

California Performance Review Report FY 2018

6 11 2019
REVISED 4 07 2020

Commendations

0

Met Requirements

10

Recommendations

7

Action Required

5



U.S. Department of Education
Office of State Support
Office of Elementary and Secondary Education
400 Maryland Avenue, SW
Washington, DC 20202

Office of State Support Performance Review Process

The Office of State Support (OSS) provides coordinated policy development, performance management, technical assistance, and data analysis services through a State support team structure that deepens partnerships with States and more effectively supports their implementation of key reforms that will lead to improved outcomes for all students.¹ OSS administers programs of financial assistance to State and local educational agencies (LEAs) and to colleges and universities. Under Title I of the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the Every Student Succeeds Act (ESSA), OSS administers several Title I programs of supplementary instruction and other services. This includes the School Improvement Grants program authorized in section 1003(g) of Title I, Part A, of the ESEA, as amended by the No Child Left Behind Act of 2001 and the Improving Basic Programs Operated by LEAs under Title I of the ESEA, as amended by ESSA. Under Title II, Part A of the ESEA, OSS administers the Improving Teacher Quality State Grants. Under Title III of the ESEA, OSS administers the State Formula Grant Program for English Language Acquisition and Language Enhancement. OSS also administers the State Assessment Grant, Innovative Assessment and Accountability Demonstration Authority, and Flexibility for Equitable Per-Pupil Funding programs authorized in sections 1201, 1204, and 1501 of the ESEA.

OSS is organized specifically to provide high-quality performance management and support to State educational agencies (SEAs) in administering and leveraging the grant programs above, focusing on the SEA's quality of implementation while continually reducing the burden to the State in the exercising of the United States Department of Education's (the Department's) necessary stewardship and compliance role. Quarterly progress checks, Desk Reviews, and On-Site Reviews help ensure that SEAs are making progress toward increasing student achievement and improving the quality of instruction for all students through regular conversations about the quality of SEA implementation of OSS administered programs.

The goals of the OSS performance review process are to conduct a State-centered, performance-focused review of all OSS programs through a single, streamlined process that results in improved and strengthened partnerships between the Department and States, and encourages States to develop and effectively implement integrated and coherent consolidated State plans. To accomplish these goals, the OSS performance review process is organized by areas, which reflect the programmatic and fiscal requirements and priorities of OSS programs.

Performance Review Report

The Performance Review Report summarizes the results of the July 16 – July 20, 2018, OSS review of the California Department of Education (CDE's) grant administration and fiscal management processes. The report is based on information provided through the review process, and other relevant qualitative and quantitative data. The primary goal of this review is to ensure that implementation of the four programs listed above is consistent with the fiscal, administrative, and select program requirements contained in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance: 2 Code of Federal Regulations (CFR) Part 200), the Education Department General Administrative Requirements

¹ In January 2019, the Office of Elementary and Secondary Education reorganized. As a result, the newly created Office for School Support and Accountability (OSSA) assumed program administration responsibilities previously held by the OSS. Because this report occurred prior to the reorganization, OSS is used throughout this report.

(EDGAR), and the ESEA, as amended by the ESSA, and, where applicable, NCLB. In addition, the review covers State internal controls related to data quality and reporting and encompasses those fiscal and data reporting requirements applicable to the covered programs under both NCLB and the ESSA.²

² To ensure that the OSS performance review process did not interfere with an SEA's transition to the ESSA requirements, in fiscal years (FYs) 2015 and 2016 the OSS reviewed for compliance fiscal and select program requirements applicable to covered programs under NCLB and ESSA, as well as the uniform administrative requirements and general management systems of SEAs. The number of program requirements under review increased in subsequent years and will result in a comprehensive review of fiscal and program requirements in FY 2019. Because this report of FY 2018 summarizes the results of a non-comprehensive set of ESSA and, where applicable, NCLB compliance requirements, the issuance of this report does not preclude other Department program offices, or independent auditors, from identifying areas of noncompliance that are not outlined in this report. In addition, as part of the FY 2018 Performance Review the OSS asked California to complete a self-assessment and provide supporting documentation on the State's implementation of a number of accountability-related requirements in the 2017-2018 school year. Recognizing that many States were not yet implementing their new accountability systems in alignment with new requirements under the ESEA, as amended by ESSA, or their approved State Plans in the 2017-2018 school year, the OSS only reviewed sections of the self-assessment and documentation that related to requirements that were applicable in the 2017-2018 school year. As a result, this report does not include an analysis of State implementation, in the 2017-2018 school year, of the State Plan, Annual Meaningful Differentiation, 1003(a) School Improvement, Support and Improvement Plans, Long-Term Goals and Measurements of Interim Progress, Identification of Schools, and Continued Support for School and LEA Improvement sections of the monitoring protocol.

Section I: State Overview

As part of this document the OSS includes relevant State background information as a way of providing context for the review conversation. All data presented in Section I are reported by grantees to either the National Center for Education Statistics (NCES), Common Core of Data (CCD), or through standard oversight activities.

Section II: Grant Administration and Fiscal Management Performance Evaluation

The information provided in Section II is intended to help a State quickly assess whether there are sufficient capacities, infrastructure, and resources allocated to State activities by area, in a manner that enables the State to achieve its strategic goals for the reviewed Federal programs. The section provides the State and the OSS' rating of performance on grant administration of applicable Title I, Part A; Title II, Part A; Title III, Part A; and School Improvement Grant programs in FY 2017. Each area rating is a reflection of how a State is addressing fiscal and cross program requirements. The State rating column is populated based on the self-assessment completed by the State prior to the review. OSS' analysis for each area is primarily based on evidence submitted by the State in the form of answers to the self-assessment questions, documents submitted by the State prior to the review, and the responses provided to questions during the review.

OSS' rating is also informed by evidence collected through public sources and other components of the performance review process. In some cases area ratings may overlap (e.g., Risk Assessment and Procurement) and feedback is provided in the cross-cutting subsection that appears at the end of Section II.

Ratings are based on a four-point scale, for which “met requirements with commendation” represents high quality implementation where the grantee is exceeding expectations; “met requirements” indicates that work is of an acceptable quality and the grantee is meeting expectations; “met requirements with recommendations” indicates there are quality implementation concerns and some improvements could be made to ensure the grantee continues to meet expectations; and “action required” indicates there are significant compliance or quality concerns that require urgent attention by the SEA and will be revisited until the State has remedied the issue.

Section III: Met Requirements with Commendation



This section highlights the areas where the State has exceeded requirements and is commended on the grant administration and fiscal management as identified in Section II of this report (*i.e.*, those areas categorized as “met requirements with commendation”). In addition, this section provides an opportunity for the OSS to highlight those areas where the State has implemented an innovative or highly successful system or approach. In these areas, the OSS is not recommending or requiring the State to take any further action.

Section IV: Met Requirements



This section identifies those areas where the OSS has determined that the State has met basic requirements of grant administration and fiscal management and is implementing those requirements in a satisfactory manner as identified in Section II of this report (*i.e.*, those areas categorized as satisfactory quality, “met requirements”). The description of satisfactory implementation by relevant area and requirement is an indication of an acceptable implementation quality level. In these areas, the OSS is not recommending or requiring the State to take any further action.

