

**ATTACHMENT A**

**STATE MONITORING PROTOCOL**

**STATE FISCAL STABILIZATION FUND PROGRAM**

**State:** New York State

**State Representative completing this form:** Dr. Deborah H. Cunningham

**Date of completion:** July 16, 2010

*State: Please submit this form and all required documentation in PDF Format to: SFSFMonitoring@ed.gov*

**I. Local educational agency (LEA) applications**

**ISSUE:** Whether the State has established appropriate application procedures for awarding Education Stabilization funds to LEAs.

*Guiding Questions*

1. Did the State require each LEA that received Education Stabilization funds to submit an application as required by 34 CFR 76.301?

*Yes. Please see section I of the Master Protocol Document.*

2. Did the application include the assurances required under Section 442 of GEPA?

*Yes. By reference to assurances posted at <http://usny.nysed.gov/arra>.*

3. Did the State require each LEA to submit an application for funding in subsequent fiscal years? (Optional) If so, what information was required in subsequent applications?

*Yes, the State will require LEAs to submit applications in subsequent fiscal years.*

4. Did the application request information on the LEA's proposed use of Education Stabilization funds? (Optional)

*Yes. Please see section I of the Master Protocol Document.*

5. Did the State condition the LEA's receipt of funds on meeting any other requirements?

Yes. In addition to quarterly reporting and complying with federal assurances, LEAs were asked to conform to the processes and requirements summarized in NYSED's Fiscal Guidelines for Federal and State Grants and A Guide to Grants Administration and Implementation Resources. These documents are provided at [www.oms.nysed.gov/cafe/guidance](http://www.oms.nysed.gov/cafe/guidance).

6. Did the application request information on how the LEA would make progress on the four education reform assurances? (Optional)

The original application did not request this information, as it was optional. However the supplemental application did. Also, the guidance provided to LEAs from the beginning emphasized the importance of the four reform areas.

7. When did the State make applications available to LEAs?

The initial applications were made available to the LEAs in August 2009.

8. What guidance did the State initially provide to LEAs?

NYSED posted extensive guidance documents online regarding the program at every stage of the developing federal guidelines. NYSED specifically prepared a Guidance Document for completing the Education Stabilization Fund application form. In addition, NYSED held a series of on-line webinars with step-by-step directions. Staff was assigned to individual LEAs to answer their questions and have worked with them throughout the program to facilitate applications, reporting and provide additional guidance.

9. What were the State procedures for reviewing LEA applications?

LEA applications were reviewed within seven to 14 days of initial receipt. Program narratives were reviewed to determine if the LEA was proposing approved uses for ARRA funding. Budget summaries were compared against the program narratives to determine consistency. LEAs were contacted either via e-mail and/or phone to discuss questions or concerns. If necessary, the application was "un-submitted" to allow the LEA to amend their application.

10. Were applications approved before the State released funds to LEAs?

Yes – There were no automatic payments made to LEAs. Once an application was approved, the LEA filed an FS-25 to request payment based on their actual expenditures to date. The FS-25 process could pay up to 90 percent of the LEA's total allocation. Final payment is paid upon approval of a final expenditure report.

*Evidence/Documentation*

See Attachment 1, "Master Protocol Document."

## **II. Allocations to LEAs**

**ISSUE: Whether the State has allocated Education Stabilization Funds to LEAs in accordance with statutory requirements.**

*Guiding Questions*

1. Did the State allocate funds to LEAs in accordance with its most recently approved SFSF application?

Funds were allocated to LEAs based on the most recently approved SFSF application.

2. Did each LEA receive the same share of SFSF Education funds as it received under the primary State funding formula(e)? (In other words, was the percentage of SFSF funds allocated to each LEA the same as the percentage of State funds each LEA received under the State's primary funding formula(e)?) If not, please explain.

The SFSF Education funds were used to restore school funding reductions that were originally proposed as part the New York State's 2009-10 Executive Budget that was released in December 2008 prior to ARRA and the SFSF Funding, and eventually enacted into State law in April 2009. Consistent with discussions with USED on the allowable uses of Education Stabilization funds, New York State used the Federal SFSF funds to restore the State funding reductions that were enacted in April 2009.

In December 2009, the State Legislature enacted an additional State aid reduction that was structured the same as the April 2009 reduction, albeit on a smaller scale. Federal funds were also used to restore these reductions in State aid.

