

Alaska Performance Review Report FY 2018

January 15, 2019

Commendations

0

Met Requirements

10

Recommendations

5

Action Required

7



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. OSS administers programs of financial assistance to State and local educational agencies 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 Local Educational Agencies (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 section 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 May 7 – May 15, 2018, OSS review of the Alaska Department of Education and Early Learning's (DEED'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 (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.¹

¹ To ensure that the OSS performance review process did not interfere with an SEA's transition to the ESSA requirements, in 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 Alaska 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, Indicators, Annual Meaningful Differentiation, 1003(a) School Improvement, Support and Improvement Plans, Long-Term Goals and Measurements of Interim Progress, Identification of Schools, Continued Support for School and LEA Improvement, and Public School Choice 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 fiscal year 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

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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

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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 Overview²



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:	132,477	Limited-English Proficiency: ³	12%
In Title I Schools: ⁴	99%	Eligible for Free & Reduced Lunch:	43%



RACIAL/ETHNIC BACKGROUND (%)

White:	48.1	Asian or Pacific Islander:	5.9
Hispanic:	6.7	American Indian/Alaskan Native:	23.1
Black:	3.2	Native Hawaiian/Other Pacific Islander:	2.7



SCHOOL & LOCAL EDUCATIONAL AGENCY (LEA) CHARACTERISTICS

School Districts:	54	FTE Teachers:	7,832
Schools:	522	Per-Pupil Expenditures: ⁵	\$18,466
Charter Schools:	28		



FEDERAL FUNDING⁶

Total:	\$55,277,840	Title III, Part A:	\$1,276,186
Title I, Part A:	\$42,853,096	SIG ⁷ :	\$1,425,746
Title II, Part A:	\$9,722,812		

² 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).

³ Data from 2014-2015.

⁴ 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.

⁵ Data Source: The Department, NCES, CCD, "National Public Education Financial Survey (State Fiscal)", 2013-2014 (Fiscal Year 2014), v.1a. (see <http://nces.ed.gov/ccd/elsi/> for additional information).

⁶ FY 2017 funds included above (<https://www2.ed.gov/about/overview/budget/statetables/index.html>) 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.

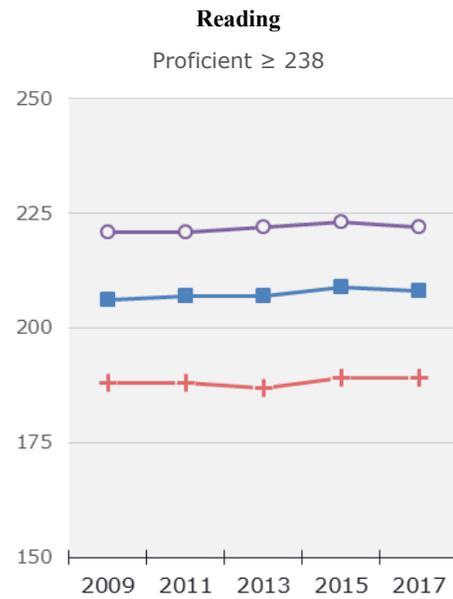
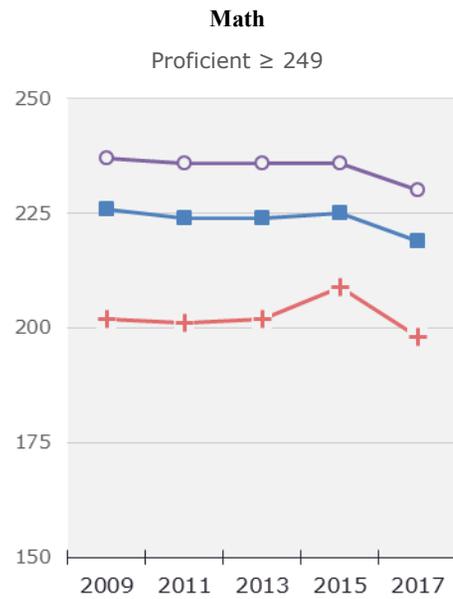
⁷ FY 2015 Funds

