

DEPARTMENT OF EDUCATION**ASSISTANCE LISTING 84.010 TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES (TITLE I, PART A OF THE ESEA)****I. PROGRAM OBJECTIVES**

The objective of this program is to improve the teaching and learning of children who are at risk of not meeting challenging state academic standards and who reside in areas with high concentrations of children from low-income families.

II. PROGRAM PROCEDURES

The US Department of Education (ED) provides funds under Title I, Part A (hereafter Part A) of the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the Every Student Succeeds Act (ESSA) (Pub. L. No. 114-95), through each state educational agency (SEA) to local educational agencies (LEAs) through a statutory formula based primarily on the number of children ages 5 through 17 from low-income families. This number is augmented by annually collected counts of children ages 5 through 17 in foster homes, locally operated institutions for neglected or delinquent children, and families above poverty that receive assistance under Temporary Assistance for Needy Families (TANF) (Assistance Listing 93.558), adjusted to account for the cost of education in each state. To receive funds, an SEA must submit to ED for approval either (1) an individual state plan as provided in Section 1111 of the ESEA (20 USC 6311), or (2) a consolidated plan that includes Part A, in accordance with Section 8302 of the ESEA (20 USC 7842). Each SEA included Part A in a consolidated state plan. This plan, after approval by ED, remains in effect for the duration of the state's participation in Part A under the current ESEA authorization. The plan must be updated to reflect substantive changes.

In general, to receive Part A funds, LEAs must have on file with the SEA an approved plan that includes the descriptions required under Section 1112(b) of the ESEA (20 USC 6312(b)). In lieu of an individual program plan, however, an LEA may include Part A as part of a consolidated application submitted to the SEA under Section 8305 of the ESEA (20 USC 7845).

LEAs allocate Part A funds to eligible school attendance areas based on the number of children from low-income families residing within the attendance area. A school at or above 40 percent poverty or a school that receives a waiver from the SEA may use its Part A funds, along with other federal, state, and local funds, to operate a schoolwide program to upgrade the instructional program in the whole school (20 USC 6314(a)). Otherwise, a school operates a targeted assistance program in which the school identifies students who are failing, or most at risk of failing, to meet the state's challenging state academic achievement standards and who have the greatest need for assistance. The school then designs, in consultation with parents, staff, and the LEA, an instructional program to meet the needs of those students (20 USC 6315).

Source of Governing Requirements

This program is authorized by Title I, Part A of the ESEA, as amended by the ESSA (20 USC 6301 through 6339 and 6571 through 6576)). Program regulations are found at 34 CFR Part 200. The regulations in 34 CFR Part 299 (General Provisions) apply to this program.

Availability of Other Program Information

A number of documents posted on ED's website contain information pertinent to the Part A requirements in this Compliance Supplement. They are:

1. Title I, Part A of the ESEA: Providing Equitable Services to Eligible Private School Children, Teachers, and Families (October 7, 2019)
<https://oese.ed.gov/files/2020/07/equitable-services-guidance-100419.pdf>
2. Supplement not Supplant under Title I, Part A of the ESEA (June 2019)
<https://oese.ed.gov/files/2020/07/snsfinalguidance06192019.pdf>
3. ESSA Fiscal Changes & Equitable Services (November 2016)
<https://oese.ed.gov/files/2020/07/essaguidance160477.pdf>

Note: The information on Title I, Part A equitable services in this document is superseded by the document listed under #1 above

<https://oese.ed.gov/files/2020/07/equitable-services-guidance-100419.pdf>

4. ESSA Schoolwide Guidance (September 2016)
<https://oese.ed.gov/files/2020/07/essaswpguidance9192016.pdf>
5. Letter from the Secretary on Test Security (June 2011)
<https://www2.ed.gov/policy/elsec/guid/secletter/110624.html>
6. Within-District Allocations Under Title I, Part A of the Elementary and Secondary Education Act of 1965 (March 2020 Draft for Public Comment)
<https://oese.ed.gov/files/2020/03/Draft-Within-District-Allocations-Guidance-3-11-2020-1.pdf>
7. The American Recovery and Reinvestment Act of 2009 (ARRA): Using Title I, Part A ARRA Funds for Grants to Local Educational Agencies to Strengthen Education, Drive Reform, and Improve Results for Students (September 2, 2009)
<https://oese.ed.gov/files/2020/07/titlei-reform.pdf>

Note: Although the period of availability for Title I ARRA funds has expired, the information in this document about the use of Part A funds remains generally applicable.