Section V: Met Requirements with Recommendations



This section identifies those areas where the OSS has quality implementation concerns related to grant administration and fiscal management as identified in Section II of this report (*i.e.*, those areas categorized as quality concerns, “met requirements with recommendations”). In these instances, the OSS is determining that the State is currently complying with requirements, but that improvements could be made to improve the efficiency or effectiveness of operations. Identified issues are grouped according to relevant area and requirement, with citations provided. For each issue listed, the OSS will provide a recommendation for improvement, but is not requiring the State to take any further action.

Section VI: Action Required



This section identifies those areas where the OSS has “significant compliance and quality concerns” (corresponds to “action required” in Section II). For those issues the OSS will outline the current practice, the nature of noncompliance, and the required action. Documentation of required action must be provided to the OSS within thirty (30) business days of the receipt of the final Performance Review Report.

State Overview³



COVERED GRANT PROGRAMS

TITLE I, PART A; TITLE II, PART A (TITLE II); TITLE III, PART A (TITLE III), SCHOOL IMPROVEMENT GRANTS (SIG)



STUDENT CHARACTERISTICS

Enrolled:	6,226,737	Limited-English Proficiency: ⁴	21%
In Title I Schools: ⁵	57.5%	Eligible for Free & Reduced Lunch:	59%



RACIAL/ETHNIC BACKGROUND (%)

White:	24.1	Asian or Pacific Islander:	11.4
Hispanic:	54	American Indian/Alaskan Native:	0.6
Black:	5.8	Native Hawaiian/Other Pacific Islander:	0.5



SCHOOL & LOCAL EDUCATIONAL AGENCY (LEA) CHARACTERISTICS

School Districts:	1,184	FTE Teachers:	263,475
Schools:	10,462	Per-Pupil Expenditures: ⁶	\$9,671
Charter Schools:	1,209		



FEDERAL FUNDING⁷

Total:	\$2,222,882,916	Title III, Part A:	\$149,996,375
Title I, Part A:	\$1,833,855,322	SIG ⁸ :	\$55,441,652
Title II, Part A:	\$227,942,395		

³ Data Source: The Department, CCD, 2015-2016 school year, unless otherwise noted (see <http://eddataexpress.ed.gov/> and <http://nces.ed.gov/ccd/elsi/> for additional information).

⁴ Data from 2014-2015.

⁵ Schools eligible for Title I, Part A schoolwide programs are also included in the count of all Title I, Part A eligible schools. A Title I, Part A eligible school is one in which the percentage of children from low-income families is at least as high as the percentages of children from low-income families served by the LEA as a whole or because 35 percent or more of the children in the school are from low-income families. A schoolwide Title I, Part A eligible school has a percentage of low-income students that is at least 40 percent. Data is from 2014-2015.

⁶ Data Source: The Department, NCES, CCD, "National Public Education Financial Survey (State Fiscal)", 2013-2014 (FY 2014), v.1a. (see <http://nces.ed.gov/ccd/elsi/> for additional information).

⁷ FY 2017 funds included above are from OSS administered programs that allocate funds to States using a statutory formula. The totals do not reflect all Department funds that flow to a State. States and other entities may also receive funds from grants that are awarded on a competitive basis.

⁸ FY 2015

NAEP Average Scale Scores by Grade & Year

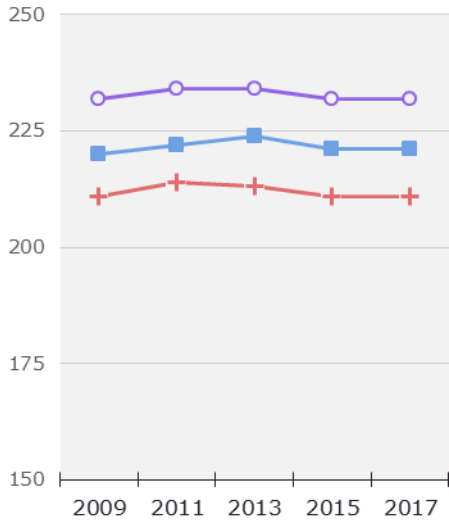
The National Assessment of Educational Progress (NAEP) is the largest nationally representative and continuing assessment of what America's students know. The NAEP mathematics and reading scales range from 0–500.

- All
- Low-income students
- + EL students

Grade 4

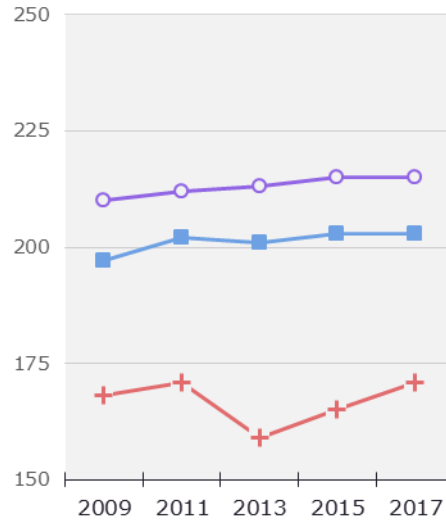
Math

Proficient ≥ 249



Reading

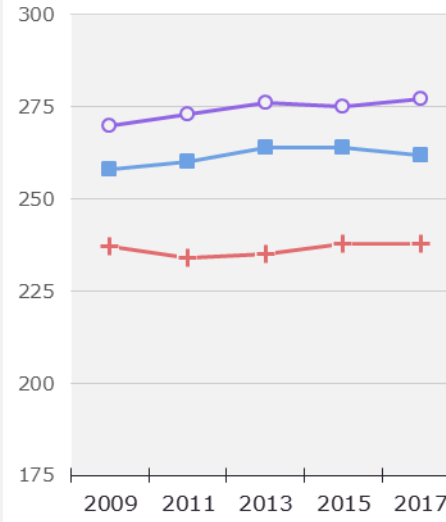
Proficient ≥ 238



Grade 8

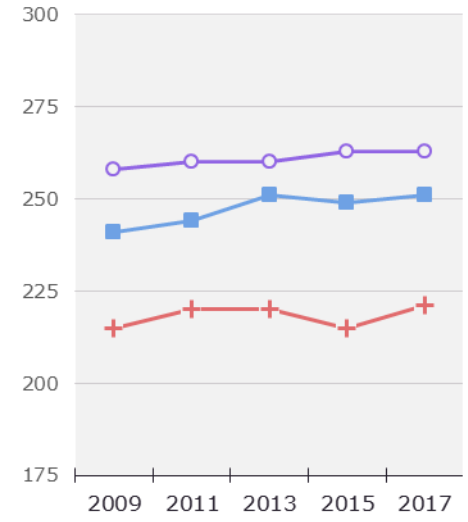
Math

Proficient ≥ 299



Reading

Proficient ≥ 281



	All	Low-Income	EL
2009	232	220	211
2011	234	222	214
2013	234	224	213
2015	232	221	211
2017	232	221	211

	All	Low-Income	EL
2009	210	197	168
2011	212	202	171
2013	213	201	159
2015	215	203	165
2017	215	203	171

