

Colorado Department of Education

September 13-17, 2010

Scope of Review: A team from the U.S. Department of Education's (ED) Student Achievement and School Accountability Programs (SASA) office monitored the Colorado Department of Education (CDE) the week of September 13-17, 2010. This was a comprehensive review of the CDE's administration of the following programs authorized by the Elementary and Secondary Education Act of 1965 (ESEA), as amended: Title I, Part A, Subpart 3; and Title I, Part D. Also reviewed was Title VII, Subtitle 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 Title I, Part A program, the ED team conducted an analysis of State assessments and State Accountability System Plans, reviewed the effectiveness of the instructional improvement and instructional support measures established by the State to benefit local educational agencies (LEAs) and schools, and reviewed compliance with fiscal and administrative oversight required of the State educational agency (SEA). During the onsite week, the ED team visited Denver Public Schools (DPS) and Aurora Public Schools (APS), interviewed administrative staff, and conducted parent meetings. The ED team then interviewed the CDE personnel to confirm the accuracy of data collected in each of the three monitoring indicator areas.

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 and LEA applications under Subpart 2, technical assistance provided to SAs and LEAs, the State's oversight and monitoring plan and activities, SA and LEA subgrant plans and local evaluations for projects in the Departments of Corrections (DOC) and Juvenile Justice (DJJ); and LEA staff of Part D, Subpart 2 programs in Denver County and Poudre R-1. The ED team 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 with and without subgrants, the State's McKinney-Vento application, and LEA applications for subgrants and local evaluations for projects in Denver County and Poudre R-1

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: None.

Previous Monitoring Findings: ED last reviewed Title I programs in the CDE during the week of October 22-26, 2007. ED identified compliance findings in the following areas for Title I, Part A: overarching monitoring, accountability, LEA report cards, paraprofessionals, parental involvement, school improvement, SES, Choice, schoolwide programs, equitable services, grandfathering of schools, allocations to schools, reservations, comparability, and services to private school students. Compliance findings were also identified for Title I, Part D - Neglected, Delinquent or At-Risk of Dropping-Out Program: State agency plans and program monitoring. The CDE subsequently provided ED with documentation of compliance; however, ED is still considering one issue related to accountability.

Overarching Requirement – SEA Monitoring

A State’s ability to fully and effectively implement the requirements of ESEA is directly related to the extent to which it is able to regularly monitor its LEAs and provide quality technical assistance based on identified needs. This principle applies across all Federal programs under 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. Whatever process is used, States must have mechanisms in place sufficient to ensure that they are able to collect and review critical implementation data with the frequency and intensity required to ensure effective (and fully compliant) programs under ESEA. Such a process should promote quality instruction and lead to achievement of the proficient or advanced level on State standards by all students.

Status: Met requirements

**Title I, Part A
Summary of Monitoring Indicators**

Monitoring Area 1, Title I, Part A: Accountability			
Indicator Number	Description	Status	Page
1.1	The SEA has an approved system 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.	Met Requirements	N/A
1.2	The SEA has implemented all required components as identified in its accountability workbook.	Met Requirements	N/A
1.3	The SEA has published an annual report card as required and an Annual Report to the Secretary.	Met Requirements	N/A
1.4	The SEA has ensured that LEAs have published annual report cards as required.	Met Requirements	N/A
1.5	The SEA indicates how funds received under Grants for State Assessments and related activities (§6111) will be or have been used to meet the 2005-06 and 2007-08 assessment requirements of 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

Monitoring Area 2, Title I, Part A: Program Improvement, Parental Involvement, and Options			
Indicator Number	Description	Status	Page
2.1	The SEA has developed procedures to ensure the hiring and retention of qualified paraprofessionals.	Met Requirements	N/A
2.2	The SEA has established a statewide system of support that provides, or provides for, technical assistance to LEAs and schools as required.	Met Requirements	N/A
2.3	The SEA ensures that LEAs and schools meet parental involvement and parental notification requirements.	Met Requirements	N/A
2.4	The SEA ensures that LEAs and schools identified for improvement, corrective action, or restructuring have met the requirements of being so identified.	Met Requirements	N/A
2.5	The SEA ensures that requirements for public school choice are met.	Met Requirements	N/A
2.6	The SEA ensures that requirements for the provision of supplemental educational services (SES) are met.	Met Requirements	N/A
2.7	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.	Met Requirements	N/A
2.8	The SEA ensures that LEA targeted assistance programs meet all requirements.	Met Requirements	N/A