3. Does the State have documentation substantiating its level of State support for restoration calculation purposes for elementary and secondary schools for fiscal years 2006 and 2009? (Data for fiscal year 2010 will also be collected if available at the time of the review; fiscal year 2010 data (if not previously collected) and fiscal year 2011 data will be collected during later reviews.)

Yes - Please see Attachment 2 - SFSF State Fund Tracking Sheet.

4. When were LEAs notified of allocation amounts?

NYSED notified LEAs of their Education Stabilization Amounts in April 2009 with the passage of the State budget. NYSED notified LEAs of their supplemental Education Stabilization Amounts in January 2010.

5. What is the amount of each LEA's Education Stabilization Fund allocation?

Please see Attachment 2 - SFSF State Fund Tracking Sheet.

6. When were funds first released to LEAs?

NYSED made an application available to school districts in August 2009. Following approval of the application, LEAs could draw down funds for allowable expenditures dating back to July 1, 2009.

7. Are funds released on a regular schedule? If so, what is that schedule (e.g., monthly, quarterly)?

Funds are released upon submission by districts of eligible expenditures. The schedule is determined by the LEA.

8. Did the State's restoration calculations change subsequent to its awarding funds to LEAs or to its notifying LEAs of award amounts? If so, what, if any, actions did the State take to make adjustments to LEA allocations?

No. Allocations were not subsequently changed.

#### *Evidence/Documentation*

See Attachment 1, "Master Protocol Document."

### **III. Application and allocation procedures for public institutions of higher education (IHEs) -**

**ISSUE: Whether the State has established appropriate procedures for allocating Education Stabilization funds to public IHEs.**

#### *Guiding Questions*

1. Did the State require public IHEs to submit an application for funds? If so, what information did the State require an IHE to include in its application? (Optional)

No application was required to be eligible to receive Education Stabilization Funds.

2. Does the State have documentation substantiating its level of State support for restoration calculation purposes for public IHEs for fiscal years 2006 and 2009? (Data for fiscal year 2010 will also be collected if available at the time of the review; fiscal year 2010 data (if not previously collected) and fiscal year 2011 data will be collected during later reviews.)

Yes, Please see Section VII of the Master Protocol Document.

3. Did the State exclude from its levels of State support tuition and fees paid by students?

Yes. Only support provided directly through State funds, excluding capital and grant programs, was counted.

4. What is the amount of each public IHE's Education Stabilization Fund allocation?

Please see Attachment 2 - SFSF State Fund Tracking Sheet.

5. How did the State determine the amount provided to each public IHE?

The State supports a portion of the operating costs of its 36 public community colleges (30 SUNY institutions and 6 CUNY institutions) through a formulaic methodology that is based on a dollar rate per eligible Full-Time-Equivalent (FTE) student. For Fiscal year 2009-10, available Stabilization Funds were allocated to these institutions on the basis of this formula.

6. Were any conditions or restrictions placed on IHE eligibility? If so, did the conditions relate to the need to mitigate increases in tuition or fees for in-state students?

No conditions were applied.

7. What guidance did the State provide to public IHEs about applying for funds?

No application was required to be eligible to receive Stabilization Funds.

8. Did the State provide Education Stabilization funds only to public IHEs?

Yes, consistent with statutory requirements, the SFSF funds were provided to public IHEs and used to support elementary and secondary education.

9. When were funds first released to public IHEs?

Funds were released to public IHEs in November 2009.

10. Are funds released on a regular schedule? If so, what is that schedule (e.g., monthly, quarterly)?

The full SFSF award to public IHEs was made in November 2009. No additional payments are scheduled for the 2009-10 Academic Year.

11. Did the State's restoration calculations change subsequent to its awarding funds to public IHEs or to its notifying IHEs of award amounts? If so, what, if any, actions did the State take to make adjustments to IHE allocations?

No. Allocations to public IHEs were not changed in the 2009-10 Academic Year.

12. Did the State require each IHE to submit an application for funding in subsequent fiscal years? (Optional) If so, what information was required in subsequent applications?

No application was required to be eligible to receive Stabilization Funds.

#### *Evidence/Documentation*

See Attachment 1, "Master Protocol Document."

