

Wyoming Performance Review Report FY 2017

04 10 2018

Commendations

0

Met Requirements

8

Recommendations

7

Action Required

8



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) is committed to supporting States as they implement Federal grant programs. Part of this commitment includes a performance review process designed to not only address the OSS's responsibilities for fiscal and programmatic oversight, but to also identify areas in which States need assistance and support to meet their goals and obligations. The performance review process is anchored around ongoing conversations between the OSS and grantees and includes multiple components: *Progress Checks, Desk Reviews, and On-Site Reviews*.

The goals of the OSS performance review process are to conduct a State-centered, performance-focused review of all OSS programs (Title I, Part A; Title II, Part A; Title III, Part A; and School Improvement Grants (section 1003(g) of the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the No Child Left Behind Act of 2001 (NCLB)) through a single, streamlined process that results in improved and strengthened partnerships between the United States Department of Education (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 June 26 – June 29, 2017, OSS review of the Wyoming Department of Education's (WDE'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 NCLB, and where applicable, the Every Student Succeeds Act (ESSA). 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 On December 10, 2015, the ESEA of 1965 (the most recent prior version of which was NCLB) was reauthorized. In order to ensure that the OSS performance review process did not interfere with a State educational agency's (SEA's) orderly transition to the new ESSA requirements, the OSS has chosen to focus only on those fiscal and select program requirements applicable to covered programs under both NCLB and ESSA, as well as the uniform administrative requirements and general management systems of SEAs. In future fiscal years, the performance review process will cover all requirements included in ESSA. Because this report summarizes the results of a non-comprehensive set of NCLB and ESSA 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.

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



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

Section IV: Met Requirements



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

Section V: Met Requirements with Recommendations



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

Section VI: Action Required



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

SECTION I

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:	94,717	Limited-English Proficiency:	3%
In Title I Schools: ³	30%	Eligible for Free & Reduced Lunch:	37%



RACIAL/ETHNIC BACKGROUND (%)

White:	78.1	Asian or Pacific Islander:	0
Hispanic:	14.1	American Indian/Alaskan Native:	3.6
Black:	1.1	Native Hawaiian/Other Pacific Islander:	0.2



SCHOOL & LEA CHARACTERISTICS

School Districts:	61	FTE Teachers:	7,653
Schools:	373	Per-Pupil Expenditures: ⁴	\$15,903
Charter Schools:	0		



FEDERAL FUNDING⁵

Total:	\$44,393,560	Title III, Part A:	\$500,000
Title I, Part A:	\$33,060,090	SIG:	\$0
Title II, Part A:	\$10,833,470		

² Data Source: U.S. Department of Education, Common Core of Data, 2015-2016 school year, unless otherwise noted (see <http://eddataexpress.ed.gov/> and <http://nces.ed.gov/ccd/elsi/> for additional information).

³ 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 local education agency (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.

⁴ Data Source: U.S. Department of Education, National Center for Education Statistics, Common Core of Data, "National Public Education Financial Survey (State Fiscal)", 2013-2014 (Fiscal Year 2014), v.1a. (see <http://nces.ed.gov/ccd/elsi/> for additional information).

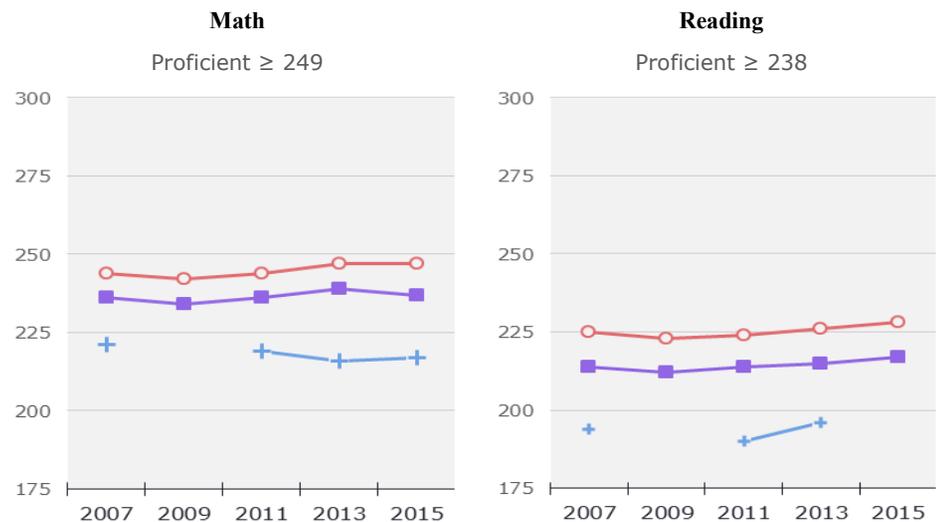
⁵ Fiscal Year 2015 funds included above are from OSS administered programs that allocate funds to States using a statutory formula. The totals do not reflect all Department of Education funds that flow to a State. States and other entities may also receive funds from grants that are awarded on a competitive basis.

