

2024-2025 Department of Grant Compliance and Administration Risk Assessment Indicators

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1. This presentation is intended solely to provide general information and guidance to Texas LEAs, ESCs, non-profit subgrantees, and participating Private Schools receiving equitable services. The content in this presentation reflects the Texas Education Agency's current understanding of statute and applicable federal guidance.
2. The content of this presentation is subject to change as a result of future guidance and or other updates provided by federal agencies with regulatory oversight of these programs.
3. This presentation does not constitute legal advice, and entities are, therefore, advised to seek legal counsel regarding the information and guidance provided in this presentation before acting upon the information provided.

Presentation Acronyms

FCO: Federal Compliance Officer

FFCR: Federal Fiscal Compliance and Reporting

FFM: Federal Fiscal Monitoring

FPC: Federal Program Compliance

GA: Grant Administration

GCA: Department of Grant Compliance and Administration

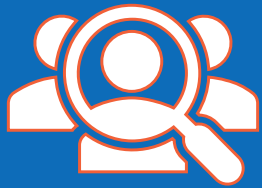
LEAs: School districts and open-enrollment charter schools

NCR: Non-Compliance Resolution

SMD: Special Monitoring Division

2024–2025 LEA Risk Assessment Indicators

2 CFR§ 200.332 Requirements for Pass-Through Entities



TEA as a pass-through entity is required under Title 2 of the Code of Federal Regulations (CFR), [2 CFR §200.332\(b\)](#), to evaluate each sub-recipient **risk of non-compliance** with Federal statutes, regulations, and the terms and conditions of the sub-award for purposes of determining the appropriate sub-recipient monitoring as described in [2 CFR §200.332\(d\)\(e\)](#), which may include the sub-recipients results of previous audits, including **Single-Audits** in accordance with [2 CFR §200.332\(f\)](#), **changes to key personnel**, and other factors that may reflect any patterns of non-compliance.

Department of Grant Compliance and Administration Annual Risk Assessment



To comply with this requirement, the Federal Compliance Officer conducts an annual risk assessment of all sub-recipients to determine and mitigate any potential risk of non-compliance. Based on the outcome of the annual risk assessment, sub-recipients are assigned a risk status of low, medium, or high, which is evaluated annually.

2024-2025 Risk Assessment Indicators, Data, and Points

2024-2025 Indicators	Data Period	Data Source	Max Points
I-1: Single-Audit Management Decisions Letters	FY20–FY24	GCA Reports	10 Points
I-2: IDEA-B LEA MOE Non-Compliance Referrals	FY22–FY24	FFCR Reports	9 Points
I-3: Monitored by FFM with Final Report Findings	FY19–FY23	FFM Monitoring Reports	10 Points
I-4: Monitored by SMD with Final Report Findings	FY21–FY23	SMD Monitoring Reports	9 points
I-5: An LEA had grant management compliances concerns	FY20–FY24	GA Reports	10 Points
I-6: An LEA had post award significant issues with their program applications	FY23–FY24	PAC Report	4 Points
I-7: Other TEA Division Risk Assessment Referrals	FY20–FY24	GCA Referral Reports	10 Points
I-8: Superintendent Turnover	FY22–FY24	GCA AskTED Reports	10 Points
I-9: CFO/Business Manager Turnover	FY22–FY24	GCA AskTED Reports	10 Points



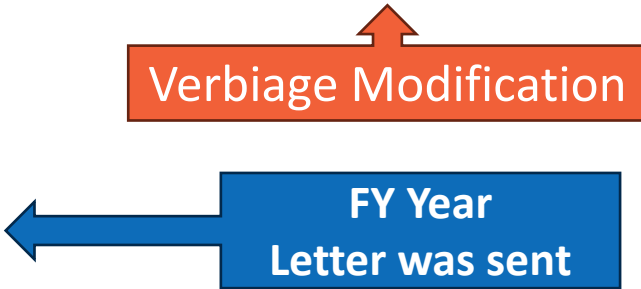

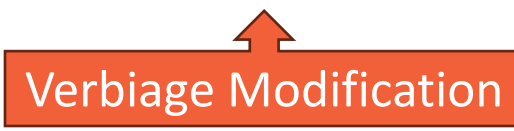
2024-2025 Risk Assessment Indicators, Data, and Points

