

Iowa State Board of Education

Executive Summary

September 17, 2026

Agenda Item: Individuals with Disabilities Education Act Part B and C
Programmatic and Fiscal Monitoring

**State Board
Goal(s):** Goal 5

**State Board
Role/Authority:** The State Board is partnering with the Iowa Department of Education on implementing Iowa Code chapter 256B.

Presenter(s): Leisa Breitfelder, Administrator
Division of Special Education

Kassandra Cline, Chief
Bureau of School Business Operations

Attachment(s): One

Recommendation: It is recommended the State Board hear and discuss this information.

Background: The Iowa Department of Education is responsible for ensuring that federal Individuals with Disabilities Education Act (IDEA) Part B and Part C funds are administered and monitored in accordance with federal programmatic and fiscal requirements. Following findings identified through federal Office of Special Education Programs (OSEP) monitoring, the Department strengthened its oversight processes, including transitioning responsibility for IDEA Part B fiscal monitoring from area education agencies to the Department, implementing direct awards to districts, and replacing paper-based budget and claims processes with an electronic system designed to support compliance throughout the grant cycle. This presentation provides the State Board with an overview of the Department's IDEA programmatic and fiscal monitoring processes, the actions taken in response to federal findings, and the risk-based monitoring structures used to identify where additional technical assistance, focused monitoring, or intensive support may be needed.

Individuals with Disabilities Education Act Part B and Part C Programmatic and Fiscal Monitoring

**Presented to the Iowa State Board of
Education**

September 17, 2026



Department of Education



Areas of Interest

This slide deck is a truncated version of the presentation given at the 2026 OSEP Leadership and Project Directors Conference on August 4, 2026.



Presentation Abstract: Sharing Iowa's **response to multiple fiscal monitoring findings** in its most recent Office of Special Education Programs (OSEP) report, including steps to transition fiscal monitoring **responsibilities** from area education agencies (AEAs) to the Iowa Department of Education (Department), the **sunset of paper** applications from subrecipients for IDEA funding, and the introduction of a sophisticated, yet simple online **application** that proactively monitor compliance throughout the budget and claims processes.



OSEP Findings



OSEP Report

Finding #1: GAN Award Notices

The State's Grant Award Notifications (GANs) do not include all information required by the Office of Management and Budget's Uniform Grants Guidance (OMB Uniform Guidance), required by 2 C.F.R. § 200.332(b)(1)(i)-(xiii).

OSEP Report

Finding #2: Fiscal Monitoring Process

The State does not have a fiscal monitoring process that meets the fiscal monitoring requirements under IDEA and the OMB Uniform Guidance, consistent with 2 C.F.R. §§ 200.332(b), (d)-(f) and (h), 200.339, 200.303, and 34 C.F.R. §§ 300.149, 300.600, and 300.604.



Purchases

Allowable costs consistent with 2 C.F.R. § 200.403(a) and (g);

Equipment and inventory of items purchased using Federal IDEA Part B funds consistent with 2 C.F.R. §§ 200.313 and 200.314

Documentation

Time and Effort charges for personnel duties consistent with 2 C.F.R. § 200.430(b);

Records and Information management to ensure fiscal records are maintained in compliance with 2 C.F.R. §§ 200.303(e)

CEIS

The activities carried out in implementing Coordinated Early Intervening Services (CEIS) under 34 C.F.R. § 300.226.