NAEP Average Scale Scores by Grade & Year

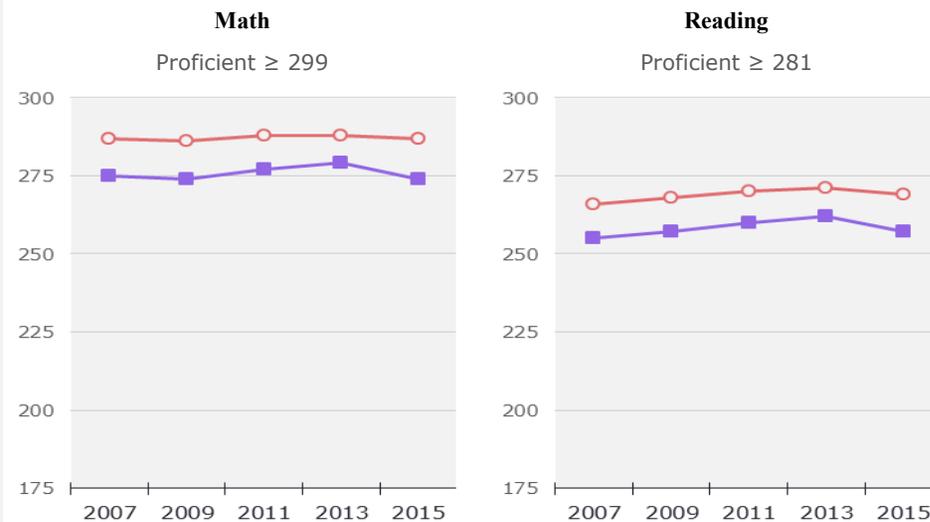
The National Assessment of Educational Progress (NAEP) is the largest nationally representative and continuing assessment of what America's students know. The NAEP mathematics and reading scales range from 0–500.

- All
- Low-income students
- + EL students

Grade 4



Grade 8



	All	Low-Income	EL
2007	244	236	221
2009	242	234	‡
2011	244	236	219
2013	247	239	216
2015	247	237	217

	All	Low-Income	EL
2007	225	214	194
2009	223	212	‡
2011	224	214	190
2013	226	215	196
2015	228	217	‡

	All	Low-Income	EL
2007	287	275	‡
2009	286	274	‡
2011	288	277	‡
2013	288	279	‡
2015	287	274	‡

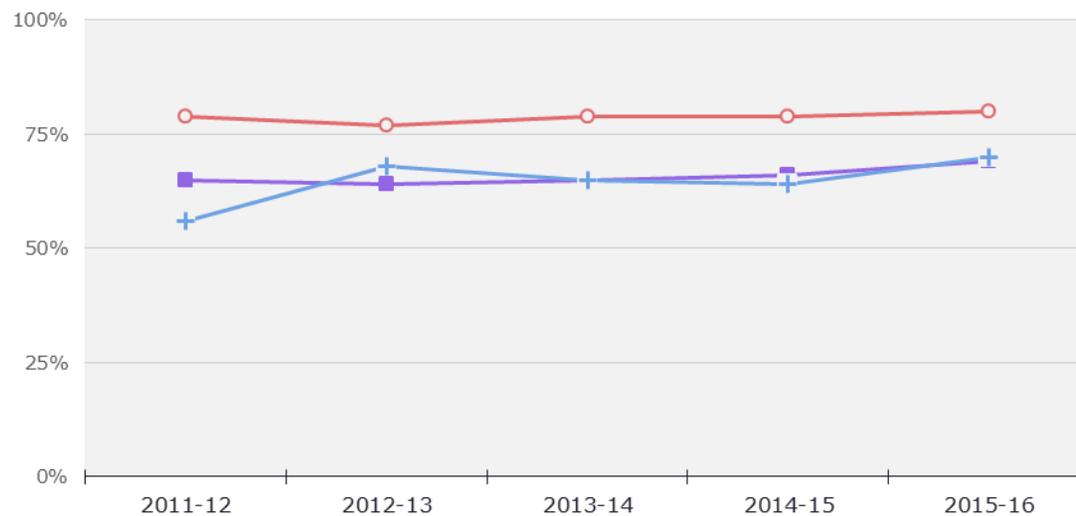
	All	Low-Income	EL
2007	266	255	‡
2009	268	257	‡
2011	270	260	‡
2013	271	262	‡
2015	269	257	‡

‡ Reporting standards not met.

ADJUSTED COHORT GRADUATION RATE (ACGR) BY SCHOOL YEAR

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

- All
- Low-income students
- + EL students



	All	Low Income	EL
2011-12	79%	65%	56%
2012-13	77%	64%	68%
2013-14	79%	65%	65%
2014-15	79%	66%	64%
2015-16	80%	69%	70%

SECTION II

Grant Administration and Fiscal Management Evaluation

Dates of Review	June 26 - 29, 2017
Reviewers	David Lewis (Office of State Support) Christopher Fenton (Office of State Support) John Keefer (Management Support Unit) Shane Morrisey (Management Support Unit)
LEA Participants	Laramie County School District #1 (Laramie, WY) Campbell County School District #1 (Gillette, WY) Teton County School District #1 (Jackson, WY)
Current Grant Conditions	Title I, Part A: One: Assessment Peer Review. Wyoming must submit supporting documentation in response to the letter from the Department dated December 2, 2016. Title II, Part A: None Title III, Part A: None SIG: None
Outstanding Findings	Title I, Part A: None Title II, Part A: None Title III, Part A: None SIG: None
High Risk Status	Not Applicable

Assessment Criteria Key



Met requirements with commendation

High quality implementation & compliance.



Met requirements

Satisfactory implementation & compliance.



Met requirements with recommendation

Satisfactory compliance with quality concerns.



Action required

Significant compliance & quality concerns.

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

SECTION III

Met Requirements with Commendation

No areas reviewed were identified for commendation.

SECTION IV

Met Requirements

C.

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

WDE's School Foundation Program (SFP) annually notifies local educational agencies (LEAs) and non-LEA subgrantees of audit due dates and Federal audit requirements, communicating with subrecipient staff through email reminders, surveys, and through certification language in the grant application process. To monitor audit reporting, SFP staff track audit submission using a spreadsheet that includes all entities that receive Federal funds in excess of the Federal audit threshold. SFP identifies any subrecipients who fail to meet requirements or deadlines, with potential consequences for non-compliant subrecipients including the withholding of Federal funds until a sufficient audit is completed.