Monitoring Area 3, Title I, Part A: Fiduciary Responsibilities

Indicator Number	Description	Status	Page
3.1	<p>The SEA complies with—</p> <ul style="list-style-type: none"> • The procedures for adjusting ED-determined allocations outlined in sections 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 sections 1126(c) and 1127 of the Title I statute. 	Met Requirements	N/A
3.2	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.	Met Requirements	N/A
3.3	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]	Finding	7
3.4	<p>The SEA ensures that the LEA complies with---</p> <ul style="list-style-type: none"> • The procedures for ensuring maintenance of effort (MOE) as outlined in §1120A and 9021 of the ESEA. • The procedures for meeting the comparability requirement as outlined in § 1120A of the ESEA. • The procedures for ensuring that Federal funds are supplementing and not supplanting non-Federal sources used for the education of participating children as outlined in §1120A of the ESEA, §1114 of the ESEA, §1115 of the ESEA, and §1116 of the ESEA. 	Met Requirements	N/A
3.5	The SEA ensures that the LEA complies with requirements with regard to services to eligible private school children, their teachers and their families. § 1120 and 9306 of the statute, § 443 of GEPA, and §§ 200.62 – 200.67, 200.77 and § 200.78 of the Title I Regulations.	Findings	8
3.6	The SEA establishes a Committee of Practitioners (COP) and involves the committee in decision making as required. §1903 and § 1111 of the statute.	Met Requirements	N/A

Monitoring Area 3: Fiduciary Responsibilities

Indicator 3.3: Within District Allocation Procedures. The LEA complies with the requirements in sections 1113, 1116, & 1118 of the Title I Statute and sections 200.77 and 200.78 of the regulations 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.

Finding: The CDE has not ensured that all of its LEAs that are required to reserve one percent of their allocation for parental involvement activities allocate at least 95 percent of the reservation to schools. DPS had reserved more than the required one percent for parental involvement activities. DPS maintained a large portion of the funds at central level and required its Title I schools to reserve one percent of their Title I allocation to provide parental involvement activities.

Citation: Section 1118(a)(3)(A) of the ESEA requires LEAs with a Title I, Part A allocation of greater than \$500,000 to reserve not less than one percent of their Title I, Part A allocation to carry out parental involvement activities. Section 200.65 of the Title I regulations requires LEAs to calculate from these funds the amount of funds available for parental involvement activities for families of private school students based on the proportion of private school students from low-income families residing in Title I attendance areas. The LEA then must distribute to its public schools at least 95 percent of the remainder, leaving the balance of the reserved funds for parental involvement activities at the LEA level. Any funds related to this requirement that the LEA does not use during that year must be carried over into the next fiscal year and used for parental involvement activities.

Further action required: The CDE must require that its LEAs that receive a Title I, Part A allocation of greater than \$500,000, after the equitable portion for services to families of private school students has been calculated if applicable, distribute 95 percent of the remainder of the one percent required for parental involvement to public schools. The CDE must ensure that LEAs that wish to use all or a portion of the 95 percent for districtwide activities such as parent resource centers appropriately document that the funds were allocated to the schools, and that each individual school agreed to give back its individual allocation to fund a districtwide activity for parents of Title I students. The CDE must submit to ED evidence that DPS has distributed, after equitable services have been calculated, 95 percent of the remainder of the one percent required for parental involvement to public schools, or, if it is using all or a portion of the 95 percent for districtwide activities such as parent resource centers, that it has appropriately documented that the funds were allocated to the schools, and that each individual school agreed to give back all or a portion of its allocation to fund a districtwide activity for parents of Title I students.