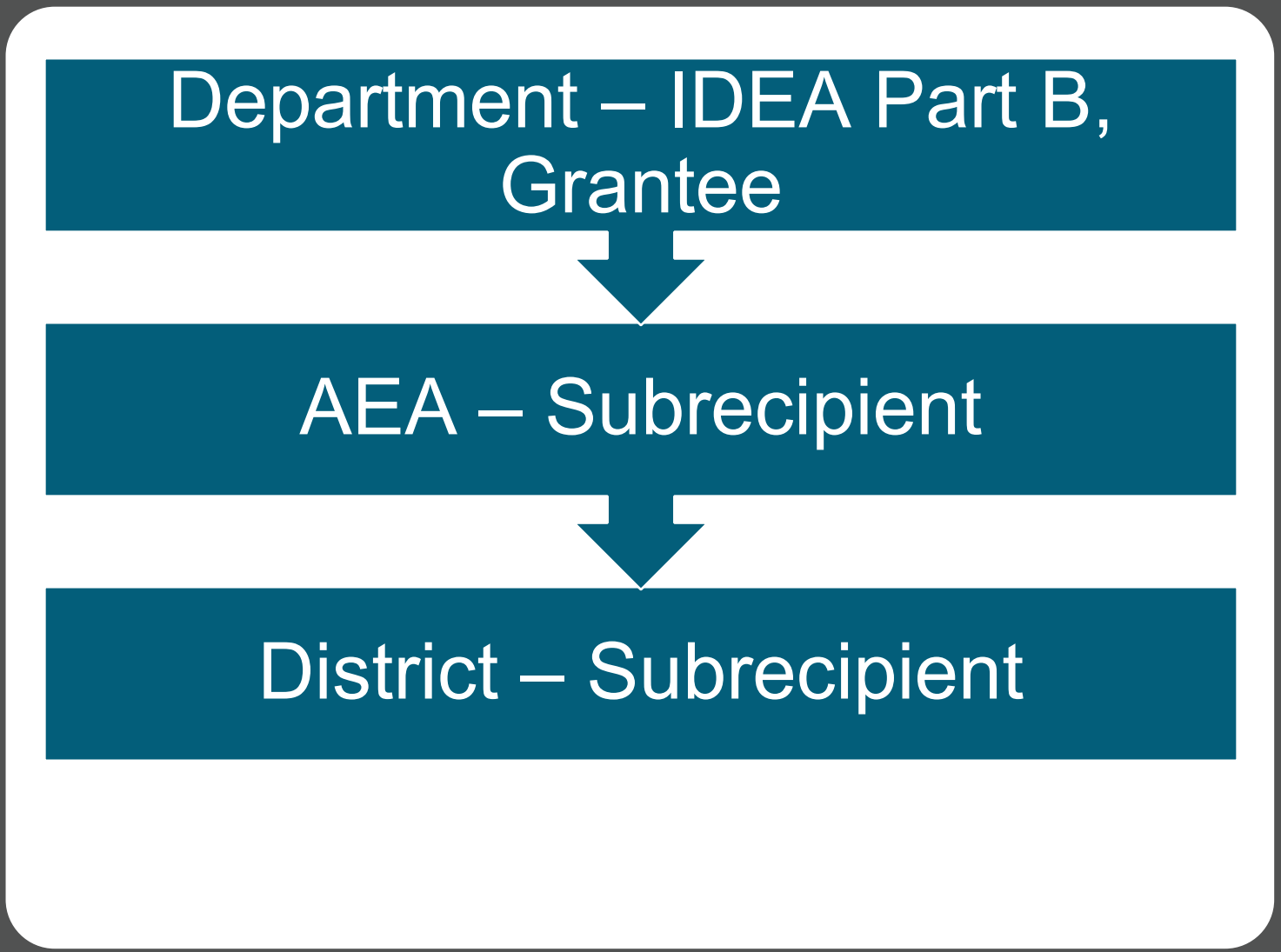
Responsibilities and Response



Prior Practice

Part B funds were awarded by the Department to the AEAs, who then awarded them to the Districts.

Fiscal monitoring practices for these funds were the responsibility of the AEA.