2023-2024 Indicators	Data Period	Data Source	Max Points
I-10: An LEA is not required to conduct a single audit in FY23 as required per, 2 CFR§ 200.501	FY23	GCA Reports	5 Points
I-11: LEA percentage of disallowed costs in final monitoring report	FFM: FY19–FY23 SMD: FY21–FY23	FFM Monitoring Reports SMD Monitoring Reports	10 Points
I-12: FPC Random Validation Non-Compliance	FY22–FY23	FPC Reports	10 Points
I-13: FPC Non-Compliance issues	FY22–FY23	FPC Reports	10 Points
I-14: An LEA has not been fiscally monitored within the past five years.	FY19–FY23	FFM and SMD Monitoring Reports	10 Points
I-15: LEA Risk Level Status Designation Change	FY20–FY24	GCA Risk Level Designation Reports	10 Points
I-16: An LEA has been appointed a Board of Managers by the Commissioner of Education under TEC§ 39A.004 and the Board of Managers still governs the district	Current Status	Sanctions and Monitoring Reports	10 Points

2024-2025 Risk Assessment Indicators, Data, and Points

2023-2024 Indicators	Data Period	Data Source	Max Points
I-17: An LEA is currently served by a Fiscal Conservator, appointed by the Commissioner of Education under TEC§ 39A.002	Current Status	Sanctions and Monitoring Reports	6 points
I-18: Ad Hoc Referrals to the Federal Compliance Officer	FY23–FY24	GCA Data	10 Points
I-19: Number of overdue refunds or non-compliance documents from required non-compliance resolution actions past the requested deadline	FY23–FY24	GCA Data	10 Points
I-20: TEA High-Risk Designation, 2 CFR§ 3474.10	FY24	TEA GCA Designation	Automatic High-Risk Designation



IND #	2024-2025 TEA Risk Indicators	2024-2025 Point System
I-1	<p>An LEA has received a single-audit management decision letter with sustained findings for the following years:</p> <ul style="list-style-type: none"> ▪ FY24 ▪ FY23 ▪ FY22 ▪ FY21 ▪ FY20 	<p>0 Points: 0 Letters 2 Points: 1 Letter 4 Points: 2 Letters 6 Points: 3 Letters 8 Points: 4 Letters 10 Points: 5 Letters *No Letters: -2 Points</p>
I-2	<p>An LEA was non-compliant for IDEA-B LEA MOE for the following years:</p> <ul style="list-style-type: none"> ▪ FY24 ▪ FY23 ▪ FY22 	<p>0 Points: Compliant Final Report 3 Points: 1 Non-Compliant Final Report 6 Points: 2 Non-Compliant Final Reports 9 Points: 3 Non-Compliant Final Reports *No Letters: -2 Points</p>
I-3	<p>An LEA was monitored by FFM with final report findings for the following years:</p> <ul style="list-style-type: none"> ▪ FY23 ▪ FY22 ▪ FY21 ▪ FY20 ▪ FY19 	<p>0 Points: Final report had no findings 2 Points: 1 final report with findings 4 Points: 2 final reports with findings 6 Points: 3 final reports with findings 8 Points: 4 final reports with findings 10 Points: 5 final reports with findings</p>



IND #	2024-2025 TEA Risk Indicators	2024-2025 Point System
I-4	<p>An LEA was monitored by SMD with final report findings for the following years:</p> <ul style="list-style-type: none"> ▪ FY23 ▪ FY22 ▪ FY21 <div style="text-align: center;"> </div>	<p>0 Points: Final report had no findings 3 Points: 1 final report with findings 6 Points: 2 final report with findings 9 Points: 3 final report with findings</p>
I-5	<p>An LEA had grant management compliances concerns for the following years:</p> <ul style="list-style-type: none"> ▪ FY24 ▪ FY23 ▪ FY22 ▪ FY21 ▪ FY20 <div style="text-align: center;"> </div>	<p>0 Points: 0 Referrals 2 Points: 1 Referral 4 Points: 2 Referrals 6 Points: 3 Referrals 8 Points: 4 Referrals 10 Points: 5 Referrals * No Referrals: -1 Points</p>
I-6	<p>An LEA had post award significant issues with their program applications for following years:</p> <ul style="list-style-type: none"> ▪ FY24 ▪ FY23 <div style="text-align: center;"> </div>	<p>0 Points: 0 Referrals 2 Points: 1 Referral 4 Points: 2 Referrals</p>