8. Implementing Response to Intervention (RTI) using Title I, Title III, and CEIS (Coordinated Early Intervening Services) Funds (August 2009)
<https://oese.ed.gov/files/2020/07/rti.pdf>

9. Early Learning in the Every Student Succeeds Act (October 2016)
<https://oese.ed.gov/files/2020/07/essaelguidance10202016.pdf>
10. The Community Eligibility Provision and Selected Requirements Under Title I, Part A of the Elementary and Secondary Education Act of 1965, as Amended (Revised March 2015)
<https://oese.ed.gov/files/2020/07/15-0011.doc>
11. Homeless Student Guidance (Updated August 2018)
<https://oese.ed.gov/files/2020/07/160240ehcyguidanceupdated082718.pdf>
12. Opportunities and Responsibilities for State and Local Report Cards Under the Elementary and Secondary Education Act of 1965, as Amended by the Every Student Succeeds Act (September 2019)
<https://oese.ed.gov/files/2020/07/report-card-guidance-final.pdf>
13. Fact Sheet: State-Administered Programs under the ESEA and the Nationwide Waiver from the U.S. Department of Agriculture to Allow Meal Pattern Flexibility in the Summer Food Service Program and the National School Lunch Program Seamless Summer Option through June 2021 (January 2021)
<https://oese.ed.gov/files/2021/05/Fact-sheet-on-USDA-meals-waivers-Jan-2021.pdf>
14. List of Invited Waivers Due to the COVID-19 Pandemic
<https://oese.ed.gov/files/2020/04/template-covid-fiscal-waiver-19-2020.pdf>

Note: All 50 states, DC, Puerto Rico, and the Bureau of Indian Education requested and were approved for the waivers included in this letter.

Additional information is provided in the “Availability of Other Program Information” part of Part 4, 84.000 ED Cross-Cutting Section.

III. COMPLIANCE REQUIREMENTS

In developing the audit procedures to test compliance with the requirements for this federal program, the auditor must determine, from the following summary (also included in Part 2, “Matrix of Compliance Requirements”), which of the 12 types of compliance requirements have been identified as subject to the audit (noted with a “Y” in the summary matrix below), and then determine which of the compliance requirements that are subject to the audit are likely to have a direct and material effect on the federal program at the auditee. For each such compliance requirement subject to the audit, the auditor must use Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and this program supplement (which includes any program-specific requirements) to perform the audit. When a compliance requirement is shown in the summary below as “N,” it has been identified as not being subject to the audit. Auditors

are not expected to test requirements that have been noted with an “N.” See the Safe Harbor Status discussion in Part 1 for additional information.

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment/Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	N	Y	N	Y	N	N	N	Y	Y	Y

A. Activities Allowed or Unallowed

See also Part 4, 84.000 ED Cross-Cutting Section.

SEAs

SEAs must use regular federal fiscal year (FY) 2020 funds to provide subgrants to LEAs through their FY 2020 LEA allocation process. SEAs may reserve funds for state administration and Direct Student Services and must reserve funds for school improvement activities in accordance with the statutory requirements (Title I, Sections 1003, 1003A, and 1004 of ESEA (20 USC 6303, 6303b (if applicable), and 6304). (See also III.G.3.a, “Matching, Level of Effort, Earmarking – Earmarking,” below, and ED Cross-Cutting Section, 84.000, III.G.3.a.)

B. Allowable Costs/Cost Principles

See Part 4, 84.000 ED Cross-Cutting Section.