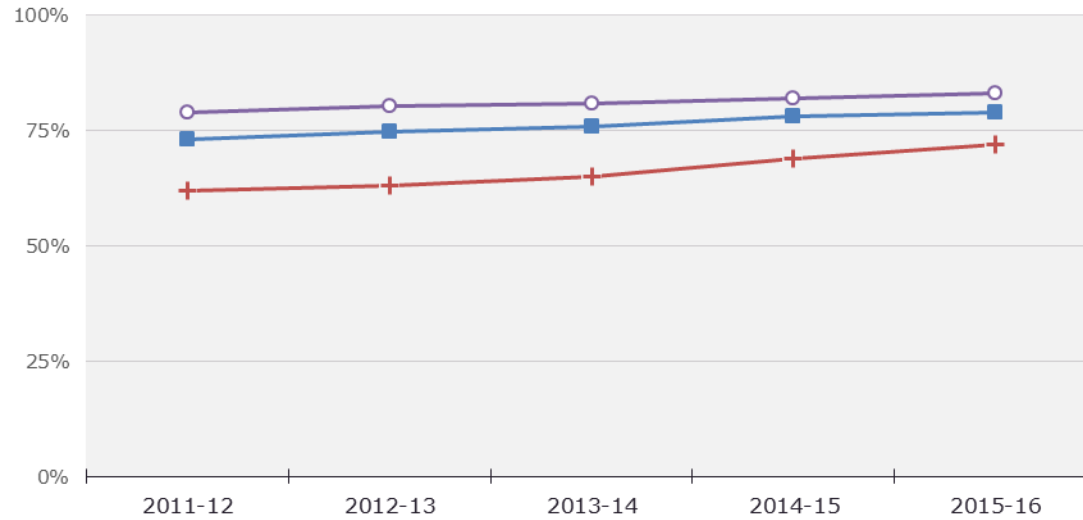
	All	Low-Income	EL
2009	270	258	237
2011	273	260	234
2013	276	264	235
2015	275	264	238
2017	277	262	238

	All	Low-Income	EL
2009	258	241	215
2011	260	244	220
2013	260	251	220
2015	263	249	215
2017	263	251	221

ADJUSTED COHORT GRADUATION RATE (ACGR) BY SCHOOL YEAR

The four-year adjusted cohort graduation rate is the number of students who graduate in four years with a regular high school diploma divided by the number of students who form the adjusted cohort for the graduating class. From the beginning of 9th grade (or the earliest high school grade), students who are entering that grade for the first time form a cohort that is “adjusted” by adding any students who subsequently transfer into the cohort and subtracting any students who subsequently transfer out, emigrate to another country, or die. There are some differences in State implementation of the ACGR requirements, leading to the potential for differences across in how rates are calculated. See <http://www2.ed.gov/admins/lead/account/consolidated/index.html> for additional information on interpreting this data)

- All
- Low-income students
- + EL students



	All	Low Income	EL
2011-12	79.0%	73.0%	62.0%
2012-13	80.4%	74.8%	63.1%
2013-14	81.0%	76.0%	65.0%
2014-15	82.0%	78.0%	69.0%
2015-16	83.0%	79.0%	72.0%

SECTION II

Grant Administration and Fiscal Management Evaluation

Dates of Review	July 16-July 20, 2018
Reviewers	Nkemjika Ofodile-Carruthers (Office of State Support) Jeannette Horner-Smith (Office of State Support) Ashley Briggs (Office of State Support) Roberta Miceli (Office of State Support) John Keefer (Management Support Unit)
LEA Participants	Los Angeles Unified School District (Los Angeles, CA) Vaughn Next Century Learning Center (San Fernando, CA)
Current Grant Conditions	Title I, Part A: None Title II, Part A: None Title III, Part A: None SIG: None
Outstanding Findings	Title I, Part A: None Title II, Part A: None Title III, Part A: None SIG: None
High Risk Status	Not Applicable

Assessment Criteria Key



Met requirements with commendation

High quality implementation & compliance.



Met requirements

Satisfactory implementation & compliance.



Met requirements with recommendation

Satisfactory compliance with quality concerns.



Action required

Significant compliance & quality concerns.

		SEA	OSS
Accounting Systems and Fiscal Controls	A	●●●○	●●●○
Period of Availability and Carryover	B	●●●○	●●●○
Internal Controls (Control Environment and Control Activities)	C	●●●○	●●●○
Audit Requirements	D	●●●○	●●●○
Records and Information Management	E	●●●○	●●●○
Equipment Management	F	●●●○	●●●○
Personnel	G	●●●○	●●●○
Procurement	H	●●●○	●●●○
Indirect Costs	I	●●●○	●●●○
Charter School Authorization and Oversight	J	●●●○	●○○○
Reservations and Consolidation	K	●●●○	●●●○
Budgeting and Activities	L	●●●○	●●●○
Allocations	M	●●●○	●○○○
Risk Assessment	N	●●●○	●○○○
Subrecipient Monitoring	O	●●●○	●●●○
LEA Support and Guidance	P	●●●○	●●●○
Supplement Not Supplant	Q	●●●○	●○○○
Maintenance of Effort (MOE)	R	●●●○	●●●○
Comparability	S	●●●○	●●●○
Equitable Services	T	●●●○	●●●○
Data Quality	U	●●●○	●●●○
Transparency and Data Reporting	V	●●●○	●○○○

SECTION III

Met Requirements with Commendation

No areas reviewed were identified for commendation.

SECTION IV

Met Requirements

B.

PERIOD OF AVAILABILITY AND CARRYOVER



REQUIREMENT SUMMARY

The SEA may only charge a grant program for allowable costs incurred during the period of availability and any pre-award costs that have been authorized by the Department. Unless the Department authorizes an extension, the SEA shall liquidate all obligation incurred under the award not later than 90 calendar days after the end date of the performance period. If the SEA fails to obligate all funds by the end of the award year, it can "carryover" the remaining funds for a period of one additional fiscal year. Any funds not obligated by the end of the carryover period shall be returned by the SEA to the Federal government as an unobligated balance.

Uniform Guidance 2 C.F.R. §200.309 and §200.343(b)

EDGAR 34 C.F.R. §76.707 and §76.709



DESCRIPTION OF SATISFACTORY IMPLEMENTATION

CDE regularly provides guidance to subrecipients regarding period of availability and carryover requirements for Federal funds, including carryover limitations applicable to the Title I, Part A program. CDE also follows a clear accounting process that prioritizes older year grant funds during the carryover period to ensure that prior year funds are utilized before subsequent year funds to avoid the return of unobligated balances after the expiration of the period of availability. To assist subrecipients and promote the timely drawdown of funds, CDE requires subrecipients to submit periodic financial reports for each of the covered programs that include, among other items, the percentage of an award remaining to be spent. These reports are then used by CDE as the basis for conversations with subrecipients that have been identified as at risk of either failing to comply with carryover limitations related to Title I, Part A during the first year of an award or of failing to obligate all program funds by the end of the carryover period.

C.

