

Mike DeWine, Governor  
Dr. Stephanie K. Siddens, Interim Superintendent of Public Instruction

March 25, 2022

Ashley Gardner  
U.S. Department of Education  
Office of Elementary and Secondary Education  
Charter School Program  
400 Maryland Avenue SW RM 3E113  
Washington, D.C. 20202

Re: U282A150023: High-Risk Special Condition #1

Dear Ms. Gardner,

As part of the Ohio Department of Education's Charter School Program (CSP) High-Risk Special Conditions, item one requires Ohio to hire an independent monitor to perform periodic reviews of the Department's processes by applying "agreed-upon procedures" (AUP). The Department engaged with Rea and Associates (formerly Kennedy Cottrell Richards) to complete the work outlined in the AUP between the U.S. Department of Education, the Ohio Auditor of State and the Department. On March 1, 2022 the report was released citing a few areas of concern (four related to the same incident) that the Department wished to provide additional clarification.

Ohio's response to items identified within the AUP report is as follows:

- Items 1.1(B)(2) – Specific to question related to obligations prior to June 30, 2021, the Department has copies of the quotes for the obligations signed on 5/10/21 and 5/27/21 respectively by the school leader. The invoices and submit of the actual items did not occur until after the period of performance, however did occur during the period of liquidation. We feel the approval of the quote for the items is consistent with the school policy and showed approval by the school leader to begin the obligations. For these reasons, we felt it was appropriate to reimburse the expense as the obligation began during the period of performance.
- Item 1.1(B)(4) – The Department has documentation showing approval of budget modifications to the CSP activity in email (through documentation of a Budget Modification form and updated Project Budget Spreadsheet) discussing the various expenses across the two subgrantees. We do acknowledge there was not a timely update to the electronic grant system (CCIP) that is used to process our payments, which contains the dates specified in the report, however do not believe the expenses should be considered unallowable. 2. C.F.R. 200.308 outlines the provisions to make revisions to a budget, which we feel our process is consistent with given the Budget Modification process. The subgrantees in both instances sought to purchase different items within already approved budget categories, which is why the update to the CCIP was not considered necessary to establish spending approval, as both subgrantees had written approval from the Department.
  - The Department will work with our CSP subgrantees seeking a modification to ensure timely updates to both the written process (Budget Modification form and Project Budget Spreadsheet) along with the CCIP system used to make reimbursement claims. Additionally, we will seek a modification of our Comprehensive Plan to allow for the earliest of the substantially approval date in

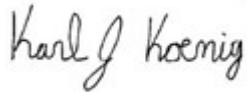
the CCIP or the date of written approval from the CSP Grant Administrator to establish spending authority.

Overall, the Department is encouraged by the independent monitor's report, and believe it shows the hard work and commitment of Department staff to meeting the requirements and expectations for implementation of the CSP subgrant competition. The Department will work to incorporate the suggestions from the report and believe the concerns identified in the report are opportunities for improvement.

The Department would like to thank the staff at Rea and Associates for its review and feedback to the Department's CSP program.

If you have any questions, please contact me by phone at (614) 387-2197 or email at [Karl.Koenig@education.ohio.gov](mailto:Karl.Koenig@education.ohio.gov)

Sincerely,

A handwritten signature in cursive script that reads "Karl J. Koenig".

Karl J. Koenig  
Director  
Office of Community Schools