

Iowa Department of Education

May 11-14, 2009

Scope of Review: The U.S. Department of Education's (ED) Student Achievement and School Accountability Programs (SASA) office, Title III State Consolidated Grant Group monitored the Iowa Department of Education (IDE) the week of May 11-14, 2009. This was a comprehensive review of the IDE's administration of Title III, Part A program, which is authorized by the Elementary and Secondary Education Act of 1965 (ESEA), as amended.

During the review, the ED team conducted several monitoring activities. The team reviewed evidence of implementation of the State's Title III accountability system, State level monitoring, technical assistance, and fiscal and administrative oversight with the State educational agency (SEA). During the onsite week, the ED team also visited one consortium – the Northwest Area Education Agency (NWAEA) and three local educational agencies (LEAs) – Sioux City Community School District (SCCSD), Denison Community School District (DCSD) and Des Moines Public School District (DMPS) - where they reviewed documentation and interviewed administrative and school staff.

Previous Audit Findings: None

Previous Monitoring Findings: This is Iowa's first Title III monitoring.

Summary of Title III, Part A Monitoring Indicators

Fiduciary			
Element Number	Description	Status	Page
Element 2.1	<p>Within State Allocations, Reallocations and Carryover: The SEA complies with-</p> <ul style="list-style-type: none"> ▪ The subgrant provision under section 3111 of the ESEA. ▪ The State activities provision under section 3111(b) of the ESEA. ▪ 20 USC 6821(b)(3). ▪ The provisions related to allocations under section 3114(a)-(b) of the ESEA. ▪ The provisions related to reallocations under section 3114(c) of the ESEA. ▪ The provisions related to making immigrant subgrants under section 3114(d) of the ESEA. 	Findings	3
Element 2.2	<p>Within District: The SEA ensures that its LEAs comply with the provisions related to LEA use of funds under section 3115 of the ESEA.</p>	Recommendation	5
Element 2.3	<p>Maintenance of Effort: The SEA ensures that the LEAs comply with the procedures for ensuring maintenance of effort (MOE) as outlined in section 9021 of the ESEA.</p>	Finding	6
Element 2.4	<p>Supplement, Not Supplant – General: The SEA ensures that the LEA complies with the provision related to supplement, not supplant under section 3115(g) of the ESEA.</p>	Recommendation	6
Element 2.4A	<p>Supplement, Not Supplant – Assessment: The SEA has met requirements related to supplement, not supplant and use of Title III funds to develop and administer State ELP assessments under sections 1111(b)(7) and 3113(b)(2) of the ESEA.</p>	Recommendation	6

Monitoring Area 2: Fiduciary

Element 2.1 – Allocations, Reallocations, and Carryover

Finding 1: The IDE has no formal written procedures for the submission of the subgrantee budgets including instructions or guidance from SEA for what is expected and/or timelines as well as a process for ensuring that subgrantees meet requirements related to allowable expenditures including the 2% administrative cap.

Citation: Section 9304(a) of the ESEA requires that the SEA ensure that (1) programs authorized under ESEA are administered in accordance with all applicable statutes, regulations, program plans, and applications; and (2) the State will use fiscal control and funds accounting procedures that will ensure the proper disbursement of and accounting for Federal funds.

Section 3114(a) of the ESEA requires that States award subgrants by allocating funds to each eligible entity in the State having a plan approved under section 3116 of the ESEA.

Section 3115(b) of the ESEA requires that LEAs limit the amount that they may spend on administrative costs in any fiscal year to 2%. This includes all direct and indirect costs associated with administering the Title III program.

Further action required: The IDE must develop and provide ED with written procedures that it will use to ensure that all Title III programs proposed by subgrantees meet all applicable statutes and regulations and provide evidence that the procedures have been implemented.

Finding 2: The IDE has no signed and dated subgrantee award documents for Title III and immigrant grants.

Citation: Section 3113(b) of the ESEA requires that the State's plan submitted to ED shall describe the process that it will use in making subgrants to eligible entities under section 3114(d)(1).