NAEP Average Scale Scores by Grade & Year

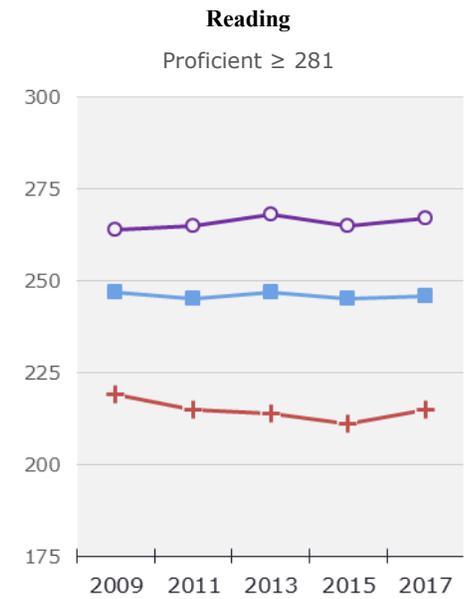
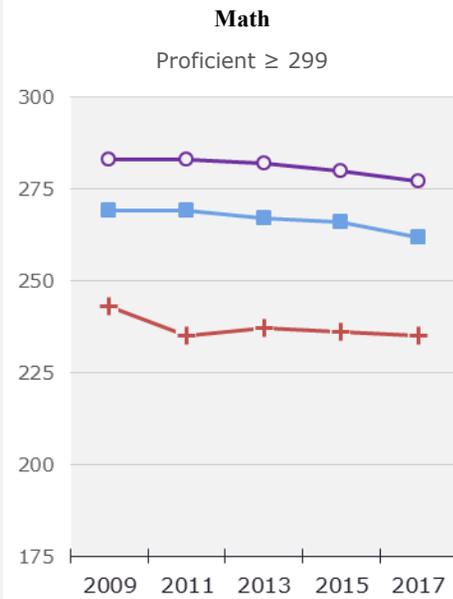
The National Assessment of Educational Progress (NAEP) is the largest nationally representative and continuing assessment of what America's students know. The NAEP mathematics and reading scales range from 0–500.

- All
- Low-income students
- ✚ EL students

Grade 4



Grade 8



	All	Low-Income	EL
2009	237	226	202
2011	236	224	201
2013	236	224	202
2015	236	225	209
2017	230	219	198

	All	Low-Income	EL
2009	221	206	188
2011	221	207	188
2013	222	207	187
2015	223	209	189
2017	222	208	189

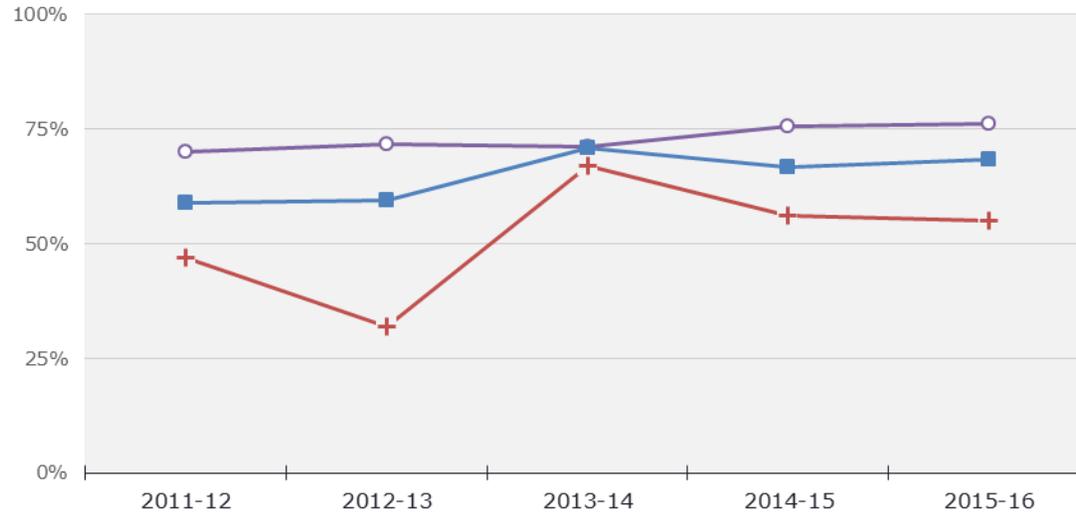
	All	Low-Income	EL
2009	283	269	243
2011	283	269	235
2013	282	267	237
2015	280	266	236
2017	277	262	235

	All	Low-Income	EL
2009	264	247	219
2011	265	245	215
2013	268	247	214
2015	265	245	211
2017	267	246	215

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	70.0%	59.0%	47.0%
2012-13	71.8%	59.6%	32.0%
2013-14	71.1%	70.9%	67.0%
2014-15	75.6%	66.6%	56.0%
2015-16	76.1%	68.4%	55.0%

