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SECTION VII
STATE AND FEDERAL
ADMINISTRATION

7.1.0 General Statement

In 1965, Congress enacted the Elementary and Secondary Education Act, commonly known as ESEA. The largest funded component of this act was Title I, which was designed to provide financial assistance in order to meet the particular educational needs of children who were educationally deprived and who resided in areas having high concentrations of children from low-income families. Title I ESEA has since been amended. However, the basic "declaration of policy" remains the same, as most recently stated in the Education Amendments of 1978 (Public Law 95-561):

In recognition of the special educational needs of children of low-income families and the impact that concentrations of low-income families have on the ability of local educational agencies to support adequate educational programs, the Congress hereby declares it to be the policy of the United States to provide financial assistance (as set forth in the following parts of this title) to local educational agencies serving areas with concentrations of children from low-income families to expand and improve their educational programs by various means (including preschool programs) which contribute particularly to meeting the special educational needs of educationally deprived children....(Sec. 101, P.L. 95-561).

Each of the key words or phrases in the declaration of policy expresses the intent of Congress.

* Support of Adequate Educational Programs to Meet Special Educational Needs: Most financing of local educational agencies (LEAs) comes from local or state revenues. However, LEAs with high concentrations of low-income families may not be able to support adequate educational programs. Hence, financial assistance is provided by the Department of Education to states on the basis of incidence of low-income families and, in turn, to counties, and to LEAs. Applications from LEAs have to be approved by
the state educational agencies (SEAs). LEAs may not use such title I funds for "general aid." Rather, these funds must provide for adequate educational programs which meet the particular education needs of educationally deprived children from areas with concentrations of low-income families. The words "special educational needs" in Title I ESEA should not be confused with the phrase "special education" as it is commonly used to describe the instructional programs available to handicapped students.

- **Expand and Improve:** Title I funds must be used by LEAs to expand and improve educational programs and services for students eligible to be served under Title I ESEA. While LEAs must provide all children with their basic educational program, title I funds can only be used to provide extra or supplemental services to meet the particular educational needs of educationally deprived children who are otherwise eligible. Title I ESEA funds must also be used to improve the quality of educational programs for educationally deprived children through proper planning and program design.

- **The Educational Program:** The supplemental educational programs funded under title I must be designed to meet the specific educational needs of children selected for participation in the program. The programs must be of sufficient size, scope, and quality with stated performance objectives for each project, based upon an assessment of the need of eligible students. Supportive services which are clearly related to the educational needs of children being served and are not available from other funding sources may be provided with title I funds.

- **Educationally-Deprived Children in Areas with Concentrations of Children from Low-Income Families:** The intended beneficiaries of Title I ESEA are educationally deprived children who reside in school attendance areas with high concentrations of children from low-income families. Eligible school attendance areas are identified and ranked on the basis of family income level or directly-related information. With a few exceptions, those eligible attendance areas or schools with the highest percentage or numbers of children from low-income families are selected for Title I ESEA funding. Individual children within an eligible attendance area or a school are selected on the basis of their individual educational needs; those with the greatest needs receive title I services.

7.2.0 **Basic Concepts**

This chapter covers the basic concepts relating to state and federal administration of Title I ESEA. These concepts are summarized below, and present in shortened form what is described in more detail later in the chapter.

- **SEA Application for Title I Funds and Approval by the Secretary.** States that wish to receive funds under Title I ESEA are required to submit an application to the Secretary of the Department of Education. Assurances
must be made in the application that programs administered by the state agency will comply with all provisions set forth in the Title I ESEA law and regulations, as well as in all other applicable federal laws, regulations, and program plans. Among the required responsibilities of the SEA are: allocating grants to local agencies, monitoring and evaluating the effectiveness of local programs, administering audits, and providing technical assistance to LEAs that are implementing title I programs. The Secretary also allocates to each SEA funds to enable the SEA to administer title I programs in the state.

- LEA Applications for Title I Funds and SEA Approval. In order to receive title I funds, LEAs must submit an application to the SEA. Approval of the application is based on assurances that the LEA will implement the program according to all federal and state requirements and on the results of prior federal and state audits, monitoring reports, and administrative complaints made by parents and other individuals. Upon approval of the application, the state disburses title I funds to the LEA. Amendments to the program application and proposals for special projects must also be approved by the SEA before they may be implemented.