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graph TD; A[Department – IDEA Part B, Grantee] --> B[AEA – Subrecipient]; B --> C[District – Subrecipient];
```

Department – IDEA Part B,
Grantee

AEA – Subrecipient

District – Subrecipient



Leadership Support

Effective July 1, 2025

- The Department awards Districts directly
- Holds direct responsibility over fiscal monitoring practices, including leading and conducting the monitoring activities internally.



Department – IDEA Part B,
Grantee



District – Subrecipient

Department and DOM DoIT Collaboration

An incredible, productive partnership was established.



Department

Led by the School
Business
Operations (SBO)
Bureau

Program support
from the Division of
Special Education

DOM DoIT

Project Manager
Business Analyst
Development Team

Cadence

Daily stand-up
meetings between
DOM DoIT and
SBO began
immediately

... And still continue





Field Communications

Stakeholders

Significant effort was made to ensure broad understanding of implementation work and required actions.



Leaders

Superintendents
AEA Chiefs

Fiscal

District and AEA
SBO

Note: In Iowa, there are two statutorily required positions for a District – a superintendent and an SBO.

Program

District and AEA
Special Education
Administrators





Presentations and Publications

The team utilized existing opportunities to connect with the field to share this information.



Iowa Association of School Business Officials (IASBO)

* Fall 2025, spring 2026 statewide conferences

Published in the monthly School Business Alert (SBA) newsletter

* January, February, March, April, June 2026

Prior editions of the SBA are available on the Department's [SBA](#) web page.





Meetings

The Department included this as a topic of conversation and collaboration during multiple planned meetings.

Monthly statewide superintendent calls

* January - February 2026

Quarterly AEA business manager meetings

* February - May 2026

Quarterly Department Finance Roundtable meetings

* January - April 2026



Webinars

The team prepared and presented a number of planned webinars that introduced both the budget and claims processes.

These included very detailed instructions and screenshots of the applications.

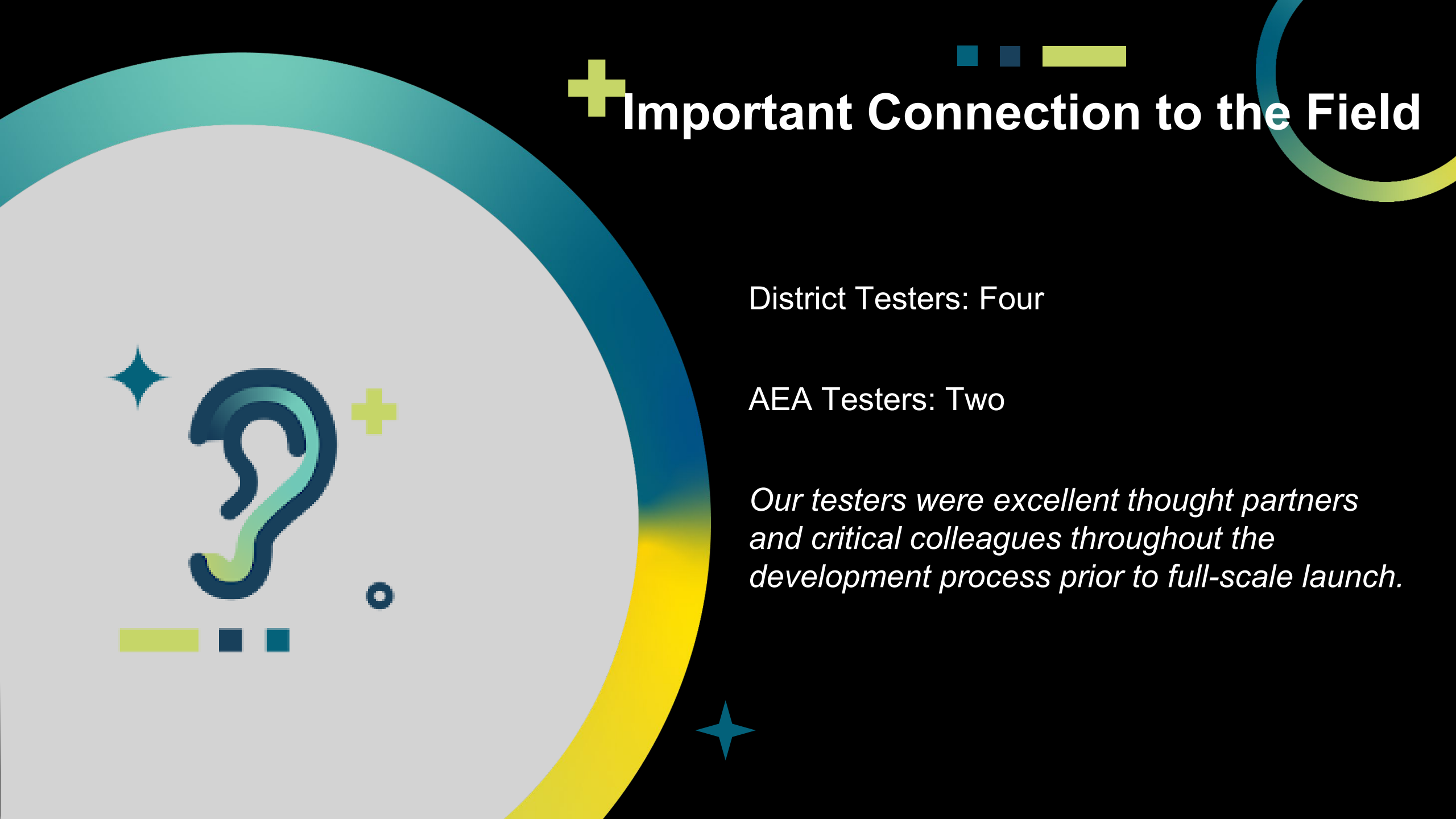
Budget introduction: LEA Part B (Feb 10, 2026)

Budget introduction: AEA Part C (April 23, 2026)

Claims introduction: LEA Part B (April 21, 2026)

Claims introduction: AEA Part C (May 5, 2026)