Section 3114(a) of the ESEA requires that States award subgrants by allocating funds to each eligible entity in the State having a plan approved under section 3116 of the ESEA.

Further action required: The IDE must provide ED with grant award notices for two of its subgrantees for the 2008-2009 school year. In addition, the IDE must provide ED with a plan including a timeline for when the IDE will award Title III grants to subgrantees for the 2009-2010 school year.

Finding 3: The IDE has not ensured that it has met requirements related to allowable costs. The IDE staff was not able to provide ED with time and effort documentation for the support staff at IDE that is partially funded through Title III.

Citation: 2 CFR 225, Appendix B, section 8.h.4. requires that time and effort records be kept for individuals whose salaries are charged to Federal programs. When the salaries of personnel are charged to more than one source, monthly time reports or Personnel Activity Reports (PARs) are

required. The PAR must account for the total time, be prepared and signed at least monthly, be signed by the employee, and reflect the actual work performed. PARs must be examined regularly and, if the amount of time does not accurately reflect the percentage of salary charged to that account, the salary must be adjusted.

Further action required: The IDE must develop and provide ED with written procedures it will use to require employees who are split-funded to maintain time and effort records and provide evidence that the procedures have been implemented. The procedures must include a description of how and when the IDE will review these records and how and when it will make adjustments in the percentage of salary charged to Title III. In addition, the IDE must provide ED with evidence that time and effort reports that have been completed for personnel who are split-funded.

Finding 4: The IDE has not ensured that it meets requirements related to reallocation of Title III formula funds. The IDE does not have a written policy in place for the reallocation of Title III funds.

Citation: Under section 421(b) of the General Education Provisions Act (GEPA), LEAs and SEAs must obligate funds during the 27 months extending from July 1 of the fiscal year for which the funds were appropriated through September 30 of the second succeeding fiscal year. This maximum period includes a 15-month period of initial availability plus a 12-month period for carryover. Section 3114(c) of the ESEA indicates that whenever an SEA determines that Title III funds allocated to LEAs under section 3114(a) of the ESEA will not be used by a LEA for the purpose for which it was made, the SEA must reallocate the funds in accordance with its reallocation procedures.

Further action required: The IDE must ensure that its LEAs have use of the Title III formula funds for the 15-month period of initial availability plus a 12-month period for carryover unless it has determined that the Title III funds will not be used by a LEA for the purpose for which it was made. The IDE must provide ED with a detailed description including a timeline of how and when it will annually determine whether these funds will not be used by a LEA for the purpose for which it was made and, thus, can be reallocated to other LEAs. In addition, the IDE must provide ED with a detailed description of how and when it informed its LEAs of this requirement. This documentation may include letters to LEAs or agendas for technical assistance meetings.

Finding 5: The IDE has not awarded subgrants to eligible entities in the State that have experienced a significant increase, as compared to the average of the 2 preceding fiscal years, in the percentage or number of immigrant children and youth, who have enrolled, during the fiscal year preceding the fiscal year for which the subgrant is made, in public and nonpublic elementary schools and secondary schools in the geographic areas under the jurisdiction of, or served by, such entities as required by 3114(d) of the ESEA. The State awarded funds using immigrant data from November of current year (vs. 2 preceding years) to make allocations. IDE also issued immigrant subgrants during the 2008-09 school year to four LEAs -- DCSD, Marshalltown Community School District (MCSD), Perry Community School District (PCSD)

and Potsville Community School District (PCSD)– that were not eligible because they had not, as required by section 3114(d), had a significant increase in the immigrant enrollment.

Citation: Section 3114(d)(1) of the ESEA requires the determination of whether there has been a significant increase in the number of immigrant students in an LEA to be based on a comparison of (1) the average number – over the preceding 2 fiscal years – of immigrant students enrolled in an LEA’s public and non-public elementary and secondary schools to (2) the number of immigrant students enrolled in that LEA’s public and non-public elementary and secondary schools in the fiscal year immediately preceding the fiscal year for which the subgrant is to be made.