### **IV. Application and allocation procedures for Government Services funds.**

**ISSUE: Whether the State has established appropriate procedures for allocating Government Services funds.**

#### *Guiding Questions*

1. Did the State require an application for Government Services funds? If so, what information did the State require the entity to include in its application?

For each separate program funded with Government Services funds, program offices requested an application from grant recipients concerning the proposed uses and budget. Examples are provided for the Teacher Mentor Internship Program and for Public Radio and Television (see Attachments IV A and B).

For Institutions of Higher Education, no application was required to be eligible to receive Stabilization Funds.

2. What guidance did you provide to recipients?

Comprehensive guidance was provided on the NYSED website <http://usny.nysed.gov/arra>

For Institutions of Higher Education, New York State, through the Office of the State Comptroller (OSC), and Governor's Office, communicated policies and procedures to ARRA recipients of grants through a series of memorandums and accounting bulletins.

In the case of funding received by IHEs from Government Services funds, guidance was provided based on allowable expenditures consistent with federal and State law. Guidance on quarterly reporting required by Section 1512 of the American Recovery and Reinvestment Act was provided to SUNY by NYSED, the agency responsible for coordinating submission of New York State's quarterly Section 1512 reports for the State Fiscal Stabilization Funds. Utilizing the NYSED built web-based data collection tool, IHE's were directed to submit information on jobs saved and created with SFSF funds. This information has been, and will continue to be, submitted on a quarterly basis.

3. What entities received Government Services funds?

Please see Attachment 2 - SFSF State Fund Tracking Sheet.

Depending upon the specific program funded with SFSF-Government Services funds, the recipients included local educational agencies, community colleges, public broadcasting stations, Boards of Cooperative Educational Services (BOCES), counties, foreclosure prevention not-for-profit agencies and public and private colleges that receive Tuition Assistance Program (TAP) awards.

4. What is the amount of each entity's Government Service Fund allocation?

Please See Attachment 2 - SFSF State Fund Tracking Sheet.

5. How did the state determine the projects and activities to support Government Services funds?

In order to address the State's budget gaps, the Governor's 2009-10 Executive Budget advanced a range of difficult but necessary reductions in numerous government services. Following the passage of ARRA, the Governor and State Legislature were able to use SFSF GSF funds to restore a number of these reductions as part of the final 2009-10 Enacted State budget. In particular, restoration of proposed education-related reductions was a priority in determining the use of these funds. Since the State made a determination to use the Government Services funds over a two year period, many of the same items were also funded in the following year (see table in next response for specifics).

6. What specific projects or activities are the Government Services funds supporting?

See table below for the specific projects and activities.

<b>Summary of Uses of Government Services Fund (GSF)</b>			
<b>Category/Program</b>	<b>2009-10 Amount Programmed</b>	<b>2010-11 Amount Programmed</b>	<b>Total Programmed</b>
<b><i>Elementary and Secondary Education</i></b>			
<b><i>9% of GSF Funding</i></b>			
Teacher Centers	\$35,000,000	\$0	\$35,000,000
Academic Improvement Grant	\$6,000,000	\$0	\$6,000,000
Teacher Mentor Intern Program	\$2,000,000	\$2,000,000	\$4,000,000
Math & Science High Schools	\$1,382,000	\$1,382,000	\$2,764,000
Say Yes to Education	\$350,000	\$350,000	\$700,000
<b><i>Public Institutes of Higher Education (IHE's)</i></b>			
<b><i>7% of GSF Funding</i></b>			
State University of New York Community Colleges	\$7,666,988	\$19,438,650	\$27,105,638
City University of New York Community Colleges	\$2,978,000	\$7,554,000	\$10,532,000
<b><i>Other Programs</i></b>			
<b><i>84% of GSF Funding</i></b>			
Preschool Special Education	\$132,800,000	\$193,524,381	\$326,324,381
Tuition Assistance Program	\$53,864,000	\$49,900,000	\$103,764,000
Foreclosure Prevention Program	\$21,875,000	\$0	\$21,875,000
Public Broadcasting	\$5,587,000	\$5,587,000	\$11,174,000
<b>Total</b>	<b>\$269,502,988</b>	<b>\$279,736,031</b>	<b>\$549,239,019</b>

*Evidence/Documentation*

See Attachment 1, "Master Protocol Document."