Each of the webinars, slide decks and related resources are available on the Department's [Special Education Finance](#) web page.

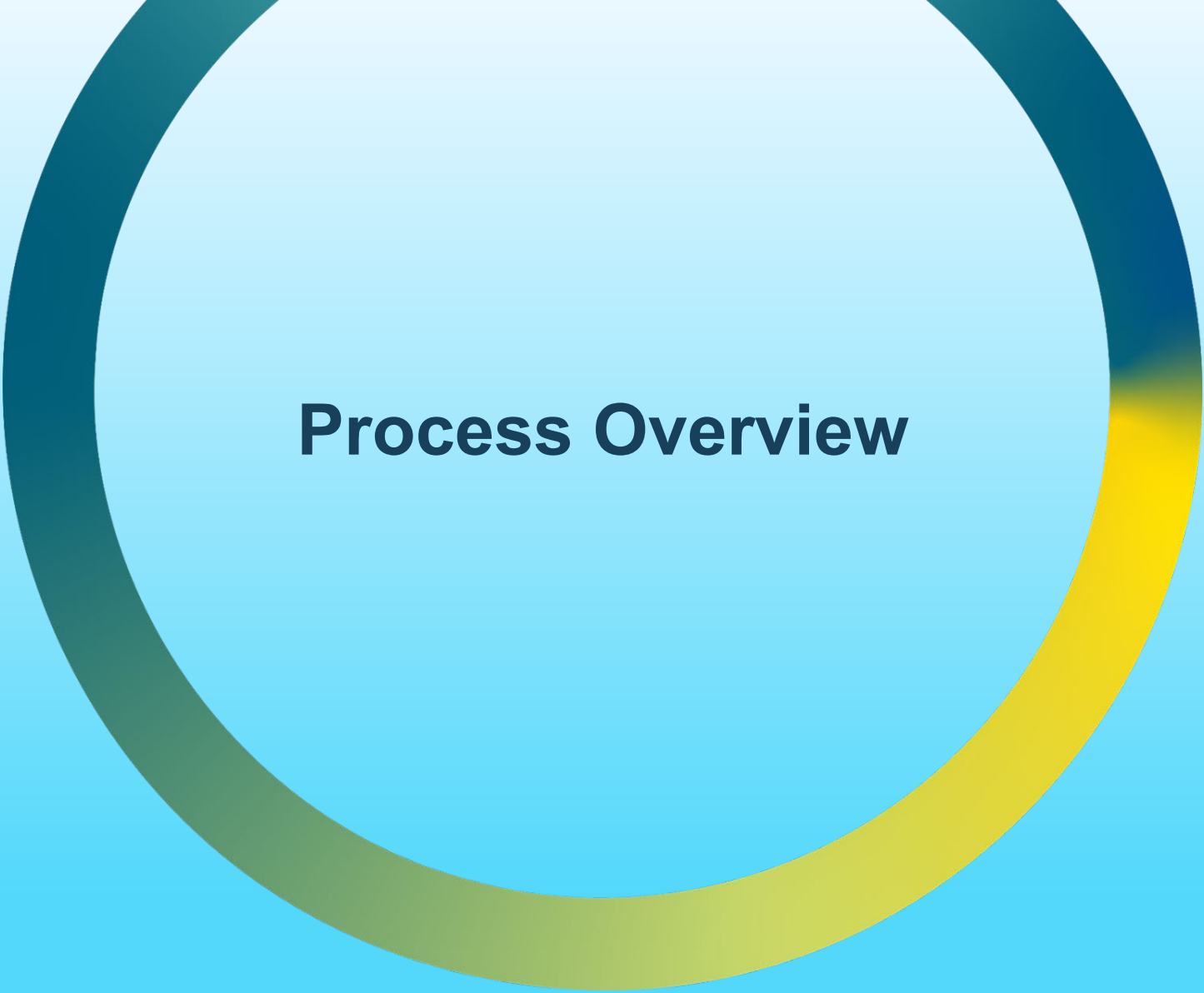


+ Important Connection to the Field

District Testers: Four

AEA Testers: Two

Our testers were excellent thought partners and critical colleagues throughout the development process prior to full-scale launch.



Process Overview



Location and Access

Upon launch, all superintendents, AEA chiefs, SBOs and other stakeholders were granted access to the application.

- Portal location is already familiar to AEA and District staff
- Staff already exist as users in the portal
- Portal is connected to other agency databases for direct connection
- Portal is able to prepopulate users and District / AEA data



Budget

The budget process transitioned from a paper process to an electronic version in the application.

- Prepopulated based on allocation
- Limited to allowable expenditure types
- Allows for required and voluntary CEIS
- Requires plan for expending funds consistent with allowable uses
- Amendments available via resubmission



Claims

The claims process collects the reimbursement request and proof funds were used for allowable purposes.

- Limited to expenditure types and amounts in approved budget
- Collects evidence of allowable use
 - Contract
 - Invoice
 - Time and effort



System Features

The application includes a required accounting file and related logic.

Required proper account coding now reinforces appropriate reflection of use and aligns to year-end data.

- Requires accounting file upload
- Based on Iowa Chart of Account Coding
- Expenditures limited to allowable account code combinations based on account code dimensions
 - Fund
 - Facility
 - Function
 - Program
 - Project
 - Object
- Not allowed to proceed if
 - Amount coded to program is beyond the approved budget by expenditure type
 - Project (i.e., source of funds) is coded to unallowable account code dimension (even if it doesn't pull into the claim)



Communications

Grant Award Notification (GAN) is sent automatically.

- Notifications are all based on predetermined templates
- Application sends notifications automatically
 - Returned or approved budget
 - Returned or approved claim
- Recipients
 - Superintendent / AEA Chief
 - District / AEA SBO
 - District / AEA Special Education Administrator
 - Department Special Education team inbox

FY26 Successes

- Positive feedback
- General ease of use
- Updating paper application