Further Action Required: The IDE must develop and implement procedures for awarding Title III immigrant subgrants that comply with section 3114(d)(1) of the ESEA. The SEA has discretion to determine the level of increase that is needed to be considered significant as long as it makes the comparison required by section 3114(d)(1). The State must submit to ED evidence of the procedures it has implemented to ensure that this definition will be followed in awarding immigrant subgrants and provide evidence that the procedures have been implemented.

Finding 7: The IDE has no procedures to monitor SEA inventory purchased with Title III funds.

Citation: Section 80.32(b) of EDGAR requires that “A State [LEA] . . . use, manage and dispose of equipment acquired under a grant by the State in accordance with State laws and procedures.”

Further action required: The IDE must develop a plan to conduct periodic physical inventories of equipment purchased with Title III funds and to perform a reconciliation of the physical inventory to the record of equipment. The plan should include a requirement to record adjusting entries to account for the reconciling differences. The IDE must provide ED with a copy of this plan.

Recommendation 1: ED recommends IDE provide guidance to districts regarding consortium membership. Some subgrantees indicated they may no longer want to be part of a consortium (districts that are eligible for an award of \$10,000 or more). In NWAEA, the consortium was reallocating funds and/or services to the LEAs based on LEP numbers. Two districts within this consortium indicated they were being told they must remain members of the consortium when they were eligible for a subgrant award of more than \$10,000.

Recommendation 2: ED recommends that the IDE review its methods for making subgrants to LEAs in consortia to ensure that subgrantees carry out the activities required under Title III. In some instances, as was indicated during the onsite review, the Area Education Agency (AEA) redistributed the allocations to consortium member LEAs, rather than coordinating services across the consortium. The services provided may not be sufficient to fulfill all of the requirements of the Title III State Formula Grant Program.

Recommendation (3): ED recommends that the IDE develop written procedures for amending Title III grants. Currently, the IDE has no procedures for this. LEAs are not clear as to when, if, or how they are to request amendments to their Title III grant award.

Element 2.2 - Within District

Recommendation: ED recommends that the IDE use consistent fiscal years in correspondence to subgrantees. The IDE Title III office did not use consistent fiscal years in correspondence to subgrantees, some were State fiscal years and others were Federal.

Element 2.3 - Maintenance of Effort

Finding: The IDE has not ensured that its Title III subgrantees meet maintenance of effort (MOE) requirements. The IDE has not provided documentation or evidence that it is using the Federal guidelines for calculating MOE or that its LEAs have met MOE.

Citation: Section 9521 of the ESEA, <http://www.ed.gov/policy/elsec/leg/esea02/pg112.html#sec9521>, indicates that an LEA may receive its full allocation of Title III funds for any fiscal year only if the SEA determines that the LEA has maintained its fiscal effort.

Further Action Required: The IDE must provide ED with evidence that, for each LEA that received Title III funds for the 2008-2009 school year, it has determined that the LEA has met MOE requirements. Or, if the LEA has not, that the IDE has provided written notification and has also reduced the amount of Title III funding to that LEA consistent with section 9521 of the ESEA.

Element 2.4 – Supplement, Not Supplant

Recommendation: ED recommends the IDE provide written guidance to Title III subgrantees regarding the appropriate use of Title III funds to supplement, not supplant State, local, and other Federal funds. The IDE does not provide guidance to subgrantees that Title III funds shall be used so as to supplement the level of Federal, State, and local public funds that, in the absence of such availability, would have been expended for programs for limited English proficient children and immigrant children and youth and in no case to supplant such Federal, State, and local public funds consistent with section 3155(g) of the ESEA.

Element 2.4A – Supplement, Not Supplant (Assessment)

Recommendation: ED recommends that the IDE ensure that Title III subgrantees comply with the supplement, not supplant requirements regarding the use of Title III funds for assessment purposes. All the subgrantees visited were found to be expending Title III funds on the administration of the I-ELDA, the State's annual English language proficiency (ELP) assessment. The Department issued guidance on October 2, 2008 related to the use of Title III funds for assessment purposes. The Department expects States and LEAs to comply with the guidance.

