

Vermont Agency of Education

September 10-12, 2013

Scope of Review: A team from the U.S. Department of Education's (ED) Student Achievement and School Accountability Programs (SASA) office monitored the Vermont Agency of Education (VAOE) on September 10-12, 2013. This was a comprehensive review of the VAOE's administration of the following programs authorized by the Elementary and Secondary Education Act of 1965 (ESEA), as amended: Title I, Part A; and Title I, Part D. Also reviewed was Title VII-B of the McKinney-Vento Homeless Assistance Act (also known as the McKinney-Vento Homeless Education Assistance Improvements Act of 2001).

In conducting this comprehensive review, the ED team carried out a number of major activities. In reviewing the Part A program, the ED team conducted an analysis of the effectiveness of the support measures established by the State to benefit local educational agencies (LEAs) and schools, and reviewed compliance with fiscal and administrative oversight requirements of the State educational agency (SEA). During the onsite week, the ED team visited two LEAs, Burlington School District (BSD) and Winooski School District (WSD), and interviewed public school staff as well as administrative staff in these LEAs that have been identified for improvement.

In its review of the Title I, Part D program, the ED team examined the State's application for funding, procedures and guidance for State agency (SA) applications under Subpart 1; LEA application under Subpart 2; technical assistance provided to SEAs and LEAs; the State's oversight and monitoring plan and activities; SEA subgrant plans and local evaluations for projects in the Woodside Juvenile Rehabilitation Department of Corrections, as well as Southwest Vermont Supervisory Union and documentation. The ED team also interviewed administrative, program and teaching staff. The ED team also interviewed the Title I, Part D State coordinator to confirm information obtained at the local sites and discuss administration of the program.

In its review of the Education for Homeless Children and Youth program (Title VII, Subtitle B of the McKinney-Vento Homeless Assistance Act), the ED team examined the State's procedures and guidance for the identification, enrollment and retention of homeless students; technical assistance provided to LEAs; the State's McKinney-Vento application; and local evaluations of grant programs in BSD and WSD. The ED team also interviewed the McKinney-Vento State coordinator to confirm information obtained at the local site and discuss administration of the program.

Previous Audit Findings: The State of Vermont's A-133 Auditor's Report for Year Ending June 30, 2012 included one finding regarding Title I Grants to Local Education Agencies. Audit finding No. 12-11 (Audit Report, pp 82-85) noted a lack of documentation to support the Department's overall fiscal monitoring procedures. The condition found appeared to be systemic in nature and is considered to be a material weakness in internal controls. Examples included test work over the Department's fiscal monitoring process, in a number of fiscal monitoring visits reviewed, there was no indication that corrective action plans had been accepted and there was no closure letter sent to the sub-recipient. Additionally, for a number of monitoring visits reviewed, it was unclear based on the documentation maintained in the file what procedures were performed by the Department during its review of the expenditures selected.

Beginning with the current year sub-recipient fiscal monitoring work, the SEA fiscal monitoring staff has developed a spreadsheet for tracking the status of each monitoring review, including the issuance of a report, receipt and acceptance of a corrective action plan, and the issuance of a closeout letter. An expenditure review checklist has been developed and is being used to document what procedures are performed during fiscal monitoring expenditure review. The audit finding for Title I is closed.

Previous Monitoring Findings: ED last reviewed Title I programs in Vermont on September 21-24, 2009. ED identified compliance findings in the areas of assessments, SEA and LEA annual report cards, highly qualified paraprofessionals, parental involvement requirements, allocations, reservations, and comparability requirements.

Overarching Requirement – SEA Monitoring

A State’s ability to implement fully and effectively the requirements of the ESEA is directly related to the extent to which the SEA is able to monitor regularly its LEAs and provide quality technical assistance based on identified needs. This principle applies across all Federal programs under the ESEA.

Federal law does not specify the particular method or frequency with which States must monitor their grantees, and States have a great deal of flexibility in designing their monitoring systems. Despite the process used, it is expected that States have mechanisms in place sufficient to ensure that States are able to collect and review critical implementation data with the frequency and intensity required to ensure effective (and fully compliant) programs under the ESEA, as amended. Such a process should promote quality instruction and lead to achievement of the proficient or advanced level on State standards by all students.

Finding: The VAOE is not monitoring key aspects of certain components of its programs under the ESEA. The VAOE provided evidence of processes in place to monitor subgrantees for compliance with Title I fiscal and programmatic requirements. However, in the VAOE’s overall approach to monitoring, fiscal and programmatic monitoring of the Title I, Part D Program is not addressed. In addition, though the programmatic monitoring protocol includes questions regarding homeless students, it does not adequately address fiscal programmatic monitoring for the McKinney-Vento Education for Homeless Children and Youth Program.

Citation: Section 9304(a) of the ESEA requires that the SEA must ensure that (1) programs authorized under ESEA are administered in accordance with all applicable statutes, regulations, program plans, and applications. 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.

Further action required: Within 30 days of this report, the VAOE must submit a plan and timeline to amend its processes to address the finding in its current or next (i.e., school year 2014-15) monitoring cycle to ED. In addition, the VAOE must address the further actions required for the findings under Indicator 1.1 for Title I, Part D and Indicator 1.1 for the McKinney Vento Homeless Education Program.