**V. Fiscal Oversight of SFSF Funds**

**ISSUE: Whether the State has established appropriate policies and procedures for ensuring fiscal oversight of SFSF funds.**

*Guiding Questions*

1. Has the State developed and implemented procedures to review the expenditures of LEAs, public IHEs, and other entities receiving SFSF funds to determine whether the funds advanced were actually expended and whether the expenditures were reasonable, allowable, and properly supported prior to disbursement? (*See* April 2009 SFSF Guidance at III-D, III-E, and IV for information on allowable and prohibited uses of SFSF funds.)

[NYSED uses an online application process to review proposed uses of SFSF funds in terms of their reasonableness and allowability. Funds are not advanced by the NYSED](#)

for the SFSF; LEAs and other entities receiving SFSF funding may only request funds as reimbursement for actual expenditures already made. Compliance with the reimbursement requirement as well as adequate documentation for claimed costs is tested on a risk basis by the program office in their onsite monitoring visits, by Office of Audit Services field work and by NYSED's Grants Finance Office when sub-recipients submit claims.

For public IHEs, planned site visits and desk reviews outlined in the "New York State Monitoring Plan and protocol for the State Fiscal Stabilization and other Government Services Fund" will be used in tandem with established New York State Office of the Comptroller audit protocols to ensure the proper use of funds.

Tuition Assistance Program (TAP) awards administered by the Higher Education Services Corporation (HESC) are made according to strict requirements that must be met by both student and institution which the student attends. Awards are made to an institution on behalf of the student, and are tied explicitly to a reduced amount of tuition owed by the student. Initial 2009-10 monitoring plans were tailored to work with current Office of the State Comptroller and State Education Department audit and review plans in place for the TAP program, which ensure that institutions that participate and receive TAP awards on the behalf of students follow proper OSC and State guidelines.

2. How does the State ensure that recipients comply with the requirements of the Cash Management Improvement Act (CMIA)? Has the State developed and implemented procedures to proactively monitor cash balances and to minimize the time lapsing between the transfer and disbursement of funds?

NYSED does not provide advance funding for ARRA SFSF, only reimbursement. This step addresses the local implications for LEA cash management found in EDGAR. Early drawdown is not an issue when funds are being provided as reimbursement only. Local cash management guidance can be found at <http://www.oms.nysed.gov/cafe/guidance/payments.html>

For public IHEs, support to Community Colleges at SUNY and CUNY is utilized on a quarterly basis to help pay the costs of these institutions operations. Funds are not given prior to the cost, but instead are allocated for a specific time period. SFSF funds were used primarily for already occurring payroll costs.

TAP awards given through HESC reflect a payment by the State on the behalf of an eligible student attending an eligible institution. The cost associated with educating that student, which is reflected in the student's tuition bill, is paid at the time of receipt of the award on the student's behalf.

3. How does the State ensure that each subrecipient has an adequate financial recordkeeping system to properly account for the use of SFSF funds?

NYSED has many processes to provide reasonable assurance that subrecipients have adequate financial recordkeeping systems. NYSED receives all annual financial audits from school districts recipients. Each statement is reviewed. NYSED also receives all single audit reports from entities that receive in excess of \$500,000 in federal funds that passed through NYSED. NYSED requests corrective action plans on any audit finding contained in a management letter or other audit. After consultation among the audit unit, program offices and the grants finance unit, NYSED issues a determination on all single audit findings.

As a result of ARRA, NYSED prepared a detailed fiscal risk assessment of school districts. The risk assessment examined 37 financial factors that were gathered from two years of financial statements, single audits, and audits conducted by the New York State Comptroller's Office. This risk assessment weighted some of the factors and identified a list of 68 at-risk districts. It was provided to key program managers to use in their subrecipient monitoring. In addition, the Office of Audit Services (OAS) will conduct limited scope ARRA audits of 30 of the districts prior to June 30, 2011. To date, OAS has issued eight final audits, two are in draft and two are in process.

For public IHEs, the New York State Office of the Comptroller established ARRA compliance requirements.