- Allocation of Title I Funds to SEAs and LEAs. The Department of Education determines the amount of funds available to each county in the state and allocates these funds to the SEA. These county allocations must then be distributed to the LEAs within the counties by the SEAs if the LEA boundary does not coincide with the county lines.

- Allocation of Special Grants to LEAs. The distribution of incentive grant funds and concentration grant funds is the responsibility of the SEA.

- State Compensatory Education Programs and Exemptions. Funds allocated to local districts under a special state or local compensatory education program or a state phase-in program may be excluded from a district's determination of its compliance with the excess cost and comparability of service provisions of title I. Before this may be done, however, the SEA must have determined that the local compensatory education program meets the eligibility criteria, as specified in the legislation. A similar determination of eligibility must be determined by the Secretary for a state compensatory education program and a state phase-in program.

- State Rulemaking. An SEA may adopt rules, procedures, guidelines, or other requirements that apply to title I projects, provided that the rules do not conflict with the requirements given in the federal law and regulations.

- SEA Recordkeeping. Each SEA must maintain records that show the amount and disposition of all title I funds it receives. Data on the total cost of title I programs should also be kept on file. Other records necessary for conducting effective audits of title I projects must be maintained by each SEA.
• **Complaint Procedures.** SEAs must implement written procedures for resolving complaints concerning the title I program. The Department of Education must also institute complaint procedures and is responsible for reviewing appeals from final resolutions by SEAs.

• **Monitoring and Auditing Responsibilities of SEAs and the Department of Education.** Each SEA must adopt standards for monitoring the effectiveness of title I projects. Audits must also be provided for by each SEA and must be scheduled for each agency receiving title I funds at least once every three years, unless this requirement is waived by the Secretary. The SEA must also adopt procedures for audit resolution. Similar audits of SEAs must be conducted by the Department of Education.

• **Withholding of Payments.** Whenever an SEA determines that an LEA is not in substantial compliance with the requirements of the title I law and regulations, the SEA may withhold further title I payments to the LEA. The Secretary may also withhold payments when an SEA is not in substantial compliance with the assurances it made in its application for title I funds.

• **Compliance Agreements.** An SEA or the Secretary may enter into a compliance agreement with an LEA or with an SEA, respectively, rather than initiating or continuing the withholding of funds.

• **Reporting Requirements of SEAs.** Each SEA is required to submit to the Secretary periodic written reports, which evaluate the effectiveness of title I projects in meeting the special educational needs of children participating in title I programs. These include a state monitoring and enforcement plan and reports on the number of LEAs operating title I projects. Other reports may be required as specified by the Secretary. In addition to those reports that the SEA must submit to the Secretary, there are also reports that the SEA must submit to its LEAs. Two reports to the LEAs are specifically required—monitoring reports and auditing reports.

• **Technical Assistance and Dissemination of Information.** Each SEA must develop and implement a comprehensive technical assistance program. The program must be made available to all LEAs and other agencies running title I projects. Each SEA must also adopt procedures for disseminating relevant information on title I to these agencies.

• **Evaluation Responsibilities of the Secretary.** The Secretary must provide for the independent evaluation of title I projects. The Secretary also has responsibility for developing evaluation standards and providing consulting assistance to SEAs and LEAs and state agencies on how to conduct an effective evaluation. In addition, the Secretary must disseminate the results of title I evaluations, as well as other information on exemplary Title I projects or particularly effective elements of these projects.
7.3.0 General Requirements for State and Federal Administration

ESEA, Title I, Sec. 161-174, 181-186, 194
ESEA, Title V, Sec. 501-520
CFR 116, 116a.20-116a.25
GEPA, Sec. 421-440, 451-456

Each SEA is responsible for the "proper and efficient" administration (ESEA, Sec. 194) of programs that are funded under Title I ESEA. The specific responsibilities of each SEA are described in detail in the ESEA statute (Title I and Title V) and in the title I regulations. The Department of Education also has responsibility for various administrative functions. These responsibilities are detailed in the P.L. 95-561, title I regulations and in the General Education Provisions Act (GEPA).