Once subrecipients submit required audits, SFP performs an initial review of the audit reports to identify Federal program findings for referral to WDE Federal program managers. As part of the audit resolution process, SFP require subrecipients with audit findings to submit corrective action plans and documentation evidencing the status of corrective action implementation. SFP staff then work collaboratively with Federal program managers to review audit findings and corrective action plans to determine whether additional action is needed. Once Federal program managers have completed their review and evaluated the sufficiency of a subrecipient's corrective action, SFP issues a management decision letter to the subrecipient outlining WDE's determination regarding the finding.

H.

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**

In order to monitor the charging of personnel expenditures to Federal grants, the WDE Finance Division maintains a worksheet of all WDE positions funded either fully or partially from Federal programs. For employees who are completely federally funded, WDE requires the employees to complete and submit a semi-annual certification attesting that the employee solely worked on a single cost objective during the previous six months. For employees who work on multiple Federal program or Federal and non-Federal cost objectives, WDE requires the submission of a monthly personnel activity report that details the percentage of time each employee worked on various cost objectives. WDE Finance reviews monthly personnel charges against a tracking spreadsheet to determine instances where actual time and effort charged to Federal program varies from initial estimates, reviewing charges where differences exist to ensure that charges reflect the actual amount of time and effort applied to the programs.

J.

INDIRECT COSTS



REQUIREMENT SUMMARY

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

Uniform Guidance 2 C.F.R. 200.414

EDGAR 34 C.F.R. 76.560-569



DESCRIPTION OF SATISFACTORY IMPLEMENTATION

WDE's Finance Division is responsible for ensuring that indirect cost charges do not exceed rates established under WDE's approved indirect cost rate agreement, a copy of which was provided to the Department. The Finance Division makes indirect cost charges monthly on a program-by-program basis using the amount of actual direct costs charged under each Federal grant during the period. To assist LEAs in understanding indirect cost requirements and in making appropriate indirect cost charges, WDE maintains and regularly updates an Indirect Costs Manual and an indirect cost allocation plan for LEAs.

L.

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.

EDGAR 34 C.F.R. 76.785-799

Uniform Guidance 2 C.F.R. 200.318(c), 200.343-344

Final Audit Report: ED-OIG/A02M0012



DESCRIPTION OF SATISFACTORY IMPLEMENTATION

In Wyoming, charter schools receive authorization from and operate as part of an LEA; charter schools are not permitted to operate as independent LEAs. As such, LEAs have the primary responsibility for ensuring proper administration of Federal programs at charter schools, for verifying student eligibility and program allocation amounts, and verifying compliance with all applicable Federal and State requirements.

Under Wyoming State law, the Wyoming State Board of Education (SBE) is permitted to inform charter authorization criteria and requirements and to collect information from charters to monitor student performance. During the review, WDE provided the Department with templates of the State's original charter school application and the charter school renewal application, both of which include technical assistance and guidance for charter school operators regarding how to complete and submit the charter application. In addition, WDE provided samples of a charter school's annual report (capturing student enrollment, attendance, and other information) and annual financial report. WDE also provided a link to its charter schools webpage, which includes additional guidance and technical assistance materials regarding the State's charter school rules and regulations, Federal grant opportunities for charter school operators, and details on charter school applications and funding.

N.

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

As part of the grant application process, LEAs are required to submit detailed budget information for review through WDE's eGrants (electronic grants management system) application process. LEAs are required to access a budget tab in the eGrants system to enter detailed budget information for each program, including a narrative for each item that describes how the project element aligns with the LEA's completed needs assessment for the program in question. Once LEAs submit information through eGrants, WDE program managers review each LEA's proposed budget for each program, comparing the proposed budget to the submitted needs assessments and evaluating the allowability and necessity of each proposed budget item. If a program manager determines that any proposed budget item is unacceptable, the entire proposed budget is returned to the LEA through the eGrants system with an explanation of the reason for rejection and an identification of the area for correction. If program managers feel that the issue that resulted in the rejection is complex, they will work with the LEA to propose corrections and provide technical assistance.

P.

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

ESEA Regulations 34 C.F.R. 299.5



DESCRIPTION OF SATISFACTORY IMPLEMENTATION

To ensure LEA compliance with maintenance of effort (MOE) requirements, WDE uses financial data reported by LEAs to annually perform calculations comparing the level of effort for each LEA during the preceding two fiscal years. LEAs submit expenditure data for the purposes of MOE through a central statewide data collection system, with all expenditure data then reviewed and validated by the WDE Finance Unit in conjunction with the Department of Audit to ensure that the data is accurate and reliable. In the event that WDE determines that an LEA failed to maintain effort in a given fiscal year, WDE provides the LEA with formal notification of its status and offers to assist the LEA with any potential waiver request and appeal. WDE also provides guidance to LEAs to ensure that LEAs understand the calculation procedures and to encourage LEAs to make budgeting and spending decisions that would prevent MOE violations.

U.