Office of the State Comptroller Bulletin A-602;  
[Http://www.osc.state.ny.us/agencies/abulls/a602.htm](http://www.osc.state.ny.us/agencies/abulls/a602.htm)

Office of the State Comptroller Bulletin G-238;  
[Http://www.osc.state.ny.us/agencies/gbull/g-238.htm](http://www.osc.state.ny.us/agencies/gbull/g-238.htm)

4. What guidance has the State provided to recipients of SFSF funds regarding the obligation and drawing down of such funds?

Per NYSED's Fiscal Guidelines, consistent with EDGAR regulations, obligations must take place within the grant award period. NYSED established LEA project dates for year 1 of LEA SFSF awards as of 7/1/09 – 6/30/10. Those dates were stated in the SFSF year 1 application and are included on NYSED's Grant Award Notice provided to each sub-grantee.

Fiscal Guidelines, Implementation Guide and other advisories posted on the Grants Finance internet site highlight draw down requirements.  
<http://www.oms.nysed.gov/cafe/>

For public IHEs, the New York State Office of the Comptroller established ARRA compliance requirements.

Office of the State Comptroller Bulletin A-602;

[Http://www.osc.state.ny.us/agencies/abulls/a602.htm](http://www.osc.state.ny.us/agencies/abulls/a602.htm)

Office of the State Comptroller Bulletin G-238;

[Http://www.osc.state.ny.us/agencies/gbull/g-238.htm](http://www.osc.state.ny.us/agencies/gbull/g-238.htm)

5. Did the State receive authorization to use funds for preaward costs? Did the State or its subrecipients use funds for preaward costs during the approved period?

Yes to both. Funds were able to be used for allowable expenditures dating back to February 17, 2009.

6. How is the State ensuring compliance with the cross-cutting ARRA requirements (e.g., Section 1512 reporting, Buy American, infrastructure certification)?

All subrecipients of ARRA funds attest to compliance with a comprehensive list of assurances, (See:

[http://usny.nysed.gov/arra/documents/SFSF\\_assurances\\_federal\\_ARRA.html](http://usny.nysed.gov/arra/documents/SFSF_assurances_federal_ARRA.html)), including the applicability of Davis-Bacon Act requirements. They must include these assurances in subcontracts with vendors, contractors and subcontractors. NYSED Facilities Planning has specific guidance at: <http://www.emsc.nysed.gov/facplan/ARRA/Davis-Bacon.htm>, including additional links to federal websites.

7. Does the State have policies and procedures in place for monitoring subrecipients? (See Part VI of this protocol.)

Yes. See the New York State Monitoring Plan and Protocols for the State Fiscal Stabilization Education and Other Government Services Fund. Attachment VI, Master Protocol Document.

For Institutes of Higher Education, New York State, through the Office of the State Comptroller, SUNY/CUNY and Governor's Office, has communicated policies and procedures to ARRA recipients of grants through a series of memorandums, information posted on public websites and accounting bulletins.

Please See-

Office of the State Comptroller Bulletin A-602;

[Http://www.osc.state.ny.us/agencies/abulls/a602.htm](http://www.osc.state.ny.us/agencies/abulls/a602.htm)

Office of the State Comptroller Bulletin G-238;

[Http://www.osc.state.ny.us/agencies/gbull/g-238.htm](http://www.osc.state.ny.us/agencies/gbull/g-238.htm)

In case of funding received by IHEs from the Education Stabilization and Governmental Services Funds, guidance was created on allowable expenditures consistent with federal

and State law. Guidance on quarterly reporting required by Section 1512 of the American Recovery and Reinvestment Act was provided to IHEs by NYSED, the agency responsible for coordinating submission of New York State's quarterly Section 1512 reports for the State Fiscal Stabilization Funds. Utilizing the NYSED built web-based data collection tool, IHEs were directed to submit all information related to quarterly reports on jobs saved and money spent from SFSF funds. IHEs continue to submit this information to NSYED on a quarterly basis.

Please see;

[http://usny.nysed.gov/arra/quarterly\\_reporting/instructions.html](http://usny.nysed.gov/arra/quarterly_reporting/instructions.html)

### *Evidence/Documentation*

See Attachment 1, "Master Protocol Document."

## **VI. Subrecipient Monitoring**

**ISSUE: Whether the State has established appropriate policies and procedures for monitoring subrecipients.**

### *Guiding Questions*

1. What policies and procedures has the State established for monitoring subrecipients?

Please see the New York State Monitoring Plan and Protocols for the State Fiscal Stabilization Education and Other Government Services Fund. Attachment VI, Master Protocol Document.