English Language Proficiency (ELP) Standards, Assessments and Accountability			
Element Number	Description	Status	Page
Element 3.1	English Language Proficiency (ELP) Standards: State English language proficiency standards: The State provided evidence of a process that complies with section 3113.	Finding	8
Element 3.2	ELP Assessments: The State provided evidence of a process that complies with Title III section 3113 and evidence that an ELP assessment has been administered to all K-12 LEP students in the State.	Met Requirements	N/A
Element 3.3	New English Language Proficiency Assessment: The State provided evidence of a process that complies with Title III, section 3113. The process addresses the transition to a new ELP assessment or revision of the current State ELP assessment aligned to the State developed ELP standards.	Met Requirements	N/A
Element 3.4	Annual Measurable Achievement Objectives (AMAOs): AMAOs have been developed and AMAO determinations have been made for Title III-served LEAs.	Findings	8
Element 3.5	Data Collection: The State has established and implemented clear criteria for the administration, scoring, analysis, and reporting components of its ELP assessments, and has a system for monitoring and improving the ongoing quality of its assessment systems. A data system is in place to meet all Title III data requirements, including capacity to follow Title III-served students for two years after exiting, and State approach to following ELP progress and attainment over time.	Finding	9

Monitoring Area 3: English Language Proficiency (ELP) Standards, Assessments, and Accountability

Element 3.1 - English Language Proficiency (ELP) Standards

Finding: The IDE did not provide evidence that it has established State ELP standards. Evidence of ELP standards implementation at the classroom -level was not demonstrated in any of the subgrantees visited.

Citation: Section 3113(b) (2) of the ESEA requires States to establish standards and objectives for raising the level of English proficiency.

Further Action Required: The IDE must develop and submit to ED a plan, including a timeline, outlining the steps it will take to ensure that statewide ELP standards are established and implemented.

Element 3.4 - Annual Measurable Achievement Objectives (AMAOs)

Finding 1: The IDE did not make timely AMAO determination for 2007-08. The IDE did not notify subgrantees of their failure to make progress on the 2007-08 AMAOs until April 2009. Therefore, the subgrantees (NWAEA and DCSD) that failed to make progress on the AMAOs for 2007-08 were unable to inform parents of such failure not later than 30 days after such failure occurs.

Citation: Section 3302(b) of the ESEA requires that each eligible entity that is using Title III funds and that has failed to make progress on the AMAOs must separately inform parents of such failure no later than 30 days after such failure occurs.

Further Action Required: The IDE must develop and submit to ED a plan, including a timeline, outlining the steps it will take to ensure that subgrantees are notified of their failure to make progress on the AMAOs in a timely manner to ensure subgrantees are able to make timely parental notifications and provide evidence that the plan has been implemented.

Finding 2: The IDE did not provide evidence that it is requiring subgrantees that failed to make progress toward meeting AMAOs for two consecutive years to develop an improvement plan that will address the factors that prevented the subgrantee from achieving such objectives.

Citation: Section 3122(b)(2) of the ESEA requires that if a State determines that an LEA has failed to make progress toward meeting Title III AMAOs for 2 consecutive years, the State must require the LEA to develop an improvement plan that will ensure that the LEA meets such objectives. The improvement plan must specifically address the factors that prevented the LEA from achieving the objectives.

Further Action Required: The IDE must develop and submit to ED a plan, including a timeline, outlining the steps it will take to ensure that subgrantees not meeting AMAOs for 2 consecutive

years develop an improvement plan that specifically addresses the factors that prevented the LEAs from meeting Title III AMAOs and provide evidence that the plan has been implemented.

Finding 3: The State did not provide evidence that it is holding subgrantees that have not met AMAOs for 4 consecutive years accountable using the specific sanctions required in section 3122(b)(4). The IDE is unable to demonstrate that it is requiring subgrantees in this category to modify their curriculum, program, and method of instruction or make a determination whether funds should be received and required the subgrantee to replace personnel.