SECTION II

Grant Administration and Fiscal Management Evaluation

Dates of Review	May 7 – May 15, 2018
Department Reviewers	Robert Salley (Office of State Support) Collette Roney (Office of State Support) Patricia Johnson (Office of State Support) Christopher Fenton (Office of State Support) John Keefer (Management Support Unit) Shane Morrisey (Management Support Unit)
SEA Participants	DEED Leadership/Supervisory; Federal Programs Coordinator; Title I, II & III and other school improvement and support staff provided by DEED.
LEA Participants	Anchorage School District (Anchorage, AK) Matanuska-Susitna Borough (Palmer, AK)
Current Grant Conditions	<p>Title I, Part A: In its consolidated State plan, Alaska described a plan to collect the data necessary to demonstrate how low-income and minority children enrolled in schools assisted with Title I, Part A funds are not served at disproportionate rates by ineffective, out-of-field or inexperienced teachers, and the measures the State will use to evaluate and publicly report its progress with respect to reducing any disproportionate rates consistent with ESEA section 1111(g)(1)(B). Alaska must amend its consolidated State plan to provide the requisite data to meet the above requirement, submitting for the Department's review and approval no later than January 15, 2019.</p> <p>Title II, Part A: None</p> <p>Title III, Part A: None</p> <p>SIG: None</p>
Outstanding Findings	<p>Title I, Part A: None</p> <p>Title II, Part A: None</p> <p>Title III, Part A: None</p> <p>SIG: None</p>
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

DEED stated that fiscal staff, including those who have direct oversight of Federal grants within DEED, monitor payments to ensure they are made within a grant’s period of availability. DEED maintains the beginning and ending dates for a grant’s period of availability within its “Source of Funding” spreadsheet. The period of availability is also maintained in DEED’s accounting system, which automatically generates an error message if a transaction is submitted outside the period of availability for a grant.

Additionally, DEED’s Title I Carryover Procedures outline the period of availability and carryover rules, detail how DEED tracks LEA carryover balances, and explain how DEED checks for excess carryover by LEAs.

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)



DESCRIPTION OF SATISFACTORY IMPLEMENTATION

Prior to the review, DEED provided the Department with the State of Alaska's procedures for coordinating the receipt of Single Audits and distribution of findings to the appropriate State agencies. The documentation showed the process the State of Alaska's Department of Administration follows to ensure that subrecipients that meet the audit threshold are audited and the audits are completed and reported according to established timelines.

During the review, DEED stated that its internal auditor is responsible for the resolution of audits. The internal auditor is responsible for communicating with the appropriate DEED staff as needed to evaluate findings and corrective action plans, contacting subrecipients for information regarding corrective actions, reviewing submitted subgrantee corrective action information, and developing and issuing a management decision letter to close out the finding(s) if sufficient documentation of corrective action was provided. Where a subgrantee has not taken sufficient corrective action to address a finding, the internal auditor is responsible for following up with the subgrantee to ensure that sufficient action is taken after the issuance of a management decision letter.

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

DESCRIPTION OF SATISFACTORY IMPLEMENTATION

During the review, DEED provided the Department with copies of its timekeeping procedures that included a description of its process for allocating and documenting time and effort charged to Federal programs, as well as sample time and effort records exhibiting the process for assigning hours worked to Federal cost objectives. Under DEED's procedures, employee time and effort records are subject to multiple levels of review before charges to Federal programs can be approved, including review by an employee's direct supervisor, to ensure the accuracy of time and effort charged. While DEED's timekeeping system includes capabilities for pre-populating estimated time to be charged to individual programs for each employee, DEED instead relies on a timekeeping process that requires every employee to enter and verify the distribution of time before supervisory review.

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

DESCRIPTION OF SATISFACTORY IMPLEMENTATION

DEED provided the Department with a number of documents prior to the review including a purchasing handbook, sample purchasing contracts, and information related to Alaska's ethics policy.

The Alaska Department of Administration delegates procurement authority to DEED. To initiate a purchase, a DEED official with budgetary authority will submit a request on paper, by email, or through the state accounting system. In order to protect against potential redundancy, fraud or abuse this request will be reviewed and approved by a separate official.

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) and 1125A(g)(3)

EDGAR 34 C.F.R. §74.42, §74.45-46, §74.48, §75.525(a), §75.525(b), and §80.36(b)

Uniform Guidance 2 C.F.R. §200.318(c)

Final Audit Report: ED-OIG/A02M0012



DESCRIPTION OF SATISFACTORY IMPLEMENTATION

Under Alaska State law, charter schools are authorized by and operate as part of traditional LEAs rather than as independent charter school LEAs. As such, LEAs in Alaska maintain grant allocation and oversight responsibilities for charter schools, including responsibilities related to charter school closure. While DEED is not responsible for charter school authorization and oversight, DEED provided evidence of its role in assisting LEAs with authorization through development of a standard charter school application and by providing a one-time State grant to assist charter schools in opening. Charter schools are also included as part of DEED on-site monitoring where applicable.

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

DEED provided documentation demonstrating that amounts reserved from the covered programs for both State administration and State activities reservations for fiscal year 2017 were in accordance with applicable requirements. DEED also follows documented procedures to consolidate the administrative reservations from each of the covered programs to enable the agency to use the funds to administer the programs.