E. Eligibility

1. Eligibility for Individuals

Not Applicable

2. Eligibility for Group of Individuals or Area of Service Delivery

- a. *School Attendance Areas or Schools (LEAs with either schoolwide programs or targeted assistance programs)*

An LEA must determine which school attendance areas are eligible to participate in Part A. A school attendance area is generally eligible to participate if the percentage of children from low-income families is at

least as high as the percentage of children from low-income families in the LEA as a whole or at least 35 percent. An LEA may also designate and serve a school in an ineligible attendance area if the percentage of children from low-income families enrolled in that school is equal to or greater than the percentage of such children in a participating school attendance area. When determining eligibility, an LEA must select a poverty measure from among the following data sources: (1) the number of children ages 5–17 in poverty counted in the most recent census; (2) the number of children eligible for free and reduced price lunches; (3) the number of children in families receiving TANF; (4) the number of children eligible to receive Medicaid assistance; or (5) a composite of these data sources. Except as follows, the LEA must use that measure consistently across the district to rank all its school attendance areas according to their percentage of poverty. For measuring the number of children from low-income families in a secondary school, an LEA may use the same measure it uses for elementary schools or apply the average percentage of children from low-income families in the elementary schools that feed into the secondary school.

An LEA must serve eligible schools or attendance areas in rank order according to their percentage of poverty. An LEA must serve those areas or schools above 75 percent poverty, including any middle or high schools, before it serves any with a poverty-percentage at or below 75 percent. After an LEA has served all areas and schools with a poverty rate above 75 percent or, at its discretion, high schools at or above 50 percent, the LEA may serve lower-poverty areas and schools either by continuing with the district-wide ranking or by ranking its schools at or below 75 percent poverty according to grade-span grouping (e.g., K–6, 7–9, 10–12). If an LEA ranks by grade span, the LEA may use the district-wide poverty average or the poverty average for the respective grade-span grouping. An LEA may serve, for one additional year, an attendance area that is not currently eligible but that was eligible and served in the preceding year.

A LEA may elect not to serve an eligible area or school that has a higher percentage of children from low-income families only if (1) the school meets the Part A comparability requirements; (2) the school is receiving supplemental state or local funds that are spent according to the requirements in sections 1114 or 1115 of the ESEA; and (3) the supplemental state and local funds expended in the area or school equal or exceed the amount that would be provided under Part A. An LEA with an enrollment of fewer than 1,000 students or with only one school per grade span is not required to rank its school attendance areas (Title I, Section 1113(a)-(b) of ESEA (20 USC 6313(a)-(b)); 34 CFR section 200.78(a)).

b. *Allocating Funds to Eligible School Attendance Areas and Schools (LEAs with either schoolwide programs or targeted assistance programs)*

From its total Part A allocation and before reserving any funds for allowable activities or allocating Part A funds to participating public school attendance areas or schools, an LEA must reserve, to provide equitable services to eligible private school children, the proportional share generated by children from low-income families who reside in participating public school attendance areas and who attend private schools. For the purpose of determining the proportional share (equitable services section of “N special tests and provisions”), the LEA may use the same poverty data, if available, as the LEA uses to count public school children. If the same data are not available, the LEA may use comparable data from a survey of families of private school children. If an LEA uses a survey of families of private school children, the LEA may extrapolate from the survey, based on a representative sample of private school children, the number of children from low-income families who attend private schools. An LEA may also correlate sources of data or apply the low-income percentage of each participating public school attendance area to the number of private school children who reside in that school attendance area. If an LEA selects a public school to participate on the basis of enrollment, rather than because it serves an eligible school attendance area, the LEA must, in consultation with private school officials, determine an equitable way to count private school children from low-income families in order to calculate the proportional share of Part A funds available to serve private school children. An LEA may count private school children from low-income families every year or every two years.

After reserving Part A funds to provide equitable services to eligible private school students, homeless children, children in local institutions for neglected children, and any other allowable reservations, an LEA must allocate Part A funds to each participating school attendance area or school, in rank order, on the basis of the number of public school children from low-income families residing in the area or attending the school.

