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**ISSUE BRIEF**

**A Vital Role for State ND  
Coordinators: Subgrantee  
Compliance and Performance  
Monitoring**

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## **The National Technical Assistance Center for the Education of Neglected or Delinquent Children and Youth**

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# A Vital Role for State ND Coordinators: Subgrantee Compliance and Performance Monitoring

Receiving Federal funds is a tremendous responsibility. To be accountable, the use of funds must align with all Federal regulations and statutory requirements, as well as meet the goals of each program.

When administering Title I, Part D, State education agencies (SEAs) and, more specifically, State Neglected and Delinquent Coordinators (ND Coordinators) are responsible for a variety of tasks, including reviewing applications for funds, subgrantee monitoring, collecting and reporting data, and providing technical assistance.

This brief focuses on one of those core tasks that ensures accountability: subgrantee monitoring. Specifically, this brief (1) outlines Title I, Part D subgrantee monitoring requirements; (2) describes different approaches that ND Coordinators can take when monitoring subgrantees; and (3) provides tips that ND Coordinators can use when undertaking their subgrantee monitoring responsibilities step by step.

## Subgrantee Monitoring Requirements

Subgrantee monitoring helps ND Coordinators confirm whether subgrantees are both (1) complying with all applicable Title I, Part D regulations and statutory requirements and (2) meeting the goals of the Title I, Part D program for both Subpart 1: State Agency Programs and Subpart 2: Local Agency Programs.

### Compliance Monitoring

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, [Section 200.331 \(d\)](#), requires Federal grantees to “Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward” (p. 129). These efforts collectively are known as compliance monitoring.

[Section 200.331 \(d\)](#) clearly lays out three activities for compliance monitoring efforts:

- “Reviewing financial and performance reports required by the pass-through entity.”<sup>1</sup>

<sup>1</sup> The SEA is a pass-through entity for Title I, Part D, Subparts 1 and 2. A local education agency (LEA) that receives Title I, Part D, Subpart 2 funds could be a pass-through entity if it makes subgrants to local facilities; such subgranting LEAs must monitor their local subgrantees

- “Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, *on-site reviews, and other means*” [emphasis added].
- “Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by [§ 200.521](#) Management decision” (p. 129).

### Performance Monitoring

[Section 200.331 \(d\)](#) requires “that subaward performance goals are achieved” (p. 129). Performance monitoring involves evaluating whether the goals of Subparts 1 and 2 of the Title I, Part D program are met (if funded for both).

Two sections of the Title I, Part D statute are related to performance monitoring:

- [Subpart 3, Section 1431](#) describes how State agency programs and local agency programs must evaluate their funded programs to determine their program’s impact. ND Coordinators monitor subgrantee evaluation data for compliance, which provides opportunities to review performance.
- [Section 1414\(a\)\(2\)\(A\)](#) speaks to how State plans include information on how SEAs will assess the effectiveness of their program and, thus, guides ND Coordinators in how to evaluate their subgrantees when monitoring performance.

### Approaches to Subgrantee Monitoring

ND Coordinators can take a variety of approaches when monitoring subgrantees. The approaches that ND Coordinators take often varies by who, what, where, when, and how subgrantee monitoring needs to be conducted depending on State law, procedures, and practices, as well as staffing and the number of subgrantees.

**Who:** Some SEAs have a small group of staff who monitor Title I, Part D alone, whereas others monitor in coordination with other Federal programs as part of a larger team (e.g., other Title programs). In addition, when

like SEAs. However, if an LEA contracts with a local facility instead, they are not considered a pass-through entity and, although they do need to oversee the contract, they do not have to monitor like SEAs or LEAs, which are pass-through entities.

# A Vital Role for State ND Coordinators: Subgrantee Compliance and Performance Monitoring

monitoring, some SEAs will solely communicate with subgrantee representatives, whereas others will meet with other staff of subgrantees, as well as some facility staff and students served by Title I, Part D.

**What:** Some SEAs focus the content of subgrantee monitoring on solely determining compliance and reviewing performance, whereas others seek context to identify issues, explore the causes of identified issues, and provide supports for improvement. SEAs prepare monitoring protocols that outline what is being reviewed.

