



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL
Chicago/Kansas City Audit Region



111 N. Canal St. Ste. 940
Chicago, IL 60606-7297
Phone (312) 886-6503
Fax (312) 353-0244

8930 Ward Parkway, Ste 2401
Kansas City, MO 64114-3302
Phone (816) 268-0500
Fax (816) 823-1398

November 13, 2006

Control Number
ED-OIG/A05G0015

Dr. Susan Tave Zelman
Superintendent of Public Instruction
Ohio Department of Education
25 South Front Street
Columbus, Ohio 43215-4183

Dear Dr. Zelman:

This **Final Audit Report** presents the results of our audit entitled *Ohio Department of Education's Title I, Part A, Comparability of Services Requirement*. Our audit objectives were to determine whether the Ohio Department of Education (ODE) (1) monitored local education agencies' (LEA) compliance with Title I, Part A, Comparability of Services and (2) ensured that the LEAs were reporting complete and accurate comparability information to ODE for the period July 1, 2003, through June 30, 2004 (2003-2004 program year). We also obtained information covering the 2004-2005 program year to ensure annual compliance with comparability requirements.

BACKGROUND

The Title I, Part A, program of the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the No Child Left Behind Act of 2001 (P.L. 107-110), provides financial assistance through state educational agencies (SEA) to LEAs and those elementary and secondary schools with the highest concentrations of children from low-income families. To be eligible to receive Title I funds, an LEA must use state and local funds to provide services in Title I schools that, taken as a whole, are at least comparable to services provided in non-Title I schools. ODE allocated ESEA, Title I, Grants to LEAs totaling \$365,642,385 to 590 of 613 LEAs and \$351,225,015 to 584 of 615 LEAs in the 2003-2004 and 2004-2005 program years, respectively.

In 2004, ODE established a compliance monitoring system to assist LEAs in assuring that they are meeting the legal requirements of all programs for which they receive federal funding, including Title I, Part A. The monitoring system includes four tiers (Self Evaluation, Desk Audit, Telephone Interview, and Site Visit). Each year ODE randomly assigns a cohort, composed of one third of the LEAs, to be monitored by means of the online self-evaluation.

ODE selects at least ten percent of the LEAs in the cohort to receive a site visit as part of the monitoring process.

To verify whether ODE was monitoring LEAs' compliance with Title I, Part A, Comparability of Services, we judgmentally selected, for testing, and visited three LEAs within the State of Ohio: Cleveland Municipal School District (Cleveland), Dover City School District (Dover), and Buckeye Valley Local School District (Buckeye Valley).¹ The Title I allocations for the LEAs' 2003-2004 and 2004-2005 program years are represented in the table below.

LEA Name	2003-2004 Title I Allocation	2004-2005 Title I Allocation
Cleveland	\$48,677,123	\$48,480,784
Dover	\$329,469	\$323,116
Buckeye Valley	\$188,841	\$126,171

An LEA may determine comparability on a district wide basis or on a grade span basis. When grade levels overlap within a particular grade span, the LEA looks at where the majority of grade levels fall within the span to determine whether the school should be in elementary, middle, or high school grade spans. For the 2003-2004 and 2004-2005 program years, ODE allowed LEAs two methods to demonstrate comparability among schools: student/instructional staff ratio (Method A) or per pupil expenditure (Method B). According to ODE policy, the method the LEA selects must be uniformly applied across all schools within the LEA.

AUDIT RESULTS

ODE can improve its monitoring of LEAs' compliance with Title I, Part A, Comparability of Services. ODE did not ensure that LEAs were reporting complete and accurate comparability information. ODE did not adequately monitor LEAs' compliance because ODE did not always use correct data when reviewing the LEAs' comparability reports for the 2003-2004 program year. In addition, ODE did not ensure that each LEA developed and followed procedures for complying with comparability of services requirements in the 2003-2004 and 2004-2005 program years. As a result, ODE cannot ensure that the LEAs were reporting complete and accurate comparability information. Two of the three LEAs we visited had reported inaccurate or unsupported comparability information to ODE. Therefore, ODE was not able to demonstrate that two of the three LEAs used state and local funds to provide services in Title I schools that were at least comparable to services provided in non-Title I schools.

In response to the draft report, ODE did not dispute our findings and generally concurred with all of the recommendations, except for Recommendation 2.1. ODE's comments are summarized at the end of each finding and the full texts of the comments are included as Attachments to this report.

¹ By selecting 3 of 615 LEAs, we tested approximately 7.4 percent and 7.2 percent of the total Title I funding that ODE distributed to the LEAs in 2003-2004 and 2004-2005 program years, respectively.

FINDING NO. 1 – ODE Can Improve Its Monitoring of LEAs' Compliance with Title I, Part A, Comparability of Services

ODE can improve its monitoring of LEAs' compliance with the Title I, Part A, Comparability of Services requirement. ODE did not ensure it used correct data when reviewing the LEAs' comparability. In addition, the monitoring team did not verify whether the LEAs had adequate procedures in place to ensure compliance with the comparability of services requirements.

Section 1120A(c)(1)(A), of the ESEA states that an LEA may receive funds under this part only if state and local funds will be used in schools served under this part to provide services that, taken as a whole, are at least comparable to services in schools that are not receiving funds under this part. Under the *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, 34 C.F.R. 80.40(a), grantees are responsible for managing the day-to-day operations of grant and subgrant supported activities. Grantees must monitor grant and subgrant supported activities to assure compliance with applicable federal requirements and that performance goals are being achieved. Grantee monitoring must cover each program, function, and activity.²

Section 1120A(c)(3)(A), of the ESEA also states that each LEA assisted under this part shall develop procedures for compliance with this subsection. According to the U.S. Department of Education's (Department) *Policy Guidance for Title I, Part A: Improving Basic Programs Operated by Local Educational Agencies* (April 1996), an LEA must develop procedures for compliance with the comparability requirements and implement those procedures annually.

ODE Did Not Always Ensure it Used Correct Data to Review Comparability Reports

During the 2003-2004 program year, ODE used outdated data when reviewing some of the LEAs' comparability reports. As a result, it used incorrect data to review comparability reports for 1 of 15 LEAs selected for testing. ODE's Comprehensive Continuous Improvement Plan (CCIP) system included incorrect data for 7 of the 65 total schools within the Toledo LEA. ODE incorrectly altered the data on Toledo's comparability reports to match the outdated data. ODE's comparability file did not include documentation to show that it contacted Toledo to confirm that the changes it made to Toledo's comparability report data were correct, prior to entering them.

ODE used the CCIP to review data such as the Information Retrieval Number (IRN), grade span, and building name for accuracy in the comparability reports. The CCIP downloads its data from the Ohio Education Directory System (OEDS), which is populated by the LEAs.

ODE does not update CCIP from OEDS on a regular basis. The most recent CCIP update from OEDS, prior to comparability, was completed on July 1, 2003, and ODE reviewed Toledo's comparability report on December 2, 2003. Comparability reports were due to ODE from the LEAs on December 1, 2003. Therefore, the CCIP data was five months old when comparability was completed. Although the Toledo LEA had updated the OEDS system on September 3, 2003, ODE finally downloaded the CCIP from OEDS again on December 23, 2003. As a result, outdated data from the CCIP was used to review Toledo's reported comparability data during the

² All regulatory citations are as of July 1, 2003.

2003-2004 program year. The errors did not affect the comparability results for the 2003-2004 program year. However, ODE's incorrect data revisions may affect its ability to identify non-comparable LEAs in the future.