3.5 - Services to Private School Students

Finding (1): The CDE has not ensured that its LEAs have exercised proper oversight in awarding contracts for the provision of Title I services to participating private school students. The contracts that DPS has with two contractors do not have enough detail to enable DPS to determine that the Title I statutory and regulatory requirements will be met. The contracts have not delineated the specific amount for administration that the contractors are charging, the amount of funds for instruction, family involvement and professional development.

Citation: Section 9306(a)(1) and (2) of the ESEA requires an LEA when submitting a consolidated application to ensure that Title I will be administered in accordance with all applicable rules, regulations, program plans and applications, and the LEA will maintain control of funds provided, and title to any property acquired with Title I funds will be in the LEA and the LEA will administer those funds and property as required by Title I. Contracts must contain enough detail on how the third-party provider will implement Title I requirements with detail sufficient to enable LEAs to determine that the Title I statutory and regulatory requirements will be met.

Section 1120(a)(3) of the ESEA requires that educational services to eligible private school children be equitable in comparison to services for public school children. Section 200.77(f) of the Title I regulations requires that LEAs reserve such funds as necessary to administer Title I programs for both public and private school children, including capital expenses, if any, incurred in providing services to eligible private school children, such as: the purchase and lease of real and personal property; insurance and maintenance costs; transportation; and other comparable goods and services, including non-instructional computer technicians.

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

Further action required: The CDE must require DPS to ensure that the third parties are providing Title I services to eligible private school children, their teachers, and their families in accordance with all Title I requirements. The CDE must require its LEAs to have signed contracts or agreements with third-party providers that have technical descriptions of the Title I services with detail sufficient to enable LEAs to determine that the Title I statutory and regulatory requirements will be met as required by section 9306 of the ESEA. Contracts must specify the precise amount for the provider's administrative costs. Contracts for more than one type of service, for example, for services for private school children, and, if applicable, family involvement and/or professional development must detail the specific amount(s) for each type of activity. The CDE must provide ED with evidence that it has notified DPS that its contracts with the third parties providing services to private school children, their teachers and/or families must include the

requirements listed above. The CDE must provide ED with copies of revised contracts from DPS that meet these requirements.

Finding(2): The CDE has not ensured that its LEAs require contractors to delineate on their invoices costs for instruction, professional development, parental involvement and administration and submit documentation to substantiate the charges for these costs

Citation: Section 9306(a)(5) of the ESEA requires an LEA submitting a consolidated application to use fiscal control and fund accounting procedures that will ensure proper disbursement of, and accounting for, Federal funds paid to the LEA.

Section 443 of the General Education Provisions Act (GEPA) requires each recipient of Federal funds, such as an LEA, to keep records which fully disclose the amount and disposition of the funds, the total costs of the activity for which the funds are used as well as other records as will facilitate an effective financial or programmatic audit.

Section 1120(a)(3) of the ESEA requires that funds generated by private school children must be used for instructional activities if the funds generated by public school children from low-income families are used for instructional activities.

Providers must list on their invoices expenditures in at least two categories: instructional activities (paid with funds generated by private school children from low-income families) and administrative costs (paid with funds from the section 200.77(f) reservations). Within each category, the contractors must provide detail sufficient to enable the LEA to determine that the requested invoices are in accordance with Title I requirements and the GEPA. Information could include the name and salary of each teacher, the instructional materials purchased, and the specific administrative costs, such as supervisor's salary, office expenses, travel costs, capital expense type costs, and fees. Invoices that are for more than one type of service, for example, for services for private school children as well as parental involvement activities for their parents must break out the third party costs for instruction and family involvement.

LEAs have the authority under the GEPA to require documentation to support requested expenditures.

Further action required: The CDE must provide ED with evidence that it has notified DPS that its contract with the third party providing services to private school children, their teachers and/or families must include the requirements listed above. In addition, the CDE must provide ED with copies of at least three DPS invoices from the current school year that meet these requirements.