Citation: Section 3122(b)(4) of the ESEA states that, if an SEA determines that a subgrantee has not met AMAOs for 4 consecutive years, it shall require the subgrantee to modify its curriculum, program, and method of instruction, or make a determination whether the subgrantee shall continue to receive funds related to its failure to meet such objectives, and require the subgrantee to replace educational personnel relevant to this failure.

Further Action Required: The IDE must provide evidence that it is holding subgrantees that have not met AMAOs for 4 consecutive years accountable using the specific sanctions required in section 3122(b)(4).

Element 3.5 - Data Collection

Finding: The IDE and subgrantees visited were unable to provide a description of the progress made by children in meeting challenging State academic content and student academic achievement standards for each of the 2 years after such children are no longer receiving Title III services.

Citation: Section 3121(a)(4) of the ESEA states each eligible entity shall annually provide a description of the progress made by children in meeting challenging State academic content and student academic achievement standards for each of the 2 years after such children are no longer receiving services under this part.

Further Action Required: The IDE must develop and submit to ED a plan, including a timeline, outlining the steps it will take to ensure that it has the capacity to describe the progress made by children in meeting challenging State academic content and student academic achievement standards for each of the 2 years after such children are no longer receiving services under this part and provide evidence that the plan has been implemented.

State Level Activities; LEA Authorized and Required Activities, Immigrant Children and Youth			
Element Number	Description	Status	Page
Element 4.1	<p>State Level Activities: Using funds retained at the State level, the State carries out one or more activities that may include:</p> <ul style="list-style-type: none"> • Professional development. • Planning, evaluation, administration and interagency coordination. • Promoting parental and community participation. • Providing recognition to subgrantees that have exceeded AMAO requirements. 	Met requirements	N/A
Element 4.2	<p>Required Subgrantee Activities: The subgrantee must provide high quality language instruction educational programs and sustained professional development activities to all classroom teachers of LEP students (including teachers in classroom settings that are not defined as language instruction educational programs). Training activities must also include principals, administrators, and other school or community-based organization personnel.</p>	Met requirements	N/A
Element 4.3	<p>Authorized Subgrantee Activities: The LEA may use the funds by undertaking one or more authorized activities.</p>	Met requirements	N/A
Element 4.4	<p>Activities by Agencies Experiencing Substantial Increases in Immigrant Children and Youth: The subgrantee receiving funds under section 3114(d)(1) shall use the funds to pay for activities that provide enhanced instructional opportunities for immigrant children and youth.</p>	Recommendation	11

Monitoring Area 4: State Level Activities

Element 4.4 - Activities by Agencies Experiencing Substantial Increases in Immigrant Children and Youth

Recommendation: ED recommends that the IDE review its processes for reviewing and approving Immigrant applications to ensure that subgrants are made in a timely manner. One district (DMPS) visited did not receive notification of its immigrant award until January 2009.

State Review of Local Plans			
Element Number	Description	Status	Page
Element 5.1	Application: The SEA ensures that its LEAs comply with the provision for submitting an application to the SEA. (Section 3116(a)).	Finding Recommendation	13
Element 5.2	Private School Participation: LEAs are complying with ESEA requirements regarding participation of LEP students and teachers in private schools in Title III.	Recommendation	13
Element 5.3	Teacher English Fluency: Certification of teacher fluency requirement in English and any other language used for instruction (section 3116).	Met requirements	N/A
State Monitoring of Subgrantees			
Element 6.1	Monitoring: The SEA conducts monitoring of its subgrantees sufficient to ensure compliance with Title III program requirements.	Finding	13
Parent Notification			
Element 7.1	Parent Notification: Parent notification in an understandable format as required under section 3302 for identification and placement and for not meeting the State AMAOs.	Findings	14

Monitoring Area 5: State Review of Local Plans

Element 5.1 – State Review of Local Plans

Finding: The IDE has no formal process for the submission of local plans including instructions or guidance from SEA for what is expected and/or timelines as well as a process for following up with the subgrantees on their plans.