The Monitoring Team Did Not Verify LEAs had Adequate Procedures in Place

Although ODE monitored the LEAs,³ its monitoring procedures did not ensure that the LEAs had adequate procedures to comply with comparability requirements. We found that two of the three LEAs we visited had inadequate procedures in place.⁴ Buckeye Valley did not have procedures in place for complying with comparability of services requirements in the 2003-2004 program year. Although it started to develop procedures for the 2004-2005 program year, the procedures were inadequate. In addition, Cleveland had inadequate procedures in place for complying with comparability of services requirements in the 2003-2004 and 2004-2005 program years. The Cleveland and Buckeye Valley LEAs' procedures did not include specific instructions on the steps necessary for determining comparability.

ODE conducted an onsite review of Cleveland as part of its compliance monitoring process for the 2003-2004 program year. Dover and Buckeye Valley were only required to complete the online self-evaluation for the 2004-2005 program year. The ODE compliance monitoring team's onsite checklist did not contain a step to ensure whether the LEAs maintained documentation to support the data reported for comparability and had adequate procedures for completing their comparability reports. The only Title I area that the monitoring team reviewed, relevant to comparability, was the availability of low-income data, which is used to determine eligibility, and enrollment data. The monitoring team did not ensure that the LEAs were maintaining documentation of staffing or budget data, which is also required to compute comparability.

ODE might have misinterpreted the law and guidance concerning the LEAs' need for its own procedures. ODE stated that the language in both Section 1120A(c)(3) and the Department's guidance which states that each LEA must develop procedures for comparability compliance and those procedures should be in writing is permissive and only a recommendation.

Because ODE did not adequately monitor LEA compliance with Title I, Part A, Comparability of Services, it was not able to demonstrate whether schools used state and local funds to provide services in Title I schools that were at least comparable to services provided in non-Title I schools.

Recommendations

We recommend that the Assistant Secretary for Elementary and Secondary Education require ODE to—

- 1.1 Update CCIP from OEDS on a more regular basis to ensure that current information is used to review comparability reports.

³ See Background Section of this report for more information.

⁴ See Finding No. 2 for more information.

- 1.2 Obtain confirmations from LEAs regarding all revisions ODE makes to reported comparability data.
- 1.3 Ensure LEAs develop written procedures for compliance with the comparability of services requirement and implement those procedures annually.
- 1.4 Require the compliance monitoring team to review the adequacy of the LEAs' procedures during its monitoring process.

ODE Comments

ODE generally agreed with the recommendation related to updating data to the CCIP tool on a more regular basis. ODE agreed that additional emphasis on the development and implementation of written procedures would likely assist LEA administrators to improve the quality of their work and leave a cleaner audit trail. ODE also agreed to increase oversight of LEA-written procedures to help ensure that the LEA staff can identify their sources of data and the point in time the data represents in complying with the comparability requirements. However, ODE initially questioned Recommendation No. 1.2, which stated ODE should obtain confirmations from LEAs regarding all revisions it makes to reported comparability data because it misunderstood the recommendation. After we clarified the interpretation of the recommendation for ODE, it sent us a revised response in which it concurred with the recommendation. (See Attachment 2)

OIG Response

Based on ODE's comments to the draft report and the documentation ODE provided, we did not change our finding or recommendations.

FINDING NO. 2 – ODE Did Not Ensure That LEAs Were Reporting Complete and Accurate Comparability Information

Two of the three LEAs we visited had inaccurate or unsupported comparability information during the 2003-2004 and 2004-2005 program years.

- Buckeye Valley did not maintain adequate documentation to support its instructional staff and student data used to populate its 2003-2004 comparability reports. In addition, Buckeye Valley did not maintain adequate documentation to support its instructional staff data used to determine its comparability for the 2004-2005 program year, a non-reporting year. Therefore, we could not determine whether the comparability information reported to ODE was complete and accurate. Specifically, Buckeye Valley was able to retrieve some supporting documentation from its schools to support its instructional staff and student data; however, the supporting documentation was incomplete and disorganized. For the 2003-2004 and 2004-2005 program years, we reviewed the documentation for all three of Buckeye Valley's elementary schools. The full time equivalency calculations included in the documents for all three of the elementary schools tested were incorrect and notations to support those calculations were either unsubstantiated or absent. In addition, for the 2003-2004 program year, the student data calculations included in the documents for all three of the elementary schools tested were incorrect and notations to support those calculations were either unsubstantiated or absent; for instance, preschool

and half day kindergarten were not subtracted from student totals used to complete the comparability report.

- Cleveland entered the number of instructional staff employed on a given day instead of the full time equivalency when completing its comparability reports. Therefore, the student/instructional staff ratios may be understated, making it appear as though Cleveland and its individual schools met comparability requirements.
- Cleveland and Buckeye Valley may not have extracted the instructional staff and student data they used to populate the 2003-2004 and 2004-2005 comparability reports from their systems on the same date. Therefore, the data may not have been appropriate for comparison purposes. Specifically, Cleveland's instructional staff and student data, which reside on individual systems, were not being updated on the same dates. According to a Cleveland official, instructional staff data were updated daily while the student data may have only been updated on a weekly basis. Buckeye Valley obtained its instructional staff and student data in the same month, but not on the same date. Neither Cleveland nor Buckeye Valley could provide supporting documentation to demonstrate that the data was extracted on the same date as required by ODE policy.

Section 1120A(c)(1)(A), of the ESEA states that an LEA may receive funds under this part only if state and local funds will be used in schools served under this part to provide services that, taken as a whole, are at least comparable to services in schools that are not receiving funds under this part.

Pursuant to 20 U.S.C. § 1232f, each recipient of federal funds shall maintain records, as will facilitate an effective financial or programmatic audit, for three years after the completion of the activity for which the funds were used. In addition, the Department's *Policy Guidance for Title I, Part A: Improving Basic Programs Operated by Local Educational Agencies* (April 1996), states if the LEA files a written assurance that it has established and implemented a district-wide salary schedule and policies to ensure equivalence among schools in staffing and in the provision of materials and supplies, it must keep records to document that the salary schedule and policies were implemented and that calculations demonstrate that equivalence was achieved among schools in staffing, materials, and supplies. If the LEA established and implemented other measures for determining compliance with comparability, such as student/instructional staff ratios, it must maintain source documentation to support the calculations and documentation to demonstrate that any needed adjustments to staff assignments were made. [Section 443 of the *General Education Provisions Act and 34 C.F.R. 76.730 and 80.42*] In addition, according to ODE's policy, a district must enter instructional staff using the full time equivalency basis, and student enrollment data for the same date to determine the student/instructional staff ratio for comparability.

Buckeye Valley's Title I Coordinator relied on the schools to maintain supporting documentation for instructional staff and student data used in the comparability reports. Cleveland used an actual staff count employed on a given day instead of the full time equivalency for instructional staff on its comparability reports because it believed that it would not have an adverse impact on any individual school's comparability.

Cleveland and Buckeye Valley LEAs had not fully considered the ODE policy concerning the collection of data from the same day in order to produce an accurate representation of the comparability of services information. Cleveland believes that Section 1120A(c)(2)(C) of the

ESEA, which states that “an LEA need not include unpredictable changes in enrollment or personnel assignments that occur after the beginning of the school year in determining comparability of services” does not accommodate the “same date” directive nor does it recognize the latitude provided by the law in the citation referenced. Although it was aware of ODE’s comparability policy, Buckeye Valley felt that it was sufficient to complete the instructional staff and student counts in the same month. ODE added that its policies use the term that all enrollment and instructional staff full time equivalency figures used be “determined on the same date,” which implies the same intent as the Department’s guidance. However, ODE did not review the LEAs’ procedures for reporting complete and accurate comparability of services information.⁵

ODE did not ensure that the LEAs had adequate procedures in place and that the procedures were implemented to facilitate reporting complete and accurate comparability information as reported in Finding No. 1 of this report. Therefore, ODE was not able to demonstrate whether schools in the LEAs we reviewed used state and local funds to provide services in Title I schools that were at least comparable to services provided in non-Title I schools.