IND #	2024-2025 TEA Risk Indicators	2024-2025 Point System
I-7	<p>An LEA was referred for Risk Assessment by other TEA divisions for the following years:</p> <ul style="list-style-type: none"> ▪ FY24 ▪ FY23 ▪ FY22 ▪ FY21 ▪ FY20 	<p>0 Points: 0 Referrals 2 Points: 1 Referral 4 Points: 2 Referrals 6 Points: 3 Referrals 8 Points: 4 Referrals 10 Points: 5 Referrals</p>
I-8	<p>An LEA has experienced Superintendent turnover over for the following years.</p> <ul style="list-style-type: none"> ▪ FY24 ▪ FY23 ▪ FY22 <p>*FY21 Baseline data</p>	<p>0 Points: No Changes in Superintendent 2 Points: 1 Change in Superintendent 4 Points: 2 Changes in Superintendent 6 Points: 3 Changes in Superintendent 8 Points: 4 Changes in Superintendent 10 Points: 5 Changes in Superintendent</p>



IND #	2024-2025 TEA Risk Indicators	2024-2025 Point System
I-9	<p>An LEA has experienced CFO/Business Manager turnover for the following years.</p> <ul style="list-style-type: none"> ▪ FY24 ▪ FY23 ▪ FY22 <p>*FY21 Baseline data</p>	<p>0 Points: No Changes in CFO/Business Manager 2 Points: 1 Change in CFO/Business Manager 4 Points: 2 Changes in CFO/Business Manager 6 Points: 3 Changes in CFO/Business Manager 8 Points: 4 Changes in CFO/Business Manager 10 Points: 5 Changes in CFO/Business Manager</p>
I-10	<p>An LEA was not required to conduct a single audit in FY23 as required per 2 CFR§ 200.501.</p>	<p>0 Points: Is required to submit single audit 5 Points: Not Required to conduct a single audit</p>



IND #	2024-2025 TEA Risk Indicators	2024-2025 Point System
I-11	<p>An LEA was monitored by FFM or SMD and had disallowed costs in the final report for the following years:</p> <ul style="list-style-type: none"> ▪ FY23 ▪ FY22 ▪ FY21 ▪ FY20 ▪ FY19 	<p>0 Points: Final report with no disallowed costs 2 Points: 1 final report with disallowed costs 4 Points: 2 final reports with disallowed costs 6 Points: 3 final reports with disallowed costs 8 Points: 4 final reports with disallowed costs 10 Points: 5 final reports with disallowed costs *Zero Disallowed Costs: -1 Point</p>
I-12	<p>During FY22 or FY23 an LEA was referred for Non-Compliance Resolution for two years as non-compliant during for Random Validation (2 years non-compliant).</p> <p><u>Programs included in this indicator are:</u></p> <p>Title I, Part A Title I, Part C Title I, Part D Title II, Part A Title IV, Part A Title V, Part B Ed-Flex Private Nonprofit School Equitable Services Unsafe School Choice Option</p>	<p style="text-align: center;">New Indicator</p> <p>0 Points: 0 Referrals 2 Points: 1 Referral 4 Points: 2 Referrals 6 Points: 3 Referrals 8 Points: 4 Referrals 10 Points: 5 Referrals</p>



2024-2025 TEA Risk Indicators

2024-2025 Point System

I-13

During FY22 or FY23 an LEA had Federal Program non-compliance issues for the following:

- Late or no submission of their ESSA Consolidated Compliance Report
- Not in Compliance on their ESSA Consolidated Compliance Report Program Compliance Self-Check Requirements

Programs included in this indicator are:

