

Federal and State Grant Monitoring Activities



I. Introduction

Purpose

In the 2019 Nevada Legislative Session, the State Legislature passed Assembly Bill No. 78, now codified in NRS 388A.159, which made the State Public Charter School Authority (SPCSA) the local education agency (LEA) for its charter schools. Along with this status, the SPCSA has the authority and responsibility to monitor its schools for federal grant compliance, as stated in 2 CFR § 200.331(b) as well as state grant compliance for those grants passed through the SPCSA.

Federal and state grant compliance is vital for several reasons, including:

1. **Student services and well-being:** Federal and state grants exist to advance matters like educational equity, programmatic innovation, and teacher development. When schools comply with federal and state grant requirements, they demonstrate a commitment to improving educational outcomes.
2. **Sound financial stewardship:** Federal and State grant funds are available because of taxpayers. Our schools, as public charter schools, use these taxpayer dollars to educate their students. To be faithful stewards of federal and state funds, our schools have an obligation to comply with the requirements tied to those funds.
3. **Legal compliance:** On a fundamental level, complying with federal and state grant requirements amounts to complying with the law. As public charter schools, our schools have a duty to be legally compliant with local, state, and federal requirements.

Because the SPCSA has the authority and responsibility to monitor our schools for compliance, we must fairly, transparently, and efficiently execute our monitoring.

Document Summary

This document details the monitoring activities that we will use to evaluate each of our schools' federal and state grant compliance.

II. Compliance Monitoring Activities

Compliance Monitoring Activities for Each Risk Tier

As detailed in the document titled "Federal and State Grant Risk Assessment Protocol," the SPCSA will categorize schools into risk tiers on an annual basis: Low Risk, Moderate Risk, and High Risk. A school's risk tier is an indication of that school's prior data regarding its grant program administration; a school's risk tier is not a reflection of that school's general educational quality or intent. Each year, the SPCSA will determine how much (and what type of) federal and state grant compliance monitoring schools require. We will do this in two ways:

| Approach | Description | Rationale |
|-------------------------|---|--|
| Risk Tiers | We will assess each school's risk of non-compliance, and we will categorize schools into "Risk tiers." | By categorizing schools into risk tiers, we can target our monitoring and support towards the schools that need them most. We can also use our limited resources in a way that is responsive to our schools' needs. |
| Three-Year Review Cycle | Regardless of each school's risk tier, we will use a three-year cycle to provide schools with heightened oversight at least once every three years. | To be faithful monitors of taxpayer dollars, we have a duty to give each of our schools a more thorough review, even if they have demonstrated limited risks. This will allow us to focus on all our schools at least once every three years to review their programming, provide support, and ensure they are meeting their obligations to students and the government. The three-year review cycle will begin with the grant monitoring in Fiscal Year 22. |

Descriptions of the Monitoring Activities

The SPCSA will conduct some combination of the following activities to monitor schools, depending on their risk tier.

| Monitoring Activity | Description | How will the SPCSA execute this in practice? |
|---------------------------------|--|--|
| Desktop Monitoring | SPCSA staff will review documentation related to each school's use of federal and state grant funds, and the programming that corresponds to those funds. | <p>Through required grant document submissions, NDE data, and other data, the SPCSA will collect relevant information to monitor each school's grant performance. The SPCSA will review this information and, if necessary, contact schools by phone or email to seek clarification or additional documentation.</p> <p>Desktop Monitoring may vary between schools in different risk tiers. For example, the SPCSA may provide increased scrutiny to documentation for schools in the High-Risk Tier; in such instances, the SPCSA may be more likely to contact schools by phone or email as part of the desk review.</p> |
| Action Items/ Technical Support | SPCSA staff will provide schools with recommended action items to improve their approach to (a) grant use and compliance and (b) program planning and execution. Such action items may include follow ups from SPCSA staff. | If the SPCSA identifies issues or deficiencies in a school's grant administration and/or program planning or execution, the SPCSA will contact the school to notify the school of those matters. Action items be identified via a meeting, phone call, or in writing. |
| Onsite Monitoring | SPCSA staff will visit the school to review additional documentation, conduct interviews with program and school staff, and observe school programming and practices. | <p>If a school (because of its data) falls into the High-Risk Tier or as described below is up for routine monitoring as part of the three-year review cycle, the SPCSA will contact the school to schedule a visit. Onsite monitoring will allow the SPCSA to engage with a school and learn more about its approach to grant programming and compliance. Through such engagement, the SPCSA may better support a school with meeting federal and state requirements.</p> <p>When scheduling the onsite monitoring, the SPCSA will provide the following information to the school: (1) a schedule for the onsite monitoring day, (2) a list of documentation that the SPCSA would need to review during the onsite monitoring, (3) a list of staff for the SPCSA to interview during the monitoring, and (4) any other similar, transparent requests. If physical onsite monitoring is impracticable, the SPCSA may schedule a virtual "site visit;" in such a case, the SPCSA may conduct thorough document reviews, interviews, and other activities with school staff on a pre-scheduled day.</p> |
| Corrective Action Plans (CAP) | SPCSA staff will formally provide the school a notification that a corrective action plan is warranted. The school will then create and submit a Corrective Action Plan (CAP) to the SPCSA for review. The CAP must include actions the school intends to take on the identified areas of non- | If a school's data or practices present egregious, persistent, or unaddressed compliance deficiencies, the SPCSA may issue a Corrective Action Plan. Such a plan will be a formal document that details: (1) the SPCSA's findings regarding grant non-compliance or risk of non-compliance, (2) required actions for the school to take to remedy any issues of non-compliance, (3) due dates by which the school must update the SPCSA on its progress and address any deficiencies, and (4) any accompanying sanctions. |