If an LEA serves any attendance area with less than a 35 percent poverty rate, the LEA must allocate to all its participating areas an amount per child from a low-income family that equals at least 125 percent of the LEA’s Part A allocation per child from a low-income family. (An LEA’s allocation per child from a low-income family is the total LEA allocation under subpart 2 of Part A divided by the number of children from low-income families in the LEA according to the poverty measure selected by the LEA to identify eligible school attendance areas. The LEA then multiplies this per-child amount by 125 percent.) If an LEA serves only areas with a poverty rate greater than 35 percent, the LEA must allocate funds, in rank order, on the basis of the total number of public-school

children from low-income families in each area or school but is not required to allocate a per-pupil amount of at least 125 percent. If an LEA serves areas or schools below 75 percent poverty by grade-span groupings, the LEA may allocate different amounts per child from a low-income family for different grade-span groupings as long as those amounts do not exceed the amount per child from a low-income family allocated to any area or school above 75 percent poverty. Amounts per child from a low-income family within grade spans may also vary as long as the LEA allocates higher amounts per child from a low-income family to higher-poverty areas or schools within the grade span than it allocates to lower-poverty areas or schools.

(Title I, Section 1113(c) of the ESEA (20 USC 6313(c)) and Title I, Section 1117(a)(4) of ESEA (20 USC 6320(a)(4)); 34 CFR sections 200.64(a)(2)-(3), 200.77 and 200.78)

- c. *Serving Homeless Children in Participating and Nonparticipating Schools and Children in Local Institutions for Neglected or Delinquent Children*
- (1) Before allocating Part A funds to school attendance areas and schools and based on its total allocation, an LEA must reserve funds to provide services comparable to those provided to children in participating school attendance areas and schools to serve:
 - (a) Children in local institutions for neglected children; and
 - (b) Homeless children and youths, including providing educationally related support services to children in shelters and other locations where homeless children may live and services not ordinarily provided to other children served by Part A.
 - (2) An LEA may reserve funds to provide services comparable to those provided to children in participating school attendance areas and schools to serve:
 - (a) Children in local institutions for delinquent children; and
 - (b) Neglected and delinquent children in community day school programs.

(Title I, Section 1113(c) of ESEA (20 USC 6313(c)); 34 CFR section 200.77)

3. Eligibility for Subrecipients

ED allocates funds by formula for basic grants, concentration grants, targeted grants, and education finance incentive grants, through SEAs, to each eligible

LEA for which the Bureau of the Census has provided data on the number of children from low-income families residing in the school attendance areas of the LEA (the “Census list”). If there is an LEA in a state that is not on the Census list (see III.G.3.a, “Matching, Level of Effort, Earmarking - Earmarking,” below), the SEA must determine that the LEA is eligible under each formula as follows:

- a. Basic grants – an eligible LEA must have at least 10 formula children (i.e., the Census estimate of low-income children, children in neglected facilities and in publicly supported foster homes, and children from families that receive an annual payment from the TANF program (Assistance Listing 93.558) that exceeds the federal poverty level) and the number of formula children must exceed 2 percent of the LEA’s total population of children ages 5 through 17.
- b. Concentration grants – an eligible LEA must be eligible for basic grants and the number of formula children must exceed 6,500 children or 15 percent of the LEA’s total population of children ages 5 through 17 population.
- c. Targeted grants – an eligible LEA must have at least 10 formula children and the number of those children must equal or exceed 5 percent of the LEA’s total population of children ages 5 through 17.
- d. Education finance incentive grants – an eligible LEA must have at least 10 formula children and the number of those children must equal or exceed 5 percent of the LEA’s total population of children ages 5 through 17.

(Title I, Sections 1124-1125A of ESEA (20 USC 6333-6337; 34 CFR section 200.71)

G. Matching, Level of Effort, Earmarking

1. Matching

Not Applicable

2. Level of Effort

2.1 Level of Effort – *Maintenance of Effort*

See Part 4, 84.000 ED Cross-Cutting Section.

2.2 Level of Effort – *Supplement Not Supplant*

See Part 4, 84.000 ED Cross-Cutting Section.

Compliance Requirements An LEA may use Part A funds only to supplement the funds that would, in the absence of the Part A funds, be

made available from state and local sources for the education of students participating in a Part A program. In no case may an LEA use Part A funds to supplant funds from state and local sources (Section 1118(b)(1) of ESEA (20 USC 6321(b)(1))). An LEA may not be required to (1) identify that an individual cost or service supported with Part A funds is supplemental; or (2) provide services through a particular instructional method or in a particular instructional setting (Section 1118(b)(3) of ESEA (20 USC 6321(b)(3))).