Citation: Section 3116(a) of the ESEA requires each subgrantee desiring a subgrant from the SEA under section 3114 to submit a plan to the SEA.

Section 9304(a) of the ESEA requires that the SEA ensure that (1) programs authorized under the ESEA are administered in accordance with all applicable statutes, regulations, program plans, and applications, and (2) the State will use fiscal control and funds accounting procedures that will ensure the proper disbursement of and accounting for Federal funds.

Further Action Required: The IDE must submit evidence that it has a formal process for the submission, review, and approval of local plans in accordance with section 3116.

Recommendation: ED recommends the IDE require subgrantees to specify in their Title III applications sufficient information about the activities they will implement to meet the requirements under sections 3115(c)(2) and 3116(b)(2). The IDE has not required subgrantees to specify in their Title III applications sufficient information about the activities they will implement to meet the requirements under section 3115(c)(2). The local plans the team reviewed contained a list of generic required and authorized activities.

Element 5.2 - Private Schools

Recommendation: All subgrantees visited were able to demonstrate they were providing services to LEP students in private schools. However, the IDE was not able to provide documentation and subgrantee assurances regarding equitable participation of LEP students and teachers in private schools. ED recommends IDE monitor and document evidence that subgrantees conduct timely and meaningful consultation with appropriate private school officials during the design and development of the Title III program.

Monitoring Area 6: State Monitoring of Subgrantees

Element 6.1 – Monitoring

Finding: The IDE was unable to demonstrate existing procedures for monitoring Title III subgrantees for compliance with Title III programmatic and fiscal requirements. Therefore, the State is unable to ensure that all areas of noncompliance are identified and corrected.

Citation: Section 80.40 of the Education Department General Administrative Regulations (EDGAR) requires grantees to monitor grant and subgrant activities to ensure compliance with applicable Federal requirements.

Section 9304(a) of the ESEA requires that the SEA ensures that (1) programs authorized under the ESEA are administered in accordance with all applicable statutes, regulations, program plans, and applications, and (2) the State will use fiscal control and funds accounting procedures that will ensure the proper disbursement of and accounting for Federal funds.

Further Action Required: The IDE must provide ED with a plan that indicates how it will develop monitoring procedures and protocols that are inclusive of all Title III programmatic and fiscal requirements and provide evidence that the plan has been implemented.

Monitoring Area 7: Parent Notification

Element 7.1 – Parent Notification

Finding 1: The IDE has not ensured that subgrantees (NWAEA and DCSD) that failed to make progress on the AMAOs for 2007-08 separately inform a parent or the parents of a child identified for participation in such program, or participating in such program, of such failure not later than 30 days after such failure occurs.

Citation: Section 3302(b) of the ESEA requires subgrantees to provide parents of LEP children participating in or identified for participation in a Title III funded program with notification of such failure not later than 30 days after such failure occurs.

Further Action Required: The IDE must ensure that subgrantees that fail to meet AMAOs notify parents in an understandable and uniform format, and to the extent practicable, in a language that the parent can understand, not later than 30 days after the LEA fails to meet AMAOs. The State must provide a timeline and a plan to comply with this requirement and provide evidence that the plan has been implemented.

Finding 2: The IDE has not ensured subgrantees inform a parent or the parents of a limited English proficient child identified for participation in, or participating in, a language instruction educational program, not later than 30 days after the beginning of the school year.

Citation: Section 3302(a) of the ESEA requires subgrantees to provide parents of LEP children participating in or identified for participation in a Title III funded program with notification consistent with section 3302(a) not later than 30 days after the beginning of the school year.

Further Action Required: The IDE must ensure that subgrantees provide parents of LEP children participating in or identified for participation in a Title III funded program with notification consistent with section 3302(a) not later than 30 days after the beginning of the school year in an understandable and uniform format, and to the extent practicable, in a language that the parent can understand. The State must provide a timeline and a plan to comply with this requirement and provide evidence that the plan has been implemented.