Recommendations

We recommend that the Assistant Secretary for Elementary and Secondary Education require ODE to —

- 2.1 Provide sufficient and verifiable documentation to support compliance with the comparability of services requirement or return to the Department that portion of \$315,012⁶ in Title I, Part A, funds that Buckeye Valley LEA allocated to non-comparable schools for the 2003-2004 and 2004-2005 program years.
- 2.2 Implement controls to ensure that the LEAs understand and comply with the comparability of services requirements for Title I, Part A.

ODE Comments

ODE concurred with the draft report finding related to the LEAs’ need to maintain documentation to substantiate their work. ODE also agreed, in part, to the requirement to use "same date" data, but believes this provides an opportunity to get more clarity related to that term. In addition, ODE concurred with the finding that Buckeye Valley failed to maintain the exact records used to support the initial comparability report data that Buckeye Valley submitted to ODE. However, ODE did not concur with Recommendation 2.1. ODE believes that its reconstructed source documentation and revised comparability reports, provided prior to its response to the draft report, show that comparability was achieved and that Buckeye Valley was able to provide services that, taken as a whole, were substantially comparable in each of the elementary schools for both the 2003-2004 and 2004-2005 school years. (See Attachment 1)

OIG Response

The additional documentation ODE provided to support the revised comparability reports did not include explanations on how the FTE totals were calculated. In addition, the supporting

⁵ See Finding No. 1 for more information.

⁶ According to ODE, Buckeye Valley received \$188,841 and \$126,171 in Title I, Part A, funds in the 2003-2004 and 2004-2005 program years, respectively.

documentation for the enrollment counts included computer processed data from a system that we had not tested. Therefore, even though Buckeye Valley's revised comparability reports show all schools as comparable, we cannot express an opinion on the accuracy of the data on those reports. Based on ODE's comments to the draft report and the documentation ODE provided, we did not change the finding or recommendations.

OBJECTIVES, SCOPE, AND METHODOLOGY

Our audit objectives were to determine whether the ODE (1) monitored LEAs' compliance with Title I, Part A, Comparability of Services and (2) ensured that the LEAs were reporting complete and accurate comparability information to ODE for the 2003-2004 program year. Our audit covered the period July 1, 2003, through June 30, 2004 (2003-2004 program year). We also obtained information covering the 2004-2005 program year to ensure annual compliance with comparability requirements.

To achieve our objectives, we

1. Obtained and reviewed audit reports and auditor documentation prepared by the Ohio Auditor of State for ODE and selected LEAs for our audit period;
2. Visited three LEAs, Cleveland; Buckeye Valley; and Dover, that we judgmentally selected by stratifying all 615 LEAs into three categories: large, medium, and small, based on the amount of Title I funding received for the 2004-2005 program year, and selected the highest funded LEA from each category;⁷
3. Gained an understanding of ODE's and selected LEAs' internal control structure, policies, procedures, and practices applicable to comparability of services under Title I, Part A;
4. Tested ODE's monitoring of the selected LEAs' (a) procedures for complying with the comparability of services requirements and implementing the procedures annually and (b) maintenance of records that are updated biennially documenting compliance with the comparability requirements;⁸
5. Determined how ODE monitored LEAs' compliance with comparability of services requirements through inquiry, observation, and inspection of documentation and records; and
6. Determined if the selected LEAs reported complete and accurate comparability data to ODE by tracing a judgmental sample of 19 of 121 and 2 samples of 3 of 3 schools' comparability data to supporting documentation for the Cleveland, Buckeye Valley, and Dover LEAs, respectively.

We relied, in part, on computer-processed data used on comparability reports that ODE and its LEAs recorded in ODE's Ohio Educational Directory System (OEDS) and in their own systems. We also relied on the comparability data maintained in ODE's Comprehensive Continuous Improvement Planning (CCIP) system. We determined whether the system's data were reliable

⁷ Thirty-one of the 615 LEAs did not receive Title I funding for the 2004-2005 program year.

⁸ We analyzed samples of comparability data obtained from the three selected LEAs for the 2003-2004 and 2004-2005 program years to determine if the SEA is assessing the LEA comparability data correctly.

by selecting and testing a judgmental sample of comparability data for 15 of 615 total LEAs.⁹ We gained a limited understanding of the related computer system controls and compared the data within OEDS to the corresponding data in the CCIP for the selected LEAs. We also compared the data in the CCIP to corresponding data in the selected LEAs' systems. The data generally appeared to be complete and accurate and had corroborating evidence on which we could rely.¹⁰ However, ODE does not update CCIP from OEDS on a regular basis. Therefore, ODE may have used outdated data to review comparability for schools within its LEAs. Despite the data inaccuracies, we concluded that the computer-processed data we were provided was sufficiently reliable for the purposes of our audit.

We conducted our fieldwork from January 31, 2006, through April 13, 2006, at ODE's administrative offices in Columbus, Ohio; Cleveland's administrative offices in Cleveland, Ohio; Dover's administrative offices in Dover, Ohio; and Buckeye Valley's administrative offices in Delaware, Ohio. We discussed the results of our audit with ODE officials on July 12, 2006. Our audit was performed in accordance with generally accepted government auditing standards appropriate to the scope of audit described above.

ADMINISTRATIVE MATTERS

Statements that managerial practices need improvements, as well as other conclusions and recommendations in this report, represent the opinions of the Office of Inspector General. Determinations of corrective action to be taken, including the recovery of funds, will be made by the appropriate Department of Education officials, in accordance with the General Education Provisions Act.

If you have any additional comments or information that you believe may have a bearing on the resolution of this audit, you should send them directly to the following Education Department official, who will consider them before taking final Departmental action on this audit:

Henry L. Johnson
Assistant Secretary
Office of Elementary and Secondary Education
US Department of Education
400 Maryland Ave., SW, Room 3W315
Washington, D.C. 20202

It is the policy of the U. S. Department of Education to expedite the resolution of audits by initiating timely action on the findings and recommendations contained therein. Therefore, receipt of your comments within 30 days would be appreciated.

⁹ We stratified the 615 LEAs into 3 categories: large, medium, and small, based on the amount of Title I funding received for the 2004-2005 program year, and selected the 5 highest funded LEAs from each category.

¹⁰ Corroborating evidence is evidence such as interviews, prior reports, and data in alternative systems.

In accordance with the Freedom of Information Act (5 U.S.C. §552), reports issued by the Office of Inspector General are available to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act.

Sincerely,

/s/

Richard J. Dowd
Regional Inspector General
for Audit



Center for
School Improvement

Stephen Barr
Associate Superintendent

Susan Tave Zelman

Superintendent of Public Instruction

October 5, 2006

Richard J. Dowd
Regional Inspector General for Audit
U.S. Department of Education
Office of Inspector General
111 N. Canal Street, Suite 940 Chicago, IL 60606

Dear Mr. Dowd:

RE: Control Number ED-O1G/A05G0015

Attached are the Ohio Department of Education's written comments on the findings and recommendations regarding the draft audit report dated September 8, 2006, entitled *Ohio Department of Education's Title I, Part A, Comparability of Services Requirement*. We appreciate the opportunity to respond.