LEA SUPPORT AND GUIDANCE



REQUIREMENT SUMMARY

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

EDGAR 34 CFR 76.770

DESCRIPTION OF SATISFACTORY IMPLEMENTATION

WDE provides guidance and technical assistance to LEAs through a variety of methods. Annually, WDE hosts a summer training session for all LEAs that incorporates sessions on multiple items for each Federal program, focusing on issues that have come up through communications with LEAs during the course of the year or any identified changes to program requirements. In addition, WDE staff regularly communicate program updates, guidance, and best practices to LEAs through a weekly “Superintendent’s Memo” which are both emailed directly to the superintendent of each LEA and posted on the WDE website. If issues arise that require more in-depth guidance than would be possible through the “Superintendent’s Memo” but which need to be addressed prior to the annual summer conference, WDE staff will conduct webinars or conference calls to ensure timely communication. To ensure that guidance and technical assistance efforts are meeting LEA needs, WDE conducts formal surveys and engages in informal discussions with LEA staff regarding questions, issues or challenges experienced in program implementation.

W.

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



DESCRIPTION OF SATISFACTORY IMPLEMENTATION

To ensure that data submitted by LEAs is of a high quality, WDE's data collection system utilizes automated business rules, in combination with WDE staff review and validation, to ensure the data submitted is timely, complete, accurate, valid, and reliable. WDE also provides LEA staff with a Data Validation Guidebook that provides a step-by-step process for users to access a data validation report, which can help identify data discrepancies prior to submitting data to WDE. The guidebook demonstrates for an LEA the necessary steps to take in the event there is an identified discrepancy, how to make corrections, and how to export and submit the data. WDE also supports the submission of high quality data by providing LEAs with frequently asked questions (FAQs) and a data dictionary aligned to the Department's data definitions and by assigning each LEA a data steward to provide individual technical assistance prior to the submission of data.

SECTION V

Met Requirements with Recommendation

A.

ACCOUNTING SYSTEMS AND FISCAL CONTROLS



REQUIREMENT SUMMARY

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

Uniform Guidance 2 C.F.R. 200.302

EDGAR 34 C.F.R. 76.702



ISSUE

Prior to the review, WDE provided extensive documentation outlining the Statewide financial management system and the eGrants system. These materials outlined both the structure and functionality of each of these systems (including financial reporting functions) while also providing instructions for users regarding how to access and utilize the systems. During the review, WDE staff were able to effectively describe the processes used to track Federal funds within the different systems, monitor program balances, compare expended amounts to budgeted amounts to track spending (for both SEA and LEA spending), and compile different financial reports.

However, in regards to the agency's fiscal controls intended to ensure that program funds are used for allowable costs, WDE's responses highlighted several areas where additional controls or activities could improve WDE's ability prevent unallowable expenditures at both the SEA and LEA levels. Specifically, while WDE was able to describe procedures for evaluating proposed expenditures for allowability for both SEA and LEA spending, including quarterly reviews of LEA expenditures, WDE was only able to provide limited documentation capturing these processes and was generally unable to provide documentation of the criteria used to evaluate potential expenditures. WDE noted that it was in the process of developing agency-wide, comprehensive written procedures for cost allowability, but that, at present, guidance for staff regarding cost allowability is primarily the responsibility of each program office. Without consistent criteria for staff to utilize when evaluating program expenditures, there is a risk that decisions on cost allowability could vary from program to program and that some unallowable expenditures would receive inadvertent approval.

WDE also stated that it has not provided guidance to subrecipients regarding the Uniform Guidance requirement that LEAs must maintain written procedures for cost allowability (*see* 2 C.F.R. § 200.302(b)(6)), nor does it verify that LEAs maintain such written procedures during subrecipient monitoring activities. Because WDE, as a pass-through agency, is responsible for ensuring that subrecipients comply with all Federal requirements (including the requirements of the Uniform Guidance), WDE has an affirmative responsibility to ensure that subrecipients are maintaining such documentation.



RECOMMENDATION

The Department recommends that WDE take the following steps to improve its fiscal controls and help ensure that program funds are used only for allowable expenditures:

1. WDE should document the procedures for its quarterly expenditure review process, including specific content regarding the standards for staff to utilize when evaluating the allowability of claimed expenditures.
2. WDE should finalize its agency-wide, comprehensive written procedures for cost allowability to ensure that all program offices are using the same process and criteria when evaluating planned and claimed expenditures for allowability. These procedures should include specific references to the Federal cost principles and provide guidance for staff in evaluating different types of expenditures.
3. WDE should include verification of subrecipient cost allowability procedures as part of its subrecipient monitoring process. Given that the Uniform Guidance affirmatively requires LEAs to maintain written procedures for determining cost allowability, WDE has a responsibility as a pass-through entity to ensure that LEAs are maintaining such documentation.
4. WDE should provide guidance to subrecipients, either through its annual technical assistance conference or some other means, outlining the requirement that subrecipients must maintain written procedures for determining cost allowability.

Collectively, these steps should help WDE ensure that all program funds, whether expended at the SEA or LEA level, are utilized only for allowable expenditures.

F.

INFORMATION AND RECORDS MANAGEMENT



REQUIREMENT SUMMARY

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

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

EDGAR 34 C.F.R. 76.730-731



ISSUE

WDE provided a number of exceptional materials evidencing strong policies and procedures regarding information management and data security, including controls in place to ensure the protection of PII, as well as an information disposal policy for digitized and sensitive information. Under WDE policies, access to information systems is tightly controlled by WDE's Information Security Officer who, in conjunction with the WDE Data Governance Team, frequently reviews the access rights of individuals to ensure that the level of access granted aligns with each individual's job or function. In addition, WDE databases include automated suppression controls for PII and segregates operational data from reportable data to allow WDE staff to review data before reports are issued to detect any mistakenly included sensitive information.