Finding (3): The CDE has not ensured that its LEAs maintain control of the Title I program being provided for eligible private school children as evidenced by the following:

- In DPS, private school principals sign the time and effort sheets for Title I staff;

- DPS requires its private schools to develop targeted assistance plans. In the plans, private school staff indicates how children will be selected and how the program will be evaluated;
- DPS requires its private school principals to ensure that Title I equipment is used only for Title I activities and that the Title I equipment is labeled properly.

Citation: Section 1120(d)(1) of the ESEA requires that the LEA maintain control of the Title I funds, materials, equipment and property.

Section 1120(b)(1)(B) of the ESEA requires that an LEA consult with appropriate officials from private schools during the design and development of the LEA's program for eligible private school children. After consultation with appropriate private school officials, the LEA must design a Title I program that meets the needs of private school participants. The LEA is responsible for planning, designing, and implementing the Title I program and may not delegate that responsibility to the private schools or their officials.

Further action required: The CDE must provide ED with evidence that it has taken the following actions to ensure that its LEAs meet the requirements that LEAs maintain control of the Title I program being provided for eligible private school children:

- Provide DPS with technical assistance regarding this requirement;
- Require DPS to cease these practices immediately and provide evidence to ED that DPS has done so; and
- Strengthen its procedures to ensure that all LEAs meet this requirement.

Finding (4): The CDE has not ensured that its LEAs use Title I funds to meet the identified needs of participating private school children only and not to benefit a private school. DPS has allowed its contractors to provide professional development activities to classroom teachers of private school children that are general in nature and do not focus on helping the teachers better meet the needs of private school children.

Citation: Section 200.66(b)(1) of the Title I regulations requires LEAs to use Title I funds only to meet the special educational needs of participating private school children. Section 200.66(b)(2) of the Title I regulations prohibit LEAs from using Title I funds for the needs of the private school or the general needs of children in the private school.

The professional development activities for private school teachers of participating children should address how these teachers can better serve their students who are at risk of failing. It is prohibited to use Title I funds for activities that are designed to upgrade the instructional program in the regular classroom or meet the general needs of children in private schools.

Further action required: The CDE ensure that its LEAs that provide Title I services to private school children, their teachers and families either directly or through contract

meet this requirement. The CDE must provide ED with documentation that it has notified its LEAs of this requirement. In addition, the CDE must provide ED with information from DPS concerning professional development activities that have been or will be provided to teachers of eligible private school children during the 2010-2011 school year.

Finding (5): The CDE has not ensured that its LEAs provide services to all its eligible resident children who attend private schools in other LEAs. Both APS and DPS provide Title I services to children who reside in other LEAs. There is no written agreement between the LEAs nor does the LEA of residence transfer funds to the LEA that is providing the services.

Citation: Section 200.62(b)(1)(i) of the Title I regulations defines Title I eligible private school children as those who reside in participating public school attendance areas of the LEA, regardless of whether the private school they attend is located in the LEA. Thus, the LEA in which the child resides is responsible for providing services to the child, but it may arrange to have services provided by another LEA and reimburse that LEA for costs.

Section 200.64 of the Title I regulations indicate that funds expended by an LEA for services for eligible private school children in the aggregate must be equal to the amount of funds generated by private school children from low-income families.

Further action required: The CDE must provide ED with evidence that it has notified its LEAs of this requirement. In addition, the CDE must provide ED with information as to how it has strengthened its procedures to ensure that its LEAs meet this requirement.

**Title I, Part D
Summary of Monitoring Indicators**

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.	Met Requirements	N/A
2.1	The SEA ensures that State Agency (SA) programs for eligible students meet all requirements, including facilities that operate institutionwide 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

**McKinney-Vento Homeless Education Program
Summary of 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.	Met Requirements	N/A
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 Education Agency (LEA) subgrant plans for services to eligible homeless students meet all requirements.	Met Requirements	N/A
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