

Senate Finance Subcommittee on DEED

Core Service: Fiscal Accountability, Compliance and Oversight

2/27/14 – Request of Chair

1. What is meant by Fiscal Accountability, Compliance and Oversight? What type of work is completed by personnel under this core service?
 - The Fiscal Accountability, Compliance and Oversight core service ensures that the department effectively and efficiently manages state, federal, and other funding by providing comprehensive fiscal and administrative services. This is accomplished through two targets: (a) provide efficient fiscal accountability, compliance and oversight to the DEED's operating and capital budgets and programs; and (b) limit the number of state and federal audit findings.
 - Work completed by personnel under this core service includes, but is not limited to, setting policies for the department and school districts; drafting and implementing regulations; reviewing applications of federal and state programs as well as school construction and major maintenance projects; implementing federal and state statutes, regulations, and guidelines; providing technical assistance to school districts; and monitoring the department, school districts, and other stakeholders for compliance with the federal and state programs.
 - In addition, the department's Administrative Services, Information Services, and State Facilities Rent components also reside within this core service. The duties of the Administrative Services and Information Services components includes, but is not limited to, overseeing and processing the expenditure and revenue financial transactions and grant reporting required for the department's appropriations; overseeing and managing operating and capital budget development; overseeing and managing personnel and labor relations functions; overseeing and managing department procurement and leasing; overseeing and processing department-wide travel; overseeing and maintaining the department's information technology hardware and software systems and multiple reporting capabilities; and providing for funding for all of the department's leased/rented facilities.
 - Please see the document titled "DEED Grant Oversight" for more information on the work that is performed under this core service.
2. What type of work in core service is completed by personnel under Student and School Achievement?
 - The Student and School Achievement component provides resources to school districts to ensure that special populations of students meet the state's high academic standards, to improve performance through professional development, school accountability, standards, and assessments, and to provide school districts and

stakeholders with high quality information to aid in data driven decision-making processes and reporting.

- Personnel under the Student and School Achievement component complete a variety of duties including, but not limited to, reviewing applications, program budgets and narratives, and program reports; providing technical assistance to school districts as requested or deemed necessary; monitoring school districts for compliance with both federal and state programs; and ensuring the department is in compliance with both federal and state programs.
3. There are 65 full-time employees under “Student and School Achievement.” How many of the 65 employees oversee federal grants to school districts? What are their responsibilities? Are there any vacancies?
- Of the 65 full-time employees under Student and School Achievement, 49 oversee federal grants to school districts.
 - Their responsibilities include, but are not limited to the duties noted in question 2 above.
 - Currently, there are five vacancies within the Student and School Achievement component.
4. How does the department monitor federal grants? How often? How long at each school district? How many DEED employees per each school district visit? What is requested of the school district as to staff time, compilations of information, and time responding with DEED employees before and after the monitor visit?
- The department monitors federal grants virtually through online programs like STEPP (Steps Toward Educational Progress and Partnership), desk (documents sent in via email or mail), on-site, or a combination of these.
 - The federal programs under the Elementary and Secondary Education Act (ESEA) (such as Title I Part A) and Career and Technical Education (CTE) are monitored once every five years. Special Education is monitored once every four years.
 - The department typically spends two days at each school district, but this does vary based on the size of the school district and the number of programs needing to be monitored, as well as the amount of technical assistance requested.
 - Typically two DEED employees attend each school district on-site visit, but this can vary based on the size of the school district, number of programs being reviewed, and amount of technical assistance requested.
 - There is no specific set amount of time requested of school district staff before and after a monitoring visit, as this varies with the size of the school district, number of programs monitored, and number of findings or recommendations reported. Within 90 days of a monitoring visit, any findings or recommendations identified need to be addressed by the school district.

5. What cost effective methods has the department explored to reduce district and Department of Education staff time while maintaining fiscal accountability?

DEED has implemented a new online Grants Management System in order to reduce the paperwork burden and ease school district application submittals and tracking of grant funds. Major fiscal accountability comes through School Finance with the review of the independent audit reports that all school districts must submit.

6. How much federal funding can be allocated the administration, including monitoring, of the federal grant programs?

The amount of funding available for the administration of federal grant programs varies amongst the different programs. Please see the document titled “TLS Federal Grants” (*“Response to AS 14.03.078(4)”*) for the breakdown by program.

7. Must the money set aside by the federal government for administration of the grant programs be used for other purposes? Does the federal government mandate how compliance and oversight of federal grants? If so, is the Department of Education doing the minimum or is the State exceeding the federal guidelines?

- The money set aside by the federal government for administration of the grant programs can be used for other grant related purposes, but it varies by program.
- The federal government mandates compliance and oversight, but provides states with some flexibility in the “how.”
- DEED monitoring focuses on being the least amount of burden to the school districts. For example, it is estimated that 90-95% of the other states monitor federal programs more than once every five years.

8. Federal money supports 35 employees in Student and School Achievement while 28 employees are paid by General Fund. How do their responsibilities differ?

- To clarify, of the 65 employees in Student and School Achievement, 15 are funded from general funds, one from general fund match, 36 from federal funds, and 13 are split funded with general and federal funds.
- Their responsibilities differ based on the federal or state program they are assigned to and what is required by any federal or state programs statutes, regulations, and guidelines.

9. What cost saving procedures have been placed by the Department to reduce travel costs? Has the Department recognized savings due to the centralization of the Travel within the Department of Administration? What are the departmental guidelines regarding the use of airline miles?

- In addition to what is mentioned in question 4 above, the cost saving procedures that the department has put in place to reduce travel costs includes maximizing trips when doing on-site visits, such as visiting two districts in one trip or combining a trip with professional development opportunities.
- While savings from the centralization have not been realized for the Student and School Achievement component as much as other much larger divisions, the department is always reviewing travel and looking for ways to reduce costs.
- The department follows the Alaska Administrative Manual (AAM), Chapter 60, when it comes to travel. There is a statewide mileage pool that the department can use as a cost saving measure under the following guidelines: ticket is for out-of-state travel; the ticket value is \$800 or more; ticket is for a non-profiled traveler; and no travel deviation is permitted.

10. Has the Department looked at this Core Service with a critical eye? This Core Service has 115 employees.

Yes, the department has looked at this core service with a critical eye. The department has looked for and implemented, and continues to look for, efficiencies in how it manages both federal and state programs and what is requested of school districts. Considering that \$207 million or 92% is federal funding, it takes more than a few hands to implement the federal and state statutes, regulations, and program guidance and ensure compliance both in the department and in the school districts. Furthermore, although the 115 employees sound significant, what this core service provides statewide is extensive compared to the 5.8% of the total core service budget that is personal services.