**Where:** Depending on the number of subgrantees, resources, and other factors, SEAs monitor onsite and/or virtually (i.e., desktop monitoring). When monitoring onsite, SEAs visit the offices of a selection of subgrantees: typically, all State agency programs for Subpart 1 and a selection of local agency programs, which often are LEAs for Subpart 2. Some also visit a selection of facility schools served by the subgrantees. When monitoring virtually, SEA staff stay in their own office and conduct it entirely at a distance.

**When:** ND Coordinators can monitor during any time of the year. Most avoid periods when they process Title I, Part D subgrantee applications and manage data reporting. Some review all subgrantees each year, whereas others monitor a set of subgrantees to ensure that they monitor all subgrantees during a specific period of time (e.g., three years). This often depends on the number of local agency programs an SEA has, resources for monitoring, and staffing and also dictates when the SEA will conduct subgrantee monitoring.

**How:** At minimum, whether conducting subgrantee monitoring onsite or virtually, ND Coordinators break the monitoring process into three stages:

- **Prereview Stage:** Collect information and data in preparation for the monitoring review.
- **Monitoring Review Stage:** Read and assess the information and data collected to determine compliance and review performance.
- **Postreview Stage:** Write up and share findings with the subgrantees.

During the monitoring review stage, some also conduct interviews, facilitate focus groups of staff and/or students, administer surveys and/or self-assessments, and observe

classrooms. When monitoring virtually, ND Coordinators do so via video conference, telephone, and/or email.

## Tips for Subgrantee Monitoring

Subgrantee monitoring inherently involves many details. Based on lessons learned, ND Coordinators can consider the following tips when undertaking their subgrantee monitoring responsibilities step by step.

### General

#### *Communication*

Regardless of the subgrantee monitoring approach, it is critical that ND Coordinators establish clear communication channels with their subgrantees. ND Coordinators may want to establish a schedule or cycle for monitoring, communicate expectations related to program outcomes, and share information with subgrantees through staff development activities before the actual monitoring review commences. In communicating with subgrantees, ND Coordinators should share how they expect to collect the information for monitoring. Transparency and timely two-way communication are essential to success at each stage.

#### *Framework*

To guide compliance and performance subgrantee monitoring, it is key for the ND Coordinator to develop a framework for the content and the process. Compliance monitoring performed in isolation from performance monitoring—a common practice—often results in simple “gotcha” sanctions that rarely help educators or the students they serve. An integrated framework focused on continuous quality improvement can include reviewing needs assessments, consolidated State plans, State agency and local agency program applications, financial reports, student and program outcome data, previous Federal and SEA monitoring reports, and training and technical assistance records. In addition, an integrated framework should appropriately reflect monitoring of both Subpart 1 and Subpart 2 subgrantees if both are funded, carefully assessing what is the same and different for each subpart.

#### *Approach*

Whether an ND Coordinator is new or has been in the position for years, each SEA has an established subgrantee monitoring approach. Each year, ND Coordinators should assess and adjust their approach. In consultation with others

# A Vital Role for State ND Coordinators: Subgrantee Compliance and Performance Monitoring

in their SEA, ND Coordinators can consider the following questions to determine which approach they will take:

## Who

- Which SEA staff will support the Title I, Part D subgrantee monitoring process?
  - What training do the subgrantee monitors need to understand Title I, Part D requirements, performance expectations, and the SEA’s approach to subgrantee monitoring?
  - How will the ND Coordinator coordinate the subgrantee monitoring schedule?
- Which subgrantees need to be monitored?
  - Based on previous monitoring reviews and recent Title I, Part D funding and reporting activities, which subgrantees are most at risk of not complying with the requirements or performing poorly?
  - Has the SEA identified any subgrantees as being at risk through other Federal or State programs?
  - Which subgrantees were most recently monitored? Which have not been monitored for a long time?
  - How many subgrantees must you monitor this year?
  - How many subgrantees does the SEA have capacity to monitor this year?