**Summary of Title I, Part A Monitoring Indicators
For Standards, Assessment, and Accountability**

Monitoring Area 1: Standards, Assessment, and Accountability			
Indicator Number	Description	Status	Page
1.1	The SEA has approved systems of academic content standards, academic achievement standards and assessments (including alternate assessments) for all required subjects and grades, or has an approved timeline for developing them.	Findings	5
1.2	The SEA has implemented all required components as identified in its accountability workbook.	Findings	7
1.3	The SEA has published an annual report card as required and an Annual Report to the Secretary.	Finding	10
1.4	The SEA has ensured that LEAs have published annual report cards as required.	Finding	10
1.5	The SEA indicates how funds received under Grants for State Assessments and related activities (section 6111) will be or have been used to meet the 2012-13 assessment requirements of the ESEA.	Met Requirements	N/A
1.6	The SEA ensures that LEAs meet all requirements for identifying and assessing the academic achievement of limited English proficient students.	Met Requirements	N/A

Title I, Part A
Standards, Assessment and Accountability

Indicator 1.1: Academic content standards and academic achievement standards and assessments (including alternate assessments)

Finding (1): The VAOE did not adequately demonstrate that it has procedures in place to ensure that for each testing cycle local test coordinators and test administrators receive the resources and training necessary to effectively administer the assessments. With respect to the general assessments, district points of contact for test coordination are not consistently identified and training for test coordinators and administrators is voluntary. Similarly, with regard to the inclusion of students with disabilities and Limited English Proficient (LEP) students in general assessments, training is voluntary and, though the VAOE has an accommodations guide to supplement more general materials on administration of its reading, math and science assessments, the VAOE does not have procedures in place to ensure that the guide is annually provided to district and school staff responsible for test administration.

With respect to the Vermont Alternate Assessment Portfolio (VTAAP), though the VAOE provides voluntary training and some resource materials for district and school staff responsible for administration of the VTAAP, the VAOE does not have procedures in place to ensure that all staff who administers the VTAAP has been appropriately trained.

Citation: Section 1111(b)(3)(C)(xiv) of the ESEA requires that state assessments be consistent with widely accepted professional testing standards and objectively measure academic achievement, knowledge, and skills.

Further action required: Within 30 days of this report, the VAOE must submit to ED a plan and timeline for having in place (of the next testing cycle, the 2014-15 school year) procedures to ensure that for each testing cycle local test coordinators and test administrators receive the resources and training necessary to effectively administer the assessments. This plan and timeline must address all assessments the VAOE administers to address ESEA Title I requirements (specifically: general assessments in reading/language arts and mathematics for grades 3-8 and high school (the Smarter Balanced Assessment Consortium [SBAC] assessments)); general science assessments in three grade levels (the New England Common Assessment Program [NECAP] science assessments); alternate assessments in reading/language arts and mathematics for grades 3-8; high school (the Dynamic Learning Maps [DLM] assessments); and alternate science assessments in three grade levels (VTAAP)).

Finding (2): The VAOE has not ensured that it has in place adequate guidelines including all students with disabilities assessments Key VAOE documents about the assessment of Students with Disabilities (SWD), including the state's template for an Individualized Education Plan (IEP) form and VTAAP guidelines, provide for only two assessment options for SWD (assessment with accommodations) or an alternate assessment. The option of assessment without accommodations also should be included.

Citation: Section 1111(b)(3)(C)(ix) requires that State assessment systems provide for the participation in such assessments of all students and the reasonable adaptations and accommodations for students with disabilities (as defined under section 602(3) of the Individuals with Disabilities Education Act) necessary to measure the academic achievement of such students relative to State academic content and State student academic achievement standards.

Further action required: Within 30 days of this report, the VAOE must submit to ED a revised set of key documents related to the assessment of SWD, including the state's template for an IEP form and VTAAP guidelines, to reflect the full range of assessment options for SWD.

Finding (3): The VAOE did not adequately demonstrate that it has sufficient procedures in place for monitoring the administration of the assessments it administers for ESEA purposes. The VAOE does not have documented procedures in place to monitor the administration of assessments used for ESEA purposes nor does the VAOE ensure that its districts monitor the administration of assessments in their schools. This finding applies to the monitoring of assessment administration in general and the monitoring of the use of accommodations for assessments.

Citation: Section 9304(a) of the ESEA requires that the SEA must ensure that (1) programs authorized under ESEA are administered in accordance with all applicable statutes, regulations, program plans, and applications. 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.

Further action required: Within 30 days of this report, the VAOE must submit to ED evidence of its new procedures and plans for the steps the VAOE will take to communicate the procedures to districts and schools and ensure that they are implemented. The VAOE must establish and implement, in the next testing cycle, the 2014-15 school year, procedures for monitoring test administration in districts and schools and for ensuring that districts monitor test administration in their schools. Such procedures must be established for all assessments the VAOE administers to address ESEA Title I requirements (specifically: general assessments in reading/language arts and mathematics for grades 3-8 and high school (the SBAC assessments); general science assessments in three grade levels (the NECAP science assessments); alternate assessments in reading/language arts and mathematics for grades 3-8 and high school (the DLM assessments); and alternate science assessments in three grade levels (VTAAP)).

Finding (4): The VAOE could not document that it adequately addresses key indicators with respect to test security. The VAOE does not have a documented, standing test security policy and, as a result, could not document that it adequately addresses key indicators with respect to test security, including: training on proper administration procedures, including test security for all test coordinators and administrators; processes for monitoring to identify test irregularities; processes for conducting investigations for test irregularities; specific rules for invalidating tests; procedures for documenting incidents of irregularities at the SEA and local level; and consequences for violation of the State's test security policy and how they are communicated to the public and local educators.

Citation: Section 1111(b)(3)(C)(xiv) of the ESEA requires that state assessments be consistent with widely accepted professional testing standards and objectively measure academic achievement, knowledge, and skills.

Further action required: Within 30 days of this report, the VAOE must submit to ED a revised set of test security policies and procedures. Specifically, the VAOE must submit a statewide standing test security policy that, at a minimum, addresses the issues identified in the finding. Such policies and procedures must address all assessments the VAOE administers to ED (specifically: general assessments in reading/language arts and mathematics for grades 3-8 and high school (the SBAC assessments); general science assessments in three grade levels (the NECAP science assessments); alternate assessments in reading/language arts and mathematics for grades 3-8 and high school (the DLM assessments); and alternate science assessments in three grade levels (VTAAP). Additionally, within 30 days of this report the VAOE must submit a plan and timeline for communicating the policies and procedures to local test coordinators, test administrators and other relevant educators in the state for the 2014-15 school year and future years to ED.