INTERNAL CONTROLS



REQUIREMENT SUMMARY

The SEA shall establish and maintain a system of effective internal controls over Federal awards that provides reasonable assurance that the SEA is managing Federal awards in compliance with Federal statutes, regulations, and the terms and conditions of Federal awards. These internal controls should be in accordance with guidance stated in the "Standards of Internal Control in the Federal Government" (GAO Green Book) or the "Internal Controls Integrated Framework" (Treadway Commission).

Uniform Guidance 2 C.F.R. §200.303



DESCRIPTION OF SATISFACTORY IMPLEMENTATION

To ensure an adequate control environment, CDE clearly outlines job expectations, including both performance goals and ethical expectations for all staff, and requires ethics trainings to be completed by all staff as part of the onboarding process. CDE's internal control framework also includes numerous control activities across agency processes, including a strong emphasis on segregation of duties and multiple levels of review for transactions and approvals. To identify and assess risks affecting the operation of the agency, CDE annually completes an accountability report that outlines the SEA's internal risk assessment process and risk assessment results (including mitigation strategies for identified risks) and describes the internal controls monitoring activities in which CDE engages. Collectively, these activities exhibit a functional internal controls framework in operation at the agency.

E.

RECORDS AND INFORMATION MANAGEMENT



REQUIREMENT SUMMARY

An SEA shall keep records that fully show the amount of funds under a grant award or subgrant, how the SEA used the funds, the total costs of Federally supported projects, the share of costs provided from other sources, records to show compliance with program requirements, and any other records needed to facilitate an effective audit. An SEA shall also take reasonable measures to safeguard and protect personally identifiable information (PII). PII is information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual

Uniform Guidance 2 C.F.R. 200.79, 200.303(e), §200.333, §200.336(a)

EDGAR 34 C.F.R. §76.730-731



DESCRIPTION OF SATISFACTORY IMPLEMENTATION

CDE records retention policies outline categories of records, timelines for retention, and the process for storing, transferring, archiving, and destroying records. According to the policies, each division within CDE is responsible for assigning a records management coordinator who monitors the division's records for compliance with requirements and who is responsible for completing records transfers and other records management activities. To assist LEAs in meeting records retention requirements, CDE provide guidance to LEAs through the SEA's Finance and Grants website, which outlines retention requirements for records related to Federal grant programs and Federally funded activities.

To protect its information systems and safeguard data including personally identifiable information (PII), CDE requires all employees to receive training related to information security, requires all staff to use passwords to access networks, limits employee access within networks and systems using the principle of least privilege, utilizes encryption for sensitive information on all CDE devices and networks, and actively monitors the security status of all devices connected to the SEA network (including all mobile and guest devices). CDE also provides support and guidance to LEAs around information security through webinars with California Longitudinal Pupil Achievement Data System (CALPADS) administrators, presentations at trainings and conferences, and written guidance outlining information management policies for CALPADS collections and submission.

I.

INDIRECT COSTS



REQUIREMENT SUMMARY

An SEA shall ensure that indirect costs are only charged at the correct indirect cost rate. An indirect cost is a cost that is incurred for the benefit of the entire organization.

Uniform Guidance 2 C.F.R. §200.414

EDGAR 34 C.F.R. §76.560-569



DESCRIPTION OF SATISFACTORY IMPLEMENTATION

CDE uses approved indirect cost rates issued by the Department to make indirect cost charges for Federal programs. Charges are automatically calculated within the SEA's financial management system based on the amount of actual expenditures charged to each grant.

To ensure that subrecipients are correctly charging indirect costs to Federal awards, CDE annually provides LEAs with indirect cost rates. If an LEA elects to charge indirect costs to Federal programs, CDE's electronic grants management system includes automated controls to prevent LEAs from budgeting or charging excess indirect costs as dictated by an LEA's approved indirect cost rate and total award allocation.

K.

RESERVATIONS AND CONSOLIDATION



REQUIREMENT SUMMARY

The SEA shall ensure that the amount of program funds reserved for administration and other State activities does not exceed statutory limits for each program. SEAs are permitted to consolidate the administrative set-asides from several ESEA programs (Title I, Title IIA, Migrant Education Program, Negligent and Delinquent Youth Program, Rural and Low Income Schools Program, and the 21st Century Community Learning Centers Program) in order to administer them collectively.

ESEA §1003(a), §1003(g)(8), §1004(a)(1), §2113(c), §2113(d), §3111(b)(3), and §9201(a)

EDGAR 34 C.F.R. 299.4



DESCRIPTION OF SATISFACTORY IMPLEMENTATION

CDE ensures that the amount of program funds reserved for administration and other State activities does not exceed statutory limits for each program by providing guidance to LEAs (e.g., CDE accounting manual describes how LEAs can consolidate their administrative funds), verifying that LEAs correctly account for administrative funds through the Federal Program Monitoring (FPM) process, and by following a documented budget process. To calculate reservations, administrative and State activities are determined according to the State budget process. The budget office puts caps on the items to ensure that CDE is staying within its budget and the budget office prepares budget memos that allocate grant funding to projects. CDE uses accounting reports to monitor consolidated administrative expenditures and balances and establishes program cost accounts and/or projects for this purpose. Projects are then assigned based on Federal requirements. The State budget office ensures the budget memo is in line with minimums and maximums for each Federal grant and the accounting office reconciles Federal grants via carryover processes which includes reconciling to the budget memo and the budget memos are then updated in the event that the grant award amount changes. Although permissible, the State does not consolidate administrative funds. Through the consolidated application, however, LEAs can indicate if they plan to consolidate their administrative funds.

L.

BUDGETING AND ACTIVITIES



REQUIREMENT SUMMARY

An SEA and its subrecipients can only use program funds for allowable costs, as defined in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements (2 C.F.R. §200), which include, among other things, the requirement that costs be reasonable and necessary for the accomplishment of program objectives.

Uniform Guidance 2 C.F.R. §200.403-408 and §200.420-475

EDGAR 34 C.F.R. §76.530



DESCRIPTION OF SATISFACTORY IMPLEMENTATION

CDE uses its Consolidated Application and Reporting System (CARS) (<https://www.cde.ca.gov/fg/aa/co/index.asp>) to evaluate LEA budgets and budget amendments to ensure LEAs only use Federal funds for allowable costs under the applicable program. Apportionment letters to LEAs address program requirements and Uniform Guidance and applications submitted through CARS are subject to automated checks. These safeguards are further supported by CDE external reader analysis and a second level of staff review. During budget reviews CDE staff reference a desk manual and the Local Control and Accountability Plan (LCAP) addendum, which provide guidance on how to judge if costs are allowable, authorized, reasonable, and necessary. CDE also provides support to LEAs and county offices on writing and implementing the plans.

O.

SUBRECIPIENT MONITORING



REQUIREMENT SUMMARY

An SEA shall monitor local educational agencies (LEAs) and any other entities, including external providers, receiving Federal funds from programs covered in the Consolidated State Plan to ensure that performance goals are achieved and that subawards are used for authorized purposes and in compliance with Federal statutes, regulations, and the terms and conditions of Federal awards.