## What

- Where is the monitoring protocol?
- Does the monitoring protocol . . .
  - Reflect all Title I, Part D requirements and factors that will ensure the monitors can assess compliance and performance?
  - List all information and data needed?
  - Specify when and how the SEA will conduct subgrantee compliance and performance monitoring?

## Where

- Has the SEA indicated whether Title I, Part D monitors will conduct subgrantee monitoring onsite or virtually?
- If conducting subgrantee monitoring onsite, at what locations will the monitors visit (i.e., which State agencies, LEAs, and facility schools)?
- Based on the geography of the selected subgrantees, what is the most efficient way to visit them (e.g., group set of subgrantees in a region)?

## When

- Based on the schedule for conducting the Title I, Part D October Count, Consolidated State Performance Report (CSPR) data collection, and subgrantee application process, when can your SEA conduct subgrantee monitoring?
- Does the SEA have a predetermined schedule that dictates when subgrantee monitoring must be done?
- Do monitors have any other conflicting responsibilities to accommodate when scheduling subgrantee monitoring?
- Are there any times of the year that subgrantees would prefer not being monitored (e.g., at the start of the year)?

## How

- Does the monitoring protocol break up subgrantee activities into stages?
- How in depth does your SEA plan to monitor subgrantees (i.e., basic document review versus conducting interviews)?

## Prereview Stage

### *Preparation by the ND Coordinator*

As ND Coordinators prepare for subgrantee compliance and performance monitoring, they should meet with their subgrantees to make a detailed plan for the monitoring event, review and discuss the monitoring schedule, coordinate the logistics, and answer any questions that the subgrantee may have.

Ideally, ND Coordinators should plan for subgrantees to have enough time to not only prepare for the monitoring event but also submit all required materials and documents so that both entities can prepare adequately. The ND Coordinator should receive the requested materials from the subgrantee well in advance of the actual monitoring event, giving the ND Coordinator an opportunity to review and analyze the available materials at the onset of the monitoring review stage and prior to engaging with program leadership and staff. This process can help determine what is necessary to address during the monitoring event, potentially providing more time for other important onsite or virtual monitoring activities and informed and targeted engagement with subgrantees.

To set the stage for successful monitoring, ND Coordinators should consider hosting training and technical

# A Vital Role for State ND Coordinators: Subgrantee Compliance and Performance Monitoring

assistance events for subgrantees during each monitoring cycle. Such events could range from simple conference calls to sessions during statewide conferences. If an ND Coordinator performs monitoring in a collaborative manner with other SEA offices, the guidance that the ND Coordinator provides to the subgrantee should adequately address coordination-related considerations in advance so that subgrantees can do the same.

ND Coordinators should take multiple steps to properly prepare for the monitoring event. These steps can improve the monitoring experience for all parties involved and increase the likelihood that the monitoring experience leads to subgrantees sustaining compliance and achieving outcomes across time. ND Coordinators can take the following steps during the preview stage:

- Develop and disseminate monitoring timelines, schedules, approach-specific guidance, protocols, and tools (e.g., onsite or virtual).
- Develop and disseminate the monitoring tool with indicators and lists of potential documentation and artifacts that provide evidence of compliance and programming and services provided by the subgrantee.
- Request that the subgrantee submit monitoring materials and artifacts 3–6 weeks in advance of the review.
  - To confirm compliance with statutory and regulatory requirements, including ensuring what was shared in an application aligns with how the program is being implemented, compliance documentation could include the following:
    - Facility or program internal monitoring schedules
    - Final reports and corrective action plans from internal monitoring efforts
    - Needs assessments that informed their subgrantee application
    - Budgets and funding requests
    - Organizational charts of funded facility schools and programs
    - Job descriptions of school facility staff who work within funded facility schools and programs
    - Evidence of required instructional time per class schedules and credit-bearing course descriptions
    - Description of the transition efforts between the facility school and community schools
    - Sample lesson plans to establish whether instruction is comparable to the instruction that students who are not system involved receive

- Individualized education program meeting agendas to ensure special education services are in place
- Sample transition plans and meeting agendas
- Additional performance monitoring documentation could include the following:
  - CSPR data
  - Data from leadership and staff surveys, youth surveys, or additional facility or program-specific data collections aligned with the State plan’s goals and objectives
  - Other programmatic evaluations or outcomes data above and beyond CSPR data
  - Training and technical assistance records
  - Professional development descriptions
- Ask the subgrantee to identify a lead or main point of contact and ensure that key monitoring preparation and review team members include those who understand each indicator and can speak to the requirements.
- Confirm receipt once the subgrantee submits all documentation for review.

