OSEP’S IDEA PART C FISCAL MONITORING
An Overview and Introduction to the Monitoring Protocols

OSEP’S NOVEMBER 2016 NATIONAL TA CALL
Goals for this Presentation

• Provide an Overview of OSEP’s Fiscal Monitoring in Context of Differentiated Monitoring and Support (DMS)
• Provide an Overview of Fiscal Monitoring Focus Areas
• Review Monitoring Protocols
• Discuss Next Steps
OVERVIEW OF DMS
DMS BASICS

• Not a one size fits all monitoring. Monitoring and support based upon needs of State and best use of OSEP resources.

• Based upon assessment of risk to the Department and IDEA:
  • Starts with Organizational Assessment in key areas
  • Evaluates additional factors about State and OSEP resources
  • All States receive designation of intensive, targeted or universal in each key area
Organizational Assessment Areas

Each State is scored based on a rubric in the following areas:

• Results
• Compliance
• Special Focus Area (2016-17—Child Find)
• Fiscal
• SSIP
<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>
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<tbody>
<tr>
<td>Compliance</td>
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<tr>
<td>Special focus: State-level Dispute Resolution System</td>
<td>Any factors that may contribute to elevated risk</td>
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<tr>
<td>SSIP</td>
<td>Challenges or barriers to implementation</td>
<td>TA accessed</td>
<td>Additional Information</td>
<td>Final IT recommendation re: level of monitoring and TA</td>
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DMS Notice

- After OSEP assigns final designations, States receive DMS notices, with designation for all monitoring areas
- OSEP State teams work with States to finalize and schedule intensive monitoring and targeted monitoring and support activities
PART C FISCAL MONITORING
### Fiscal Risk Factors

<table>
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<tr>
<th>Turnover in Leadership</th>
<th>Change in Lead Agency</th>
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<tr>
<td>Size of the Award</td>
<td>Number of EIS Programs</td>
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<tr>
<td>Lapsed Funds</td>
<td>Late Liquidation Requests</td>
</tr>
<tr>
<td>Conditional Approval Due to Methods or SoP</td>
<td>Special Conditions</td>
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Monitoring Activities 2016-2017

- **Intensive Monitoring**: Visits focused on:
  - System of Payments
  - Methods
- **Targeted Monitoring and Support**: OSEP will provide support based on the needs of the State
- **Universal Support**: Webinars, Resources on GRADS 360, TA by phone and email
SYSTEM OF PAYMENTS (SOP) PROTOCOL
SoP: Objectives

• Highlight best practices for the field
• Provide TA to States
• Determine States’ internal capacities and deficiencies requiring additional OSEP attention
• Examine implementation of SoP policies and procedures
SoP: Protocol Components

- General requirements
- Use of private insurance
- Use of public benefits and insurance
SoP: General Requirements

How State’s general supervision system monitors the use of:

• public benefits or insurance,
• private insurance, and/or
• a schedule of sliding or cost participation fees to pay for Part C services
SoP: Use of Private Insurance

• For all States, OSEP will examine the State’s SoP, related procedures, and other supporting documentation

• For States whose approved SoP included a State statute/legislation that included the applicable protections related to accessing private insurance, OSEP will verify that the State’s legislation continues to ensure the protections
How the State’s general supervision system monitors the consent requirements for the use of public benefits or insurance:

• where child or parent is not already enrolled in the program; or

• if the use of that public insurance would result in specified costs to the family.
Best Practices

• Detailed written policies and procedures in accordance with requirements
• Regular training to EI program staff
• Monitoring implementation of parental notification/consent provisions
• Monitoring for consistent implementation of the State’s SoP and equitable service delivery
• Documentation demonstrating implementation by EI programs
Documents needed

• For full list see Grads 360

• Examples include:
  a. SoP policies/procedures
  b. Documentation of implementation of the SoP
  c. Evidence of Part C funds used as interim payor source
  d. Monitoring protocols related to payor sources
  e. Evidence of trainings
METHODS PROTOCOL
Methods: Objectives

- Highlight best practices for the field
- Provide TA to States
- Determine States’ internal capacities and deficiencies requiring additional OSEP attention
- Examine implementation of the State’s Methods
- Discuss the State’s responsibility to ensure the provision of financial responsibility for Part C services
Methods: Protocol Components

• Use of Funds Requirements
• Payor of Last Resort Requirements
• System of Payments (SoPs)
• Resolution of Fiscal Disputes
• Additional Components
Use of Funds Requirements

• Examine whether the Methods that establish financial responsibility for the provision of Part C services with other State-level public agencies that provide or pay for services are consistent with the Part C use of funds requirements.
Payor of Last Resort Requirements

• Understand what mechanisms the State uses to ensure that Part C funds are not used to satisfy a financial commitment for services that would otherwise have been paid for from another public or private source

34 CFR §§303.202 and 303.510
System of Payments (SoPs)

- Examine whether the State’s Method is consistent with the written funding policies adopted by the State, including the State’s SoP regarding the use of insurance (public and/or private) to pay for Part C services.

34 CFR §§303.511(d)(2) and 303.520
Resolution Fiscal Disputes

• Examine the mechanisms used by the State to:
  • Implement procedures for timely resolution of intra-agency and interagency disputes about payments or disputes about other matters related to the State’s EI service program.
  • Reassign the financial responsibility to the appropriate agency, if appropriate; and make arrangements for reimbursement of any expenditures incurred by the agency originally assigned financial responsibility.
  • Ensure that no Part C services are delayed or denied because of disputes.

34 CFR §303.511
Additional Components

• Examine any additional components of the State’s Method necessary to ensure effective cooperation and coordination among other State-level public agencies that provide or pay for Part C services, and the lead agency’s general supervision of EIS providers

34 CFR §303.511(e)
Discussion Questions on Methods

• Do the uses of Part C funds described in the State’s Method fall under the categories of cost described under the permissive use of funds requirements?

• What funding sources are used to pay for IDEA Part C services?

• Has the State followed its procedures for providing interim payments and reimbursements?
Discussion Questions on Methods (cont’d)

• Is the State’s Method consistent with the SoP established by the lead agency?

• Do other State-level agencies provide EI services and, if so, how does the State ensure that those agencies operate consistently with the SoP?

• Has the lead agency experienced any intra-agency and/or interagency disputes about payments for a given service? How did the lead agency implement its procedures and achieve a timely resolution of that dispute?
Documents Needed

• For full list see Grads 360

• Examples include:
  • State’s Method
  • Documentation of implementation of Method
  • Evidence of monitoring/oversight of implementation
  • Evidence of training/implementation in partner agencies
  • Documentation related to the fiscal dispute system
Resources

Relevant resources have been posted on https://osep.grads360.org/#program/fiscal-monitoring, including:

• This PowerPoint
• Monitoring Protocols
• Fiscal Monitoring Overview
• Related Resources
More Questions?

Contact your Fiscal Accountability Facilitator:

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