

DATE:	June 25, 2020
SUBJECT:	Risk assessment level for school year 2020–2021 (fiscal year 2021)
CATEGORY:	Grant monitoring
NEXT STEPS:	Assignment of risk level

To meet federal grant compliance requirements, TEA is announcing school year 2020-2021 federal fiscal risk assessment results for all LEAs.

An organization’s risk level will be used by TEA in the following ways:

- **Differentiated Grant Negotiation.** TEA uses a differentiated grant negotiation process for federal grant applications. Organizations with a medium and high risk levels are subject to more stringent grant negotiation reviews than those with a low risk level.
- **Subrecipient Monitoring.** Each year, TEA selects subrecipients for fiscal monitoring according to their risk levels. The higher the organization’s risk level, the more likely that organization is to be selected for monitoring. However, TEA monitors subgrantees from each risk level.

Accessing an Organization’s Annual Risk Level

LEAs may learn their risk assessment level by accessing the GFFC Reports and Data Collections secure application in TEAL, where they can access and save a letter for your organization. The letter indicates the organization’s risk level for the 2020–2021 school year. Follow these steps to access your letter:

1. Log on to [TEAL](#).
2. Select “GFFC Reports and Data Collections.”
3. Select “Risk Assessment Level” from the report title drop-down menu.
4. Select “2020–2021” from the school year drop-down menu.

Background and Purpose

As a pass-through entity, TEA awards federal grant funds to eligible subrecipients, including local educational agencies (school districts and open-enrollment charter schools; LEAs). The responsibilities of pass-through entities are given in Title 2 of the Code of Federal Regulations, Part 200.331, which requires TEA to “evaluate each subrecipient’s risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring.”

To comply with this requirement, TEA’s Federal Fiscal Monitoring Division (FFM) conducts an annual federal fiscal risk assessment of all subrecipients, including LEAs, to determine their potential risk of noncompliance. The specific criteria used in the risk assessment are published on the [FFM Division web page](#). Based on the outcome of the risk assessment, subrecipients are assigned a risk level of low, medium, or high.

The risk assessment is used to determine the *likelihood* that a subrecipient may fail to comply with applicable statutes, regulations, and non-regulatory guidance. If your organization is

assigned a high-risk level (as a result of the annual risk assessment), it does not necessarily indicate that your organization has failed to comply with statutes, regulations, requirements, or non-regulatory guidance. Similarly, a low risk level does not indicate that your organization is compliant with all applicable statutes, regulations, requirements, or non-regulatory guidance.

The risk assessment is conducted annually, therefore, an organization's risk level can change from year to year. A subrecipient assigned a high-risk level for 2020–2021 may be assigned a medium or low risk level in 2021–2022.

For Further Information

If you have questions about the annual risk assessment, please contact the Federal Fiscal Monitoring Division at FFM@tea.texas.gov.

Sincerely,

Roger Hingorani, Senior Director
Federal Fiscal Monitoring Division