To demonstrate compliance, an LEA must demonstrate that it has a methodology (e.g., through written procedures) and uses it to allocate state and local funds to each Title I school and ensures that the school receives all of the state and local funds it would otherwise receive if it were not receiving Part A funds (i.e., the LEA's methodology may not take into account a school's Title I status) (Section 1118(b)(2) (20 USC 6321(b)(2))). An LEA may use a combination of methodologies to allocate state and local funds to schools (e.g., use a different methodology for high schools than it uses for elementary schools). An LEA also may design its methodology to take into consideration grade span or school type, student enrollment size, or schools in need of additional funds to serve high concentrations of children with disabilities, English learners, or other such groups of students the LEA determines require additional support.

An LEA need not have a methodology if it has (1) only one school; (2) only Title I schools; or (3) a grade span that contains only one school, only non-Title I schools, or only Title I schools (i.e., no methodology is required for this grade span).

This requirement applies to both schoolwide program schools and targeted assistance schools. Thus, a Title I targeted assistance school is not required to use Part A funds to provide supplemental services to identified children or to identify that an individual cost or service supported with Part A funds is supplemental. Part A funds still must be used only for allowable activities (i.e., in a Title I targeted assistance school, Part A funds may be used only to serve students who are failing, or most at risk of failing, to meet challenging state academic standards) (see sections 1114 and 1115 of ESEA (20 USC 6314 and 6315)).

If an LEA reserves state and local funds for district-level activities (i.e., funds that it does not allocate through its methodology to schools), the LEA must conduct activities with those funds in a manner that does not take into account a school's Title I status. In addition, to the extent an LEA retains state and local funds to implement activities that are required by federal, state, or local law, the LEA must use those funds in a manner that does not take into account a school's Title I status.

An LEA may exclude from determinations of compliance with the supplement not supplant requirement supplemental state or local funds spent in any school attendance area or school for programs that meet the intent and purposes of Part A (Section 1118(d) of ESEA (20 USC 6321(d)); 34 CFR section 200.79).

Audit Objectives

LEAs

(1) Determine whether an LEA has a methodology for allocating state and local funds to each Title I school that ensures the school receives all of the state and local funds it would otherwise receive if it were not receiving Part A funds; (2) determine whether the LEA implemented its methodology; (3) if the LEA reserves state and local funds for district-level activities, determine whether the LEA conducts activities with those funds in a manner that does not take into account a school's Title I status.

SEAs

Verify that the SEA reviews LEA compliance with the Part A supplement not supplant provision (e.g., through sub-recipient monitoring).

3. Earmarking

See also Part 4, 84.000 ED Cross-Cutting Section and the following:

a. Allocation of funds to LEAs (SEAs)

ED provides LEA allocation tables to SEAs for basic grants, concentration grants, targeted grants, and education finance incentive grants based on LEA-level data from the Bureau of Census (Census list).

- (1) If there is an LEA in a state that is not on the Census list (e.g., charter school LEAs), the SEA must adjust the initial allocations provided by ED for any eligible LEA that is not on the Census list (see III.E.3, "Eligibility - Eligibility for Subrecipients," above) (34 CFR section 200.72).
- (2) In making the adjustments, the SEA must ensure that no eligible LEA is reduced below its hold harmless level. An LEA's hold harmless level is 85, 90, or 95 percent of the amount it was allocated in the preceding year depending on its percentage of formula children (34 CFR section 200.73).
- (3) In making the adjustments, the SEA must apply section 4306(c) of the ESEA, as amended by the ESSA, which requires the SEA, for purposes of implementing the hold-harmless protections in

sections 1122(c) and 1125A(f)(3) of the ESEA for a newly opened or significantly expanded charter school LEA, to calculate a hold-harmless base for the prior year that reflects the new or significantly expanded enrollment of the charter school LEA (20 USC 7221e(c)). For more information see pages 4–7 in the ESSA Fiscal Changes & Equitable Services guidance (November 2016) (<https://www2.ed.gov/policy/elsec/leg/essa/essaguidance160477.pdf>).