Finding (5): The VAOE does not have in place procedures to address all indicators regarding data quality. Specifically, the VAOE does not have procedures for schools to review the achievement data on which their AYP determinations are based.

Citation: Section 1116(c)(5) of the ESEA requires that when an SEA determines that a school has not achieved AYP for two years in a row, it must provide the school with an opportunity to review the data, including academic assessment data, on which the proposed identification for school improvement is based.

Further action required: Within 30 days of this report, the VAOE must submit to ED a plan and timeline for putting in place procedures for schools to review the assessment data on which their AYP determinations are based. These procedures must include a review of achievement data for all assessments, general and alternate, upon which AYP decisions are based.

Indicator 1.2: Accountability Workbook

Finding (1): The VAOE did not ensure that its accountability workbook is updated to reflect its current policies and practices. The VAOE's accountability workbook does not reflect current policies and practices in the state, including policies reflected in the VAOE's Accountability Operations Manual.

Citation: Section 1111(a)(1) of the ESEA requires that, for any State desiring to receive a grant under this part, the State educational agency shall submit to the Secretary a plan, developed by the State educational agency that satisfies the requirements of this section. Section 1111(b)(2) of the ESEA requires that the SEA implement all required components as identified in its accountability workbook.

Further Action Required: Within 30 days of this report, the VAOE must submit to ED a request to amend its accountability workbook so that it reflects current policies and practices in the State,

specifically those that will be applied to assessment data from the 2013-14 school year. For such updates, the VAOE should:

- Clarify that the State's content area assessment in reading is the same reading assessment administered to other, non-LEP students in the State;
- Clarify of how the VAOE includes all students in Adequate Yearly Progress (AYP) determinations (e.g., students at schools for the deaf and blind, juvenile institutions, alternative high schools, alternative schools for special education students, parent-child centers, distance learning schools, tuition-out students);
- Clarify of how the VAOE makes AYP determinations for schools with non-tested grades (e.g., K-2 schools);
- Specify the other academic indicator the VAOE uses for AYP;
- Clarify the VAOE's operational definition of full academic year;
- Clarify how the VAOE determines whether a district has exceeded the 1 percent cap for the number of scores on the VTAAP it can count as proficient, and the VAOE's procedures for redistributing scores when the cap is exceeded;
- Document the VAOE's policies regarding exemption of students from testing in special circumstances, consistent with the further action required under Finding (3) for this indicator, Indicator 1.2, below;
- Clarify how the VAOE counts multi-racial students for AYP purposes;
- Clarify that AYP decisions in Vermont consider participation rates for reading and math separately;
- Clarify how the state calculates safe harbor for AYP decisions;
- Reflect the VAOE's current use of the four-year adjusted cohort graduation rate for graduation rate calculations, including for AYP purposes, as well as the VAOE's graduation rate goal of 86 percent, the VAOE's use of extended-year (5- year and 6-year graduation rates) and targets expected for schools and LEAs that do not meet the goal; and
- Clarify that the VAOE provides for only one statewide 1 percent alternate assessment option for 1 percent of students and that out-of-level testing is no longer an option provided for testing such students.

Within 30 days of this report, the VAOE must submit to ED a request to amend its accountability workbook that addresses this finding.

- **Recommendation:** ED recommends that the VAOE include the following in its accountability workbook: The procedures the VAOE uses for calculating the index it uses for AYP in reading and math;
- Document that for AYP calculations the VAOE continues to count non-participants in proficiency calculations by counting them at the lowest proficiency level;
- A definition of what the VAOE considers a valid test score for purposes of including in AYP calculations;
- Circumstances for which students may be exempted from testing;
- Clarification of how the VAOE will provide for continuity in AYP determinations as the State transitions from fall to spring testing, and meet requirements for annual testing and accountability decisions; and

- Along with the minimum group size Vermont applies for AYP decisions, include the minimum group size the VAOE uses for reporting.

Finding (2): The VAOE has not adequately implemented all aspects of procedures for districts and schools to appeal AYP data and decisions. Though the VAOE outlines procedures for an appeals process in its Accountability Operations Manual, the VAOE has not regularly provided LEAs with information about this process or integrated information about the appeals process into procedures for review and release of data.

Citation: Section 1116(c)(5)(B) of the ESEA allows that if the local educational agency believes that the proposed identification is in error for statistical or other substantive reasons, the agency may provide supporting evidence to the State educational agency with an opportunity to review the data, including academic assessment data, on which the proposed identification is based. Section 1116(b)(2)(B) of the ESEA allows that if the principal of a school proposed for identification for improvement believes, or a majority of the parents of the students enrolled in such school believe, that the proposed identification is in error for statistical or other substantive reasons, the principal may provide supporting evidence to the local educational agency, which shall consider that evidence before making a final determination.

Further Action Required: Within 30 days of this report, the VAOE must submit to ED its procedures for an appeals process used in making AYP decisions. The VAOE shall prepare for dissemination to LEAs documentation of its procedures for an appeals process. The VAOE must also submit a plan and timeline for annually disseminating the documentation of its procedures for appeals of AYP decisions to LEAs and schools.

Finding (3) – The VAOE has not clearly documented aspects of its assessment system with respect to exemption of students from testing in special circumstances. Evidence supplied by the VAOE provided conflicting information regarding exemption of students from testing in special circumstances. For example, the Principal/Test Coordinator Manual for 2012 indicated that exemptions must be approved by the VAOE, but the Vermont’s Accountability Operations Manual (Updated March 2011) indicates that schools need only keep a record on file at the school to document the exemption.

Citation: Section 1111(b)(3)(C)(iv) of the ESEA requires that a state’s assessment system provide for the participation in such assessments of all students.