Uniform Guidance 2 C.F.R. §200.331(d)



DESCRIPTION OF SATISFACTORY IMPLEMENTATION

To ensure that performance goals are achieved and that subawards are used for authorized purposes and in compliance with Federal statutes, regulations, and the terms and conditions of Federal awards, CDE conducts integrated regular monitoring that covers fiscal and programmatic requirements across multiple Federal programs. CDE effectively implements its subrecipient monitoring system by:

- Encouraging coordination across CDE divisions (including the audit team),
- Conducting in-depth training for various stakeholders (including CDE monitors and LEA staff) on monitoring processes and program requirements,
- Clearly documenting the online and on-site review cycle (e.g., CDE Monitoring Tool manual),
- Expanding LEA protocols as necessary (based on risk analysis and documentation analysis),
- Working closely with LEAs to resolve findings, and
- Publicizing unresolved finding information on its public website.

CDE also uses monitoring to update technical assistance and trainings in response to repeated monitoring findings.

R.

MAINTENANCE OF EFFORT**REQUIREMENT SUMMARY**

An SEA shall ensure that each LEA shall have an amount of funding not less than 90% of the amount available the preceding year.

ESEA §9521

EDGAR 34 C.F.R. 299

**DESCRIPTION OF SATISFACTORY IMPLEMENTATION**

While the SEA conducts the MOE calculation, LEAs conduct an unofficial check through the financial reporting software, which allows for an automated process. CDE submitted documents that confirm that the SEA is looking for LEAs that miss MOE twice in five years. Additionally, documentation provided during the review confirms the accounting codes that reflect the correct types of expenditures to include in MOE calculation. When an LEA does not maintain effort, CDE uses standard language regarding notice of the option to apply for a waiver; should an LEA want to apply, CDE provides further support.

S.

COMPARABILITY**REQUIREMENT SUMMARY**

The SEA may only provide Title I, Part A funds to an LEA if State and local funds will be used in schools served by Federal programs to provide services that, on the whole, are at least comparable to services in schools that are not receiving Title I funds.

ESEA §1120A(c)

**DESCRIPTION OF SATISFACTORY IMPLEMENTATION**

To ensure comparability requirements are met, CDE posts on its website a list of LEAs that are required to submit comparability data and requires comparability reports from LEAs every other November. CDE reviews reports to verify calculations, including staff type, enrollment counts, and all other data included in calculations. At times, this includes CDE working with LEAs to correct misclassification. LEAs also submit comparability assurances through the consolidated application. CDE provides extensive instruction and guidance to LEAs with questions about how to demonstrate comparability.

T.

EQUITABLE SERVICES



REQUIREMENT SUMMARY

An SEA shall ensure that LEAs use Federal funds to provide benefits to eligible children enrolled in private schools and to ensure that teachers and families of participating private school children participate on an equitable basis.

ESEA §1117, §8501

ESEA Regulations 34 C.F.R. 299.6, 34 C.F.R. 299.9

Title I Regulations 34 C.F.R. 200.62-67

EDGAR 34 C.F.R. 76.661



DESCRIPTION OF SATISFACTORY IMPLEMENTATION

To ensure LEAs comply with equitable services requirements, CDE collects equitable services documentation, including proof of consultation, and calculations of equitable shares from LEAs. Private schools must also submit and certify data that includes prepopulated data for their attendance area. The CDE ombudsman provides equitable services technical assistance through presentations, individual calls and emails, regular meetings, and the dissemination of frequently asked questions (FAQs).

SECTION V

Met Requirements with Recommendation

A.

ACCOUNTING SYSTEMS AND FISCAL CONTROLS



REQUIREMENT SUMMARY

An SEA shall expend and account for Federal funds in accordance with State laws and procedures for expending and accounting for State funds. State accounting systems must satisfy Federal requirements regarding the ability to track the use of funds and permit the disclosure of financial results. SEAs must have written procedures for determining cost allowability and must maintain effective control over all funds.

Uniform Guidance 2 C.F.R. 200.302

EDGAR 34 C.F.R. 76.702



ISSUE

CDE provided documentation and explanations for the operation and management of the SEA's financial management infrastructure. CDE also provided examples and documented procedures for evaluating program expenditures for allowability and described several fiscal control activities designed to ensure appropriate and accurate spending. For example, to help prevent subrecipients from using program funds for unallowable expenditures, CDE provides subrecipients with guidance related to allowable costs through trainings and reviews documented procedures for determining cost allowability with LEAs during the FPM process.

While CDE provided robust evidence regarding its accounting systems and fiscal controls, two potential areas for improvement were identified through the review:

1. CDE's Funding Handbook and other materials pertaining to cost allowability include substantial material pertaining to the authorized activities for which program funds could be used. However, the documents do not include content related to the Uniform Guidance Federal Cost Principles. When evaluating cost allowability, it is essential that a grantee and its subrecipients consider the basic considerations for cost allowability (2 C.F.R. 200.402-411) and provisions for specific items of cost (2 C.F.R. 200.420-475) in conjunction with statutorily imposed limitations on the use of funds.
2. Both LEAs reviewed provided evidence of documented procedures for determining cost allowability. However, the content of the procedures varied substantially and CDE's guidance materials did not provide subrecipients with suggestions regarding the range of requirements and considerations that should be included as part of a subrecipient's procedures for determining

cost allowability. Without additional guidance from CDE regarding the range of requirements that should be used to evaluate cost allowability, there is a risk that subrecipients could fail to adequately evaluate expenditures and use Federal funds for unallowable costs.



RECOMMENDATION

The Department recommends that CDE:

1. Improve its documented procedures for cost allowability to include content related to the Uniform Guidance Federal Cost Principles, including content pertaining to both basic considerations for cost allowability and specific items of cost. The additional content could help CDE ensure that all necessary factors are considered when evaluating any single potential expenditure of Federal funds for allowability and help serve as a model for subrecipient procedures related to cost allowability.
2. Provide guidance to its LEAs regarding the content that should be included in an LEA's documented procedures for determining cost allowability. Given the diversity of LEAs across the State, such guidance could help ensure consistency in LEA procedures and in the treatment of similar types of costs across programs. When combined with CDE's review of the procedures during the FPM process, such guidance could help minimize the risk of subrecipients using Federal funds for unallowable costs.

D.

AUDIT REQUIREMENTS



REQUIREMENT SUMMARY

An SEA is responsible for both resolving the audit findings of subrecipients and for conducting audit follow-up activities and corrective actions for findings from the SEA's yearly Single Audit. An SEA is also required to ensure that subrecipients who meet the audit threshold are audited and the audits are reported according to established timelines.

Uniform Guidance 2 C.F.R. §200.303(d)(2), §200.331(d)(3), §200.331(f), §200.511(a), §200.512, and §200.521(c)



ISSUE

CDE demonstrated a clear process for monitoring subrecipient audit submission in conjunction with the California State Controller's Office, as well as a process for analyzing and resolving subrecipient audit findings pertaining to the covered programs. While CDE's School Fiscal Services Division is primarily responsible for audit resolution activities, its Federal program staff are consulted during the resolution of all Federal program findings and provide support in the evaluation of evidence of corrective action.