Sincerely,

/s/

Stephen L. Barr
Associate Superintendent

Attachments

cc: Suzan Zelman
Marilyn Troyer
Mitch Chester
Stephanie Gerber
Edward Peltz



Response to the Draft Audit Report entitled the *Ohio Department of Education's Title I, Part A, Comparability of Services Requirement* from the United States Department of Education Office of Inspector General dated September 8, 2006 Audit Results (Control Number ED-OIG/A05G0015)

FINDING NO. 1 -ODE Can Improve Its Monitoring of LEAs' Compliance with Title I, Part A, Comparability of Services

ODE Comments: Ohio generally agrees with the OIG recommendations related to updating data to the Consolidated Comprehensive Improvement Plan (CCIP) tool on a more regular basis. We do question the recommendation of obtaining confirmations from LEAs regarding all revisions it makes to reported comparability data. We do agree to increase oversight of district-written procedures to help ensure district staff can identify their sources of data and the point in time the data represent in complying with the comparability requirements.

Recommendation 1.1: Update CCIP from OEDS on a more regular basis to ensure that current information is used to review comparability reports.

ODE Response: For the record, we want to make it clear again that the CCIP is not the official data repository. It was not and is not intended to be the source of data for purposes of comparability. For purposes of comparability, CCIP is merely an intermediate tool that facilitates a quick view of district data. All questioned data is pushed back to the district and/or compared to the data sources of the Ohio Educational Directory System-Redesigned (OEDS-R) and/or the Educational Management Information System (EMIS). However, the OIG discussion has led us to look at different ways to improve our process and the following options are under consideration:

- Update OEDS into the CCIP at the end of the first week following Labor Day and then update daily from then on. A snap-shot will be taken the last working day of November. Districts that have not submitted their reports will be required to demonstrate comparability with the end of November data.
- Require districts to demonstrate compliance with the mid-October Educational Management Information System (EMIS) data collection which includes teacher and students count data.
- Develop a new web-based application for the 2007-2008 school year and populate it with data from EMIS district database for reporting student enrollment and Staff FTE based on the first full week of October.

ODE will identify one of the options for implementation and will inform the OIG and the USDOE offices of our decision.

Recommendation 1.2: Obtain confirmations from LEAs regarding all revisions it makes to reported comparability data.

ODE Response: OIG sampled 15 districts with 539 school buildings representing 14% of the 3,901 public school buildings in the state. From that sample, they identified seven buildings (less than 1.3% of the sample) with minor discrepancies in grade spans and with no effect on comparability. ODE does make reasonable efforts to obtain confirmations regarding significant changes that affect comparability. The fact that the OIG identified a 98.7% accuracy rate with a large sample and under intense scrutiny attests to the quality of data and the thoroughness of the review process. ODE will continue to verify data, but do not believe we can, in good faith, identify reasonable procedures to raise the standard of verification to assure 100%.

Comparability is one of many compliance issues. The state does acknowledge and accept responsibility for compliance but also realizes the need to maintain an appropriate balance of time and effort between compliance and the purpose of the federal funds-student achievement.

Recommendation 1.3: Ensure LEAs develop written procedures for compliance with the comparability of services requirement and implement those procedures annually.

ODE Response: ODE does emphasize that procedures be developed and implemented annually in its announcements, directions and guidance (**Exhibits 1 and 2**). However, we also agree that additional attention to this area is likely to assist district administrators improve the quality of their work and leave a cleaner audit trail. To that end:

- ODE will continue to provide training sessions on comparability at the annual fall 2006 and spring 2007 federal programs conferences and regional training workshops.
- ODE has updated guidelines for comparability procedures (**Exhibit 3**) based on the new May 2006 USDOE Title I Fiscal Guidance.
- The ODE Comparability Team will update other federal programs staff during the fall of 2007 on the new comparability guidance and procedures.
- ODE will review and consider appropriate updates to the monitoring process (see recommendation 1.4 below).
- ODE will create a sample set of written procedures consistent with the 2006 USDOE guidance for districts to consider.
- ODE will add an assurance section to the comparability forms on procedures and policies being in place and up-to-date, effective with the 2007-2008 school year.

Recommendation 1.4: Require the compliance monitoring team to review the adequacy of the LEAs' procedures during its monitoring process.

ODE Response: ODE works in collaboration with the **State Auditor's office** in monitoring comparability compliance. The State Auditor's office audits LEA comparability compliance annually. ODE monitors comparability compliance annually as part of its tiered monitoring process and reviews LEA comparability documentation biennially. The tiered monitoring approach referred to as the **Program Audit and Compliance Tracking System (PACTS)** includes desk audits, telephone surveys, self-

evaluation and onsite reviews. ODE agree that a review and update to the monitoring process is a reasonable request and is taking the following steps:

- The following section has been added to the annual **onsite review checklist** (effective with the 2006-2007 school year) which is used by the ODE monitoring team to ensure compliance regarding the LEAs procedures:

11. Fiscal Requirements: Comparability (NCLB 1120A)	
a.	Demonstrating comparability is a prerequisite for receiving Title I, Part A funds. Because Part A allocations are made annually, comparability is an ANNUAL requirement. The LEA has procedures in place for demonstrating comparability on an annual basis. <ul style="list-style-type: none"> <i>Evidence of written procedures, timeline, identification of the office for making comparability calculations, the measure and process used to determine whether schools are comparable, and how and when the LEA makes adjustments in schools that are not comparable.</i>
b.	While an LEA is only required to submit the comparability report biennially (once every two years) to the SEA Office of Federal Programs, it must perform the calculations necessary every year to demonstrate that all of its Title I schools are in fact comparable and make any adjustments if any are not. <ul style="list-style-type: none"> <i>Evidence of completed comparability report. (Note: The comparability requirement does not apply to an LEA that has only one building for each grade span. LEA may exclude schools that have fewer than 100 students).</i> <i>LEA maintained source documentation to support the calculations and documentation to demonstrate that any needed adjustments to staff assignments were made annually to ensure compliance with the comparability requirement.</i> <i>If the LEA is using the student/instructional staff ratio method to demonstrate comparability, all figures used (enrollment and instructional staff FTE) represent data from the same day in the current school year. The LEA should be consistent with regard to what day of the year the data collected represent.</i>
c.	The LEA has established and implemented a district-wide salary schedule and policies to ensure equivalence among schools in staffing and in the provision of materials and supplies. <ul style="list-style-type: none"> <i>Records document that the salary schedule and policies were actually implemented annually and that they resulted in equivalence among schools in staffing, materials, and supplies so that, in fact, the LEA has maintained comparability among its Title I and non-Title I schools.</i>

- The comparability section of the electronic **self-evaluation**, which LEAs are required to complete on a three-year cycle, although it is recommended annually, will be updated for the 2007-2008 school year to include additional procedural and policy compliance documentation requirements:

**Comparability
Section Indicator**

1120 A District uses Title I funds only if State and local services taken as a whole or in part are substantially comparable in each school. Comparability worksheets are completed every year, and emailed to ODE by December 1 of every odd-numbered year.

To be added:

Demonstrating comparability is a prerequisite for receiving Title I, Part A funds. Because Part A allocations are made annually, comparability is an ANNUAL requirement.

Documentation

Copy of completed comparability worksheet

Evidence of procedures for compliance
Maintain records

Comparability

Section Indicator

The LEA has established and implemented a district-wide salary schedule and policies to ensure equivalence among schools in staffing and in the provision of materials and supplies.

Documentation

Agency-side salary schedule
Policy to ensure equivalence among schools in teachers, administrators, and other staff
Policy to ensure equivalence among schools in the provision of curriculum materials and instructional supplies

FINDING NO. 2 – ODE Did Not Ensure That LEAs Were Reporting Complete and Accurate Comparability Information

ODE Comments: This OIG finding focuses on several key issues: maintaining documentation to show what data were used to demonstrate comparability and use of “same date” data. We concur with the need to maintain documentation to substantiate the work. We agree, in part, to the requirement to use “same date” data, but believe this provides an opportunity to get more clarity related to that term.

