes in student outcomes as a result of receiving SSoS funded services and supports
- Receive feedback on school, district, and ISD perceptions of the effectiveness and impact of SSoS funded services and supports
- Identify program strengths and growth opportunities in order to provide actionable insights for improving the effectiveness of SSoS-funded services and supports
- Assess the alignment of SSoS-funded services and supports with Michigan's Strategic Education Plan

CONTACT INFORMATION

For more information about the evaluation component for the SSoS, contact Bill Witt, Manager, Continuous Improvement Unit, WittB1@michgian.gov.