Additionally, the reservation amounts are set up in the IRIS accounting system and are aligned with Federal program requirements. Once budgets are entered in the system, the school finance office assigns program codes with phase codes for the year of grant award, which are used to manage the reservations. The accounting system allows over-obligation at the program level, but not at appropriations level and includes several layers of review prior to expenditures being approved. Grant managers also complete quarterly reconciliations to correct time sensitive issues, such as time sheet miscoding and receive and review daily program accounting reports.

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

At DEED, the Federal programs coordinator prepares a budget for SEA funds in consultation with program managers. This budget is then reviewed and approved by the Director of the Student Learning Division. Budgets for funds reserved from individual programs for DEED technical assistance activities are prepared by program managers and reviewed and approved by division directors.

Application instructions outlining budget requirements are annually provided to LEAs in the application handbook. LEAs then enter detailed budget information within the system, including a narrative for each item that describes how the project element aligns with the LEA's needs assessment for the program. Once an LEA submits this information, the application is reviewed by the Title I, Part A program manager and other program managers review program-specific application sections. Grant managers participate in the review as well, ensuring that all expenditures are allowable and reasonable and aligned with the LEA's needs assessment. All budget amendments are processed through the application system, which requires an LEA to update budget information before program managers can review and approve the amendments.

Q.

SUPPLEMENT NOT SUPPLANT



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), §2113(f), §2123(b), and §3115(g)

EDGAR 34 C.F.R. §200.79



DESCRIPTION OF SATISFACTORY IMPLEMENTATION⁸

DEED uses both pre-award and post-award checks to ensure that subrecipients use program funds to supplement, rather than supplant, State and local funds. During the pre-award process, DEED reviews proposed program budgets to determine whether any planned expenditures would result in supplanting of State and local funds. Once the budgets are approved and the subgrants are issued, DEED reviews each submitted reimbursement request to ensure that the actual expenditures align with the approved budget and that the expenditures would not result in supplanting.

⁸ Due to the timing of the review, requirements for supplement, not supplant were evaluated according to requirements outlined in NCLB. The Department provided flexibility to meet the supplement, not supplant requirements for the ESEA as amended by ESSA until the 2018-2019 school year. (<https://www2.ed.gov/policy/elsec/leg/essa/snstransition126.pdf>)

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**

DEED performs maintenance of effort calculations for its LEAs. DEED uses audited LEA financial statements to determine the percentage of change in funding levels by category according to the chart of accounts. DEED performs an analysis of the LEA financial data and removes Federal funding and other expenses, where appropriate, and prepares a memo for the program manager showing status of the MOE calculations and highlighting areas for discussion. Grant administrators follow up with LEAs that initially fail to meet MOE requirements and provide assistance in coming into compliance. Information is provided on amount of funds that would be withheld if MOE requirements are not met, and the waiver process. DEED will review waiver requests and provide one-on-one support for the LEA waiver application to the Department upon request from an LEA.

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

DEED ensures compliance with equitable services requirements during both the pre-award and post-award phases for each covered program. During each application cycle, LEAs with private schools in their attendance area are required to complete and submit several documents verifying that consultation with private schools has occurred (including an affirmation that must be signed by private and public school officials), documents outlining the LEA's plan for providing equitable services, and documents identifying the eligible students and/or teachers to receive services (where applicable). DEED provides guidance and technical assistance around equitable services through its online "eGAP Document Library." DEED also monitors for compliance with equitable services requirements during its subrecipient monitoring process. The monitoring in this area includes discussions with private school officials and verifications that services are being provided in accordance with applicable requirements, including those pertaining to LEA control over equipment and supplies.

SECTION V

Met Requirements with Recommendation

E.

RECORDS AND INFORMATION MANAGEMENT



ISSUE

To ensure the integrity and security of its information networks and collected data, DEED follows the State of Alaska's policies and procedures governing records management and includes access restrictions and other safeguards on all of its information networks, including extensive firewalls within the DEED's information systems. To monitor against active threats, DEED has a centralized information technology team that continuously monitors its network for suspicious traffic, with any identified threats immediately blocked and reported to Alaska's State Information Technology (IT) security office. To ensure that employees are aware of their responsibilities for protecting the SEA's information networks, DEED requires quarterly training around information technology security and protection.

Under State law, DEED must ensure the protection of all personally identifiable information (PII). Alaska's State IT security office has automated monitors in place for social security numbers, credit card information, and other types of PII transmitted over DEED's network, flagging sensitive information for the State office attempting to transmit the information. DEED's network also includes automated blocks for most types of PII; if the SEA needs to transmit PII over its networks, such a transmission has to be through a secured, encrypted email or file sharing protocol.

However, although DEED maintains active controls for protecting PII, the SEA lacks documented procedures capturing the SEA's various protections for PII or details related to the process for working with or transmitting PII.