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|--|--|--|
| | <p>compliance, as well as deadlines for having those items complete. If those items are not completed satisfactorily the agency has the statutory authority to impose sanctions (e.g., temporarily withholding funds) as necessary until proper corrective action is resolved.</p> | |
|--|--|--|

Monitoring Activities for Each Risk Tier

Each risk tier will include a menu of potential monitoring activities. Schools in the Low-Risk Tier will be subject to the fewest monitoring activities, and schools in the High-Risk Tier may be subject to multiple or ongoing monitoring activities. During a school year a school may graduate out of a higher risk tier as it demonstrates an ability to comply with grant requirements. From one school year to the next, a school’s risk tier may change based on the latest data. Accordingly, as schools move to lower risk tiers, they will be subject to fewer monitoring activities.

| Monitoring Activity | Low Risk Tier | Moderate Risk Tier | High Risk Tier |
|--------------------------------|---------------|--------------------|----------------|
| Desktop Monitoring* | Yes | Yes | Yes |
| Action Items/Technical Support | Possibly | Likely | Yes |
| Site Visits | No | No | Yes |
| Corrective Action Plan (CAP) | No | No | Possibly |

*Desk Reviews may vary in their intensity or focus based on a school’s risk tier. For example, the SPCSA may provide increased scrutiny to documentation for schools in the High-Risk Tier. The SPCSA may also tailor its focus in its desk reviews based on a school’s demonstrated risk for specific programming. For example, schools with a history of or demonstrable risk in special education may have a heightened desk review tailored to its IDEA programming.

In addition to the above table, as schools fall into higher risk tiers, the SPCSA will likely increase its communications (e.g., by phone, email, etc.) with the staff at those schools.

Onsite Monitoring aligned to a Three-Year Cycle

As detailed in the document titled “Federal Grant Risk Assessment Protocol,” the SPCSA will also conduct onsite monitor of schools on a three-year cycle regardless of the school’s risk tier. This onsite monitoring will follow the process detailed in the above table. While a risk-based onsite monitoring visit will likely include targeted activities based on the school’s non-compliance risk factors, onsite monitoring based on the three-year cycle will likely consist of more general monitoring activities.

III. Timeline for Executing Monitoring Activities

Each year, the SPCSA will seek to execute its monitoring activities on a transparent timeline.

| September – October | November – April |
|--|--|
| <ul style="list-style-type: none"> ▪ The SPCSA will conduct trainings with schools on the updated documentation, as well as expectations for monitoring processes regarding desktop monitoring and on-site monitoring. ▪ The SPCSA will send out a personnel questionnaire to school grant contacts to complete and return as a part of the risk assessment to compile data towards informing the indicator level of criterion 2a and 2b. ▪ SPCSA will notify schools of their initial risk tier and if they have been selected for onsite monitoring as part of the three- year review cycle (applies to low tier schools). ▪ For schools in the Moderate and High- Risk Tiers, the SPCSA will, as needed, schedule onsite visits, issue action items, and issue Corrective Action Plans. | <ul style="list-style-type: none"> ▪ SPCSA will conduct its monitoring activities. ▪ SPCSA will review additional incoming data and if that data demonstrates that a school should be in a higher risk tier, the SPCSA may heighten its monitoring accordingly. ▪ SPCSA will generate final reports for Moderate and High tier schools and send those out for review and signature. |

IV. Consequences/Sanctions and Appeals

As a natural outgrowth of monitoring, SPCSA may, in extreme situations, need to issue consequences or sanctions to schools. The SPCSA has the authority to issues such consequences or sanctions to remedy non-compliance as stipulated in 2 CFR §§ 200.338-41.

Consequences or sanctions are only likely to occur in instances where schools present major issues complying with federal grant requirements. The SPCSA will seek to exhaust other avenues, such as CAPs, prior to issuing consequences or sanctions.

The below table details examples of potential consequences or sanctions and whether schools would be able to appeal such consequences or sanctions, in accordance with federal law.

| Consequence or Sanction | Description | Can a School Appeal? |
|--|---|----------------------|
| Temporary Withholding of Funds (2 CFR § 200.338(a)) | School demonstrates a deficiency that requires correction. As a result, the SPCSA temporarily withholds cash payments pending correction of the deficiency | N |
| CAP with Temporary Withholding of Funds (2 CFR § 200.338(a)) | SPCSA provides a school with a corrective action plan and temporarily withholds cash payments until the school has fulfilled obligations in the plan. | N |
| Suspended or Terminated Federal Award (2 CFR §§ 200.338(c), (e), 200.339-41) | SPCSA terminates a school’s sub-award based on persistent, systemic, and/or egregious deficiencies. In addition, the SPCSA may withhold further federal awards for the school’s project or program. | Y |