The federal and state responsibilities are, in some cases, complex. Some require the adoption and implementation of in-depth program and administrative plans, close adherence to specific procedures, and detailed reporting and recordkeeping. Yet while many of the requirements of the Department and state education agencies are specific, some allow these agencies the flexibility of individual interpretation. This flexibility permits agencies to tailor their procedures to the particular characteristics of the state and the local agencies they serve. Yet flexibility may also be met with some confusion, particularly when the limits placed on flexibility are unstated. The sections that follow, therefore, outline the required state and federal administrative responsibilities and provide examples of current administrative procedures when such examples are deemed useful.

7.4.0 Specific Requirements for State and Federal Administration

7.4.1 Allocation of Title I and Other Special Grant Funds to SEAs and LEAs
SEA Application for Title I Funds
and Approval by the Secretary

Any SEA that wants to receive funds under Title I ESEA must first submit an application for these funds to the Secretary of the Department of Education (116.20). The application must assure the Department that the SEA will comply with the applicable requirements of the title I statute and regulations, EDGAR (Education Division General Administrative Regulations), CEPA, and any program plans. In its application, the SEA must assure that it will (Sec. 501(b)):

1. Allow control of title I funds and the title to any property acquired with program funds to rest only with a public agency.

2. Adopt "proper methods of administration," including monitoring the agencies responsible for carrying out the program and enforcing program requirements; provide technical assistance to local agencies, where necessary; encourage the adoption of successful educational practices by local agencies; disseminate program requirements and information on successful practices to local agencies; and correct deficiencies in local program requirements.

3. Evaluate, at least once every three years, the effectiveness of each LEA's program in meeting its stated objectives and carry out this evaluation in accordance with the procedures specified in the regulations. (The state must also assure the Secretary that it will cooperate with the Department or with any federal official in carrying out an evaluation of the state's programs.)

4. Use federal control and accounting procedures that will "ensure proper disbursement of and accounting for federal funds" that have been allocated to the state for title I programs.

5. Report to the Secretary in areas and on topics that are deemed necessary for the Secretary to carry out his or her responsibilities.

6. Provide reasonable opportunities for LEA representatives, especially those affected by the program, and any other interested individuals and institutions to participate in the planning and operation of each program—e.g., the SEA should assure the Secretary that it will consult with advisory committees, local agencies, interested groups, and experienced
professionals in the development of plans; that it will publish and circulate proposed plans at least sixty days prior to the date on which the plan is to be submitted to the Secretary and that the public will be able to comment on the plan for a 30-day period if the Commissioner decides to require this; and that it will provide an opportunity for anyone who is interested to suggest improvements in the administration of the program and to allege noncompliance with the statute or the regulations.

The state's application remains in effect for as long as the program for which the application was submitted is operating. The resubmission or amendment of the application is not required unless federal or state law is changed to make this a requirement or unless circumstances affecting an assurance in the application change (Sec. 501(c); also see, Sec. 162 and 116.20).

All SEA applications must be approved by the Secretary before title I funds may be allocated to the SEA (116.220). Before a state application may be approved by the Secretary, however, the state must also have a Monitoring and Enforcement Plan (MEP) on file with the Department. The contents of the MEP are described in more detail in Chapter 7.4.5 on Monitoring and Auditing. In general, an SEA's MEP must contain procedures for monitoring local programs, resolving complaints, auditing programs, resolving auditing inconsistencies and difficulties, verifying program information, and determining programs' compliance with the title I requirements (ESEA, Sec. 182 and Sec. 171; also see 116.21).

The Secretary's approval of an SEA application may come only after written findings showing that the application and the MEP comply with the title I legislation. If the Secretary disapproves a state application for title I funds, the Secretary must notify the SEA in writing of the reasons for which approval was denied. The Secretary must also provide the SEA with an opportunity for a hearing (116.221(a)). Such a hearing, which must be held within 30 days of the SEA's receiving notice of disapproval, is held
before the Education Appeal Board (GEPA, Sec. 451). The decision of the Board becomes final, unless the SEA receives, within 60 days of the decision, a written notice from the Secretary that the decision has been modified (116.221(d)). Any subsequent decision made by the Secretary becomes final within 60 days of its being made. Barring such action by the Secretary, however, if the SEA objects to the decision made by the Education Appeal Board, it may file a petition for judicial review within sixty days of the Board's decision (GEPA, Sec. 455). Illustration 7.1 shows the sequence of actions and decisions and gives the maximum number of days allowed between decisions.