- Easily accessible
- Learning curve for appropriate documentation



Realized general vision of application functionality



**IDEA Part B
Budget and Two Claims Periods**



**IDEA Part C Birth to 3
Budget and Two Claims Periods**
(Also incorporated state funding stream with same uses)



FY27 Next Steps

There are multiple workstreams and auditing / reporting functions planned to be added



IDEA Part B, Sec. 611 – AEAs
IDEA Part B, Sec. 619 - AEAs



IDEA Part B, Sec. 611 – State Schools and Institutions



On-Demand Reports
Annual Auditing Tools





IDEA Monitoring



IDEA Program Risk Assessment - Annual

Risk Level

- **Low Risk:** 0-8 points - No additional monitoring and technical assistance as needed
- **Moderate Risk:** 9-16 points – Due diligence and district-based support as needed
- **High Risk:** 17-26 points - Focused monitoring and intensive district-based support as needed



Department of Education

IDEA Risk Assessment Tool

Criteria	Measure	Values	Score
1. Founded State Complaints	Did the District have findings of non-compliance through a state complaint? *If a District did not complete corrective action, focused monitoring will automatically be conducted.	No = 0; Yes = 5	
2. Fiscal Monitoring	Was the District at or above Moderate risk for fiscal Monitoring?	No = 0; Moderate = 1 Review/ Follow up = 3	
3. Early Childhood Outcomes	Did less than 50% of the students narrow and/or close the achievement gap in each ECO area?	No = 0; Yes in: 1 area = 1 2 areas = 2 3 areas=3	
4. K-12 Outcomes (ESSA Designation for SWDs)	Does the District have a school that is Comprehensive and/or Targeted for students with disabilities?	No = 0; Yes = 3	
5. District Developed Service Delivery Plan (DDSDP)	The District's DDSDP is up to date.	No = 2 Yes = 0	
6. IDEA-DA Progress Report	Did the District upload their IDEA-DA Progress Report in ACHIEVE?	No = 2 Yes = 0	
7. IDEA-DA Implementation Plan	Did the District upload their IDEA-DA Implementation Plan in ACHIEVE?	No = 2 Yes = 0	
8. Alternate Assessment	Are more than 1% of students in assessed grades and subjects participating in the alternative assessment?	No = 0; Yes = 2	
9. Assessment Participation	Was the assessment participation rate for students with IEPs lower than 95%?	No = 0; Yes=2	
10. New Special Education Director	Does the District have a new special education director?	No = 0; Yes = 1	
11. Conditional Licensed Special Education Teacher(s)	Does the District have conditionally licensed special education teacher(s)?	No = 0; Yes = 1	