NYSED's Office of Educational Management Services has implemented monitoring procedures for State Fiscal Stabilization Funds for Education provided under the American Recovery and Reinvestment Act of 2009. Monitoring activities assessed compliance with appropriate laws, regulations, and the provisions of contracts or grant agreements. Monitoring documented the funding of jobs retained and created and the implementation of programs to advance educational reforms.

The monitoring consisted of two parts. The first part concerned data collection. NYSED required selected school districts to provide in advance written supporting documentation including district records regarding ESF programs, the ESF application and ESF quarterly reports required by Section 1512 of the Recovery Act, schedule worksheets of ARRA expenditures, and a questionnaire that requested verifiable compliance with major program requirements.

The second part of the monitoring process was a site visit to examine the implementation of the program. The visit included interviews with district staff and the review of

relevant materials. Following the monitoring visit, NYSED staff shared with school districts the results of monitoring findings allowing 30 days for school districts to provide a response. School districts responded to any required actions in the next quarterly reporting or application period. NYSED staff incorporated district comments in a final report to be mailed to the school Superintendent and retained in the Department's files. (See Monitoring Documents at: <http://usny.nysed.gov/arra/monitoring-auditing/documents/esf-monitoring-documents-for-site-visits.pdf>)

For public IHEs, working through the Office of the State Comptroller (OSC) and Governor's Office, policies and procedures have been shared through memorandums, public websites and accounting bulletins. The Division of Budget has also implemented a monitoring plan, available in "New York State Monitoring Plan and Protocols for the State Fiscal Stabilization Education and Other Government Services Fund".

2. How does the State provide monitoring feedback and follow up?

Following the visit NYSED sends a report to the district with any findings providing an opportunity for the district to review and comment on the results and recommendations made in the report. The district has 30 days in which to respond to the recommendations. NYSED appends the school district's comments to the final report.

For public IHEs, on behalf of the State, the Division of Budget plans on utilizing information gathered at site visits and desk reviews to prepare official letters to institutions that received SFSF funds. Institutions will have thirty days to respond to the letter with written comments or explanations of actions (if any) undertaken to correct issues raised in these letters. Responses will be incorporated by DOB into a final report to be submitted to the institution.

3. Does the State have a monitoring schedule?

Please see the New York State Monitoring Plan and Protocols for the State Fiscal Stabilization Education and Other Government Services Fund. Attachment VI, Master Protocol Document.

Please see the New York State Monitoring Plan and Protocols for the State Fiscal Stabilization Education and Other Government Services Fund. Attachment VI, Master Protocol Document.

4. What is the State's process for prioritizing entities to be monitored?

**LEA Monitoring**

NYSED has selected a group of twelve school districts for on-site monitoring. Six of the twelve school districts were selected because they were statistical outliers in terms on the number of jobs to be created/ saved, relative to the fund award size. New York City was

chosen because it is the largest district in the State. NYSED also included one of the Big Four City School Districts - Syracuse City School District. Finally, an additional four school districts were chosen at random.

### **Other Government Services Programs Administered by NYSED**

NYSED will adapt the protocols used for LEAs to be used for monitoring of programs funded through GSF funds that are administered by NYSED.

### **SUNY Monitoring**

Five sites were selected for site visits, including SUNY system administration. Two of the five campuses chosen for physical monitoring pursuant to SFSF were selected because they received the most funds from these separate sources of grants while an additional two campuses were chosen on a random draw basis. SUNY System Administration was chosen to ensure that central recordkeeping matched records kept on the campus level. It is expected that these campuses will be visited during the spring/summer of 2010. An additional five campuses have been chosen at random for desk review of award methodology and accuracy of job creation/retention reporting.

### **CUNY Monitoring**

Three campuses have been chosen for physical monitoring, two were selected because they received the largest amount of SFSF funds and the third campus was selected at random. CUNY's Central Administration was also included in the selection to ensure that central recordkeeping matched records kept on the campus level. It is expected that these campuses will be visited during the summer of 2010.