However, WDE was unable to provide any documented procedures for the management of non-digital (or paper) records. WDE stated that it adheres to the requirements published by the Wyoming State Archives Division, but was unable to provide any evidence regarding its records management process. WDE staff noted that each WDE division is responsible for developing and maintaining its own procedures to ensure all necessary documentation is retained as required under state or Federal law, but no samples of those procedures or examples of centralized monitoring of compliance with those requirements were provided during the review. Given that, at several points during the review, WDE noted that staff turnover limited access to or awareness of the existence of certain documents or information, a consistent, documented records management policy could greatly improve continuity of operations and ensure that new staff understand how to access all information necessary for operating Federal programs.

**RECOMMENDATION**

WDE should develop agency-wide policies and procedures related to how it inventories and retains records (both digital and paper). Such procedures could help ensure consistency in WDE's records maintenance activities, compliance with Federal and State records management requirements, and staff accessibility for needed records and other information when operating Federal programs.

G.

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

WDE annually performs a physical inventory of all fixed assets. All WDE departments and are required to complete and submit an inventory report to the Department of Administration and Information Risk Management Office before the end of February, with the results of the inventories reported to the State Auditor's Office. During the inventory process, WDE staff members are required to identify and verify the status of all equipment purchased using State and Federal funds.

While WDE provided evidence of a robust annual equipment inventory process, WDE was unable to provide documented policies or procedures regarding the protections in place to ensure that assets purchased using Federal funds are used only for authorized purposes. WDE stated that it is the responsibility of individual employees to keep track of how equipment is used, but there are no formalized policies or controls in place to prevent equipment from being used for unauthorized purposes.



RECOMMENDATION

WDE should develop procedures to ensure equipment purchased with Federal funds is used only for authorized purposes. This policy should state that equipment purchased using Federal funds should only be used in compliance with program requirements, and either require active monitoring of items, a signed certification from individuals assigned items agreeing to responsible use, or some other control intended to ensure that items are used appropriately.

M.

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)

ESEA Regulations 34 C.F.R. 299.4



ISSUE

Sections 1003(a), (g)(8) and 1004(a)(1) of the ESEA, as amended by NCLB, provide requirements for reservation of Title I, Part A funds for State use in school improvement and State administration. Sections 2113(c) and 2113(d) of the ESEA, as amended by NCLB, provide requirements for State funds reserved for Title II, Part A purposes. Due to WDE's reservation amount not meeting the \$400,000 threshold, there is a split between Title I, Part A and Title I, Part D reservations, with the proportional share formula included in the calculation spreadsheet used by WDE. WDE reserved 4 percent as a primary reservation for §1003(a) funds in the 2016-2017 school year.

During the review, and based on documentation received, the Department identified issues related to the use of funds reserved for State activities under ESEA section 1003(a) and Title II of the ESEA. Specifically, WDE acknowledged that State reservation funds under the programs were set to expire, and the decision was made to apply a portion of the 1003(a) school improvement reservation and the Title II statewide reservation to a contract instead of reallocating the remaining funds to LEAs prior to their expiration. The Department identified several issues of concern related to the use of the reserved funds for the contract.

1. Information in the documentation provided indicated that deliverables for the contract were allowable expenditures under Title II, Part A, but not under 1003(a). The contract language was very general and did not provide an alignment with the goals of the school improvement fund purposes. Instead, the contract deliverables were aligned with IDEA goals. While the use of the funds for IDEA-aligned professional development purposes is allowable under Title II, Part A, alignment to Title I is not clearly explained in the documentation provided.
2. The only activities in the contract that were clearly aligned to Title I school

improvement funds were taken out of the contract and deferred to 2017 under a different contract.

Subsequent to the review, as a response to the a draft version of this report, WDE provided a more detailed explanation of the contract deliverables and how they are aligned with the 1003(a) requirements. Additional details on the contract timeline were provided, as well.



RECOMMENDATION

The contract referenced above was signed on the last day for obligation of funds (September 30, 2016). While obligating funds on the last day of the period of availability is not prohibited, for a contract that provides deliverables beyond the liquidation period, it essentially presumes that a late liquidation will be required, for which the Department has the discretion to allow or not allow, based on the merits of individual requests.

Based on the information from the fiscal review, WDE has, at times carried over State reservation funds, and has obligated and liquidated those funds late in the period of availability. WDE should put into place procedures that will promote timely use of funds throughout the grant funding cycle, minimizing the possibility that funds may be obligated for unallowable uses so late in the period of availability that it would not be possible to reallocate, rather than have funds revert to the U.S. Treasury.

Additionally, procurement and expenditure documentation should contain sufficient details to establish that the funds have been expended in a manner that meets the program requirements.

O.

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)

Uniform Guidance 2 C.F.R. 200.331(a)

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



ISSUE

Under Uniform Guidance 2 C.F.R. § 200.331(a), an SEA is required to ensure that every subaward includes the following information (among other items) at the time of the issuance of the subaward:

- Subrecipient name (which must match the name associated with its unique entity identifier)
- Subrecipient's unique entity identifier/ DUNS number;
- 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
- Indirect Cost Rate for the award

When some of this information is not available, the SEA must provide the best information available to describe the Federal award and subaward. (2 C.F.R. § 200.331(a)).

Prior to the review, WDE provide samples of its subrecipient grant award notices (GANs). While the sample GANs included most of the information required under the Uniform Guidance, some of the GANs lacked information, including DUNS number and indirect cost percentage. Subsequent to the review, WDE provided documentation showing that a GAN provided as supporting documentation, and which contained deficiencies, was from a previous year, and should not have been submitted to OSS. WDE provided additional documentation showing that the deficiency in the GAN provided had been corrected for the 2016-2017 award period.