Judicial review of the Board's decision is initiated by the SEA and involves filing a petition for the review of the decision with the U.S. Court of Appeals for the circuit in which the state is located. A copy of this petition is then sent to the Secretary by the court. When the Secretary receives a copy of the petition, the Secretary must send the court a record of the proceedings on which the Secretary's decision and that of the Board was based. The findings of the Education Appeal Board, if supported by substantial evidence, are conclusive. Nevertheless, the Court of Appeals may ask the Board to review additional evidence and to determine whether its finding should stand or be modified. Any judgment made by the court may be reviewed by the Supreme Court of the United States.

LEA Applications for Title I Funds and SEA Approval

A local educational agency may receive a grant under Title I ESEA only if it has a current application on file with the SEA. Before being able to receive funds, the application must be approved by the SEA. Approval is contingent upon the local agency's assurances that:

1. It will administer its title I programs in accordance with all applicable statutes, regulations, program plans, and applications.

2. The control of funds and the title to property that has been acquired with those funds will be in a public agency.

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ILLUSTRATION 7.1

TIMETABLE FOR ACTION OR DISAPPROVAL OF STATE TITLE I APPLICATIONS

<table>
<thead>
<tr>
<th>Action/Decision</th>
<th>Number of Days from Previous Action/Decision Within which This Action/Decision Must Be Taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disapproval of SEA Application and Notification of SEA's Opportunity for a Hearing</td>
<td></td>
</tr>
<tr>
<td>Holding of the Hearing before the Education Appeal Board</td>
<td>30</td>
</tr>
<tr>
<td>Decision made by the Board</td>
<td>Not specified</td>
</tr>
<tr>
<td>Exercise of Secretary's Option to Modify Board's Decision (If the Secretary does not exercise this option, the Board's decision becomes final within 60 days.)</td>
<td>60</td>
</tr>
<tr>
<td>Secretary's Decision becomes Final</td>
<td>60</td>
</tr>
<tr>
<td>SEA's Filing of a Petition for Judicial Review of the Board's decision (If the Secretary's option was not exercised).</td>
<td>60 (from the date of the Board's decision)</td>
</tr>
</tbody>
</table>
3. The local educational agency will use fiscal control and accounting procedures that will ensure proper disbursement of and accounting for title I funds.

4. The LEA will provide reports to the SEA and to the Secretary and will maintain records that are necessary for them to carry out their responsibilities.

5. Reasonable opportunities will be given to teachers, parents, and other interested organizations and individuals to participate in the planning and operation of title I programs.

6. Program applications, evaluations, plans, and reports will be made available to parents and anyone else wishing to see them.

7. Any construction conducted with title I funds will be consistent with state plans for the construction of school facilities, will be accessible to the handicapped (in compliance with Section 504 of the Rehabilitation Act of 1973), and will give consideration to excellence of architecture and design and the inclusion of works of art (the cost of which should not amount to more than one percent of the total cost of the project).

8. Effective procedures will be established for acquiring information from educational research, demonstrations, and similar projects and for disseminating this information to teachers, and administrators participating in Title I programs. Effective procedures must also be established "for adopting, where appropriate, promising educational practices developed through these projects" (ESEA, Sec. 124(h) and Sec. 502(b)).

