**DRAFT CREATED BY: RM & BW**

**APPEALS & PERFORMANCE AUDIT RULES SET**

**581-014-0010 Reduction of Distribution Appeal Process**

(1) When an audit determination has been made that reduces a grantee allocation or distribution, the grantee may request the State Board of Education to review the decision of the Department within 30 days of notification of the decision by the Department.

(2) An audit determination must be based on information that grant moneys received in a prior year were not used as provided by the grant agreement.

(3) The State Board of Education delegates to the Superintendent of Public Instruction or designee all administrative functions necessary or reasonable in order to conduct a review of the SIA distribution reduction. This delegation to the Superintendent includes, but is not limited to:

(a) Determining the form, contents and timelines of the petition for review;

(b) Determining the records required for review and ordering the production of those records from the grantee and establishing timelines for the production of those records;

(c) Requiring the grantee to respond to written or oral inquiries related to board review; and

(d) Determining at any time during the review process to reject a review request if in the judgment of the Superintendent, the recipient fails to reasonably comply with the administrative review processes of the Superintendent.

(4) The Superintendent may review the decision only to determine whether:

(a) The grantee should have funds deducted from a future grant disbursement.

(b) The reasons for the withholding from a future disbursement are valid and align with the intent of section 14 of the Student Success Act.

(5) Following a review described in subsection (2), the State Board of Education may:

(a) Uphold the decision of the department to withhold funds from the disbursement;

(b) Remand the decision back to the department for reconsideration;

(c) Require the grantee to undergo other technical assistance or interventions as specified in section 15 prior to a reduction of a future disbursement; or

(d) Reverse the decision of the department to withhold funds from a future disbursement.

(6) At the conclusion of the administrative review process the Superintendent shall recommend in writing to the State Board to:

(a) Uphold the decision of the department to withhold funds from the disbursement;

(b) Remand the decision back to the department for reconsideration;

(c) Require the grantee to undergo other technical assistance or interventions as specified in section 15 prior to a reduction of a future disbursement; or

(d) Reverse the decision of the department to withhold funds from a future disbursement.

(7) The State Board will consider the recommendation of the Superintendent and any other information it deems relevant and determine based on the requirements of Section 15 of the Student Success Act.

Statutory/Other Authority: ORS 327.201

Statutes/Other Implemented: ORS 327.201

**581-014-0013 Performance Review Standards**

(1) Grantees will be required to have a performance review conducted at least once every four years.

(2) If the department requires a specific financial audit as part of the performance review, the audit must meet the current Generally Accepted Governmental Accounting Standards issued by the US Government Accountability Office also known as GAGAS or Yellow Book Standards for program effectiveness audits as well as the International Professional Practices Framework issues by the Institute of Internal Auditors.

(3) Performance audits, as part of performance reviews, will be inclusive of the following content areas in determining effectiveness of the grantees SIA plan:

(a) Ongoing community engagement:

(A) Evidence that the grantee has established ongoing and authentic opportunities for focal group students and families to engage in the SIA planning, implementation and evaluation processes.

(B) Evidence that the grantee has evolved practices as measured by the SIA Community Engagement Spectrum.

(b) Education equity in practice:

(A) Evidence that the grantee has prioritized resources to improve mental or behavioral health needs for all focal group students the recipient serves.

(B) Evidence that the grantee has developed and implemented policies, where applicable, to remove barriers that prevent focal group students from accessing mental or behavioral health services.

(C) Evidence that the grantee has prioritized resources to improve academic outcomes for all focal group students the recipient serves.

(D) Evidence that the grantee has developed and implemented policies, where applicable, to remove barriers that prevent focal group students from accessing advanced courses and opportunities for well-rounded educational experiences.

(c) Processes for data review and adjustment:

(A) Evidence that the grantee has established processes to review.

(i) Longitudinal Performance Growth Targets

(ii) Progress Markers

(iii) Local Optional Metrics

(iv) Other local measures of student behavior and academic performance

(B) Evidence that the grantee has established processes to make necessary adjustments to strategies, resource allocation and policies to continue to meet the aims of the SIA.

(d) Student mental and behavioral health needs; and

(e) Financial stewardship.

Statutory/Other Authority: ORS 327.201

Statutes/Other Implemented: ORS 327.201

**581-014-0016 Just Cause and Random Audit Process**

(1) The Department may request a copy of a grantees’ most recent performance review, including any financial or performance audits, for just cause for the following reasons:

(a) A complaint filed with the department that information reported to the department in either the performance review or programmatic and/or financial progress reports is intentionally inaccurate or misrepresentative of actual SIA activities, performance measures, and/or expenditures; or

(b) Repeated reporting of activities and expenditures through either programmatic and/or financial progress reports or municipal audit that are not part of an approved SIA Plan or SIA Plan Amendment.

(2) The Department may request a copy of a grantees’ most recent performance review and related audits on random basis for review:

(a) Random selection of a grantee for performance audit review will be conducted through a randomized process that does not include metrics such as longitudinal performance growth targets, local optional metrics, or accountability measures.

(b) Grantees selected for a random audit review will be exempt from random audit review for a period not to exceed six years from the date of any initial findings and given findings are remedied. Grantees may still be subject to just cause audit review during this time.

(3) The Department will limit random audits to no more than ten grantees in an annual year.

(4) The Department shall notify grantees they have been selected for a just cause or random audit review. Notice shall include:

(a) Date for performance audit to be submitted by; and

(b) Reason for request of the performance audit. If the reason for the audit is due to a credible complaint no information regarding the identity of the individual(s) will be provided to the recipient except as required by law.

(5) The grantee will have 45 days from the date of receipt of the notice of audit to respond to the department.

(6) The Department will conduct an initial review of the materials provided and issue preliminary audit findings within 60 days if no additional materials are required from the grantee. If additional materials are needed the Department will notify the grantee of the amount additional time anticipated to review the materials.

(7) Upon the conclusion of the audit the Department will issue a letter to the grantee. That letter will contain:

(a) Summary of the department findings, and

(b) If there are identified findings of non-compliance then the letter will also include next steps as outlined in section 15 of the Student Success Act to address any identified audit findings.

Statutory/Other Authority: ORS 327.201

Statutes/Other Implemented: ORS 327.201