# fast five

## RESULTS-BASED ACCOUNTABILITY AND SUPPORT

## Five Questions Answered About Risk Assessments

### 1. What is a risk assessment?

Broadly defined, a risk assessment is a systematic calculation or evaluation of risks to an individual, organization, or project. In the context of IDEA, state education agencies (SEAs) use risk assessments to evaluate the risk of local education agencies (LEAs) not complying with the law and with the terms and conditions of their grant award, as well as not meeting achievement goals.

### 2. Is an SEA required to use a risk assessment as part of monitoring LEAs under IDEA?

Yes. The requirement to use a risk assessment to monitor LEAs is found in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, in the section on subrecipient monitoring and grant management (2 CFR §§ 200.330-332). These regulations, commonly

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referred to as the Uniform Grant Guidance or UGG, went into effect December 26, 2014. To comply with the 2014 regulation, an SEA, as a 'pass-through' entity that grants IDEA funds to 'subrecipients' (i.e., LEAs), is required to routinely conduct 'subrecipient grant monitoring' (2 CFR § 200.331 (b)-(h)). This monitoring must begin with evaluating an LEA's risk of noncompliance "… with Federal statutes, regulations, and the terms and conditions of the [IDEA] subaward for purposes of determining the appropriate subrecipient monitoring …" (2 CFR § 200.331 (b)). Since monitoring is intended to "ensure proper accountability and compliance with program requirements and achievement of performance goals" (2 CFR § 200.331 (e)), both fiscally and programmatically, an LEA risk assessment should reflect both compliance and performance.

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* (2 CFR § 200.331 (e))

## 3. How might an SEA use a risk assessment to guide their IDEA monitoring of LEAs?

In the context of state IDEA monitoring of LEAs, an SEA might use a risk assessment in a variety of ways, including to:

1. Differentiate the **level or type of monitoring activity** for LEAs. For example, an SEA may decide, based on the results of a risk assessment, that some LEAs will complete a self-assessment, some will participate in a desk audit, and some will receive an on-site monitoring visit.

2. Differentiate the **focus of monitoring activities**. For example, an SEA may differentiate the focus of LEA monitoring and, based on the results of a risk assessment, target fiscal issues in the monitoring of one LEA and target dispute resolution in the monitoring of another LEA.

3. Differentiate the l**evel or type of technical assistance and support** provided to LEAs.

For example, an SEA may use the results of a risk assessment to determine which LEAs would benefit from targeted support and which would require more intensive engagement.

4. Differentiate the **focus of technical assistance and support** provided to LEAs. For example, an SEA may use the results of a risk assessment to determine which LEAs would benefit from professional development around dropout prevention strategies and which would benefit from training on postsecondary transition planning.

5. Highlight low-risk (or high-performing) LEAs that could **serve as exemplars** for other LEAs.

## 4. How are risk assessments organized?

Risk assessments vary greatly from state to state. SEAs have developed risk assessment calculations (including data points, weights, etc.) as well as used the results of those risk assessments in different ways that reflect their particular context, priorities, and systems of monitoring and support. Risk assessments and applications may incorporate programmatic and fiscal components, and in some SEAs there are two separate risk assessments—one for selecting LEAs for and differentiating fiscal monitoring and supports and one for selecting LEAs for and differentiating programmatic monitoring and supports. Risk assessments can also bridge federal programs and include initiatives other than IDEA (e.g., ESEA programs such as Title I, II, III, and others) and can include indicators for state-specific requirements or achievement goals (e.g., class size, state teacher certification requirements, performance toward state literacy, employment goals).

## 5. What data points do SEAs include in their LEA risk assessments for IDEA?

The following are sample items that SEAs have included in risk assessments:

*Note that some SEAs revise their risk assessment items and process annually based on changing priorities and needs.*

- Length of time since LEA was last monitored
- Turnover in key LEA leadership position(s)
- Compliance on SPP/APR indicators and other requirements
- Performance on SPP/APR "results" indicators (e.g., academic achievement, graduation rates, preschool and school-age LRE, etc.)
- Performance on state-established achievement goals (e.g., early literacy program goals, post-school employment goals)
- LEA dispute resolution data
- Special education identification rate
- Number of students' records an LEA self-reviews
- Significant disproportionality data
- Parent survey data
- IDEA Part B audit findings
- Fiscal findings or other fiscal-related data (e.g., late budget application, size of grant award)
- Federal program accountability status (e.g., percent of schools in the LEA identified for a specific improvement category)
- Other issues identified by the SEA as a priority for monitoring