12. Other Information	Is there other qualitative or anecdotal information, not previously specified, that supports a need for further review? (RSED concerns, phone calls; etc.)	No = 0; Yes = 1	

Tier 1: Low Risk	0-8
Tier 2: Moderate Risk	9-16
Tier 3: High Risk	17-26



IDEA Program Risk Assessment

Timeline

The annual risk analysis and monitoring process uses the following timeline:

- **October** - The Bureau will conduct the risk assessment using data from the prior year.
- **November** - Subrecipients will be notified of the risk assessment results and next steps.
- **January** - The Bureau will begin follow-up monitoring activities as determined by the risk assessment.
- **May** - The Bureau will review the previous monitoring cycle to determine possible improvements to the risk assessment and monitoring process.

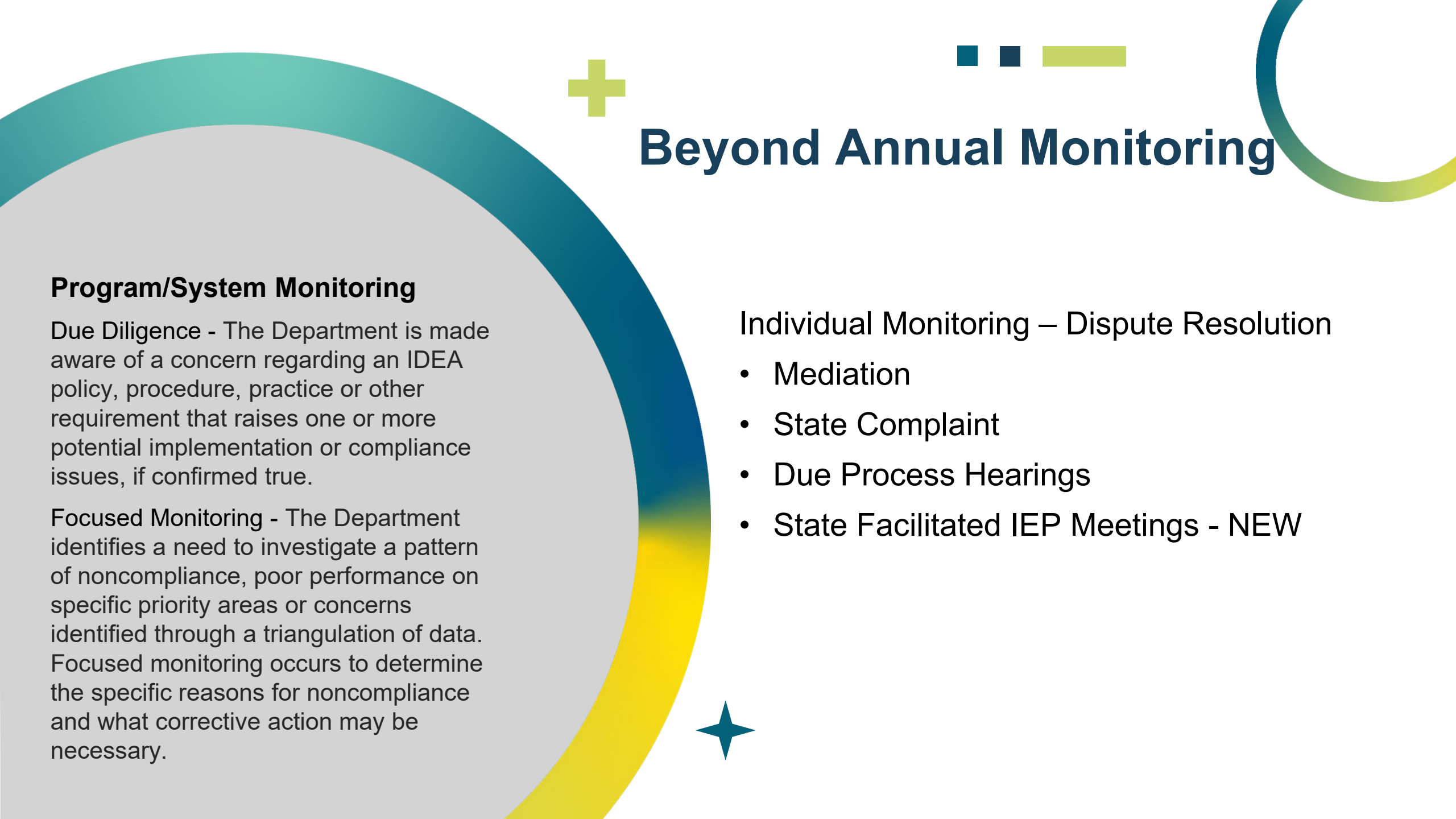


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Beyond Annual Monitoring

Program/System Monitoring

Due Diligence - The Department is made aware of a concern regarding an IDEA policy, procedure, practice or other requirement that raises one or more potential implementation or compliance issues, if confirmed true.

Focused Monitoring - The Department identifies a need to investigate a pattern of noncompliance, poor performance on specific priority areas or concerns identified through a triangulation of data. Focused monitoring occurs to determine the specific reasons for noncompliance and what corrective action may be necessary.

Individual Monitoring – Dispute Resolution

- Mediation
- State Complaint
- Due Process Hearings
- State Facilitated IEP Meetings - NEW



IDEA Fiscal Risk Assessment - Annual

Risk Level

- **Low Risk:** 0-10 points - No additional monitoring
- **Moderate Risk:** 11-19 points – Technical Assistance
- **High Risk:** 20-28 points - Enhanced technical assistance (20-23); Intensive monitoring (>23)

IDEA Fiscal Risk Assessment Tool

Criteria	Measure	Values	Score
1. Expenditures	Subrecipient claimed less than 50% of the current year allocation by the end of the third quarter.	No=0; Yes=1	
2. Carryover	Subrecipient forfeited funds that were carried forward from the previous year but remained unspent.	No=0; Yes=2	
3. Citations	Subrecipient had one or more citations for noncompliance with federal program requirements.	No=0; Yes=2	
4. Unresolved citations	Subrecipient had one or more unresolved citations for noncompliance with federal program requirements.	No=0; Yes=3	