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

**RECOMMENDATION**

The Department recommends DEED develop written SOPs capturing the SEA's process for protecting PII. Such procedures would help DEED ensure consistency in the handling of PII in the event of unexpected staffing transitions and strengthen protections against the risk of unauthorized disclosure.

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

Prior to the review, DEED provided the Department with an inventory of its computer hardware, a form used for the disposition of “media,” and another form used for intra-department transfer of equipment.

DEED stated that IT staff are responsible for inventory tracking. The inventory log allows for staff to indicate whether equipment was purchased using Federal funds. DEED also stated that it tries not to use Federal funds when purchasing equipment.

DEED stated that IT staff annually perform an inventory audit as well as quarterly inventory spot checks. However, DEED was unable to provide documented procedures that outline the inventory audit and spot checks. Additionally, DEED lacked policies and procedures for other processes related to equipment management. A lack of documented policies/procedures could lead to DEED not fulfilling its requirements under the Uniform Guidance.



RECOMMENDATION

The Department recommends DEED enhance its equipment management policies so they cover:

1. Accurate and up-to-date equipment and supplies inventories.
2. DEED’s monitoring of equipment and supplies to ensure they are only used for authorized purposes.
3. DEED investigation procedures when items purchased have been damaged, lost, or stolen.

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



ISSUE

During the review, DEED noted that, while the SEA has an approved indirect cost rate agreement, the SEA does not charge indirect costs to Federal formula grant programs. However, DEED does facilitate LEA indirect cost charges by calculating and providing LEAs with approved indirect cost rates for each Federal program and allowing LEAs to submit reimbursement requests that include indirect cost charges through its grants management system.

While DEED grants management staff were able to sufficiently describe the SEA's process for determining LEA indirect cost rates and provide evidence of timely communication to LEAs around approved rates, DEED lacks documented procedures for calculating LEA indirect cost rates. Without documented procedures, there is a risk that calculations could be performed incorrectly, particularly where new or inexperienced staff are assigned the responsibility for calculating the indirect cost rates.



RECOMMENDATION

DEED should develop written SOPs capturing the SEA's process for determining and communicating LEA indirect cost rates. Such procedures would help DEED ensure consistency in completing LEA indirect cost rate calculations in the event of unexpected staffing transitions and facilitate supervisory review of completed LEA indirect cost rate calculations.

P.

LEA SUPPORT AND GUIDANCE



ISSUE

DEED hosts a workshop each spring to provide support and guidance to LEA staff related to the implementation of covered Federal programs. Following each workshop, content from the workshop is made available to LEAs through DEED's web-based document library, which also hosts resources such as DEED's *2017-2018 Consolidated ESEA Programs Application Handbook*. DEED also sends a weekly technical assistance newsletter to LEA staff.

Regarding DEED's evaluation of spending and achievement of desired results, DEED indicated there is a more formal evaluation process for SIG than for the other covered programs. For the SIG program, each grantee submits a year-end report, but for the other covered programs LEAs submit an annual application in which they describe their process for annually reviewing and evaluating the effectiveness of the services provided by each program. DEED also indicated it follows up on LEA evaluations as described in their applications. While the LEAs interviewed indicated they consider student outcomes generally in their planning, it was not clear that DEED ensures that the LEAs evaluate whether or not spending on specific covered programs achieved their expected outcomes for the program.



RECOMMENDATION

The Department recommends DEED review and strengthen its procedures for evaluating how covered program funds are spent and if program outcomes are achieved as a result of such spending. In particular, DEED should consider how to evaluate the individual programs to inform their support of LEA program implementation.

DEED submitted additional documentation in December 2018 (DEED's ESEA Consolidated Application) which was not submitted as evidence for the performance review. If DEED elects, ED can consider this documentation as part of its review of DEED's response to the performance review report. However, at the time of issuing the final monitoring report, the recommendation stands.

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

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

DEED has sufficient procedures in place to review the data reported to the public and to the Department. For example, DEED follows EDFacts data collection requirements when submitting its data annually to the Department. DEED also employs data analysts to clean and certify data and to work with LEAs to remedy data anomalies or variance issues.

To ensure LEAs collect and submit high-quality data, DEED disseminates manuals and holds trainings at key intervals throughout the year and provides technical assistance when requested. In addition, for each data collection, DEED shares data requirements with LEAs, which include submission dates and business rules. However, DEED's policies and procedures do not include regular subrecipient monitoring for data quality or differentiated support to rural LEAs, many of which have limited capacity.



RECOMMENDATION

To ensure data are accurate and complete, the Department recommends DEED include in its subrecipient monitoring protocol an assessment of business rules for data collections. Annual certification provides some assurance that data submissions will be high-quality but may not fully address the needs of all LEAs. By including data quality reviews in regular subrecipient monitoring, DEED could provide more targeted assistance to LEAs while also identifying and commending LEAs doing an outstanding job in this area.