b. Targeting school improvement funds (SEAs)

Each SEA must ratably reduce the allocations of LEAs and also follow the special rule described below to reserve for school improvement activities the greater of:

- Seven percent of the SEA’s FY 2020 Part A award; or
- The sum of the total amount that the SEA reserved for school improvement under section 1003(a) from its FY 2016 Part A award (generally, 4 percent of that award) and the amount of the SEA’s FY 2016 School Improvement Grants (SIG) allocation under section 1003(g).

Special rule: In reserving funds for school improvement, an SEA may not reduce an LEA’s Part A allocation below the prior year’s amount. If funds are insufficient to reserve the amount described in the two bullets above, the SEA is not required to reserve this amount. The special rule in section 1003(h) of the ESEA took effect beginning with FY 2018 Part A funds that ED awarded states on July 1, 2018 (<https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title20-section6303&num=0&edition=prelim>).

Of the amount reserved, the SEA must allocate not less than 95 percent directly to LEAs on a formula or competitive basis to support school improvement activities in schools identified for comprehensive support and improvement under ESEA Section 1111(c)(4)(D)(i) of the ESEA or implementing targeted support and improvement plans under ESEA Section 1111(d)(2) of the ESEA. However, the SEA may, with the approval of its LEAs, provide directly for these activities or arrange for them to be provided by other entities such as school support teams or educational service agencies.

If, after consulting with LEAs, the SEA determines that the amount of funds reserved is greater than needed, the SEA must allocate the excess amount to LEAs (1) in proportion to their allocations under subpart 2 of Part A, or (2) in accordance with the SEA’s reallocation procedures under

Section 1126(c) of the ESEA (Title I, Section 1003(a)-(h) of ESEA (20 USC 6303(a)-(h)); 34 CFR section 200.100(a)).

c. Funds reserved for state administration (SEAs)

From the amount received by the SEA for Part A, to administer Part A, an SEA may reserve no more than the greater of 1 percent of what the SEA would have received for Part A, if the appropriation for parts A, C, and D of Title I were \$14 billion (as indicated on a state administrative allocation table that ED provides to SEAs) or \$400,000 (\$50,000 for outlying areas) (Title I, Section 1004 (20 USC 6304); 34 CFR section 200.100(b)).

d. Funds reserved for Direct Student Services (SEAs: optional)

After meaningful consultation with geographically diverse LEAs, an SEA may, but is not required to, reserve a maximum of 3 percent of its Part A allocation for direct student services (Title I, Section 1003A (20 USC 6303b)).

L. Reporting

1. Financial Reporting

See Part 4, 84.000 ED Cross-Cutting Section.

2. Performance Reporting

Not Applicable

3. Special Reporting

See Part 4, 84.000 ED Cross-Cutting Section.

4. Special Reporting for Federal Funding Accountability and Transparency Act

See Part 3.L for audit guidance.

N. Special Tests and Provisions

1. Participation of Private School Children

See Part 4, 84.000 ED Cross-Cutting Section.

2. Access to Federal Funds for New or Significantly Expanded Charter Schools

See Part 4, 84.000 ED Cross-Cutting Section.