5. Application and reports submissions	Subrecipient did not meet a deadline for submitting required reports, data, or applications or received more than two action required notices.	No=0 Yes=3	
6. Claims submissions	Subrecipient failed to submit a claim or received more than two action required notices for claims across all programs.	No = 0 Yes=3	
7. Nonpublic consultation	Subrecipient did not meet the deadline for submitting non-public consulting agreement(s) and/or all equitable shares were not used.	No=0 Yes=1	
8. Personnel (Administration)	Subrecipient's superintendent or school business official changed from the previous year.	No=0; Yes=2	
9. Personnel (IDEA Oversight)	Subrecipient's designee for the oversight of IDEA implementation changed from the previous year.	No=0; Yes=2	
10. IDEA Part B Award amount	Subrecipient allocation is a) <\$25,000 b) \$25,000 - \$200,000, or c) >\$200,000.	a=1 b=2 c=3	
11. Grant programs	Total number of program grants awarded to Subrecipient is a) <4 b) 4-6, or c) >6.	a=1 b=2 c=3	
12. Needs intervention/needs substantial intervention	A district or AEA rating of Needs Intervention or Needs Substantial Intervention.	No=0 Yes=3	

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IDEA Fiscal Risk Assessment

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Tier 1: Low Risk

0-10

Tier 2: Moderate Risk

11-19

Tier 3: High Risk

20-28



Cyclical Monitoring – at least once every five years

Targeted Monitoring - a review of files submitted by the AEA and District, including but not limited to, the following:

- Budget or expenditure reports
- Time and effort documentation
- Documentation related to program-specific areas (where applicable)
- Written, board-approved fiscal policies and procedures
- Additional fiscal data submitted requested by the Department
- Grant award letters, contracts, files, documents and related correspondence
- Audit reports

Intensive Monitoring – a review of files submitted by the AEA or District, including but not limited to documentation listed under targeted monitoring as well as:

- Proportionate share expenditure documentation (including consultation logs)
- IDEA Part B Applications and all budget amendments
- Equipment purchases/inventory lists
- Evidence of reconciliation at least every two years
- Financial Management Assurance Statement
- CEIS/CCESI expenditure documentation and data collection



Thank you.



Department of Education

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