



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

November 23, 2015

Honorable Rita Sablan
Commissioner of Education
CNMI Public School System
PO Box 501370 CK
Saipan, MP 96950

Dear Commissioner Sablan:

This letter is to inform you of the results of the Office of Special Education Programs' (OSEP's) monitoring of the Commonwealth of the Northern Mariana Islands (CNMI's) procedures for ensuring compliance with the fiscal requirements of Part B of the Individuals with Disabilities Education Act (IDEA), the American Recovery and Reinvestment Act (ARRA) of 2009, and related statutes and regulations. In conducting its monitoring, OSEP reviewed publicly available information, State-submitted documentation, and Office of Management and Budget (OMB) Circular A-133 and Office of Inspector General (OIG) audits. OSEP also conducted 13 on-site visits as part of the Continuous Improvement Visits (CIVs) and conducted telephone interviews with all States in 2012. The reviews were conducted between the fall of 2010 and the fall of 2012.¹

The conclusions summarized in the enclosure are based primarily on a review of the CNMI's procedures for specific fiscal requirements and other State-reported information collected by OSEP through the following: (1) the ARRA Monitoring Inventory (AMI); (2) the Critical Elements Analysis Guide (CrEAG) discussed during CIVs or telephone interviews; and (3) Maintenance of State Financial Support discussions during CIVs or telephone interviews. As warranted, OSEP referenced open findings made under OMB Circular A-133 or OIG audits that relate to a criterion in the attached enclosure and were sustained in a program determination letter (PDL).

The enclosure reports the results of OSEP's review of CNMI's fiscal procedures. It is organized by monitoring area and the criteria reviewed for each area. Each criterion includes the applicable regulatory or statutory requirements, and for any finding made, includes the source of information used in identifying noncompliance, and any required corrective actions. Because OSEP did not review data at the local level and all CNMI-level data, OSEP cannot determine whether CNMI's systems are fully effective in ensuring that the State educational agency (SEA) meets all fiscal requirements of the IDEA. If no findings are indicated for a particular monitoring area, OSEP did not identify noncompliance in that area and did not provide any further comment.

¹ ARRA monitoring occurred between September 2010 and September 2012. OSEP conducted CIVs during the summer and fall of 2011. Telephone interviews for both CrEAG and Maintenance of State Financial Support occurred throughout 2012 and, in some cases, 2013.

Effective July 1, 2015, for IDEA Part B FFY 2015 grant awards, IDEA Part B funds are subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, codified in 2 CFR Part 200 and commonly referred to as the Uniform Guidance. The Uniform Guidance provisions in 2 CFR Part 200 replace provisions previously found in EDGAR in 34 CFR Parts 74 and 80 and prior OMB Circulars A-87 and A-133. Therefore, the “Finding” and “Citation” sections of the enclosure include citations to the provisions in the Education Department General Administrative Requirements (EDGAR) in 34 CFR Parts 74 and 80, prior OMB Circulars A-87 and A-133. However, because the “Further Action Required” section of the enclosure addresses corrective actions the SEA must take after July 1, 2015, that section includes citations to the Uniform Guidance.

OSEP has not identified any noncompliance in the review of CNMI’s fiscal systems. Based on our review of documents and information submitted by the State, it appears that CNMI has fiscal procedures for ensuring compliance related to the distribution and use of IDEA Part B funds requirements addressed in the enclosure.

With respect to CNMI’s procedures for calculating the amount of State financial support made available for special education and related services, OSEP has not identified any noncompliance based on our review of the documents and information provided by the SEA. However, OSEP has learned through monitoring, audits, and the review of requests for waivers of the requirement in section 612(a)(18)(A) of the IDEA to maintain State financial support, that staff within the SEA may not have access to all relevant information related to CNMI’s method for calculating the amount of State financial support made available for special education and related services. Therefore, OSEP is unable to conclusively determine that CNMI’s method for calculating the amount of State financial support made available for special education and related services is in compliance with the requirements of the IDEA. OSEP is available to provide technical assistance.

Finally, this letter and enclosure do not affect the CNMI’s status as a “high-risk” grantee under the authority of 2 CFR §§200.207 and 3474.10. All Department-wide special conditions imposed upon CNMI as a result of its “high risk” status remain in effect.

OSEP appreciates the cooperation and assistance provided by CNMI’s staff on our monitoring of the CNMI’s procedures for ensuring compliance with fiscal requirements related to IDEA Part B funds. If you have any questions or wish to request technical assistance, please do not hesitate to contact Lucille Sleger, your OSEP State Lead, at 202-245-7528.

Sincerely,

/s/

Melody Musgrove, Ed.D.

Director

Office of Special Education Programs

Enclosure

cc: Suzanne Lizama

State Director of Special Education