## ***Preparation by the Subgrantee***

Subgrantees also need to prepare for the event. Some suggested preparation steps for subgrantees include the following:

- Become familiar with the monitoring tool and any associated indicators.
- Collect, review, and submit the requested monitoring materials in advance of the ND Coordinator’s review per the monitoring schedule.
- Review the most recent needs assessments, applications, monitoring reports and related corrective action materials, annual counts, and CSPR data.
- Use the monitoring protocol to assess compliance and programmatic quality and progress.
- Begin to think about how to address any areas of noncompliance by either addressing the issue before the official monitoring event or planning how to address it, prioritizing the most critical areas of concern if several changes might be necessary.
- Complete leadership and staff surveys if the SEA uses such surveys.
- Identify a lead or main point of contact and ensure that key monitoring preparation and review team members include those who understand each indicator and can speak to the requirements.

# A Vital Role for State ND Coordinators: Subgrantee Compliance and Performance Monitoring

- Confirm that the ND Coordinator received all requested documents and materials.

## Monitoring Review Stage

ND Coordinators begin to review and analyze documentation and collect additional qualitative and quantitative data at the monitoring review stage.

- Review the subgrantee's compliance-related documentation and determine initial compliance findings and ratings.
- Review the CSPR data the subgrantee provided during the prereview (e.g., course passage and credit accumulation rates, grades, attendance rates, pre-post assessment scores, General Educational Development [GED] attainment rates, career or technical education certification attainment rates), assess other performance data, and arrive at initial performance findings and ratings.

It could be helpful to gather additional qualitative and quantitative monitoring data to gain a better understanding of subgrantee compliance and performance. These activities can be conducted in several ways, such as the following:

- Conduct interviews or focus groups (see Interview Characteristics and Focus Group Characteristics).
- Observe classroom instruction and other programming (onsite only).
- Ask clarifying questions based on your document and data review, including whether the subgrantee has any operational manuals.

### Interview Characteristics

- Involves one-on-one questioning of individuals or targeted questioning of small groups of three to four select individuals.
- Allows participants to speak openly about any issue they wish to discuss via a structured or unstructured format, although the interviewer may have a specific goal or focus.
- Conducted either face-to-face (with staff and youth) or by telephone or a virtual platform (with staff only).

### Focus Group Characteristics

- Typically requires the participation of 5–10 individuals randomly selected to participate in a group discussion.
- Student focus groups should include most academic placement groups (e.g., high school, GED, special education, career/technical/vocational education).
- Teacher focus groups should represent most instructional groups (e.g., high school, GED, special education, career/technical/vocational education).

ND Coordinators may want to consider a deeper analysis when conducting subgrantee compliance and performance monitoring to help ND Coordinators, subgrantees, and professionals in the field better understand whether a specific program is meeting its goals and the needs of students in the program. Answers to the following key questions also could inform the SEA's future training, technical assistance, and support planning.

To do a deeper analysis, ND Coordinators can further explore subgrantee compliance and performance by asking themselves the following questions when finalizing monitoring findings, ratings, and corrective actions.

### Compliance Monitoring

- Is the subgrantee consistently implementing the programs and services outlined in its application in accordance with statutory and regulatory requirements?
- Are key personnel in place? Do they have clear job descriptions inclusive of their roles and responsibilities (e.g., transition coordinators)?
- Do subgrantee expenditures align with their application and exhibit a focus on improving outcomes for children and youth?

### Performance Monitoring

- How has the subgrantee performed in terms of student outcomes across time? Has the subgrantee made any significant programmatic changes between monitoring events or during the last year?
- How does the subgrantee's Title I, Part D performance data compare with performance data from peers in the State?
- How does the subgrantee's Title I, Part D performance data compare with national performance data?