### **HESC Monitoring**

HESC serves as the entity responsible for collection and review of information provided by NYS colleges and universities as to a student's initial and continued eligibility to receive TAP awards. As such, interviews will be held with HESC staff responsible for the verification and subsequent action taken upon such information. A random selection of campuses receiving SFSF funds for TAP awards will be reviewed in order to verify that such transactions meet both State and federal requirements.

#### *Evidence/Documentation*

See Attachment 1, "Master Protocol Document."

## **VII. Maintenance of Effort –**

**ISSUE: Whether the State has met the ARRA maintenance-of-effort (MOE) requirements or, where applicable, the criterion for an MOE waiver.**

## *Guiding Questions*

1. Does the State have documentation substantiating its level of State support for MOE purposes for elementary and secondary schools for fiscal years 2006 and 2009? (Data for fiscal year 2010 will also be collected if available at the time of the review; fiscal year 2010 data (if not previously collected) and fiscal year 2011 data will be collected during later reviews.) Does this support include, at a minimum, State support provided through the primary funding formula(e)?

Yes, please see Section VII of the Master Protocol Document.

2. Does the State documentation on the level of State support for elementary and secondary education support the data provided in the State's most recently approved SFSF application?

Yes, please see Section VII of the Master Protocol Document.

3. Does the State have documentation substantiating its level of State support for MOE purposes for public IHEs for fiscal years 2006 and 2009? (Data for fiscal year 2010 will also be collected if available at the time of the review; fiscal year 2010 data (if not previously collected) and fiscal year 2011 data will be collected during later reviews.) Did the State exclude from its public IHE MOE data support for capital projects or for research and development or tuition and fees paid by students?

Yes, please see Section VII of the Master Protocol Document.

4. Does the State documentation on the level of State support for public IHEs support the data provided in the State's SFSF applications?

Yes

5. Does the State's MOE data include the same funding sources across fiscal years?

Yes.

6. When does a State consider a given fiscal year's MOEs data to be "final" or unlikely to change to such an extent that it would affect the State's ability to meet the MOE waiver criterion, if appropriate?

For elementary and secondary education, the variation between the amount calculated at time of enactment and the final calculation is typically less than one percent. These datasets are statutorily required to be updated three times a year and reflect updated data provided by school districts across the State.

School districts have approximately three years to claim school aid, beginning in November prior to the start of the school year, and ending one year following the completion of the school year. However, there may be adjustments after this period, as school districts can still submit final cost reports for capital projects, changes in reported school district income and property values, and tax certiorari proceedings.

For public IHEs, the data is considered final when the Comptroller of the State of New York certifies the following years State budget.

7. Has the State been granted or will it need an MOE waiver? If so, does the State have available documentation substantiating the levels of State support for education and the total revenues available to the State for the applicable years?

New York State does not require a MOE waiver.

*Evidence/Documentation*

See Attachment 1, “Master Protocol Document.”

**VIII. Progress in Four Education Reform Areas**

**ISSUE: Whether the State is making progress in: (a) achieving equity in the distribution of qualified teachers; (b) improving collection and use of data; (c) enhancing the quality of its standards and assessments; and (d) supporting struggling schools.**

*Guiding Questions*

1. Is the data available as indicated in the State’s phase two SFSF application?

Yes, in all cases except where noted below (from the phase two SFSF application):

<b>Indicator</b>	<b>Descriptor</b>	<b>Summary of indicator/descriptor</b>
(a)(2)	(a)(1)	Evaluation of teachers performance and use results for development, compensation, promotion, retention and removal
(a)(3); (a)(4); and (a)(5)	N/A	Evaluate teacher performance by student achievement outcomes or student growth data; Public reporting of data; and, Public reporting at school level
(a)(5)	(a)(2)	Evaluate principal performance and use results for development, compensation, promotion and retention

(a)(6); (a)(7)	N/A	Evaluate principal performance by student achievement outcomes and student growth data; and Public reporting of data
(b)(2)	N/A	Student growth data on State assessments for current and prior year students provided to reading/language arts and math teachers in timely manner
(b)(3)	N/A	Teachers of reading/language arts and math in grades with State assessments provided with reports of teacher impact on students achievement
(c)(9)	N/A	State annual Report Card includes most recent State NAEP results in reading and math
(c)(10)	N/A	Number and percentage of students' graduating using four-year adjusted cohort graduation rate by student subgroup for each LEA and high school
(c)(11)	N/A	Number and percentage of students' graduating by student subgroup who enroll in an IHE within 16 months of obtaining their high school diploma
(c)(12)	N/A	Number and percentage of students' graduating by student subgroup who enroll in a public IHE within 16 months of obtaining their high school diploma and complete at least one year of credit within two years

2. If the State provided a plan for collecting data and publicly reporting for a specific indicator or descriptor, is the State implementing the plan as provided in its phase two SFSF application? Is the State publicly reporting on its progress?