RECOMMENDATION

To mitigate issues stemming from staff turnover, the Department recommends that thorough written procedures are established outlining the communication to LEAs, staff duties and responsibilities, and processes associated with the various spreadsheets and calculation tools. These written procedures should be stored in a manner that allows staff to have access to the information in the event that there are changes to key personnel involved in various aspects of the allocations process.

R.

SUBRECIPIENT MONITORING



REQUIREMENT SUMMARY

An SEA shall monitor 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

In order to ensure that LEAs comply with all applicable requirements and that program objectives are achieved, WDE annually conducts on-site and desk monitoring of selected LEAs. Prior to monitoring, WDE requests that LEAs submit documentation associated with the indicators to be covered, which is then reviewed by program monitors. Following the review of LEA documentation, program monitors determine whether there are findings that need to be addressed by the LEA. A letter containing the monitoring results, including all findings, is prepared and sent to LEA officials, who are then required to complete any required corrective action by a specified date.

During the review, WDE noted that both on-site and desk reviews primarily involve the review of documentation, with further questioning of LEA staff only required where clarification regarding documentation is needed. While WDE's monitoring protocols cover all of the basic Federal program requirements and include assurances by LEA staff that requirements are being met (with verification by SEA program monitoring), the lack of interviews or other narrative support for submitted documentation could prevent WDE from identifying instances of poor implementation or areas where LEA activities vary from documented procedures. In addition, WDE noted they do not provide regular training to program monitors and do not have a written program monitor manual or guidance.



RECOMMENDATION

The Department recommends that WDE include more narrative and/or interview based questions in their monitoring protocols. The inclusion of open-ended questions would allow program monitors to verify that LEA staff members are knowledgeable about the requirements and policies that are being monitored, and could help WDE more accurately identify areas where corrective action or technical assistance may be needed.

The Department also recommends that WDE develop materials (such as monitoring handbooks, manuals, or tools) and/or provide training and guidance to program monitors to ensure they are aware of all current requirements and to facilitate high quality monitoring. As noted in other sections, WDE staff turnover rates indicate a need for established procedures that are accessible to all involved staff members to ensure continuity in how WDE meets the requirements of Federal programs, including the requirement to monitor subrecipients.

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 §9501

EDGAR 34 C.F.R. 76.661

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

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



ISSUE

WDE collects information on the provision of equitable services during the grant application process. Equitable share calculations, descriptions of services provided, number of private school students and schools, and copies of consultation and service agreements are required to be included in the LEA application. Additionally, during regular expenditure reporting and review for Title I, WDE monitors the use of equitable services funds and during monitoring reviews the management of services and equipment by LEAs.

While it appears that WDE has documentation requirements that provide a basic overview of the LEA requirements to provide equitable services, WDE reported that the SEA does not track whether an LEA actually provides equitable services. WDE noted during the review that there were four “known” LEAs providing equitable services, but that the SEA was not able to accurately report LEAs actually providing services. If WDE is unable to track and verify which LEAs are actually providing equitable services, it would be unable to determine the extent to which equitable services should be covered during monitoring of relevant LEAs.



RECOMMENDATION

The Department recommends that WDE implement a process to determine the scope of equitable services being provided to eligible private school students by LEAs within the State, including tracking the total number of students and private schools participating in equitable services.

SECTION VI

Action Required

B.

PERIOD OF AVAILABILITY AND CARRYOVER

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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



ISSUE

Under Uniform Guidance 2 C.F.R § 200.309, charges to a Federal award can only be made for allowable costs incurred during the period of availability and any pre-award costs that were authorized by the grantor agency or a pass-through entity. (2 C.F.R. 200.309). Unless an entity receives an extension from the grantor or pass-through entity, all timely obligations incurred under an award must be liquidated no later than 90 calendar days after the end of the period of availability. (2 C.F.R. § 200.343(b)). An SEA or LEA must promptly refund to the Federal government any balances that remain unobligated at the end of the period of availability. (2 C.F.R. § 200.343(d)).

During the review, the Department identified the following issues with WDE's procedures in this area:

1. To prioritize the spending of carryover balances over current year awards, WDE utilizes a manual first-in, first-out (FIFO) accounting process to ensure that payments are made from the older awards. However, WDE was unable to provide documented procedures outlining this FIFO process. Because the process relies on manual action rather than an automated functionality within the WOLFS system, it is important that such a process be sufficiently documented to ensure consistent operation, particularly during times of staff transitions.
2. While WDE was only able to describe an informal process for monitoring award balances during the carryover period and was able to provide evidence of communication with subrecipients around expiring balances,

WDE was unable to provide documentation of a regular, standardized process for monitoring and following-up with subrecipients around carryover balances. The lack of a documented, structured process for monitoring and providing notification of expiring award balances creates a risk that staff would be unaware of carryover balances or that poor decisions would be made in an effort to quickly spend remaining funds.



REQUIRED ACTION

Within 30 days of receiving this report, WDE must provide the Department with documented, formalized procedures for monitoring carryover balances for both SEA reservations and LEA subawards, including details capturing WDE's manual FIFO process, and for communicating with program staff and subrecipients regarding available balances during the carryover period. These procedures must be designed to encourage WDE program offices and LEAs receiving subawards to ensure that all program funds are obligated prior to the expiration of the period of availability. In addition, these procedures should require the SEA to conduct follow up activities to investigate and document the reasons for any potential return of unobligated funds.



D.

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, 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. (2 C.F.R. § 200.303(a)). 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). (2 C.F.R. § 200.303(a)). An important element of sufficient internal controls under both frameworks is a process for identifying and assessing risks affecting the operations and performance of an entity.