Further Action Required: Within 30 days of this report, the VAOE must submit to ED documentation of its policies regarding exemption of students from testing in special circumstances, and evidence of consistent documentation of these policies in documents provided to districts and schools. The VAOE’s exemption policies must be consistent with ED’s May 19, 2004 policy letter to Chief State School Officers (posted at www2.ed.gov/policy/elsec/guid/stateletters/prates.html). The VAOE must either submit this documentation and evidence to ED or submit to ED a reasonable timeline for submitting this documentation and evidence. As specified in the further action required for Finding (1) under this indicator, Indicator 1.2, the VAOE also must amend its accountability workbook to include its exemption policies.

Indicator 1.3: Annual Report Card

Finding: The VAOE has not ensured that LEA report cards and school reports include all of the required information. Specifically, the LEA report cards and school reports did not report the number of recently arrived LEP students who are not assessed on the State’s reading/language arts test.

Citation: Section 200.6(b)(4)(i)(C) of the Title I regulations requires that a state and its districts must report on State and district report cards under section 1111(h) of the Act the number of recently arrived LEP students who are not assessed on the State’s reading/language arts assessment.

Further action required: Within 30 days of this report, the VAOE must add the required information noted in this finding to its state report card. Also within 30 days of this report, the VAOE must either submit the revised state report card to ED or submit to ED a reasonable timeline for submitting a revised state report card.

Recommendation: ED recommends that the VAOE edit its State report card to clarify the assessments upon which the data presented are based on the VAOE State report card. It is not consistently clear whether data are reported based on the NECAP assessments only, or for all students (i.e., those taking the NECAP and VTAAP assessments).

Indicator 1.4: Annual Report Cards

Finding: The VAOE has not ensured that LEA report cards and school reports include all of the required information.

In one or both LEAs visited, the LEA report card did not include:

- Information, in the aggregate (for all students tested on the NECAP and VTAAP) on student achievement at each proficiency level on the State academic assessments disaggregated by race, ethnicity, gender, disability status, and migrant status; English proficiency and status as economically disadvantaged (where the minimum “n” has been met);
- Comparison of the actual achievement levels of each group of students (for all students tested on the NECAP and VTAAP) with the State’s annual measurable objectives for each required assessment;
- Information on how students served by the LEA achieved on the statewide academic achievement assessment (for all students tested on the NECAP and VTAAP) compared to students in the State as a whole;
- The percentage of students not tested (for all students tested on the NECAP and VTAAP), disaggregated by student group, by subject;
- The most recent two-year trend in student achievement in each subject at each grade level for grades in which assessment is required (for all students tested on the NECAP and VTAAP);
- Aggregate information on the other academic indicator used by the State to determine AYP status for elementary and middle schools;

- Information on the performance of the LEA regarding whether it made AYP and whether it has been identified for improvement;
- The professional qualifications of teachers in the LEA, including percentage of such teachers teaching with emergency or provisional credentials, and the percentage of classes not taught by highly qualified teachers disaggregated by high-poverty compared to low-poverty schools;
- The number of recently arrived LEP students who are not assessed on the State's reading/language arts test; and
- State data from the National Assessment of Educational Progress (NAEP)

In one or both LEAs visited, the school reports did not include:

- Information, in the aggregate (for all students tested on the NECAP and VTAAP) on student achievement at each proficiency level on the State academic assessments disaggregated by race, ethnicity, gender, disability status, and migrant status; English proficiency and status as economically disadvantaged (where the minimum "n" has been met);
- Comparison of the actual achievement levels of each group of students (for all students tested on the NECAP and VTAAP) with the State's annual measurable objectives for each required assessment;
- Information on how students (for all students tested on the NECAP and VTAAP) served by the LEA achieved on the statewide academic achievement assessment (for all students tested on the NECAP and VTAAP) compared to students in the State as a whole;
- The percentage of students not tested (for all students tested on the NECAP and VTAAP), disaggregated by student group, by subject;
- The most recent two-year trend in student achievement in each subject at each grade level for grades in which assessment is required (for all students tested on the NECAP and VTAAP);
- Aggregate information on the other academic indicator used by the State to determine AYP for elementary and middle schools;
- The professional qualifications of teachers in the school including percentage of such teachers teaching with emergency or provisional credentials, and the percentage of classes not taught by highly qualified teachers;
- The number of recently arrived LEP students who are not assessed on the State's reading/language arts test; and
- State data from the National Assessment of Educational Progress (NAEP)

Citation: Section 1111(h)(2)(B) of the ESEA requires the SEA to ensure that district report cards and school reports include the required information.

Further action required: Within 30 days of this report, the VAOE must submit to ED a plan and a timeline for ensuring that LEA report cards and school reports include all of the required information. This plan must identify and address gaps in procedures that did not ensure that LEA report cards and school reports include all of the required information. When final, the VAOE must submit report cards for Burlington School District and Winooski School District released during the 2013-14 school year that address all requirements and a list of other LEA report cards that have been released by that time.

**Summary of Title I, Part A Monitoring Indicators
For Instructional Support**

Monitoring Area 2: Instructional Support			
Indicator Number	Description	Status	Page
2.1	Highly Qualified Paraprofessionals. The SEA has developed procedures to ensure the hiring and retention of qualified paraprofessionals [§1112; §1119; 34 CFR Part 200 §200.58-200.60]	Met Requirements	N/A
2.2	Statewide System of Support. The SEA has established a statewide system of intensive and sustained improvement and support that provides, or provides for, technical assistance to LEAs and schools as required. [§1117; 34 CFR Part 200 §200.40]	Met Requirements Recommendation	13
2.3	Parental Involvement and parent notification. The SEA ensures that LEAs and schools meet parental involvement requirements. [§§1111-1112; and §§1114 -1118]	Findings	13
2.4	School improvement, corrective action, or restructuring. The SEA ensures that LEA and schools identified for improvement, corrective action, or restructuring have met the requirements of being so identified. [§1116; 34 CFR Part 200. §§200.36-200.44]	Finding	15
2.5	School Choice. The SEA ensures that requirements for public school choice are met. [§1112 and §1116; 34 CFR Part 200 §200.37, §200.44 and §200.48]	Met Requirements	N/A
2.6	Supplemental Educational Services (SES). The SEA ensures that requirements for the provision of supplemental educational services (SES) are met. [§1116; 34 CFR Part 200 §§200.45-200.47]	Met Requirements	N/A
2.7	Schoolwide Plans. The SEA ensures that LEAs and schools develop schoolwide programs that use the flexibility provided to them by the statute to improve the academic achievement of all students in the school. [§1114. 34 CFR Part 200. §§200.25-200.28]	Finding	15
2.8	Targeted Assistance Programs. The SEA ensures that LEA targeted assistance programs meet all requirements.	Met Requirements	N/A