A narrow interpretation of “same date” may preclude ODE from using one of the strategies under consideration. That strategy would be to use EMIS data regarding student enrollment. The official reporting period for districts to submit EMIS student enrollment data to ODE is the first full week of October, which represents a five-day average. The use of this data would provide more consistency across the state and lead most districts to standardize their processes. However, unless clarified in guidance or through this review process, the state could place itself at risk of not meeting a same date standard.

Another instance where same date could be challenged follows. An LEA could select Friday, Oct. 20, 2006, as the basis for the comparability calculation. On that date, the request is submitted for the morning enrollment report from the district student database and a payroll report (10/22 is the pay date). There would now be two reports based on the same date run on the same date. However, the payroll report for 10/22/06 is payment for services rendered on Sept. 25 through Oct. 6, 2006. In this case, the date of the reports will reflect “same date” but will not truly represent the exact time period. To retrieve the Oct. 20 data, the LEA would need information from the Nov. 3 payroll report.

Recommendation 2.1: Provide sufficient and verifiable documentation to support compliance with the comparability of services requirement or return to ODE \$315,012 in Title I, Part A, funds that the Buckeye Valley LEA received for the 2003-2004 and 2004-2005 program years.

ODE Response: ODE sent a team to assist Buckeye Valley Local School District (BVLSD) this summer with their comparability documentation and reports for 2003-2004 and 2004-2005 school years. The individual responsible for previously completing the comparability reports had since left the district. A new team was assigned by the Superintendent to review and reconstruct the documentation for both years. The director of administrative services was assigned the task of reviewing the comparability calculations and procedures. The district review team consisted of the superintendent, treasurer, special education director, EMIS coordinator, superintendent's secretary, director of classified services and curriculum director.

BVLSD is a small rural district, comprised of the following schools, with a total enrollment of 2,209 students:

- Buckeye Valley High School, grades 9- 12, enrollment 673;
- Buckeye Valley Middle School, grades 6-8, enrollment 555;
- Buckeye Valley East Elementary School, grades K-5, enrollment 379;
- Buckeye Valley North Elementary School, grades K-5, enrollment 26 1;
- Buckeye Valley West Elementary School, grades K-5, enrollment 341;

(The only schools involved for comparability purposes were East, North and West Elementary Schools.)

In consultation with ODE, BVLSD revised the comparability report based on classroom instructional staff FTE. Updated student enrollment data was retrieved with source documentation and consistent with regard to what day of the year the data collected. The BVSD team was able to organize the source documentation and validate the data reported on the revised comparability forms.

Our review of the reconstructed source documentation and revised comparability reports evidence that comparability was achieved and that BVSD was able to provide services that, taken as a whole, were substantially comparable in each of the elementary schools for both the 2003-2004 and 2004-2005 school years.

The revised comparability for both years was submitted to OIG for consideration on Sept. 3. The OIG review comments received on September 25 indicate that the district "did not have adequate documentation to support the data used to populate the comparability reports. Instead, we received yet another revised version of the comparability report to match the data on the support documents. If BVLSD's initial comparability report included incorrect data, then ODE/BVLSD needs to simply state this. Revised versions of the comparability report only confirm that BVLSD submitted inaccurate data on its comparability reports to ODE."

We take issue with several comments. First, accompanying the comparability data were documentation from the district directory, payroll records, teacher schedules and instructional staff spreadsheet (**Exhibit 4**). This type of documentation is generally acceptable and specific to the time and issue at hand. Second, the problem with the initial data submitted by the district was not that they were inaccurate, but that the district "failed to maintain" the exact records used.



The district had no recourse but to reconstruct the comparability report using "same date" data that appears to approximate the time of the initial report. We would suggest that the revised calculation conforms to section 1 120A of No Child Left Behind and the 1996 and 2006 USDOE Title I Fiscal guidance that Title I school services be "at least comparable" and "substantially comparable."

Subsequent to the OIG rejection of the revised comparability reports, ODE requested information regarding any additional staffing that may have occurred. A district review of Board of Education records, indicate no staffing changes in the elementary buildings that were not reflected in the comparability calculations. Few to no changes after the beginning of school is somewhat typical of small, economically disadvantaged districts.

2.2: Implement controls to ensure that the LEAS understand and comply with the comparability of services requirements for Title I, Part A.

ODE Response: ODE does implement controls to reasonably assure compliance with federal requirements, including comparability. Controls and assistance include: a web-based documents library that houses extensive USDOE and ODE guidance, recommendations, templates and examples; two federal conferences annually that routinely address compliance issues and often highlight comparability specifically; an automated application process that has many automated edit checks and several layers of review and extracts data from official data collection systems to reduce data error; and a tiered monitoring process that tries to ensure some level of scrutiny of all districts. In the monitoring process 100 percent of the districts are desk audited annually and this process is expanding as the data collection system matures. The monitoring process also assures that 100 percent of the districts (about 1,000 entities including charter school districts) will participate in the web-based self analysis at least once every three years. The telephone and on-site monitoring tiers are based on pre-designated risk factors including: amount of allocation, administrative staff changes, prior review findings, staff judgment, and failure to fully complete the self-evaluation. Over a three-year period, we estimate that annually 20 to 30 percent of the districts participate in an on-site review and 10 to 20 percent of the districts participate in telephone monitoring.

ODE regularly trains a small group of its staff to monitor and review the biennial comparability reports and provide for a second review of the reports. Our response to recommendation 1.3 indicates our desire to improve our technical assistance and support. Our response to recommendation 1.1 indicates our intent to improve the data integrity throughout the system. However, we do not believe we have the capacity to expand the on-site monitoring process to a higher number of districts and/or an increase of intensity without neglecting other compliance areas. If our responses to recommendations 1.1 and 1.3 and the tiered process are insufficient, we would request guidance on what might demonstrate acceptable controls.

EXHIBIT 1**EXHIBIT 1****Title I Comparability of Services, NCLB, SEC. 1120A Fiscal Requirements**

To be eligible to receive Title I funds, a Local Educational Agency (LEA) must use state and local funds to provide services in Title I schools that are at least comparable to services provided in non-Title I schools. If the LEA serves all of its schools with Title I funds within a particular grade span, the LEA must use State and local funds to provide services that are substantially comparable in each school. **The LEA must develop written procedures for compliance with the comparability requirement and implement these procedures Annually.** These procedures should be in writing and should, at a minimum, include the LEA'S timeline for demonstrating comparability, identification of the office responsible for making comparability calculations, the measure and process used to determine whether schools are comparable, and how and when the LEA makes adjustments in schools that are not comparable (refer to USDOE May 2006 Title I Fiscal Guidance on Comparability). The LEA is required to submit documented compliance every two years in odd numbered years to the Office of Federal Programs at the Ohio Department of Education. The 2005-2006 school year was the most recent year for submitting the report to the Ohio Department of Education, Office of Federal Programs. Even though you do not have to submit the comparability report to ODE for the 2006-2007 school year, you still must complete the comparability report for the 2006-2007 school year and keep a printed copy on file along with appropriate source documentation and records for audit purposes. The directions and forms can be located in the CCIP doc library under the Financial Section. If you have difficulty downloading the form(s), you can email edward.peltz@ode.state.oh.us and the Excel form can be emailed to you as an attachment. If you have questions or need assistance, please contact either your federal program consultant or Ed Peltz at 614-466-4161 or Tony McManus, Paul Preston, Robert Tromp, who can also assist you.

LEA Title I Comparability of Services Written Assurances (NCLB, Sec. 1120A(c)(2), CCIP Consolidated Application Assurances)

LEA has established and implemented a—

- District-wide salary schedule;
- Policy to ensure equivalence among schools in teachers, administrators, and other staff; and
- Policy to ensure equivalence among schools in the provision of curriculum materials and instructional supplies.