During the review, WDE stated that it relies on fiscal staff through internal audit functions to identify sources of risk to program operations, and once risks are identified leadership is notified. However, WDE could not provide documentation of a formalized internal risk assessment process, or any other evidence outlining the internal audit functions referenced during the review. Without a process for identifying and assessing the magnitude of risks affecting the agency, WDE is unable to sufficiently identify areas where additional control activities should be implemented to improve operations.



REQUIRED ACTION

Within 30 business days of receiving this report, WDE must provide the Department with a documented process for identifying and assessing internal risks. This documentation should include:

1. The types of risk that will be evaluated and the indicators to be used in the assessment;
2. The process for establishing risk tolerances for different categories or types of risk;

3. The process used to complete the risk assessment (including identification of responsive individuals); and
4. The process used to respond to identified risks affecting the operation or performance of the organization.

WDE must also include an anticipated timeline for implementing the process for assessing internal risk at the State level, including details related to the frequency (e.g., annually) and the anticipated point in the fiscal year at which the risk assessment(s) will be conducted.

If such steps cannot be completed within 30 business days, WDE must provide the Department with a timeline by which it anticipates completing required corrective action, as well as milestones at which WDE will provide the Department with status updates prior to final completion.

E.

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. (2 C.F.R. § 200.331(b)).

While WDE was able to provide a sample of an extremely strong risk assessment framework, including a wide range of compliance and performance indicators and clear instructions for staff to complete the scoring process, WDE confirmed during the review that it did not employ the risk assessment rubric when determining its subrecipient monitoring activities for school year 2016-2017. WDE noted that it intended to utilize the risk assessment framework to identify districts to be monitored during school year 2017-2018.



REQUIRED ACTION

. Following the review, WDE provided the Department with evidence that it had completed an initial risk assessment in May 2017. Because the risk assessment was not completed until near the end of school year 2016-2017, it does not meet the requirements of Uniform Guidance § 200.331(b) in regards to the fiscal year 2017 awards for the covered programs. However, the completion of this assessment does satisfy the requirements of Uniform Guidance § 200.331(b) for fiscal year 2018 awards. As such, no further action is required to address this issue.

I.

PROCUREMENT



REQUIREMENT SUMMARY

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

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



ISSUE

Under the Uniform Guidance, LEAs, as subrecipients of a State, are required to follow the procurement requirements included in Uniform Guidance 2 C.F.R. § 200.318 (General Procurement Standards) through 200.326 (Contract Provisions). (2 C.F.R. § 200.317). These sections establish clear requirements for LEA procurements including the explicit requirement that LEAs maintain documented procurement procedures, standards for competition, methods of procurement to be followed when conducting transactions using Federal funds (e.g., micro-purchases, small purchases procedures, sealed bids, and competitive proposals), requirements for cost/price analyses, and the inclusion of specific language in contracts paid for using Federal funds. (2 C.F.R. § 200.318-326). As a pass-through entity, WDE has the responsibility to monitor its LEAs for compliance with all applicable Federal requirements, including the procurement requirements stated in the Uniform Guidance. (2 C.F.R. § 200.331(d)). While the U.S. Office of Management and Budget (OMB) authorized a grace period for the Uniform Guidance's procurement requirements until December 2017, WDE should have monitored LEA procurement procedures for compliance with State requirements and as part of its support activities for the transition to the Uniform Guidance.

During the review, WDE confirmed that its monitoring protocols do not require a review of LEA procurement procedures or sample testing of LEA procurement transactions. Given that the majority of program funds LEAs spend on non-personnel costs must be expended in accordance with procurement requirements, the failure to monitor LEAs for compliance with these requirements creates a risk that program funds will be spent in violation of standards meant to ensure consistency, competition, and reasonableness in procurements.



REQUIRED ACTION

Within 30 days of receiving this report, WDE must provide the Department with evidence that it has updated its monitoring protocols for the covered programs to include a review of LEA procurement procedures. The protocols must ensure that LEAs have documented procurement procedures in place that would allow the LEA

to meet all of the Uniform Guidance procurement requirements at the expiration of the OMB grace period.



RECOMMENDATION

The Department also recommends that WDE, as part of the enhancement to its monitoring protocols, consider including sample testing of LEA procurement transactions as part of its monitoring process and including content related to LEA oversight or monitoring of contractors paid using Federal funds.

K.

TRANSPARENCY ACT REPORTING



REQUIREMENT SUMMARY

An SEA is required to report information identifying subrecipients (name, address, DUNS number) and subawards (CFDA number, award number, title) if, at any point during the award period, the SEA subawards more than \$25,000 in program funds (cumulatively) to any single subrecipient.

Reporting Subaward and Executive Compensation Information (2 C.F.R. Part 170) 170.220(a), 170 Appendix A

Universal Identifier and Central Contractor Registration (2 C.F.R. Part 25) Appendix A

Uniform Guidance 2 C.F.R. 200.300(b)



ISSUE

The Federal Funding Accountability and Transparency Act of 2006 (FFATA) requires an SEA to report subaward information (award number, title, CFDA number, and amount) for any subrecipient that, at any point during the award period, receives more than \$25,000 in program funds cumulatively. Subaward reports are required to include the name, address, DUNS number, and other information pertaining to every subrecipient that receives a qualifying subaward. Reports must be submitted by the end of the month following the month in which a qualifying subaward is made. WDE must ensure that all qualifying subaward reports are successfully reported in accordance with established timelines.

WDE noted during the review that it had not completed subaward reporting as required under FFATA since the end of 2015. WDE stated that a contractor responsible for completing FFATA reporting erroneously informed the SEA that FFATA reporting requirements were no longer required, following which the SEA ceased subaward reporting. As FFATA requirements were still applicable, WDE's failure to submit reports for qualifying subawards reflects a failure to comply with Federal requirements.