Indicator 2.2: Statewide System of Support

Recommendation: ED recommends that the VAOE strengthen its statewide system of support in order to ensure that the delivery of its support is robust and consistent across all LEAs in Vermont. VAOE provides “coaches” to its schools in need of improvement. The coaches provide levels of intervention that are differentiated with the LEAs’ level of improvement and achievement. Coaches’ salaries are financially supported through the use of Section 1003(a) funds according to VAOE officials. LEA officials provided conflicting accounts regarding the usefulness of the coaches.

Indicator 2.3: Parental Involvement

Finding (1): The VAOE did not ensure that its LEAs fulfill the requirements for parental involvement in regard to the required annual Title I Parent Meeting. School officials in WSD were not able to produce documentation to show that they had held the annual Title I Parent Meeting. Additionally, school officials in WSD did not seem to be clear on the requirements of the annual Title I Parent Meeting.

Citation: Section 1118 (c) requires schools receiving parent involvement funds to complete the requirement. Each school served under this part shall--(1) convene an annual meeting, at a convenient time, to which all parents of participating children shall be invited and encouraged to attend, to inform parents of their school's participation under this part and to explain this part, its requirements, and their right to be involved; (2) offer a flexible number of meetings, such as meetings in the morning or evening, and may provide, with funds provided under this part, transportation, child care, or home visits, as such services relate to parental involvement; (3) involve parents, in an organized, ongoing, and timely way, in the planning, review, and improvement of programs under this part, including the school parental involvement policy and the joint development of the schoolwide program plan under section 1114(b), except that if a school has in place a process for involving parents in the joint planning and design of its programs, the school may use that process, if such process includes an adequate representation of parents of participating children; and (4) provide parents of participating children--
(A) timely information about programs under this part;
(B) school performance profiles required under section 1116(a)(3) and their child's individual student assessment results, including an interpretation of such results, as required under section 1111(b)(3)(H);
(C) a description and explanation of the curriculum in use at the school, the forms of assessment used to measure student progress, and the proficiency levels students are expected to meet;
(D) opportunities for regular meetings to formulate suggestions, share experiences with other parents, and participate as appropriate in decisions relating to the education of their children if such parents so desire;
(E) timely responses to parents' suggestions under subparagraph (D); and if the schoolwide program plan under section 1114(b)(2) is not satisfactory to the parents of participating children, submit any parent comments on the plan when the school makes the plan available to the local educational agency.

Further Action Required: Within 30 days of this report, the VAOE must submit to ED documentation of the WSD's compliance with this requirement. Additionally, the VAOE must submit to ED documentation of its guidance to all of its LEAs regarding this requirement.

Finding (2): The VAOE did not ensure that its LEAs fulfill the requirements for parent involvement in regard to the required one percent (1 percent) reservation of funds. In BSD, officials did not give 95 percent of its 1 percent required parental involvement reservation to the Title I schools as required. Instead, BSD kept 100 percent of the reservation at the LEA level, and did not gain the required waiver of the use of the 1 percent reservation from the Title I schools.

Citation: Section 1118(a)(3)(a) requires each local educational agency to reserve not less than 1 percent of such agency's allocation under this part to carry out this section, including family literacy and parenting skills, except that this paragraph shall not apply if 1 percent of such agency's allocation under this part for the fiscal year for which the determination is made is \$5,000 or less. Section 1118(a)(3)(C) requires the agency to distribute not less than 95 percent of the funds reserved under Subparagraph A. It states that "not less than 95 percent" of the funds reserved under subparagraph (A) shall be distributed to schools served under this part.

Further Action Required: Within 30 days of this report, the VAOE must submit documentation of BSD's distribution of the required reservation to schools (i.e., 95 percent of the 1 percent of the parent involvement allocation to its schools). If BSD schools waived distribution of the allocation and have funds from the 1 percent allocation remain at the district level, then the VAOE must submit documentation to ED of this waiver from the schools. Additionally, the VAOE must submit documentation to ED of its guidance to all of its LEAs regarding this requirement.

Finding (3): The VAOE did not ensure that its LEAs fulfill the requirements for parental involvement regarding updated parent compacts. There was no evidence of school or district compacts provided in WSD.

Citation: Section 1118(b)(1) requires schools to "jointly develop with, and distribute to, parents of participating children a written parental involvement policy, agreed on by such parents, that shall describe the means for carrying out the requirement...Parents shall be notified of the policy in an understandable and uniform format and, to the extent practicable, provided in a language the parents can understand. Such policy shall be made available to the local community and updated periodically to meet the changing needs of parents and the school".

Further Action Required: Within 30 days of this report, the VAOE must submit to ED documentation of WSD's parent compacts that are in compliance with the requirements for parent involvement. Additionally, within 30 days of this report, the VAOE must submit documentation to ED of its guidance to all of its LEAs of this requirement.