One area for improvement was identified during the review. While the sample management decision letters CDE provided clearly encompassed all elements required under 2 C.F.R. 200.521(a), including a statement as to whether or not a finding is sustained, the management decision letters did not provide subrecipients with an explanation for *why* CDE was sustaining or not sustaining a finding, nor did the decision letters include an explanation of how the subrecipient's activities violated applicable requirements. Including the reasoning behind a decision to sustain or not sustain an audit finding from a management decision letter is an opportunity for the SEA to provide additional guidance to a subrecipient regarding the steps needed to comply with the requirements at issue.



RECOMMENDATION

The Department recommends that, when developing and issuing management decision letters related to Federal program audit findings, CDE provide additional information within the letters describing why CDE has sustained or not sustained an audit finding, including specific content regarding how the subrecipient's behavior violated Federal requirements. Such information could assist subrecipients in better understanding the application of Federal requirements and prevent repeat findings.

F.

EQUIPMENT MANAGEMENT



REQUIREMENT SUMMARY

An SEA shall use, manage and dispose of equipment and supplies purchased using Federal funds in accordance with all relevant State laws and procedures. SEAs shall also ensure that equipment and supplies are used only for authorized purposes of the project during the period of performance (or until no longer needed).

Uniform Guidance 2 C.F.R. §200.313-314

GAO Green Book Principle 10.03



ISSUE

CDE's equipment and supplies management procedures are outlined in the agency's comprehensive property and inventory Manual. The manual outlines the categories of items inventoried by the SEA, the process for receiving and tagging items, the process for inventorying items and verifying location and condition of purchased items, procedures for investigating and addressing any lost or stolen items, and procedures for transferring and disposing of items when no longer needed for their original intended use. To ensure that subrecipients comply with all applicable equipment management requirements, CDE reviews LEA property records and physical inventory procedures as part of its FPM process. Conversations with LEAs during the review confirmed that CDE reviews LEAs' inventory procedures and highlighted that CDE provides very clear feedback to LEAs regarding their compliance with applicable requirements.

While CDE provided evidence that it reviews LEA inventory listings as part of its FPM process, CDE's protocols do not require verification of all of the inventory elements required under Uniform Guidance §200.313(d)(1). In addition, the property listings from both LEAs included in the OSS review were missing some of the required information.



RECOMMENDATION

The Department recommends that CDE update its FPM protocols to ensure that program monitors verify that LEA property records include the Federal Award Identification Number (FAIN) for the program used to fund the purchase of an item (where applicable), the percentage of Federal participation in the project costs for the Federal award under which the property was acquired, and the intended use of purchased items.

G.

PERSONNEL



REQUIREMENT SUMMARY

An SEA shall ensure that charges to Federal awards for salaries are based on records that accurately reflect the work performed. These records must be supported by a system of internal controls which provide reasonable assurance that the charges are accurate, allowable, and properly allocated.

Uniform Guidance 2 C.F.R. §200.430



ISSUE

CDE demonstrated that it has a system of internal controls which provides reasonable assurance to support that time and effort charges for employees paid using Federal funds are accurate, allowable, and properly allocated. CDE also reviews time and effort documentation and procedures during its FPM process to ensure subrecipient compliance with applicable requirements and provides guidance to subrecipients outlining requirements for documenting personnel expenditures charged to Federal programs.

Conversations with LEA staff provided further evidence of CDE's oversight and guidance activities regarding the documentation of personnel charges to the covered programs. However, several sample time and effort documents provided by an LEA during the review did not include evidence of supervisory review despite the LEA's procedures requiring supervisors to provide a signed attestation regarding the allocation of time and effort of employees towards different Federal and non-Federal cost objectives. While CDE's monitoring and guidance efforts in these areas are sufficient to meet requirements, additional reinforcement through guidance or technical assistance would help LEAs understand the importance of closely following their procedures for documenting time and effort, thereby avoiding any potential unallowable expenditures.



RECOMMENDATION

The Department recommends that CDE reiterate to its subrecipients that, where supervisory approval is required to substantiate employee time and effort charges to Federal programs, the subrecipient must ensure that all documentation receives such supervisory approval. This additional guidance could help ensure that LEAs understand the importance of accurate and complete time and effort documents and, in conjunction with CDE's existing guidance and oversight in this area, further mitigate the risk of unallowable personnel expenditures.

H.

PROCUREMENT



REQUIREMENT SUMMARY

An SEA shall ensure that all relevant State procurement procedures are followed when procuring goods and services using Federal funds. An SEA must also maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specification of their contracts.

Uniform Guidance 2 C.F.R. §200.317, §200.322, and §200.326



ISSUE

CDE documented that it follows applicable State and Federal procurement requirements. CDE exercises authority delegated from the California Department of General Services when conducting procurement transactions. CDE's procurement policies clearly detail the procedures for various types of procurement transactions based on the value of the transaction and outline ethical considerations for conducting procurement transactions, including policies related to conflicts of interest.

While CDE meets this requirement for its procurements, in the course of the review, the Department noted that CDE reviews LEA procurement procedures and sample transactions in its subrecipient monitoring. CDE's process, while useful, focuses only on determining whether an LEA has violated allowable costs or supplement, not supplant requirements; the limited focus represents a missed opportunity for CDE to verify and ensure compliance with other applicable Federal procurement requirements.



RECOMMENDATION

The Department recommends that CDE update its FPM monitoring protocols to include a review of LEA compliance with procurement requirements during its evaluation of procurement transactions. As part of their review, CDE monitors should, for example, ensure that LEAs maintain documented procurement procedures and documented standards of conduct covering conflicts of interest as required under Uniform Guidance §200.318 and that LEA procurement procedures require the use of appropriate methods of procurement based on the value of a transaction as outlined in Uniform Guidance §200.320. Including these requirements in its FPM process would help CDE to ensure that procurements conducted with Federal program funds are made in accordance with requirements, applicable competition standards are met, protections against conflicts of interest are in place, and funds are protected from waste or abuse through inappropriate contracting.

P.

LEA SUPPORT AND GUIDANCE



REQUIREMENT SUMMARY

An SEA shall have procedures for providing technical assistance and evaluating how project funds were spent, if they were spent in compliance with statutes and regulations, and if expected outcomes were achieved as a result of spending.

EDGAR 34 CFR 76.770



ISSUE

CDE utilizes multiple mechanisms for providing guidance and technical assistance to LEAs in an effort to ensure Federal programs are operating as intended and that performance goals are being achieved. This includes written guidance, conferences, trainings, webinars, and peer-to-peer learning opportunities. CDE is also responsive to program requirement questions from LEAs. For example, if CDE receives repeated questions on a topic, it adds the question to a regularly updated FAQ that is disseminated broadly. CDE also collaborates with various professional organizations and county offices to understand LEA needs and convey program requirement information. However, it is not clear if CDE solicits questions and requests for technical assistance from LEAs.



RECOMMENDATION

The Department recommends that CDE develop a protocol for LEAs to use when soliciting technical assistance, which could streamline the process and establish a record of the request for additional assistance. This protocol would be helpful to CDE in effectively addressing specific LEA needs in addition to assisting with implementation of federal programs across key topic areas. Although this task could be daunting given the size of the state, it could help LEAs identify their needs and thereby do a better job soliciting assistance from the State.

U.

DATA QUALITY



REQUIREMENT SUMMARY

An SEA is required to have appropriate procedures in place to ensure that the data reported to the public and the Department are high quality (i.e., timely, complete, accurate, valid, and reliable).