Yes. Reports are made public at the monthly Board of Regents meetings which may be accessed on the website at: <http://www.regents.nysed.gov>

3. If the State identified obstacles in its phase two SFSF application, has it taken steps to overcome those obstacles?

No significant obstacles were identified.

4. For Indicator (b)(1), has the State established a statewide longitudinal data system consistent with the America COMPETES Act data elements?

Yes.

5. For Indicators (b)(2) and (b)(3), has the State provided teachers with the specified data?

No. However, New York State is implementing a plan that will provide growth data by September 2011 and value-added data by the 2012-13 school-year.

6. What additional evidence of State progress is available for each of the four reform areas?

The State's efforts are best described in the Race to the Top, second round application. The power point presentation in Appendix VIII - A provides an overview of progress to-date for each of the four reform areas.

*Evidence/Documentation*

See Attachment 1, "Master Protocol Document."

## **IX. Reporting**

**ISSUE: Whether the State has established appropriate policies and procedures to comply with all reporting requirements.**

*Guiding Questions*

- 1. What policies and procedures has the State established to comply with applicable reporting requirements?**

Federal guidance to states for carrying out the reporting requirements included in Section 1512 of the American Recovery and Reinvestment Act of 2009 provided the framework for the development of New York State's policies and procedures for ARRA reporting. An ARRA Accountability and Reporting Work Group, which includes a cross section of NYSED staff whose offices are directly involved in the oversight, delivery and reporting of ARRA funds, was formed in the spring of 2009. The work group, chaired by Deborah Cunningham, Coordinator of the Office of Educational Management Services, met weekly during the ARRA reporting development phase and adopted an online ARRA reporting system using the NYSED's business portal. The portal provided a user friendly, familiar (to school districts) method of gathering data, and allowed sub-recipient grant amounts and contact information to be preloaded for efficiency. By completing, certifying and submitting quarterly reports the subrecipient Chief Executive Officer ensures that all of the terms and conditions, assurances and certifications are understood (<http://usny.nysed.gov/arra>).

- 2. What guidance on reporting has the State provided to subrecipients?**

New York State provided guidance on ARRA reporting through video conferences and webinars, online interactive webcasts, a continuously updated and comprehensive ARRA website, NYSED's online monthly newsletter and regional presentations at conferences and statewide meetings. NYSED hosted a 90 minute introductory webinar on September 18, 2009 on ARRA reporting which was accessed in "real time" by 1,967 participants. Following this launch, NYSED sponsored a series of webcast presentations and on-line interactive Question and Answer sessions, accessed by 544 participants. All of the

presentations, including a session on School Level Expenditure Reporting for school districts receiving Title I ARRA funds, can be found on the Department's ARRA website: <http://usny.nysed.gov/arra>. Additionally, several Question and Answer documents were developed in response to questions that emerged in the interactive online sessions, in addition to questions received by NYSED staff. All Question and Answer documents can be found on the NYSED's ARRA website, along with contact information for subrecipients seeking additional information or answers to specific questions, links to federal ARRA reporting guidance and NYSED offices, such as the Office of Grants Finance and the Office of Audit Services, with direct involvement in ARRA reporting, payment and auditing.

**3. How does the State provide feedback to subrecipients on the data reported?**

Relevant NYSED program staff review and approve subrecipient applications for ARRA funds and quarterly reports. Staff respond to emails and telephone inquiries on an ongoing basis. Staff contact sub-recipients directly, if necessary, for clarification when comparing quarterly report data with data from the approved application. Information gathered through the sub-recipient reporting process has informed the content of the technical assistance sessions, delivered through webinars (as described in question 2, above). A feedback loop enables subrecipients to view statewide data and track reporting information through [www.recovery.gov](http://www.recovery.gov).

*Evidence/Documentation*

See Attachment 1, "Master Protocol Document."