Indicator 2.4: School Improvement, Corrective Action or Restructuring

Finding: The VAOE did not ensure that Adequate Yearly Progress (AYP) determinations were provided to districts and schools in a timely manner. Timeliness of AYP determinations is a concern in the area of school improvement. These determinations impact public school choice and SES. Students took the academic assessment in October 2012 and AYP determinations based on the results of those assessments were made for the 2013-2014 school year. Although the VAOE released preliminary AYP determinations in spring 2013, final AYP determinations were not released until August 2013. The VAOE explained that the delays in AYP determinations were based on the VAOE's determination to withdraw from the Elementary and Secondary Education (ESEA) Flexibility (Flex) process; however, the VAOE also stated that the VAOE practice of releasing its AYP determinations in August would likely continue. Students begin school in late August; therefore, the AYP determinations are released "days" before the school year starts. The timeliness of this determination causes a "rush" for LEAs to release required AYP letters parent notifications regarding school improvement, public school choice, and SES in a timely and compliant manner. In BSD, the parent notification (regarding school improvement) letters are sent to the school for release to the parents and the BSD officials did not document that the letters were sent to parents in a compliant manner. Additionally, the BSD officials did not produce "live and dated" documentation of compliance in this area (but produced templates instead). In WSD, officials stated that the letters were sent home with the students in the "first day of school" information. Documentation of compliance in this area was not provided during the review.

Citation: Section 1116(b)(6) of the ESEA requires LEAs to promptly provide parents with an explanation of the identification of their child's school that includes (1) how the school compares academically to other schools in the LEA and the State; (2) why the school has been identified; (3) what the school is doing to address the achievement problem; (4) what the LEA and SEA are doing to help the school to address the achievement problem; (5) how parents can be involved in addressing the achievement problem, and (6) parents' options to transfer their child to another school, and, if applicable, obtain SES.

Further action required: The VAOE must ensure that parents receive notice of the letters for school improvement (whether school choice or supplemental educational services). Notification letters should have been produced to ED officials with date stamps, requirements, etc. but they were not produced. The VAOE must submit to ED documentation of this parent notice for the 2014-2015 for parents in BSD and WSD. The VAOE must also submit to ED documentation of its guidance to all of its LEAs.

Indicator 2.7: Schoolwide Plans

Finding: The VAOE did not ensure that schoolwide plans were in compliance with the statute. Schoolwide plans were not produced in WSD and all Title I schools were using a schoolwide program model. In WSD, officials stated that the schoolwide plans expired in June 2012 and they were transitioning to the VAOE's Green Mountain indicators. ED encourages streamlining school improvement plans and assessments to reduce burden whenever possible; however, requirements in each program must still be met. ED officials requested a copy of the June 2012

schoolwide program from WSD officials and WSD officials did not produce documentation of compliance in this area.

Citation: Section 1114(b)(1) requires schoolwide programs with components including comprehensive needs assessments; schoolwide reform strategies; instruction by highly qualified teachers; high-quality ongoing professional development; strategies to attract high-quality highly qualified teachers to high needs schools; strategies to increase parental involvement; transition plans (e.g. early childhood); measures to include teachers in the decisions regarding the use of academic assessments; assistance to students having difficulty mastering the academic standards; and coordination/integration of Federal, State, and local services and programs.

Further Action Required: Within 30 days of this report, the VAOE must submit to ED a schoolwide plan for each Title I school in WSD operating a schoolwide program, and these plans must be in compliance with the statute. Additionally, the VAOE must submit evidence of guidance to its LEAs regarding this requirement.

**Summary of Title I, Part A Monitoring Indicators
For Fiduciary Responsibilities**

Monitoring Area 1: Fiduciary Responsibilities			
Indicator Number	Description	Status	Page
3.1	Within State Allocations, Reallocations, and Carryover. The SEA complies with— The procedures for adjusting ED-determined allocations from funds outlined in §§200.70-200.75 of the regulations. The procedures for reserving funds for school improvement, state administration, and (where applicable) the State Academic Achievement Awards program. The reallocation and carryover provisions in §§1126(c) and 1127 of the ESEA.	Met Requirements	N/A
3.2	LEA Plan. The SEA ensures that its LEAs comply with the provision for submitting an annual application to the SEA and revising LEA plans as necessary to reflect substantial changes in the direction of the program[§1112].	Met Requirements	N/A
3.3	Within District Allocation Procedures. The LEA complies with the requirements with regard to: (1) Reserving funds for the various set-asides either required or allowed under the statute, and (2) Allocating funds to eligible school attendance areas or schools in rank order of poverty based on the number of children from low-income families who reside in an eligible attendance area. [§§1113, 1116, 1118, of the ESEA and §200.77 and §200.78 of the Title I regulations].	Findings	18
3.4	Fiscal Requirements: Maintenance of Effort, Comparability, Supplement, not Supplant, Internal controls, and Reporting -- The SEA ensures that the LEA complies with --- <ul style="list-style-type: none"> • The procedures for ensuring maintenance of effort (MOE). • The procedures for meeting the comparability requirement. • The procedures for ensuring that Federal funds are supplementing, not supplanting non-Federal sources. 	Findings	19
3.5	Services to Eligible Private School Children. The SEA ensures that the LEA complies with requirements with regard to services to eligible private school children, their teachers, and families. §§1120 and 9360 of the ESEA, §443 of GEPA and §§200.62-200.67, 00.77 and §200.78 of the Title I regulations.	Met Requirements	N/A

Indicator: 3.3: Within District Allocation Procedures

Finding (1): The VAOE did not ensure that LEA plans have correct allocation amounts at the school level. For example, at BSD the Schoolwide Program (SWP) Program Details page in the G-3 automated LEA plan system indicated incorrect amounts for school level allocations. The section entitled “Total funds available to allocate to schools” did not match school allocation amounts indicated in the G-3 LEA plan for both BSD and WSD. Additionally, neither the number of low-income pupils nor the percentages of low-income pupils were indicated for the Title I school in the G-3 plan at Winooski.

Citation: Sections 1113, 1116, and 1118 of the ESEA and sections 200.77 and 200.78 of the Title I regulations require that Title I funds are allocated to eligible school attendance areas or schools in rank order of poverty based on the number of children from low-income families who reside in an eligible attendance areas.