In addition to the assurances listed above, the LEA must also demonstrate that it will use its title I funds for programs and projects that have been designed to meet the needs of educationally deprived children. Title I ESEA is an educational program, but funds may be used to purchase equipment (116.81), provide bonus pay to teachers that is in addition to their regular salaries when these teachers provide services in project areas (116.76), cover teacher training, and, where necessary, to construct school facilities (116.80) and for the planning (116.72) and evaluation (116.77) of these projects and programs (ESEA, Sec. 124(a)). More information is given in Chapter 3.4.1 and 3.4.5, on when title I funds may be used for training, construction and the purchase of equipment.
An LEA is also required to make assurances in its application that the projects it establishes will be of sufficient size, scope, and quality to give reasonable expectation of progress toward meeting the special educational needs of the children that will be served (116.51) (ESEA, Sec. 124(d)). Meeting this requirement means that the LEA must make sure that the educational objectives of the project are related directly to one or more of the special educational needs of those children participating in the project. The project must be targeted on a sufficiently limited number of services and a sufficiently limited number of children so that meeting the educational objectives of the project appears reasonable. The project must not be designed to meet, and must not have the effect of meeting, the general needs of all schools or of the entire student body at large in a school or all students in a particular grade (116.52). One exception to this last requirement is when an LEA gets permission from the SEA to carry out a school-wide project (See Chapter 2.4.4). Approval for such a project may be given when 75 percent or more of the children in an attendance area come from low-income families. The objective of the approved project may then be to upgrade the entire educational program in the school (ESEA, Sec. 133(a)).

LEAs should also assure the SEA that benefits and services that are available through other public and private agencies will be considered when planning local programs (116.40) (ESEA, Sec. 124(h)), and that an evaluation of local program effectiveness and the degree to which local programs have met their goals will be undertaken by the district (ESEA, Sec. 124(g) and Chapters 3.4.1 and 6.4.3).

In addition, an LEA application must assure the state education agency that an advisory council will be established for the district (see Chapter 4 on Parent Advisory Councils) and that a training program will be instituted for council members (ESEA, Sec. 125). Finally, the school district must assure the SEA that the title I funds will be used to supplement, and not to supplant, non-federal funds (116.93 and 116a.130-143). Similarly, the district must assure that it will maintain its level of effort in providing educational services (116.91 and 116a.110) that title I funds will be limited to excess costs of programs and projects (116.94 and 116a.111) and
that services will remain comparable for children in title I and non-title I project areas (116a.112-125) (ESEA, Sec. 126; also see Chapter 5 on all funds allocation requirements).

Approval of LEA Application. All of the assurances just described must be in an LEA application before the application may be approved by the SEA. The SEA, however, must also consider the results of federal and state audits, federal and state monitoring reports, complaints that have been made by parents or other individuals concerning the LEA's compliance with the title I requirements, and the LEA's evaluation reports of its programs before approving an application (116.110(b)). If, upon review of all of these documents, the state determines that: 1) the local educational agency (or the applicant) will use the title I funds in a way that will meet the program requirements, as well as the requirements of GEPA and other relevant documents, and 2) the applicant is not out of compliance either with the requirement that misused funds, as determined by audit, must be repaid or with a compliance agreement with the state or federal agency (see Chapter 7.4.5 of this chapter for more information on compliance agreements), the LEA's application may be approved by the state (ESEA, Sec. 503(a)(1&2) and 116.110).

When the SEA determines that the information provided in the application is insufficient or does not coincide with the requirements of the statute, regulations, or other relevant documents, or that any negative findings of audit or monitoring reports have not been resolved, the SEA may disapprove an LEA application. Before such a decision is made final, however, the state must inform the LEA in writing that it may request a hearing on the decision (ESEA, Sec. 164(c) and 116.111). An LEA's request for a hearing must be made within 30 days of the disapproval. Within 30 days of the SEA's receiving the request, the state must hold a hearing, on the record, to review its disapproval of the LEA's application. Within 10 days of the hearing, the SEA must issue a written ruling, which specifies the reasons for the ruling and indicates that the LEAs may appeal the ruling to the Secretary if it wishes (ESEA, Sec. 164(c), Sec. 503(c), and 116.111).
Any appeal to the Secretary may take place only if a notice of the appeal is filed with the Secretary within 20 days of the LEA's, being notified of the SEA's ruling (116.112). When an appeal is filed, the Secretary must review the SEA's ruling and determine whether the ruling was consistent with federal law and the rules, regulations, and other guidelines for title I. If the Secretary finds that the ruling was contrary to these laws or regulations, an order goes to the SEA that certain action, to be specified by the Secretary, must be taken with respect to the LEA's application. Findings of fact by the SEA, however, are final when they are supported by substantial evidence. If an SEA refuses to comply with the requirement that an LEA must be given an opportunity for a hearing, the Secretary has the right to terminate all program funds going to the SEA (GEPA, Sec. 425).