**EXHIBIT 2****EXHIBIT 2****Title I Comparability Report Directions for FY07**

Issue Date:	May 1,2005	Revised:	October 4,2006
Sources:	NCLB PL 107-110, Section 1120A,Fiscal Requirements May 2006 USDOE Non-Regulatory Guidance Title I Fiscal Issues: Comparability		
Key Words:	Title I Comparability Report Directions		
Summary:	Directions/Procedures for completing the Title I Comparability Report		

Comparability Overview

To be eligible to receive Title I funds, a Local Educational Agency (LEA) must use state and local funds to provide services in Title I schools that are at least comparable to services provided in non-Title I schools. If the LEA serves all of its schools with Title I funds within a particular grade span, the LEA must use State and local funds to provide services that are substantially comparable in each school. The LEA must develop procedures for compliance with the comparability requirement and implement these procedures **Annually**. These procedures should be in writing and should, at a minimum, include the LEA'S timeline for demonstrating comparability, identification of the office responsible for making comparability calculations, the measure and process used to determine whether schools are comparable, and how and when the LEA makes adjustments in schools that are not comparable (refer to USDOE May 2006 Title I Fiscal Guidance on Comparability). The LEA is required to submit documented compliance every two years to the Office of Federal Programs at the Ohio Department of Education. The 2005-2006 school year was the last year for submitting the report to the Ohio Department of Education, Office of Federal Programs. Even though you do not have to submit the comparability report to ODE for the 2006-2007 school year, you still must complete the comparability report and keep a printed copy on file along with appropriate source documentation and records for audit purposes.

The comparability requirement does not apply if the Local Educational Agency [LEA] has only one building in each grade span. If grade spans overlap, however, the comparability requirement may apply (see further details under General Information). The LEA may also exclude schools with 100 or fewer students from its comparability determinations.

General Information

- Instructional staff, instructional supplies, and curriculum materials paid for out of federal programs, including Title I, IIA, etc., are excluded in determining comparability of services.
- Make sure the school building information regarding names of schools and grade spans are up-to-date with OEDS and the FY07 CCIP Building Eligibility Page in the CCIP Consolidated Application when determining your date for documenting compliance with the comparability report. The CCIP Building Eligibility Page should be maintained with your records and other source documentation for audit purposes.

Schools have to be comparable in one of the following: **student/instructional staff ratio (Method A)**, **per pupil expenditure (Method B)**, or **per pupil instructional staff expenditure (Method C)**. Whichever method is selected, it must be uniformly applied within each grade span report. **Method A**, Student/Instructional Staff Ratio, is the preferred method of documentation. **Method B**, Per Pupil Expenditure, is an alternate method. If Method B is used, the School district must be prepared to validate the data in the event of an audit at the end of the fiscal year. The Excel form is designed to enable the district to complete the report using either Method A or B or both or Method A or C or both.

- A LEA may determine comparability on a district-wide basis (less common) or on a grade-span basis (more common). Although there is no limitation on the number of grade spans a LEA may use, the number should match the basic organization of schools in the school district. For example, if the LEA'S organization includes elementary, middle, and senior high schools, the LEA would have three grade spans.
- The comparability requirement does not apply if the LEA has only one building in each grade span, e.g., K-5,6-8,9-12. If grade spans overlap by at least two grade levels, however, the comparability requirement applies unless there are three or more grade levels outside of the overlap. When grade levels overlap within a particular grade span, the LEA looks at where the majority of grade levels fall within the span to determine whether the school should be in elementary, middle, or high school grade spans.
- An additional grade span group is permitted for schools that overlap the grades in other schools and include 8 or more grades above kindergarten; for example: K-8, K-9, or 5-12.
- If there is a significant difference in the enrollments of schools within a grade Span --for example, the largest school in the grade span has an enrollment that is two times the enrollment of the smallest school in the grade span --the LEA may divide grade spans into a large school group and a small school group.
- A LEA may also exclude schools with 100 or fewer students from its comparability determinations.
- Accessing the Excel form: Mac users will need either Acrobat Reader/Excel98, 2001, or newer. Windows users will need Acrobat Reader/Excel 97,2000, or newer. The report forms are available in Microsoft Excel format. One can refer to the Support Information Link in the CCIP to check browser requirements or see if someone with technical knowledge at the LEA can help. PC users who experience difficulty opening the form and saving it to the desktop or document files, can try saving it directly to the desktop or right clicking the mouse and saving to the desktop. One can try to see if it's a browser issue or not by trying to save the Excel file to the computer rather than opening it directly from the web site. There should be an option when clicking on the link to either Open the file immediately, or save it to the computer. If it is saved to the computer, one can then try to open the file from that location. If this is unsuccessful, one can email Ed Peltz at edward.peltz@ode.state.oh.us, requesting the form be sent directly as an email attachment.
- Determine which form is needed. LEAS with 15 or fewer schools served in any one-grade span, should use the regular size Comparability Report Form FY07. The larger urban districts (e.g., Akron, Cleveland, Cincinnati, Columbus, Dayton, Toledo), with more than 15

schools served in any one-grade span, should use the larger report named Comparability Large Report From FY07.

- Next, start Microsoft Excel and open the selected file.
- Determine how many comparability reports are needed before saving to file or desktop so each one can be named separately.
- Under file, choose "save as" and rename the file with the name of the LEA and district IRN, e.g., Buckeye04444FY06, Buckeye04444Rep1of 2 or Buckeye04444K-5, if there is more than one report. Save the file after completing each report.
- When printing the Excel report, remember that there are two pages to some of the forms. One must print each page separately or use the print entire workbook command to print both pages. On the forms with two pages, do not list the same schools on both pages because you are in essence comparing the same schools to the same schools.

Directions for FY2007 Title I Comparability Report

1. **Complete the Comparability LEA Report form** first (**tabs** are named at the bottom of the forms as "LEA-Report" and "Comparison~Schools"). Click on tabs at the bottom of the forms to move back and forth. The form is provided as an Excel spreadsheet for your convenience.
2. **Enter District Information:** Name, District IRN, Person Completing Form & Phone Number, Name of Treasurer & Phone Number, Contact Email Address, Date Completed (mm/dd/yy, such as 10/28/06), County of LEA, and Comparison Group option (Grade Span is usually the preferred choice).
3. **Col. A:** Enter the names of served schools in descending order based on student low-income eligibility (i.e., percentage of free and reduced lunches) beginning with line 1. Enter the same data as reported in the Title I Building Information section under Building Eligibility in the 2006-2007 Comprehensive Continuous Improvement Plan (CCP) Consolidated Application. If the names of the schools and/or grade spans do not match, you may first need to update OEDS and contact your consultant to alert them to update the CCP before completing the comparability report.
 - a. **Served and Non-Served Schools in a Grade Span:** Served school(s) are entered on the first page of the report and are compared to the average of non-served school(s) in each grouping that are entered on the second page of the report.
 - b. **All Title I Schools Served in a Grade Span:** Served school(s) with highest or higher pct. of low income students are entered on the first page of the report and compared to the served school with the lowest pct. of low income students in each grouping, which is entered on the second page of the report, OR, Served school(s) with the higher pct. of low income students are compared to the average of up to half of those served schools with the lowest pct. of low income students in each grouping.

A new way of determining comparability when all schools are served in a grade span is now available to use: If all the schools in the grade span are Title I served schools, the district can select the form that demonstrates comparability by determining whether the student/instructional staff ratio, per pupil expenditure, or per pupil instructional staff expenditure for each school falls within a range that is between 90 and 110 percent of the average for all Title I served schools in the grade span.