ESEA §1111(h) (4)

Government Accountability Office's "Standards for Internal Control in the Federal Government" (GAO Green Book)

Uniform Guidance 2 CFR 200.303 and 2 CFR 200.328(b)

OMB Circular A-133 Compliance Supplement: Department of Education Cross-cutting Section

Final Audit Report: ED-OIG/A0600001



ISSUE

CDE has procedures in place to ensure that the data reported to the public and the Department are high quality, such as a uniform data submission process through CALPADS, which allows CDE to efficiently review submissions for quality, and CALPADS required data quality checks. However, such procedures were not sufficient to mitigate the data quality issues related to graduation rate data, as described in a FY 2018 Office of the Inspector General report.⁹



RECOMMENDATION

The Department recommends CDE continue strengthening the data quality technical assistance and training it provides to LEAs, building on existing statewide California School Information Services (CSIS) program office efforts. Additional emphasis in this area would particularly help LEAs with a history of data reporting and data collection problems.

⁹ See <https://www2.ed.gov/about/offices/list/oig/auditreports/fy2018/a02q0005.pdf> for more information.

SECTION VI

Action Required

J.

CHARTER SCHOOL AUTHORIZATION AND OVERSIGHT



REQUIREMENT SUMMARY

The SEA provides information on OSS programs (i.e., allocations; applications; and requirements, including requirements for proper disposition of equipment and property) to all charter schools and LEAs and Charter Management Organizations (CMOs) or Education Management Organizations (EMOs) that oversee charter schools, has established internal controls related to the charter schools' relationships with their CMOs/EMOs, and has clear procedures that are systematically monitored for orderly closure, where applicable.

ESEA §§1122(c), 1125A(g)(3), 4306

EDGAR 34 C.F.R. §75.525(a) and §75.525(b)

Uniform Guidance 2 C.F.R. §200.318(c)

Final Audit Report: ED-OIG/A02M0012



ISSUE

New and significantly expanded charter schools, including charter school LEAs, are treated differently from other LEAs under the ESEA. Specifically, section 4306(a) of the ESEA requires that, for purposes of allocations under Federal formula grant programs, including Title I of the ESEA, an SEA must take measures to ensure that every charter school receives the Federal funding for which it is eligible not later than five months after the charter school first opens or significantly expands. In other words, a newly opened or significantly expanded charter school must receive Federal funds based on the identity and characteristics of students who are enrolled in the charter school when it opens or significantly expands, even if those data are not fully and completely determined until the charter school actually opens or expands. The Department's regulations make clear that these requirements apply to both charter schools within an LEA and charter school LEAs. See 34 C.F.R. part 76, subpart H.

With respect to Title I, Part A allocations to charter school LEAs, section 4306(c) of the ESEA further requires an SEA to calculate a hold-harmless base for a newly opened or significantly expanded charter school LEA under each Title I formula that reflects the new or significantly expanded enrollment of the charter school LEA. Otherwise, the intent of section 4306(a)—i.e., to ensure that allocations reflect the actual enrollment of a new or significantly expanded charter school LEA—would not be realized. Without this requirement, a new charter school LEA might receive few, if any, Title I, Part A funds if those funds are needed to increase the allocation of other LEAs to meet their hold-harmless amounts. The manner in which the Title I, Part A formulas to LEAs operate, in which all LEAs are interdependent, makes

allocating funds to charter school LEAs very different from allocating funds to charter schools within an LEA. A charter school that was previously part of an LEA and subsequently becomes an independent LEA is a new charter school LEA because that is the first time it receives Title I, Part A allocations from the SEA vis á vis all other LEAs in the State. Accordingly, the requirements applicable to a newly opened charter school LEA in section 4306(c) of the ESEA apply.

CDE indicated that each year it has approximately 5-10 charter schools change their “fund type election” to receive their funding directly as an LEA instead of through the LEA that grants their charter, known as the “authorizing LEA.” This means that, with respect to Title I, Part A allocations, these LEAs were previously part of an LEA, served students, and then became their own LEA in the subsequent year. Because these charter schools previously operated as part of an LEA, at the time of the performance review CDE did not classify them as “newly opened” for purposes of section 4306 of the ESEA.

The statutory formulas in sections 1124 through 1125A of the ESEA apply to charter school LEAs, whereas the requirements in section 1113(c) of the ESEA apply to allocating funds to charter schools within an LEA. Absent considering a charter school that changes its funding type to an LEA as a new LEA for purposes of section 4306(c) of the ESEA, the charter school LEA would have a base of zero for purposes of applying the 85, 90 or 95 percent hold-harmless level in sections 1122(c) and 1125A(g)(3) of the ESEA, and thus could receive no funding or very limited funding if there is not enough funding available to meet the hold-harmless requirement for each currently eligible LEA that previously received a Title I, Part A allocation.

REQUIRED ACTION

Within 30 business days of receiving this report, CDE must provide the Department with a plan and timeline for updating its allocation process for new charter school LEAs. Beginning with school year 2019-2020 allocations, CDE must consider a charter school that changes its funding type to an LEA as a new charter school LEA for purposes of section 4306(c) of the ESEA by calculating a hold-harmless base for each new charter school LEA that was previously part of another LEA when allocating Title I, Part A funds. Nothing in this corrective action should be construed as requiring CDE to take additional actions, such as changing how it tracks the operating status of charter schools or its cash management practices.

M.

ALLOCATIONS



REQUIREMENT SUMMARY

SEAs shall ensure that, when subawarding funds to LEAs or other subrecipients, it makes subawards in accordance with applicable statutory requirements (including requirements related to the process for subawarding funds and the amounts to be subawarded to individual subrecipients).

ESEA §1124, §1124A, §1125, §1126(b), §2121, §2122(a), §2132, §3111(b)(1), §3114, §3116(a), §1003(g)(5), and §1003(g)(7).

EDGAR 34 C.F.R. §76.50-51, §76.300, and §76.789



ISSUE

Under Uniform Guidance §200.331(a), an SEA is required to ensure that every subaward includes all required information at the time of the issuance of the subaward. When some of this information is not available, the SEA must provide the best information available to describe the Federal award and subaward. (2 C.F.R. 200.331(a)). The sample SIG grant award notifications (GANs) for 2017 and 2018 CDE provided for review did not include the following required elements: subrecipient unique entity identifier/DUNS number, Federal award date, and indirect cost rate.



REQUIRED ACTION

Within 30 business days of receiving this report, CDE must provide the Department with evidence the SEA is in compliance with Uniform Guidance §200.331, including that the GAN includes the subrecipient unique entity identifier/DUNS number, Federal award date, and indirect cost rate.

N.

RISK ASSESSMENT



REQUIREMENT SUMMARY

In order to determine the appropriate method and level of subrecipient monitoring, an SEA shall evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward.