PR1000 – Title I, Part A

PR1200 – Title I, Part C

PR2000 – Title I, Part D

PR3000 – Title II, Part A

PR3002 – Title III, Part A

PR3114 – Title III, Part A

PR3107 – Title IV, Part A

PR3099 – Private Nonprofit School Equitable Services

PR6200 – Unsafe School Choice Option

New Indicator

0 Points: No Referrals

2 Points: 1 Referral


4 Points: 2 Referrals

6 Points: 3 Referrals

8 Points: 4 Referrals

10 Points: 5 or more Referrals



IND #	2024-2025 TEA Risk Indicators	2024-2025 Point System
I-14	<p>An LEA has not been fiscally monitored by the Department of Grants Compliance and Administration within the past five years.</p> <p>This indicator will include LEAs who are being currently being monitored by FFM and SMD.</p>	10 Points
I-15	<p>An LEA's historical <u>Risk Status Designation</u> for the following years:</p> <ul style="list-style-type: none"> ▪ FY24 ▪ FY23 ▪ FY22 ▪ FY21 ▪ FY20 <div style="text-align: center; margin-top: 10px;">  <div style="border: 1px solid black; background-color: #e67e22; color: white; padding: 5px; display: inline-block;">Verbiage Modification</div> </div>	<p>0 Points: Low Risk status for each fiscal year 1 Point: Medium Risk status for each fiscal year 2 Points: High Risk status for each fiscal year Total Possible Points: 10 *Low Risk status for all five years: -1 Point</p>
I-16	<p>An LEA has been appointed a Board of Managers by the Commissioner of Education under <u>TEC§ 39A.004</u> and the Board of Managers still governs the district.</p>	10 Points



	2024-2025 TEA Risk Indicators	2024-2025 Point System
I-17	An LEA is currently being served by a Fiscal Conservator, appointed by the Commissioner of Education under TEC§ 39A.002 .	6 Points
I-18	<p>Ad Hoc Referrals to the Federal Compliance Officer for the following projects:</p> <ul style="list-style-type: none"> ▪ Year Four USDE ESSER Delinquent Reporting ▪ Programmatic non-compliance ▪ Open Investigations for misuse of federal funds ▪ Other referrals 	<p>0 Points: No Referrals 2 Points: 1 Referral 4 Points: 2 Referrals 6 Points: 3 Referrals 8 Points: 4 Referrals 10 Points: 5 Referrals</p>



	2024-2025 TEA Risk Indicators	2024-2025 Point System
I-19	<p>Number of <u>overdue refunds or non-compliance documents</u> from required non-compliance resolution actions past the requested deadline for the following years:</p> <ul style="list-style-type: none"> ▪ FY23 ▪ FY24 	<p>0 Points: On-time refunds and documents 1 Points: 1 Overdue refund or documents 2 Points: 2 Overdue refunds or documents 3 Points: 3 Overdue refunds or documents 4 Points: 4 Overdue refunds or documents 5 Points: 5 Overdue refunds or documents 6 Points: 6 Overdue refunds or documents 7 Points: 7 Overdue refunds or documents 8 Points: 8 Overdue refunds or documents 9 Points: 9 Overdue refunds or documents 10 Points: 10 Overdue refunds or documents</p>
I-20	Automatic TEA High-Risk Status Designation	Automatic TEA High-Risk Status Designation



2025-2026 Reintroduction of Previous Risk Indicators

FY26 – Reintroduction of Previous Risk Indicators

TEA Department of Grant Compliance and Administration had placed several indicators on hold due to stimulus funding. These indicators took into consideration the following criteria as part of the risk assessment process:

- High carryover of grant funds
- Lapsed grant funds
- Concerns regarding the timely drawdown of grant funds
- Large amounts of federal expenditures compared to total operating costs

These risk indicators will be reintroduced for the 2025-2026 Risk Assessment process.

Reintroduction of Previous Risk Indicators

An LEA has carried over excessive amounts of funds for grants awarded in the following applications:

- IDEA-B – Over 50% Carryover
- Carl D. Perkins – Over 25% Carryover
- Every Student Succeeds Act (ESSA) Consolidated Grant includes:
 - Title I, Part A – Over 15% Carryover
 - Title I, Part C – Over 25% Carryover
 - Title I, Part D – Over 25% Carryover
 - Title II, Part A – Over 25% Carryover
 - Title III, Part A – Over 25% Carryover
 - Title IV, Part A – Over 25% Carryover

Reintroduction of Previous Risk Indicators Cont.

