

**RACE TO THE TOP  
FISCAL ACCOUNTABILITY AND OVERSIGHT REVIEW**

**New York**

**Date of Review: February 6-10, 2012**

Race to the Top award: \$696,646,000

**Acronyms:**

ARRA – American Recovery and Reinvestment Act of 2009

EDGAR – *Education Department* General Administrative Regulations (codified in 34 Code of Federal Regulations, Parts 74 to 82)

GEPA – General Education Provisions Act

ISU – Implementation and Support Unit

LEA – Local Educational Agency

**Accountability and Oversight Review  
Summary of Monitoring Indicators**

<b>New York</b>				
<b>Critical Element</b>	<b>Requirement</b>	<b>Citation</b>	<b>Results</b>	<b>Page #</b>
<b>Allocations to LEAs</b>	The State allocated funds to participating LEAs based on their relative share of funding under Title I, Part A of the Elementary and Secondary Education Act of 1965.	ARRA Section 14003(a)	Met Requirement	
<b>Fiscal Oversight of Race to the Top Funds</b>	The State and sub-recipients used the funds only for allowable activities	ARRA Sections 14002(b), 14003, 14004, 1604, 1605, and 1606	Met Requirement	
	The State and sub-recipients complied with the principles of cash management (i.e. funds advanced were actually expended)	EDGAR § 80.21	Met Requirement	
	The State and sub-recipients have systems to track and account for Race to the Top funds in place	EDGAR § 80.20	Met Requirement	
	The State and sub-recipients complied with cross-cutting ARRA requirements (e.g., Section 1512 reporting, Buy American, infrastructure certification)	ARRA Sections 1511, 1512, 1604, 1605, 1606, and 1607	Met Requirement	
	The State and sub-recipients used the funds only during the period of availability (which may include pre-award costs)	ARRA Section 1603 and GEPA 412(b)	Met Requirement	
<b>1511 Certifications (if applicable)</b>	The State certifies that infrastructure investments have received the full review and vetting required by law and accepts responsibility that it is an appropriate use of taxpayer dollars.	ARRA Sections 1511	Met Requirement	
<b>Quarterly ARRA Reporting</b>	The State is ensuring compliance with ARRA Section 1512 quarterly reporting regulations.	ARRA Sections 1512	Met Requirement	
	The State established clear policies and procedures for compliance with applicable reporting requirements	ARRA Sections 14008 and 1512	Met Requirement	
	The State provided guidance on reporting to LEAs.	ARRA Sections 14008 and 1512	Met Requirement	
	The State provided feedback to LEAs on the data reported.	ARRA Sections 14008 and 1512	Met Requirement	

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<b>Sub-recipient Monitoring</b>	The State has developed a monitoring plan with appropriate policies and procedures to assure compliance with applicable Federal requirements and that the grant performance goals are being achieved throughout the project period	EDGAR §80.40; Race to the Top grant condition “O”	Met Requirement	4
	The State has developed comprehensive monitoring protocols that include programmatic and fiscal monitoring	EDGAR §80.40; Race to the Top grant condition “O”	Met Requirement	4
	The State has established a reasonable monitoring schedule	EDGAR §80.40; Race to the Top grant condition “O”	Met Requirement	4
	The State has provided monitoring reports and corrective action follow-up (when available)	EDGAR §80.40; Race to the Top grant condition “O”	N/A	

## **Issues Resolved**

### *1. Critical Element: Sub-recipient monitoring*

**Requirements and Citation:** The State has developed a monitoring plan with appropriate policies and procedures to assure compliance with applicable Federal requirements and that the grant performance goals are being achieved throughout the project period; the State has developed comprehensive monitoring protocols that include programmatic and fiscal monitoring; the State has established a reasonable monitoring schedule; EDGAR §80.40; Race to the Top grant condition “O”

**Issue:** During the on-site program review, the Department noted that the State had developed a draft three-part sub-recipient monitoring plan: data collection/desk audit, comprehensive fiscal audits, and on-site programmatic monitoring, but has not yet fully implemented its plan nor shared the plan with its LEAs. At that time, the State had begun its data collection through required quarterly ARRA reporting as well as annual collection of LEA budgets and expenditures, but the State was not able to provide evidence that it had conducted desk audits for quarterly reports. Similarly, though the Office of Audit Services (OAS) conducted a fiscal risk assessment of LEAs that were awarded Race to the Top funds, the State did not provide evidence that OAS has yet conducted the comprehensive fiscal audits of Race to the Top recipients. In addition, though the State indicated at that time that it planned to include in its Title I monitoring reviews questions relating to Race to the Top, it had not yet done so, nor had it conducted its planned intensive Race to the Top-specific on-site visits. Furthermore, while the State has developed draft monitoring protocols that include both programmatic and fiscal monitoring, it had not yet provided guidance on or disseminated these materials to its LEAs, nor had it established a comprehensive programmatic and fiscal monitoring schedule. The Department indicated that the State needed to take corrective action in the form of providing a final, comprehensive monitoring plan to the Department

**Resolution:** In August 2012, the State submitted a final monitoring plan to the Department that detailed its policies, protocols and schedule, and information regarding how the State will disseminate this information to its participating LEAs. The monitoring plan is posted on the Department’s website. The Department will follow up on the issues with implementation of the monitoring plan cited above during the Year 3 program review.