Further action required: Within 30 days of this report, the VAOE must provide ED with evidence that it has provided technical assistance to its LEAs regarding this requirement. The VAOE must ensure that its LEAs providing Title I services submit correct calculations of school level allocations on the basis of the number of high poverty children and the per pupil amount for each school. In addition, within 30 days of this report, the VAOE must provide ED with documentation that for the 2013-2014 school year, both BSD and WSD have met requirements regarding within district allocations. For BSD and WSD, the correct within district allocation must be submitted including correct calculation of school allocations based on the number of high poverty children and the per pupil amount used. Also within 30 days of this report, The VAOE must provide evidence of its final figures for “modified allocations” and “amount requested” as indicated in the G-3 LEA plan for BSD and WSD and submit the evidence to ED.

We don’t need to double ding for the same finding. Section 2.3 already cites the reservation for parental involvement as a finding so we don’t need to include it here.

Finding (2): The VAOE did not ensure that LEAs correctly calculated reservations for equitable services for private school participants. The BSD did not indicate the percentage of poor pupils attending private schools nor the proportionate percentage applied to parent involvement and professional development set-asides. Proportionate reservations were not identified for carryover amounts.

Citation: Section 200.65 of the Title I Regulations (December 2, 2002) states that from applicable funds reserved for professional development and parent involvement, an LEA shall ensure that teacher and families of participating private school children participate on an equitable basis in professional development and parent involvement activities, respectively. The amount of funds available to provide equitable services from the applicable reserved funds must be proportionate to the number of private school children from low-income families residing in participating public school attendance areas.

Further action required: Within 30 days of this report, the VAOE must provide ED with a detailed description of how and when it informed its LEAs of this requirement. This

documentation must include letters/emails to LEAs or agendas for technical assistance meetings. The VAOE must also provide ED with a description of how it will annually ensure the correct implementation of this requirement. The VAOE must ensure that the amount of funds available to provide equitable services from the LEAs professional development reservation is proportionate to the number of private school children from low-income families residing in participating public school attendance areas. These equitable services funds for parental involvement must be used to provide parental involvement to families of private school children participating in the Title I program.

Indicator 3.4: Fiscal Requirements: Maintenance of Effort, Comparability, Supplement not Supplant, and Internal Controls

Finding (1): The VAOE has not ensured that it used accurate calculations to determine maintenance of effort (MOE) (LEA expenditures from State and local funds as reported in the “Detail of FY12 Federal Maintenance of Effort”). In particular, this MOE report reflected estimated current expenditures, not actual current expenditures. The SEA reporting instructions for the “Annual Statistical Report of Schools” indicates that if an audit later reveals a material difference in any of the information requested in the annual statistical report, that the school district is required to file an amended report. (VAOE Reporting Instructions, p. 5). Neither school district visited by the ED team amended their annual statistical report when a different total current expenditure was reported in the LEA’s A-133 audit report. Additionally, the *Summary of the Annual Statistical Report of Schools* available on the VAOE’s website reports different total current expenditures than what is identified in the VAOE’s MOE report reviewed by the ED team. Table 7 presents “Total PK-12 Current Expenditures”; however, the FY12 PK-12 Current Expenditures is not consistent with the VAOE’s MOE report. (See VAE website at: http://education.vermont.gov/documents/EDU-SARS_12_Web_updated_version.pdf ; reviewed on October 28, 2013). This inconsistency may result in more school district expenditures not meeting or meeting the 90 percent of aggregate expenditures for the second preceding fiscal year. Additionally, the MOE report does not clarify how net expenditures for deficits for food services are calculated in the MOE calculation.

Citation: Section 9521 of the ESEA provides that an LEA may receive funds under Title I, Part A for any fiscal year only if the SEA finds that either the combined fiscal effort per student or the aggregate expenditures of the LEA and the State with respect to the provision of free public education by the LEA for the preceding fiscal year was not less than 90 percent of the combined fiscal effort or aggregate expenditures for the second preceding fiscal year.

If an LEA fails to meet the MOE requirement, the SEA must reduce the amount of funds allocated under the programs covered by the MOE requirement in any fiscal year in the exact proportion by which the LEA fails to maintain effort by falling below 90 percent of either the combined fiscal effort per student or aggregate expenditures. In reducing an LEA’s allocation because it failed to meet the MOE requirement, the SEA uses the measure most favorable to the LEA.

Further action required: Within 30 days of this report, the VAE must submit to ED corrected MOE calculations for BSD and WSD. The VAOE must provide ED with a detailed description of how and when it informed its LEAs of this requirement. This documentation must include letters/emails to LEAs or agendas of technical assistance meetings. The VAOE must also provide ED with a description of how it will annually ensure the correct implementation of the MOE requirements. The VAOE must ensure that the expenditure amount used for computing maintenance of effort is based on actual expenditures for each LEA, rather than estimated expenditures.

Finding (2): The VAOE did not ensure that comparability calculations are computed in a timely manner at the beginning of the school year. School officials at the BSD presented a draft comparability report prepared for the prior school year, not the current school year. The BSD did not prepare a comparability report for the beginning of the 2012-2013 school year and did not keep records to document compliance with comparability requirements.

Citation: Section 1120A(c) of the ESEA provides that an LEA may receive Title I, Part A funds only if it uses State and local funds to provide services in Title I schools that, taken as a whole, are at least comparable to the services provided in schools that are not receiving Title I funds. If the LEA serves all of its schools with Title I funds, the LEA must use State and local funds to provide services that, taken as a whole, are substantially comparable in each Title I school. Demonstrating comparability is a prerequisite for receiving Title I, Part A funds. Title I Part A allocations are made annually; hence, comparability is an annual requirement.