3. Annual Report Card, High School Graduation Rate

Compliance Requirements An SEA and its LEAs must report graduation rate data for all public high schools at the school, LEA, and state levels using the four-year adjusted cohort rate and, at an SEA's or LEA's discretion, one or more extended-year adjusted cohort rates. Graduation rate data must be reported both in the aggregate and disaggregated by the subgroups in Section 1111(c)(2) of the ESEA, homeless status, status as a child in foster care using a four-year adjusted cohort graduation rate (and any extended-year adjusted cohort rates) (ESEA sections 1111(h)(1)(C)(iii)(II) and 8101(23), (25) (20 USC 6311(h)(1)(C)(iii)(II) and 7801(23), (25))). Except as noted below, only students who earn a regular high school diploma may be counted as a graduate for purposes of calculating graduation rates. The term "regular high school diploma" means the standard high school diploma that is awarded to the preponderance of students in the state and that is fully aligned with the state standards (but not to alternate academic achievement standards for students with the most significant cognitive disabilities) or a higher diploma. A regular high school diploma does not include a recognized equivalent of a diploma, such as a general equivalency diploma (GED), certificate of completion, certificate of attendance, or similar lesser credential (ESEA, Section 8101(43)) (20 USC 7801(43))). An SEA may, but is not required to, award a state-defined alternate diploma for students with the most significant cognitive disabilities who take an alternate assessment aligned with alternate academic achievement standards. That diploma must be standards based, aligned with the state's requirements for a regular high school diploma, and obtained within the time period for which the state ensures the availability of a free appropriate public education. If an SEA awards an alternate diploma, the SEA may count those students in its four-year and any extended-year adjusted cohort graduation rate, even if the student takes more than four years to receive the alternate diploma (ESEA, Section 8101(23)(A)(ii)(I)(bb), (25)(A)(ii)(I)(bb) (20 USC 7801(23)(A)(ii)(I)(bb), (25)(A)(ii)(I)(bb))).

To remove a student from the cohort, a school or LEA must confirm, in writing, that the student transferred out, emigrated to another country, transferred to a prison or juvenile facility, or is deceased. To confirm that a student transferred out, the school or LEA must have official written documentation that the student enrolled in another school or in an educational program that culminates in the award of a regular high school diploma. A student who is retained in grade, enrolls in a GED program, or leaves school for any other reason may not be counted as having transferred out for the purpose of calculating graduation rate and must remain in the adjusted cohort (ESEA sections 1111(h)(1)(C)(iii)(II) and 8101(23), (25) (20 USC 6311(h)(1)(C)(iii)(II) and 7801(23), (25))).

Audit Objectives Determine whether SEAs and LEAs have implemented appropriate policies and procedures for documenting the removal of a student from the adjusted cohort.

Suggested Audit Procedures

SEAs

Review SEA policies and procedures that ensure that LEAs are maintaining appropriate documentation to confirm when students have been removed from the adjusted cohort.

LEAs

Verify that the LEA maintains appropriate written documentation to support the removal of a student from the regulatory adjusted cohort (see the last paragraph under “3” above).

4. Assessment System Security – (SEAs/LEAs)

Compliance Requirements SEAs, in consultation with LEAs, are required to establish and maintain an assessment system that is valid, reliable, and consistent with relevant professional and technical standards. Within their assessment system, SEAs must have policies and procedures to maintain test security and ensure that LEAs implement those policies and procedures (Title I, Section 1111(b)(2)(B)(iii) of the ESEA (20 USC 6311(b)(2)(B)(iii))).

Audit Objectives Determine whether SEAs and LEAs have implemented policies and procedures regarding test security for the assessments.

Suggested Audit Procedures

SEAs

- a. Review SEA policies and procedures for ensuring that the SEA and LEAs implement test security measures.
- b. Verify that the SEA has implemented the relevant policies and procedures.

LEAs

- a. Ascertain that the LEA has policies and procedures for ensuring that the LEA and its schools implement test security measures.
- b. Verify that the LEA and its schools implemented test security measures, for example, by reviewing documentation and interviewing LEA officials and school administrators and teachers.

5. Oversight and Monitoring Responsibilities with Respect to Charter Schools with relationships with Charter Management Organizations (SEAs/LEAs)

See Part 4, 84.000 ED Cross-Cutting Section.

IV. OTHER INFORMATION

Note: Certain compliance requirements that apply to multiple programs are discussed once in the ED Cross-Cutting Section of this Supplement (84.000) rather than being repeated in each individual program. When applicable, Section III references the ED Cross-Cutting Section for these requirements.

Also, as discussed in the ED Cross-Cutting Section, SEAs and LEAs may have been granted waivers from certain compliance requirements. This includes waivers of certain Part A requirements that ED invited SEAs to apply for due to the COVID-19 Pandemic. Auditors should ascertain from the audited SEAs and LEAs whether the SEA or the LEA or its schools are operating under any approved waivers.