Uniform Guidance 2 C.F.R. §200.331(b)



ISSUE

Under Uniform Guidance §200.331(b), SEAs must evaluate each subrecipient's risk of noncompliance with statutes, regulations, and the terms and conditions of the subaward when determining the appropriate method of subrecipient monitoring to be used during a FY. The Uniform Guidance requirements apply to all Federal awards made after December 24, 2014. The Department initially found that CDE considers aspects including program size, fiscal analysis (e.g., audit findings, large amounts of carryover), and compliance history (i.e., unresolved monitoring findings) to assess subrecipient risk, but CDE does not apply these factors in a systematic or formal way. The Department concluded that while CDE runs multiple reports during each monitoring cycle to assess LEA risk on each of the aforementioned factors, allowing for CDE staff to engage in discussion of the risk factors, CDE does not apply them formally to inform which LEAs are monitored.



REQUIRED ACTION

In response to the Department's finding, CDE provided additional information about the procedure by which it identifies high-risk LEAs for monitoring. According to CDE, the State employs a rotating schedule that allows CDE to perform a risk assessment for approximately half of the LEAs in California each year. CDE indicated that LEAs which exhibit at least one of any seven risk factors are identified for compliance monitoring reviews. Other program offices may consider additional risk factors along with the seven included in CDE's procedure. CDE noted that for fiscal year 2017-2018, CDE's Fiscal Monitoring Unit planned to conduct 20 on-site and 39 online reviews of LEAs with high-risk fiscal and program indicators, from a total of 40 LEAs identified for on-site and 61 identified for online reviews. Therefore, no further action is required.

Q.

SUPPLEMENT NOT SUPPLANT



ISSUE

Supplement, not supplant requirements for the Title I, Part A, Title II, Part A, and Title III, Part A programs ensure that Federal program funds are not used to replace or make up for shortfalls in State and local funding for schools. For the Title I program, §1120A(b) of the ESEA, as amended by NCLB, requires an SEA or LEA to use program funds only to supplement the funds that would, in the absence of such funds be made available from non-Federal sources for the education of students participating in programs funded by the Title I program, and not to supplant such funds. Similar requirements apply to the Title II and Title III programs. Under ESEA §2113(f) and §2123(b), both an SEA and its LEAs must ensure that Title II funds are used to supplement, not supplant non-Federal funds that would otherwise be used for activities authorized under the Title II program. For the Title III program, ESEA §3115(g) requires that program funds be used so as to supplement and not supplant Federal, State, and local funds that, in the absence of Title III funds, would have been expended for programs for limited English proficient children and immigrant and youth.

In a school operating a schoolwide program under Title I, Part A, the supplement, not supplant requirement of ESEA §1120A(b) does not apply as it does for a targeted assistance program, and a schoolwide program does not need to demonstrate that Title I, Part A funds are used only for activities that supplement those the school would otherwise provide with non-Federal funds. However, in order for Federal funds to make a difference in supporting school reform in a schoolwide program, Title I, Part A funds must supplement those non-Federal funds the school would otherwise receive. As required under ESEA §1114(a)(2)(B), an LEA operating a schoolwide program in a Title I school must ensure that the school receives the amount of funds from non-Federal sources it would receive in the absence of the Title I, Part A funds (including funds needed to provide services that are required by law for children with disabilities and English learners). In other words, the supplement, not supplant requirement for a schoolwide program is a funds-based test to ensure the school receives all non-Federal funds it would receive if it did not receive Title I, Part A funds. As such, while an SEA is not required to ensure compliance with ESEA §1120A(b) using the same methods as it would for targeted assistance schools, it

REQUIREMENT SUMMARY

The State and its subgrantees must ensure that funds from the Title I, Part A, Title II, Part A and Title III, Part A programs are used to supplement not supplant State and local funds (as well as other Federal funds for the Title III, Part A program).

ESEA §1114(a)(2)(B), §1120A(b), §2301, and §3115(g)

EDGAR 34 C.F.R. §200.79

must ensure that the requirements of ESEA §1114(a)(2)(B) are met for Title I schools operating schoolwide programs.

The Department initially identified two primary issues regarding how CDE is meeting supplement, not supplant requirements:

1. At the time that monitoring occurred, the Department found that CDE's FPM instrument did not include an evaluation of whether LEAs comply with supplement, not supplant requirements in their Title I, schoolwide and targeted assistance programs, indicating that CDE's process for evaluating LEA compliance did not distinguish between supplement, not supplant standards for Title I schoolwide and targeted assistance programs.
2. At the time that monitoring occurred, the Department found that CDE's process for monitoring compliance with Title II, Part A and Title III, Part A supplement, not supplant requirements did not sufficiently consider the requirements for each program.

REQUIRED ACTION

In response to the Department's finding outlined above, CDE provided its FPM Fiscal Monitoring Instrument, which results in CDE reviewing documentation provided by the LEA regarding its procedures for supplement, not supplant requirements, differentiated for schoolwide and targeted assistance schools. As the requirement to separately consider schoolwide and targeted assistance schools differently no longer applies under ESEA, as amended by ESSA, no further action is required.

CDE submitted documentation to the Department after the monitoring visit to demonstrate how, as part of the fiscal component of its FPM process, it evaluates LEAs' compliance with supplement not supplant requirements for Title II, Part A and Title III programs. According to statements made during the review and the responsive documentation submitted after the review, CDE reviews accounting records, payroll and allowable costs and checks random expenditures to determine if LEAs violated the supplement, not supplant requirements in their implementation of the Title II, Part A and Title III, Part A programs. CDE's process also includes instructions specific to Title III to account for Federal, state and local funds. Therefore, no further action is required.

V.

TRANSPARENCY AND DATA REPORTING



ISSUE

Under ESEA §1111(h), an SEA and its LEAs are required to prepare and annually disseminate report cards that include information related to student and school performance within the State. CDE uses a dashboard to publicly display all Federally required report card data and has features that allow for information to be translated into seven different languages.

The Department found that, as of July 2018, CDE had not yet made publicly available its SEA and LEA report card data for SY 2016-2017. In addition, CDE had not shared LEA report cards with LEAs for SY 2016-2017, nor had those report cards been posted on LEA websites for public availability. In December 2018 CDE disseminated its State and LEA report cards for SY 2016-2017, but did not include several required elements, including:

- The four-year adjusted cohort high school graduation rates (ACGR) for all students and disaggregated by each major racial and ethnic group; economically disadvantaged students as compared to students who are not economically disadvantaged; children with disabilities as compared to children without disabilities; and English proficiency status and, if applicable, the extended-year adjusted cohort graduation rates; and
- The percentage of students not assessed for all students and each subgroup of students.

As of January 2020, CDE had posted State and LEA report cards on its website containing the four-year ACGR for all students and disaggregated by each major racial and ethnic group and English proficiency status and the percentage of students not assessed for all students and each subgroup of students. However, the State and LEA report cards did not include information on student achievement for either economically disadvantaged students as compared to students who are not economically disadvantaged or children with disabilities as compared to children without disabilities.



REQUIRED ACTION

Within 60 business days of receiving the report, CDE must update its 2018-2019

REQUIREMENT SUMMARY

An SEA and its LEAs are required to prepare and annually disseminate report cards that include all required elements to the public in a timely manner.

ESEA §1003(f) and §1111(h) (1)

Title I Regulations 34 C.F.R. §200.11

State and LEA report cards to include all required elements under the ESEA, as amended by ESSA.