In December 2018, DEED submitted its FY 2019 ESEA monitoring documentation which incorporates data quality indicators for certain data collections. However, at the time of the performance review, DEED's procedures did not include this information. The recommendation stands.

SECTION VI

Action Required

A.

ACCOUNTING SYSTEMS AND FISCAL CONTROLS

● ○ ○ ○



ISSUE

Under Uniform Guidance 2 C.F.R. 200.302(b)(7), an SEA must have written procedures for determining the allowability of costs in accordance with the Federal Cost Principles stated in Uniform Guidance Subpart E (2 C.F.R. 200.400-200.475) and the terms and conditions of Federal awards. The Federal Cost Principles contained in Uniform Guidance Subpart E include requirements for both basic considerations for the allowability of costs as well as general provisions for selected items of cost.

During the review, the Department found that the SEA did not maintain formal written procedures for determining cost allowability as required under Uniform Guidance §200.302(b)(7). While DEED maintains the *2017-2018 Consolidated ESEA Programs Application Handbook* to assist DEED and LEA staff in planning for and administering Federal programs, which includes content related to requirements that costs are necessary and reasonable for the accomplishment of program objectives, the document does not include sufficient content related to the allowability of costs, either basic considerations for the allowability of costs or content related to the general provisions for selected items of cost. Instead, DEED noted that it is the responsibility of individual DEED staff members to have familiarity with the Federal Cost Principles and to apply them when evaluating program budgets and subgrantee expenditures.⁹

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

⁹ The Department notes that the LEAs interviewed did not have written procedures for determining cost allowability as required under 2 C.F.R. 200.302(b)(7). Action required to address this issue is included in the Subrecipient Monitoring section of this report.

**REQUIRED ACTION**

DEED submitted additional documentation in December 2018 outlining how they have addressed the deficiencies noted above. The documentation includes written procedures for determining cost allowability. These procedures included content around both the basic considerations for cost allowability and the general provisions for selected items of cost listed in the Federal Cost Principles contained in Uniform Guidance Subpart E. Written procedures in this area can help ensure that DEED and LEA staff are aware of the full scope of the requirements in the Federal Cost Principles and ensure consistency in the evaluation of specific items of cost across programs and fiscal years.

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



ISSUE

Under Uniform Guidance 2 C.F.R. 200.303(a), an SEA must establish and maintain effective internal control over a Federal award that provides reasonable assurance that the SEA is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. An SEA's internal controls should be in compliance with guidance contained in the "Standards for Internal Control in the Federal Government" (GAO Green Book) or the "Internal Control Integrated Framework" (Treadway Commission/COSO). Important elements of sufficient internal controls under both of these frameworks are an internal risk identification and assessment process and a process for monitoring the operation of an organization's internal controls.

During the review, DEED was able to provide documentation of several elements of the agency's control environment as well as examples of control activities in place across multiple SEA processes. However, while DEED stated that it frequently conducts informal evaluations of the operations of its systems to identify areas where additional controls are needed, particularly during the implementation of new systems, the agency does not utilize any formal internal risk assessment process to identify operational risks that could impact agency activities and performance. In addition, while DEED has internal audit staff, DEED noted that it relies on external auditors from the State Legislative Auditor's Office to conduct periodic reviews of the operations of its internal controls. Without more formal processes in these areas, there is a risk that DEED will be unable to sufficiently identify risks to agency operations, develop targeted strategies to mitigate identified risks, or make timely determinations regarding the ability of the controls that are already in place to protect against identified risks.

REQUIRED ACTION

Within 30 business days of receiving this report, DEED must provide the Department with:

1. Documentation of a regular process (e.g., quarterly, annually, biennially, etc.) for identifying internal risks. This documentation should include:
 - a. The types of risk that will be evaluated and the indicators to be used in the assessment;
 - b. The process for establishing risk tolerances for different categories or types of risk;
 - c. The process used to complete the risk assessment (including identification of responsible individuals); and
 - d. The process used to respond to identified risks affecting the operation or performance of the organization.
2. Documentation of a regular process (e.g. quarterly, annually, biennially, etc.) for evaluating the performance and/or effectiveness of the agency's internal controls framework. This documentation should include a description of the process and its frequency, identify the staff responsible for performing such an evaluation, and include copies of any tools or checklists that will be used to accomplish the evaluations. While DEED cannot rely solely on external auditors to complete evaluations of internal controls, the process developed can be complimentary in scope to the work performed by the auditors.