An LEA has lapsed funds (TBD) for grants awarded in the following applications:

- IDEA-B
- Carl D. Perkins
- Every Student Succeeds Act (ESSA) Consolidated Grant includes:
 - Title I, Part A
 - Title I, Part C
 - Title I, Part D
 - Title II, Part A
 - Title III, Part A
 - Title IV, Part A

Reintroduction of Previous Risk Indicators Cont.

An LEA has not drawn down federal grant funds by January 31, 2025, for the following grants:

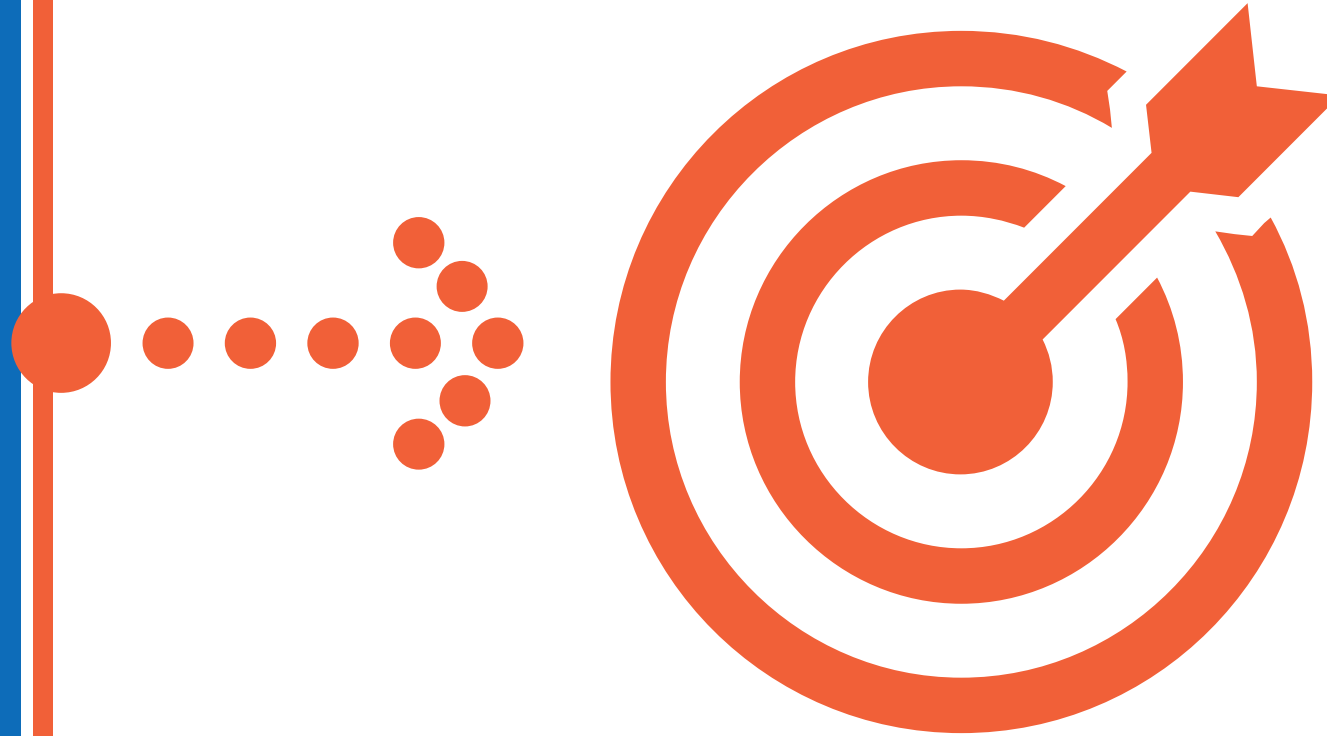
- IDEA-B
- Carl D. Perkins
- Title I, Part A

Reintroduction of Previous Risk Indicators Cont.

- An LEA had a large amount of federal expenditures compared to total operating costs.
 - Points will be awarded if the percentage is greater than 20% of the total operating costs.

2024-2025 LEA Risk Assessment Target Release Date

June
2024



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