- c. **Larger/Smaller Option:** The LEA may divide schools in each grade span grouping into two groups (smaller and larger) if the enrollment of the largest school is at least twice the enrollment of the smallest school. One report would be marked smaller and one report would be marked larger unless one of the groups ends up only having one school, and, in that case, one report could be completed and list the one-of-a-kind school at the bottom of the report and mark larger and smaller at the top of the report. This option should not be used unless it is necessary in meeting comparability. Please contact Ed Peltz if you need assistance with this option.
4. **Col. B:** Enter the percentage or number of low-income students reported in the Title I Building Information section under Building Eligibility of the FY07 CCP Consolidated Application, which usually represents 05-06 data since the application is almost always completed prior to the start of the 2006-07 school year. The LEA must report uniformly among schools.
 5. **Col. C:** Enter **grade span**. There may be a slight difference in schools that are compared (e.g., K-5 and K-6). These schools would have to show comparability since they serve substantially the same grade span. **K-8 grade spans** may be grouped separately or reported as one-of-a-kind. Enter grade spans as reported in the FY07 CCP Title I Building Eligibility section of the Consolidated Application.
 6. **Col. D:** Enter FY2007 **Enrollment** (that can be documented). Enrollment can be reported as whole or full time equivalency (FTE), providing it is reported the same across the district. **Enrollment and Staff Full Time Equivalency (FTE) in direction #7 should be consistent with regard to what day of the year the data collected represent.** Enrollment and staff figures must represent the 2006-2007 school year and is usually different than what is on the FY07 CCP Consolidated Application Building Eligibility Page since it was completed, in most instances, prior to the start of the school year. **Exclude all staff paid out of federal funds.** Note: **Do not count Pre-K teachers or Pre-K students.**
 7. **Complete Column E only if using Method A:** Enter FY2007 **Instructional Staff Full time Equivalency (FTE)**. Staff must be figured on the basis of FTE. **Instructional Staff FTE and enrollment in direction #6 above should be consistent with regard to what day of the year the data collected represent. Sample definition of Instructional Staff:** Instructional staff may include teachers and other personnel assigned to schools who provide direct instructional services, such as music, art, and physical education teachers, guidance counselors, speech therapists, and librarians, as well as other personnel who provide services that support instruction, such as school social workers and psychologists. Funds for staff from federal programs, including Title I, IIA, et al., are not to be included in determining comparability of services. **Do not count Pre-K teachers or Pre-K students.**
 8. **Complete Column F only if using Method B or C:** For **Method B**, enter state and local funds budgeted for curriculum materials and instructional supplies for the 2006-2007 school year. These accounts are located between functions 1000 through 1900 in the Uniform School Accounting System budget document. For **Method C**, enter the amount of state and local funds budgeted for salaries for instructional staff for the 2006-2007 school year. For **Method C**, use the base salary for each position, i.e., teachers, instructional aides, etc. **Funds from federal programs are not to be included.**

9. **Col. G:** The form is programmed to divide Col. D by E and automatically enter the teacher/student ratio.
10. **Col. H:** The form is programmed to divide Col. F by D and automatically enter the budgeted amounts on a per-student basis.
11. **Col. I:** If any Title I-served school is "not comparable," an "NC" will appear. "NC's" may appear prematurely while completing the LEA Report form. This is because Excel is processing. The NC's should disappear once both pages of the report are completed. If an "NC" appears in Column I after completing the second page of the report, named "Comparison Schools," one may need to call your Title I consultant for assistance at 614-466-4161. If you are using one of the new forms, **Column F** will indicate "yes" or "no" with regard to comparable services. If a "no" appears contact your consultant for further assistance.
12. **Line 16:** The average of non-served school(s) in this grade span -OR the average of lowest-ranked school(s) if all schools are served -is automatically carried forward from the "Comparison Schools" page.
13. **On the forms that include two pages, click on the tab at the bottom of the form named "Comparison Schools."** Technical assistance from someone in the district may be necessary if one experiences difficulty in finding the tabs at the bottom left side of the report form pages. It may be simply a matter of adjusting the desktop. Indicate if the comparison schools are Title I-served or non-served schools by typing an X in the appropriate box. Begin with line 1 and list comparison schools in descending order of percentage of low-income students and follow the same instructions outlined in steps 4-8 above. Columns G and H will calculate and fill in automatically. Line 16 is programmed to fill in automatically at the bottom of the Comparison Schools page as well as carry forward to line 16 on the LEA Report page.
14. **Item G17** will automatically be entered based on 110% of G16. All Title I-served schools **MUST** have an *equal or smaller student/instructional staff/ratio than G17*.
15. **Item H18** will be entered automatically based on 90% of H16. All Title I-served schools **MUST** have an *equal or higher per-student amount budgeted for curriculum materials and instructional supplies than H18. The same rule applies to the average per pupil instructional staff cost*.
16. **Enter "one-of-a-kind"** served schools at the bottom of the LEA Report page.
17. After completing the Comparability Report, keep a printed copy on file for audit purposes as well as maintain a copy in your electronic file along with the appropriate records and source documentation.
18. If you need assistance, please call or email Ed Peltz, edward.peltz@ode.state.oh.us, Tony McManus, tony.mcmanus@ode.state.oh.us, Paul Preston, paul.preston@ode.state.oh.us, or Robert Tromp, robert.tromp@ode.state.oh.us, or your Title I consultant at 614-466-4161.

Determining Compliance

When determining compliance for comparability, a LEA may exclude State and local funds expended for-

- language instruction educational programs (bilingual education for limited English proficient children; and

- excess costs of providing services to children with disabilities as determined by the School District.

Exclusion of Funds

For the purposes of determining compliance with the comparability requirement in section 1120A(c) and the supplement, not supplant requirement in section 1120A(b) of the ESEA, the LEA may exclude supplemental State and local funds expended in any school attendance area or school for-

- programs that meet the intent and purposes of Sections 1114 (Part A-Schoolwide), 1115 (Part A-Targeted Assistance Schools), and
- programs that meet the intent and purposes of Section 1301 (Part C-Education of Migratory Children).

LEA Written Assurances LEA has established and implemented a--District-wide salary schedule; Policy to ensure equivalence among schools in teachers, administrators, and other staff; and Policy to ensure equivalence among schools in the provision of curriculum materials and instructional supplies.

EXHIBIT 3**EXHIBIT 3****Title I Comparability Fiscal Procedures**

NCLB, Sec. 1120A

Title I Fiscal Issues Non-Regulatory Guidance (May 2006)

Demonstrating comparability is a prerequisite for receiving Title I, Part A funds. Because Part A allocations are made annually, comparability is an **ANNUAL** requirement. Implement procedures for determining comparability on an annual basis. Submit the comparability report to ODE biennially (once every two years).

An LEA must develop procedures for complying with the comparability requirements and implement these procedures annually. These **procedures** should be in **writing** and should, at a minimum, include:

- the LEA'S timeline for demonstrating comparability,
- identification of the office responsible for making comparability calculations,
- the measure and process used to determine whether schools are comparable,
- performing the calculations necessary every year to demonstrate that all of its Title I schools are in fact comparable and make adjustments if any are not,
- how and when the LEA makes adjustments in schools that are not comparable,
- source documentation to support the calculations and documentation to demonstrate that any needed adjustments to staff assignments are made.

In addition, the LEA must have established and implemented:

- an agency-wide salary schedule
- a policy to ensure equivalence among schools in teachers, administrators, and other staff; and
- a policy to ensure equivalence among schools in the provision of curriculum materials and instructional supplies.

Example Timeline

January-April

- Engage in district-level budget (State and local funds) discussions concerning staff assignments, and distribution of equipment and materials for the purpose of ensuring compliance with Title I comparability requirements for the upcoming school year.

May-July

- Conduct meetings with appropriate LEA representatives to discuss the requirements for completing the annual comparability calculations.
- Establish participant roles and responsibilities.
- Establish specific timelines for completion of the calculations.