# A Vital Role for State ND Coordinators: Subgrantee Compliance and Performance Monitoring

In addition, if the ND Coordinator conducts interviews or focus groups, or administers a survey to stakeholders, the ND Coordinator can ask the following questions:

- What key perceptions do stakeholders have of subgrantee programming and services?
- What is working well and why?
- What are the areas for growth?
- Why and how might the subgrantee address these areas of growth?

After collecting data and completing an initial review and analysis, the ND Coordinator might want to hold an exit interview with the subgrantee team. During this interview, the ND Coordinator may share preliminary subgrantee compliance and performance monitoring findings, ask any additional clarifying questions, and give subgrantees an opportunity to share any additional key documentation or context that might help the ND Coordinator gain a more complete picture of current programming, service delivery, and student outcomes. The ND Coordinator also should remind subgrantees when they can expect the final postmonitoring report, including any requirements for the subgrantee to respond to noted corrective actions.

Given the difficulty and complexity of providing high-quality programs and services in nontraditional education settings, it is critically important to formally acknowledge any strengths and successes. This acknowledgment not only validates the challenging work accomplished but also sets a more positive stage for discussions related to weaknesses and areas that merit improvement. In the spirit of continuous quality improvement and relationship-based technical assistance, it also would be acceptable to ask subgrantees for their feedback on the monitoring process (see *Effective Monitoring: The Language of Cooperation*).

## **Effective Monitoring: The Language of Cooperation**

- Tell me (ND Coordinator) about . . .
- Help me understand how . . .
- What are your (subgrantee) greatest challenges?
- What are you (subgrantee) most proud of?
- How can I (ND Coordinator) help? What support, such as training and technical assistance, can I offer?
- What questions do you have?
- Here is what I learned. Did I get it right?
- What questions should I have asked but didn't?

## **Postreview Stage**

ND Coordinators must complete several additional steps after the monitoring review stage to finish the subgrantee monitoring process. For example, after reflecting on the monitoring event, additional questions may arise. To address those questions, ND Coordinators may want to hold a conference call with subgrantees, facilities, or programs to gain greater clarity or request any additional information needed for completing the monitoring report. Important postreview steps should include the following:

- Compare the information and data collected during the prereview stage with the evidence and data gathered during the monitoring review stage.
- Request any necessary additional data and integrate these data into information already received.
- Develop final compliance and performance subgrantee monitoring findings and ratings.
- Clearly outline any corrective actions and response timelines for the subgrantee.
- Finalize and disseminate a user-friendly and actionable postmonitoring report.
- Identify and provide training and technical assistance resources aimed at addressing corrective action and performance improvement areas.
- Provide feedback on the appropriateness of corrective action plans submitted by the subgrantee.
- Work with the subgrantee to address each recommendation in a satisfactory manner.
- When all monitoring issues are resolved, issue a final letter to the subgrantee to close out the monitoring experience and indicate that all monitoring issues have been resolved.

## **Summary**

Receiving Federal funds is a tremendous responsibility. To be accountable, the use of funds must align with all Federal regulations and statutory requirements, as well as meet the goals of each program. Whether onsite or virtual, high-quality subgrantee monitoring can determine whether a subgrantee is compliant and meeting the goals of the program while also helping achieve better outcomes for the children and youth served by Title I, Part D programs. As described in this brief, effective subgrantee monitoring involves the following:

- A well thought-out approach

## A Vital Role for State ND Coordinators: Subgrantee Compliance and Performance Monitoring

- The essential prereview, monitoring review, and postreview stages
- Data analysis
- Reflection
- Problem solving
- Reporting
- Responsive training and technical assistance activities

Moreover, ND Coordinators should strongly consider periodically revisiting and adjusting existing subgrantee applications, monitoring protocols and activities, and professional development activities when considering individual and collective subgrantee monitoring outcomes and related lessons learned.

Transparency and timely two-way communication are essential to success at each stage of the monitoring process. This approach can facilitate ND Coordinators' deeper understanding of the field; ensure greater compliance with mandatory guidelines; better support leaders and direct service providers in the field; and improve subsequent inter- and intra-agency communication, coordination, and collaboration.



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