RECOMMENDATION

While the review did not identify any internal control issues in relation to the LEAs interviewed for this review, conversations with LEAs indicated that DEED does not include internal controls topics in its subrecipient monitoring process, nor has DEED provided any guidance or technical assistance to its LEAs regarding internal controls. Given the emphasis on internal controls within the Uniform Guidance, improved awareness and oversight of LEA internal controls could decrease the likelihood that an LEA would fail to meet the Uniform Guidance standards in this area. As such, the Department recommends that DEED provides its LEAs with guidance related to the Uniform Guidance's internal controls requirements and consider opportunities to add internal controls elements to its subrecipient monitoring process.

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 2 C.F.R. 331(a), an SEA is required to ensure that every sub-award includes the following information (among other items) at the time of the issuance of the sub-award:

- Subrecipient name (which must match the name associated with its unique entity identifier);
- Subrecipient's unique entity identifier;
- Federal Award Identification Number (FAIN);
- Federal award date;
- Period of availability start and end date;
- Name of Federal awarding agency, pass-through entity, and contact information for the awarding official of the pass-through entity; and
- CFDA number and name.

When some of this information is not available, the SEA must provide the best information available to describe the Federal award and subaward. Prior to the review, DEED provided samples of its subrecipient grant award notices (GANs). Although the sample GANs included most of the information required under the Uniform Guidance, the GANs provided lacked a clear indication of the Federal award date (date award received by SEA from the Department).



REQUIRED ACTION

Within 30 business days of receipt of this report, DEED must provide to the Department an updated template for its GAN that clearly includes the Federal award date (date award received by SEA from the Department) for each appropriate grant award.

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 2 C.F.R. 200.331(b), an SEA must evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for the purpose of determining the subrecipient monitoring to be performed by the agency. While DEED provided a description of its risk assessment process, which includes a wide range of compliance and performance indicators and clear instructions for staff to complete the scoring process, DEED did not assess all LEAs when determining its subrecipient monitoring activities for school year 2017-2018. Instead it only assessed the risk of LEAs already scheduled for school year 2017-2018 subrecipient monitoring. DEED noted that it intended to assess all LEAs for school year 2018-2019 subrecipient monitoring.



REQUIRED ACTION

At the time of the performance review, DEED's risk assessment processes were insufficient to meet the requirements. DEED submitted additional documentation in December 2018 outlining how they have addressed the deficiencies noted above. The documentation outlines how DEED's Risk Assessment process ensures that all LEAs are assessed, and that results from the Risk Assessment inform subrecipient monitoring decisions. As a result, the Department acknowledges that DEED has already undertaken sufficient action to address the Risk Assessment deficiencies identified in the report and no further action is required. However, the Department may elect to review the actions taken by DEED in future reviews to ensure continued compliance with Risk Assessment requirements.

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)



ISSUE

The Uniform Guidance section 2 C.F.R. 200.331(d) requires that an SEA monitor LEAs receiving Federal funds from programs to ensure that all applicable fiscal and programmatic 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.

During the review DEED noted that its subrecipient monitoring indicators focus primarily on programmatic requirements. Additionally, DEED could not document or describe how it ensures that LEAs are monitored for compliance with many of the fiscal requirements covered during the review. DEED indicated that financial information is monitored through ongoing processes such as single audits, grant reimbursement requests, and application reviews. However, in order to ensure compliance with fiscal requirements, Uniform Guidance section 2 C.F.R. 200.331(d) requires that an SEA not fully relinquish fiscal monitoring responsibilities to auditors and that fiscal monitoring be conducted during the post-award phase of grant making.



REQUIRED ACTION

Within 30 business days of receipt of this report, DEED must provide to the Department a plan and a timeline to implement a post-award fiscal monitoring process to ensure compliance with fiscal requirements of applicable Federal statutes, regulations, and the terms and conditions of Federal awards for LEAs that receive subgrants under the covered Federal programs during the next fiscal year. The process outlined in the submitted plan must result in DEED monitoring the following fiscal elements: procedures for documenting personnel expenditures (time and effort documentation), procurement procedures, equipment management and inventory procedures, and LEA procedures for determining cost allowability, in addition to any other fiscal topics or requirements DEED determines should be covered. The plan and timeline for implementing a post-

award fiscal monitoring process must also include the LEA identification procedure, a description of planned monitoring activities, and any other information necessary to sufficiently describe its design and implementation.

In December 2018, DEED provided additional clarification on the State's monitoring process. DEED indicated that it takes audit findings into consideration when monitoring LEAs. However, DEED has not provided documentation nor described how it ensures that LEAs that are monitored for compliance with fiscal requirements. If DEED provides documentation in response to the performance review report as outlined in this section, ED will review it to determine if DEED has met the requirements. However, at the time of issuing the final monitoring report, the required action stands.

S.