Amendments and Updates: An approved application from an LEA remains in effect for up to three years and may be amended at any time "to describe changes in or additions to the activities originally set forth in the application" (ESEA, Sec. 121). Amendments to an application may be of two sorts. First, each LEA must update its title I project application annually. This is done by submitting data to the SEA that show that the LEA has maintained its fiscal effort (see 116.91 and Chapters 5 and 6 of this manual). Data must also be submitted that show the amount of title I funds that the LEA has carried over from the preceding fiscal year and the amount requested from the district's current title I allocation. A budget for the expenditure of title I funds must also be included in the update (116.113(a)).

Second, amendments must be made to the LEA's title I application and approval of these amendments must be received from the SEA whenever the LEA plans any significant changes in the activities it plans to conduct. Such changes may include those having to do with the services provided or the construction or purchase of equipment for the title I program. Other changes may include (116.113(b)):

1. Changes in the criteria for the selection of children to receive a title I service.
2. The number of public and private school children, identified by subject area and grade level, who will participate in a title I project.

3. The number and type of staff to be employed with program funds.

4. The amounts of title I funds to be spent for participating public school children and participating private school children.

5. The district's list of school attendance areas or schools designated for title I projects, and the grade level to receive a previously approved service.

Approval of these amendments is the responsibility of the SEA and must be based on whether, with these changes, the program funds will be used in accordance with the law and the regulations (ESEA, Sec. 121).

Other Projects Requiring Prior Approval from SEA: In addition to activities described in amendments, several other types of title I projects, programs, or procedures require the SEA to give prior approval before they can be adopted and implemented. These are:

1. Use of data on educational deprivation (in addition to poverty) to rank school attendance areas (ESEA, Sec. 122(a)(2)(B)); (See Chapter 1.4.3, Option Based on Incidence of Educational Deprivation).

2. Local education agency plans to implement a school-wide project (ESEA, Sec. 133(b) and Chapter 1.4.4 on exceptions).

3. Any local Title I project or program that involves an expenditure of less than $2,500 (ESEA, Sec. 124(d) and Chapter 3.4.1).

First, the approval of an LEA's ranking of attendance areas on educational deprivation may be approved based on the satisfaction of three conditions, one of which is that the state finds that this procedure will "not substantially impair the delivery of compensatory education services to educationally deprived children from low-income families in project areas
served by the local educational agency" (ESEA, Sec. 122(a)(2)(B)). The two other requirements are that the parent advisory council give approval to this alternative ranking system and that the regulations of the Secretary continue to be followed. (See Chapter 4 on Parent Advisory Councils.)

Second, plans for school-wide projects (116a.72-75) may be approved if they contain provisions for conducting a comprehensive assessment of the educational needs of all students in the school, particularly the needs of educationally deprived children, and if they include provisions for an instructional program that is designed to meet the needs of all students. The plan must have been developed with the involvement of those who will carry out the plan--i.e., parents, teachers, teacher aides, administrators, and secondary students covered under the plan--and must provide for the consultation among these groups on the educational progress of all students. In addition, the school must train teachers and teacher aides in areas that will enable them to carry out the plan. The plan must have been approved by the advisory council for the school and, finally, must include procedures for evaluating the school-wide project and then for improving it based on this evaluation. The evaluation must also be involve those individuals who are given responsibility for carrying out the plan.

Third, an LEA's decision to implement a title I program that involves expenditures under $2,500 may be approved by the state if it determines that it would be impossible for the agency to coordinate or share services with another local agency because of distance or travel difficulties (116.53(b)).

**Allocation of Title I Basic Grant Funds to SEAs and LEAs**

Criteria and standards for determining the amount of the grant for which a local educational agency is eligible are given in the Title I ESEA statute and in the regulations (see ESEA, Sec. 111 and 166a.10-12). In general, each district is eligible to receive 40 percent of the average per pupil expenditure in the state for each eligible child in the district. The number of eligible children and, thus, the number which is entered into the formula, is computed in the following manner. The number of eligible children is equal to the sum of:

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1. The number of children aged 5 to 17, inclusive, in the school district from families below the poverty level, as counted by the Census.