Further action required: Within 30 days of this report, the VAOE must provide ED with a detailed description of how and when it informed its LEAs of this requirement. This documentation must include letters/emails to LEAs or agendas for technical assistance meetings. VAE must also provide ED with a description of how it will annually implement controls to ensure that LEAs understand and comply with the comparability of services requirements for Title I, Part A. The VAOE must ensure that LEAs develop procedures for complying with the comparability requirements. These procedures should be in writing and should, at a minimum, include the LEA's timeline for demonstrating comparability, identification of the office responsible for making comparability calculations, the measure and process used to determine whether schools are comparable, how and when the LEA makes adjustments in schools that are not comparable, and source documentation to support the calculations and documentation to demonstrate that any needed adjustments to staff assignments are made. While an LEA is only required to document compliance with the comparability requirement biennially (once every two years), it must perform the calculations necessary every year to demonstrate that all of its Title I schools are in fact comparable and make adjustment if any are not. For schools implementing schoolwide programs, LEAs may use (non-Federal) expenditures per student as the basis for comparability.

**Summary of Title I, Part D Monitoring Indicators
For Fiduciary Responsibilities**

Neglected, Delinquent or At-Risk of Dropping-Out Program			
Indicator Number	Description	Status	Page
1.1	The SEA conducts monitoring and evaluation of its subgrantees sufficient to ensure compliance with Title I, Part D program requirements and progress toward Federal and State program goals and objectives.	Finding	22
2.1	The SEA ensures that State Agency (SA) programs for eligible students meet all requirements, including facilities that operate institution-wide projects.	Met Requirements	N/A
2.2	The SEA ensures that Local Education Agency (LEA) programs for eligible students meet all requirements.	Met Requirements	N/A
3.1	The SEA ensures each State agency complies with the statutory and other regulatory requirements governing State administrative activities, providing fiscal oversight of the grants including reallocations and carryover, ensuring subgrantees reserve funds for transition services, demonstrating fiscal maintenance of effort and requirements to supplement not supplant.	Met Requirements	N/A
3.2	The SEA ensures each LEA complies with the statutory and other regulatory requirements governing State administrative activities, providing fiscal oversight of the grants including reallocations and carryover, and allowable uses of funds.	Met Requirements	N/A

Monitoring Area: Title I, Part D

Indicator 1.1: Monitoring of Its Subgrantees

Finding: The VAOE did not ensure that its subgrantees complied with ESEA requirements through monitoring. The VAOE provided no evidence of monitoring of the Title I, Part D program, and it has not provided a monitoring protocol and schedule of monitoring for Subpart 1 and 2 subgrantees for this fiscal year.

Citation: Section 1414 of ESEA requires States to ensure that programs assisted under Title I, Part D will be carried out in accordance with the State Plan. Additionally, the SEA is required that the State agencies and local educational agencies receiving Part D subgrants comply with all applicable statutory and regulatory requirements. Furthermore, Section 1426 of the ESEA requires the SEA to hold LEAs accountable for demonstrating student progress in identified areas. Finally, Section 9304(a) of the ESEA requires that the SEA ensure that programs authorized under the ESEA are administered with all applicable statutes, regulations, program plans and application.

Further action required: Within 30 days of this report, the VAOE must submit to ED a schedule, monitoring plan interview protocol, and two sample reports of sub-grantee monitoring conducted during the 2013-2014 school year.

**Summary of McKinney-Vento Homeless Education Program
Monitoring Indicators**

McKinney-Vento Homeless Education Program			
Indicator Number	Description	Status	Page
Indicator 1.1	The SEA conducts monitoring and evaluation of LEAs with and without subgrants, sufficient to ensure compliance with McKinney-Vento program requirements.	Finding	24
Indicator 2.1	The SEA implements procedures to address the identification, enrollment and retention of homeless students through coordinating and collaborating with other program offices and State agencies.	Met Requirements	N/A
Indicator 2.2	The SEA provides, or provides for, technical assistance to LEAs to ensure appropriate implementation of the statute.	Met Requirements	N/A
Indicator 3.1	The SEA ensures that Local Educational Agency (LEA) subgrant plans for services to eligible homeless students meet all requirements.	Finding	24
Indicator 3.2	The SEA complies with the statutory and other regulatory requirements governing the reservation of funds for State-level coordination activities.	Met Requirements	N/A
Indicator 3.3	The SEA has a system for ensuring the prompt resolution of disputes.	Met Requirements	N/A

McKinney Vento Homeless Education Program

Indicator 1.1: Monitoring and evaluation of LEAs with and without subgrants

Finding: The VOAЕ has not ensured that LEAs with and without subgrants are adequately monitored for compliance with the McKinney-Vento statute. Evidence was not provided of subgrantee monitoring, and there was no schedule for upcoming monitoring of subgrantees.

Citation: Section 722(g)(2)(A) of the McKinney-Vento Homeless Assistance Act (Education for Homeless Children and Youths) requires the SEA to conduct monitoring of LEAs with and without subgrants to ensure compliance with McKinney-Vento program requirements. Section 80.40 of the EDGAR further requires that the State, as the grantee, is responsible for monitoring grant and subgrant-supported activities to assure compliance with applicable Federal requirements.

Further action required: Within 30 days of this report, the VAOE must submit to ED a schedule, monitoring plan, interview protocol, and two sample reports of subgrantee monitoring conducted during the 2013-2014 school year to ED.

Indicator 3.1: Subgrants for Services to Eligible Homeless Students Meet All Requirements

Finding: The VOAЕ has not provided subgrant information and applications in a timely manner. The LEAs reported not receiving their funds at the start of the school year to effectively implement their McKinney Vento subgrantees projects. Delays in awarding such funds to LEAs prevent them from accessing and utilizing grant resources to initiate and complete the requirements of their subgrants.

Citation: 42 USC 11433 section 723(c) states: “The State educational agency shall, in accordance with the requirements of this subtitle and from amounts made available to it under section 726, make competitive subgrants to local educational agencies that submit applications.”

Further action required: Within 30 days of this report, the VOAЕ must submit to ED copies of Grant Award Notifications for all of its fiscal year 2013-14 EHCY sub-grantees.