COMPARABILITY



ISSUE

Under ESEA §1120A(c), an SEA may only provide Title I, Part A funds to an LEA if the 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 funds. Because the comparability requirement is a prerequisite for receiving Title I, Part A program funds, it is essential that an SEA has a process in place to review LEA compliance with comparability and to address any identified instances of non-comparable schools as early in the school year as possible. In order to maintain assurances that LEAs are in compliance, States must sufficiently monitor comparability for every LEA and follow up on identified noncompliance in order to ensure LEAs are correcting deficiencies in a timely manner.

During the review, the Department identified two issues regarding DEED's process for ensuring LEA compliance with comparability requirements:

1. **DEED's review timeline does not allow for timely verification of LEA compliance with comparability requirements.** During the review, DEED staff noted that comparability reports must be submitted by February 15 and the SEA evaluation of an LEA's compliance with comparability requirement is completed over the following month or so. Because comparability is a prerequisite for Title I, Part A, DEED's waiting until the second half of the school year to monitor LEA compliance increases the risk that students at Title I schools will not receive comparable services for the majority of a given school year due to the challenges of making adjustments to staffing or other conditions late in the school year, resulting in students being in schools that do not meet comparability requirements for the majority of the school year.
2. **DEED does not have a process to ensure that LEAs that fail to demonstrate comparability are required to address deficiencies in a timely manner.** DEED noted during the review that it provides LEAs that fail to comply with comparability requirements until the following school year to address any issues, including making any staffing changes

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)

at the school level. While ensuring comparability can necessitate complicated changes, allowing an LEA to wait until the next school year to make the adjustments needed to provide comparable services to students at Title I schools deprives those students of needed services and in effect allows an LEA to receive an entire year's Title I, Part A allocation without meeting a requirement that is a prerequisite for receiving those funds.

REQUIRED ACTION

Within 30 business days of receiving this report, DEED must provide the Department with revised procedures for evaluating LEA compliance with comparability. These procedures should ensure that:

1. DEED conducts comparability reviews early enough in the school year to provide a reasonable timeframe for LEAs to make necessary corrections to comply with comparability requirements; and,
2. DEED requires LEAs that fail to demonstrate comparability to address the issues that led to such failure early enough in the school year for which Title I, Part A funding was received by the LEA, so that students will not spend an unreasonable portion of the school year in non-comparable schools. In some circumstances, additional time may be necessary for an LEA to sufficiently address the issues, but DEED's process should require regular and consistent follow up until the issues are satisfactorily addressed.

V.

TRANSPARENCY AND DATA REPORTING



ISSUE

ESEA §1003(f) and 1111(h) requires that an SEA and its LEAs prepare and disseminate annual report cards in a timely manner and to ensure they include all required elements outlined in the statute. In anticipation of ESSA changes related to report cards, DEED staff shared that it is in the process of gathering input from parents and other stakeholders on the format, presentation, and publication location of State and LEA report cards, to be compliant with the Federal requirements. Currently, DEED makes available both SEA and LEA report cards on its website and requires that LEAs provide report cards on their website.

The SEA report card includes all elements required under the ESEA, as amended by NCLB. However, LEA report cards do not contain all of the required information, specifically information related to the number and names of all public schools in an LEA identified by the SEA for school improvement. The Department notes that this information is found in DEED's SEA report card and on a separate DEED support webpage, however it is not found in the LEA report card as required.

Further, there are inconsistencies in the LEA report cards maintained on DEED's website versus the LEA report cards found on the LEA's (Anchorage) website pertaining to educator qualifications. In particular, the State reports that there are no emergency credentialed educators in the State; the report card on the LEA website mirrors this information but the LEA report card on DEED's website contains different information.

REQUIRED ACTION

Within 30 business days of receipt of this report, DEED must:

Demonstrate that its LEA report cards produced for the 2017-2018 school year include (SY) the number and names of all public schools in the LEA identified for comprehensive or targeted support and improvement.

In December 2018, DEED submitted additional documentation (templates that DEED and LEAs will use to produce 2017-2018 SY report cards) indicating that it has made modifications to its 2017-2018 SY report cards to include the missing report card elements. Once DEED/LEAs have published the report cards, DEED must provide them to Department for review to ensure compliance. However, the

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, §200.19(b)

Department may elect to review the actions taken by DEED in future reviews to ensure continued compliance with the report card requirements.

RECOMMENDATION



While the review of DEED's SEA report card did not identify any missing elements pertaining to the required data, it is recommended ensure consistency in information included in its LEA report cards whether that information is hosted on the SEA's or LEA's website.

Further, as DEED engages in a future redesign of its report cards and other information it makes available to the public regarding school performance, it is recommended that DEED engage in a thorough stakeholder engagement process to ensure it receives feedback from numerous stakeholders on how best to provide useful information.