August

- Obtain preliminary information from appropriate LEA staff.
- Decide which calculation methodology to use. Refer to Ohio Department of Education (ODE) direction/procedures, comparability forms, and guidance, located in the doc library CCIP Consolidated Application electronic website.
- Identify LEA Title I and non-Title I schools

September

- Identify date and collection methodologies for gathering data needed to complete calculations. Refer to ODE directions/procedures and guidance.
- Ensure the CCP Consolidated Application Title I Building Eligibility page is up-to-date in terms of names of schools and grade spans.

October

- Collect data.
- Meet with appropriate staff and calculate comparability.
- Make corrections to Title I schools shown not to be comparable.

November

- Reconvene appropriate LEA staff to address any outstanding issues.
- File an official copy of the completed comparability report (s) with the designated district office (usually the treasurer's office) for audit purposes and submit documented compliance every two years to ODE on the designated comparability report(s) provided by ODE.
- Maintain all required documentation supporting the comparability calculations and any corrections made to ensure that all Title I schools are comparable. Any report used for documentation should be signed and dated by the person issuing the report.

An LEA should keep the comparability requirement in mind as it plans for the allocation of instructional staff and resources to schools for the coming school year. This would enable the LEA to minimize the potential for disruption in the middle of a school year, should adjustments need to be made to ensure that Title I schools are comparable to non-Title I schools.

Exhibit 4



BUCKEYE VALLEY LOCAL SCHOOLS

878 Coover Road Delaware, OH 43015
740.389.8735 * fax 740.383.7654 www.buckeyevalley.k12.oh.us

July 28, 2006

Dear Mr. Pelz,

Thank you for consulting with the Buckeye Valley Local Schools on July 19th and 25th of 2006. regarding our Title One Federal Audit and documentation. As we discussed, the following information has been gathered for your review and attention. Please note the following attachments.

Appendix I: Title One Comparability Procedures (Cover Letter)-Mrs. Coolahan
Attachment I.A: Local Title I Comparability Procedures Attachment I.B: Local Title I Comparability Procedures-Worksheet Attachment I.C1: ODE Comparability Guidelines FY04 Attachment I.C2: ODE Comparability Guidelines FY05 Attachment I.D1: ODE Comparability Directions FY04 Attachment I.D2: ODE Comparability Directions FY05 Attachment I.E: Revised Local Title I Comparability Procedures (7-06)
Attachment I.F: Revised Local Title I Comparability procedures based on new guidance from Title 1 USDOE to be implemented starting 06/07 school year

Appendix II: Staff Directories-Mrs. Hurt/Mr. Tingley
Attachment II.A: 03-04 Staff Directory (Created 8-22-03)
Attachment II.B 04-05 Staff Directory (Created 8-22-04)

Appendix III: Elementary Instructional Staff (FTE Spreadsheets)-Mr. Tingley
Attachment III.A: East 03-04
Attachment III.B: West 03-04
Attachment III.C: North 03-04
Attachment III.D: East 04-05
Attachment III.E: West 04-05
Attachment III.F: North 04-05

Appendix IV: Payroll Records-Mrs. Griecom
Attachment IV A: Payroll Period Explanation
Attachment IV B: 10-15-03 Payroll Documentation for 10-10-03
Attachment IV C: 10-14-04 Payroll Documentation for 10-08-04
Attachment IV D. OPLUET Accounts
Attachment IV E. USAS Manual

Appendix V: Student Enrollment Data-Supt. Report-Mrs. Hurt/Mr. Tingley
Attachment V A: 10-10-03 Student Enrollment Count-from Poise data management system to EMIS @ ODE
Attachment V B: 10-8-04 Student Enrollment Count from eSIS data management system to EMIS @ ODE

Appendix VI: Schedules - Mr. Dehler
Attachment VI A: 03-04 Elementary Schedule - Poise
Attachment VI B: 04-05 Elementary Schedule - eSIS
Attachment VI C: 03-04 Elementary Art, Music & PE Schedule
Attachment VI D: 04-05 Elementary Art, Music & PE Schedule

Appendix VII: Recalculated Comparability Reports
Attachment VII A: 03-04 Comparability Report
Attachment VII B: 04-05 Comparability Report
Attachment VII C: Explanation of Discrepancies

Please contact us if further information is needed.

Sincerely,

A large black rectangular redaction box covering the signature of John Schiller.

John Schiller
Superintendent

**Revised Response to the Draft Audit Report entitled the *Ohio Department of Education's Title I, Part A, Comparability of Services Requirement from the United States Department of Education Office of Inspector General dated September 8, 2006*
Audit Results (Control Number ED-OIG/A05G0015)**

Background: In its initial draft audit report (Control Number ED-OIG/A05G0015) the OIG made a recommendation to which the Ohio Department of Education (ODE) responded. In reviewing the ODE response to Recommendation 1.2, members of the OIG team determined that ODE did not interpret the recommendation as they intended. After a telephone call, they clarified their finding via an e-mail. This document provides the initial finding statement and the original ODE response. It then provides the content of the e-mail clarifying the finding and then ODE's revised response based on that new language.

FINDING NO. 1 – ODE Can Improve Its Monitoring of LEAs' Compliance with Title I, Part A, Comparability of Services

ODE Comments: Ohio generally agrees with the OIG recommendations related to updating data to the Consolidated Comprehensive Improvement Plan (CCIP) tool on a more regular basis. We do question the recommendation of obtaining confirmations from LEAs regarding all revisions it makes to reported comparability data. We do agree to increase oversight of district written procedures to help ensure district staff can identify their sources of data and the point in time the data represent.

Initial Recommendation 1.2: Obtain confirmations from LEAs regarding all revisions it makes to reported comparability data.

ODE Response: OIG sampled 15 districts with 539 school buildings representing 14% of the 3,901 public school buildings in the state. From that sample, they identified 7 buildings (less than 1.3% of the sample) with minor discrepancies in grade spans and with no effect on comparability. ODE does make reasonable efforts to obtain confirmations regarding significant changes that affect comparability. The fact that the OIG identified a 98.7% accuracy rate with a large sample and under intense scrutiny attests to the quality of data and the thoroughness of the review process. We will continue to verify data, but do not believe we can in good faith identify reasonable procedures to raise the standard of verification to assure 100%. Comparability is one of many compliance issues. The state does acknowledge and accept responsibility for compliance but also realizes the need to maintain an appropriate balance of time and effort between compliance and the purpose of the federal funds—student achievement.

Purpose of clarification as described by the OIG: Per our discussion this morning, we are providing clarification regarding the meaning of a recommendation presented in the Ohio Department of Education Title I, Part A, Comparability of Services Requirement Draft Report. After reviewing ODE's response to the Draft Report, we believe that ODE may have misconstrued the intent of Recommendation 1.2.

ODE interpreted the recommendation to imply that ODE should implement a standard of 100 percent verification of all comparability data revised by the LEAs. However, we intended to state that, prior to ODE revising any data that LEAs report on their comparability reports, ODE should contact the LEA and verify that the revisions ODE makes are correct. Recommendation 1.2 will be revised to read:

OIG Revised Recommendation 1.2: We recommend that the Assistant Secretary of Elementary and Secondary Education require ODE to obtain confirmations from LEAs regarding all revisions ODE makes to reported comparability data. "

ODE Revised Response based on revised Recommendation 1.2: We agree with the revised recommendation. ODE will modify staff comparability checklists to include a requirement to inform districts of any anticipated change(s) to be made by ODE and request an e-mail response from the district agreeing to the change(s). Copies of the correspondence will be filed with the district comparability report.

We will also include this action as a part of the requirements gathering for an anticipated on-line, web-based comparability tool. The task will provide for comments and responses to be collected and made a permanent and auditable part of the district's comparability report.