REQUIRED ACTION

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

1. Evidence that it has correctly submitted all required FFATA subaward data for the current fiscal year (Federal Fiscal Year 2017).
2. Written procedures for compiling and submitting subaward reports in accordance with FFATA.

Q.

COMPARABILITY



REQUIREMENT SUMMARY

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

ESEA §1120A(c)



ISSUE

Under ESEA §1120A(c), an SEA may only provide Title I 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. This requirement necessitates a current year comparison for each Title I award. Because the comparability requirement is a prerequisite for receiving Title I 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.

During the review the Department identified the following concerns related to WDE's compliance with Title I, Part A comparability requirements:

1. WDE uses previous year staffing and enrollment data to calculate comparability rather than current year data. This process is problematic and can result in a comparability violation. An LEA must demonstrate comparability annually as a prerequisite for receiving Title I, Part A funds. Part A allocations are made annually, comparability is an annual requirement. *[ESEA § 1120A(c)(1)(A)]*
2. WDE requires LEAs to submit comparability data annually but they do not have a process to follow up with LEAs that fail to demonstrate comparability. The SEA is responsible to ensure that its LEAs remain in compliance with the comparability requirement. If LEAs do not address the issues, students at Title I schools may not receive the required level of services.



REQUIRED ACTION

Within 30 business days, WDE must provide the Department with a corrective action plan that addresses the following:

1. Guidance to LEAs on how to correctly select comparison groups in comparability calculations.
2. Updated WDE procedures for reviewing LEA data related to comparison groups and verifying that LEAs address findings in non-comparable

schools in as timely a manner as possible (i.e., as early as possible in the current school year in which a comparability violation is identified).

The corrective action plan must include a timeline for completion, milestones for reporting to the Department, and the names of responsible individuals. After the Department approves the corrective action plan, WDE must implement the plan in accordance with the agreed-upon timeline.

S.

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)

Title I Regulations 34 C.F.R. 200.79



ISSUE

One of the key requirements for use of Federal education funding is that States 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).

While WDE provided the Department with samples of guidance and technical assistance materials for LEAs related to Title I supplement, not supplant (SNS) requirements, WDE did not provide information showing a satisfactory process for monitoring compliance with SNS requirements for the Title II and III programs. Overall, WDE provided limited information regarding how it evaluates compliance and provides guidance to LEAs regarding SNS requirements for the Title II and Title III programs. During the review, WDE was unable to distinguish between its process for evaluating compliance with SNS among the Title I, Title II and Title III programs. SNS requirements for Title II and Title III are unique from the requirements for Title I, and WDE's limited focus on Title I SNS requirements may create a risk that LEAs will not correctly evaluate whether Title II or Title III expenditures comply with SNS requirements.



REQUIRED ACTION

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

Documentation evidencing that it has developed internal procedures for evaluating whether the SEA and its LEAs have met SNS requirements for the Title II and Title III programs starting in school year 2018-2019.



RECOMMENDATION

WDE should enhance existing guidance and technical assistance materials related to SNS requirement to adjust for changes in law, and include more substantive content

for the Title II and Title III programs. The guidance should include processes WDE will take to monitor compliance with SNS requirements.

V.

TRANSPARENCY AND DATA REPORTING



ISSUE

Under ESEA §1111(h), an SEA and its LEAs are required to prepare and annually disseminate report cards in a timely manner that include information related to student and school performance within the State. Among other data, the State and LEA report cards must include:

- Information on student achievement on academic assessments at each level of achievement, both for all students and disaggregated by each major racial and ethnic group; economically disadvantaged students as compared to students who are not economically disadvantaged; children with disabilities as compared to children without disabilities; English proficiency status; gender; and migrant status.;
- The four-year adjusted cohort high school graduation rates for all students and disaggregated by each major racial and ethnic group; economically disadvantaged students as compared to students who are not economically disadvantaged; children with disabilities as compared to children without disabilities; and English proficiency status and, if applicable, the extended-year adjusted cohort graduation rates;
- The percentage of students not assessed for all students and each subgroup of students;
- Information, both in the aggregate and disaggregated by high-poverty and low-poverty school, on the professional qualifications of teachers in the State, including the number and percentage of teachers teaching with emergency or provisional credentials.

During the review, the Department identified that data elements listed below are missing from the report cards. The most recently available report card does not include:

1. The number and names of all public schools in the State identified by the SEA for school improvement.
2. All required information on student achievement on the academic assessments at each level of achievement, for the migrant subgroup of students.

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)

3. For the migrant subgroup of students, the percentage of students not assessed.
4. All required information (in the aggregate and disaggregated by high poverty compared to low-poverty schools) on the professional qualifications of teachers in the State, including the number and percentage of teachers teaching with emergency or provisional credentials;ⁱ
5. Results on the State academic assessments in reading and mathematics in grades 4 and 8 of the National Assessment of Educational Progress, compared to the national average of such results.



REQUIRED ACTION

Within 30 business days of receiving this report, WDE must provide the Department with documentation evidencing that it has:

1. Updated and disseminated the most recently available SEA and LEA report cards to include the required data elements outlined above; and
2. Developed procedures to ensure that report cards (including the required report cards for school year 2016-2017) include each required data element, are published in a timely manner, and are in a format that enables, to the extent practicable, report card information in language(s) that parents can understand.

ⁱ See non-regulatory guidance (Question D-5) for additional information (available at <https://www2.ed.gov/policy/elsec/leg/essa/essatransitionfaqs11817.pdf>).