2. The number of children aged 5 to 17, inclusive, in the school district from families receiving an annual income from payments under the AFDC program, which amounts to more than that set as the poverty level.

3. The number of children aged 5 to 17, inclusive, in the district that are living in institutions for neglected and delinquent children and depend on the public schools for educational services (ESEA, Sec. 111(c)).

An LEA must have at least 10 children in these three categories to receive a title I grant. The data required to compute the number of eligible children, however, are generally only available to the county level. Because of this, the Department of Education is able only to determine the funds going to the counties through this formula. The SEAs, therefore, receive these county allocations and are responsible for allocating county grants to LEAs, when the LEA boundary is not coterminous with the county line (116a.12). Where school district boundaries are identical to county lines, the Secretary's allocation to the county is the allocation to the school district. The formula for distribution of the title I funds to Puerto Rico differs slightly from that for the other states. The grant that Puerto Rico may receive is the amount arrived at by multiplying the number of eligible children in Puerto Rico by the product of: a) the percentage the average per pupil expenditure in Puerto Rico is of the lowest average per pupil expenditure for any of the 50 states, and b) 32 percent of the average per pupil expenditure in the United States (ESEA, Sec. 111(a)(2)(C)). This distribution formula, however, may be adjusted when the per pupil expenditure for a state falls below 80 percent of the national average per pupil expenditure or exceeds 120 percent of the national average. In these circumstances the factors become 0.80 or 1.20 of the national average, respectively.

It should be emphasized that the preceding descriptions of procedures for allocating funds to districts have assumed that the amounts appropriated
under Title I ESEA equal the entitlements. This is rarely the case, however, and the county allocation amounts, therefore, must be ratably reduced (ESEA, Sec. 193(a)). These ratably reduced amounts are actually suballocated to the LEAs. Where the ratably reduced allocation for an LEA is less than 85 percent of the allocation it received in the preceding fiscal year, the LEA's allocation must be raised to the 85 percent level by proportionally reducing the allocations of the other LEAs, provided such reductions do not lower other LEA allocations to below the 85 percent level (see the Hold Harmless provision, ESEA, Sec. 193(a)). If additional funds become available, allocations that were reduced must be increased on the same basis that they were reduced (ESEA, Sec. 193(b)).

When LEA boundaries do not coincide with those of the county, the SEA determines the amount of title I funds that each eligible LEA within the state will receive. The SEA first allocates to an LEA that portion of the county aggregate amount under title I that is based on the number of children aged 5 to 17 in locally operated (public or private) institutions for the neglected or delinquent (116a.12(a)); such funds must be used to serve institutionalized children. (See Chapter 9.4.1-2.) Remaining title I funds are allocated based on the number of children from low-income families in each LEA.

When more than one LEA serves the same geographic area, as when there is an elementary school district and a secondary school district covering the same area, the SEA must further determine the allocation to each of these districts and must distribute title I funds among them in a manner which it determines will best carry out the purpose of the title I program (ESEA, Sec. 111(a)(3)(B)). The data that the SEA uses to suballocate title I funds may be chosen by the state. Despite this discretion, however, SEAs must use data that have the effect of directing funds to those LEAs in which children from low-income families are most numerous, thus assuring that the purpose of title I is maintained.

The flexibility given states in the selection of data permits each state to select those data that are most current, yet still indicate those
areas with children from low-income families. While some states have used a formula for allocating funds that is identical to the federal one, other states have used slightly different allocation methods, for example, a combination of Census data and AFDC data. A few states use different data sources for each county, as decided upon by a consensus of the superintendents of the LEAs within the county. The data that these states use include Census data, free lunch counts, local school survey data, AFDC data, and income tax data.

One exception to the consideration of county data is allowed. Section 111(a)(3)(c) permits states with a large number of LEAs that overlap county boundaries to apply to the Secretary for the authority to make allocations directly to the LEAs without regard to the counties. If such authority is granted, the SEA must assure the Secretary that it will make allocations to LEAs using precisely the same factors for determining a grant as are used under [ordinary circumstances] and that a procedure will be established through which LEAs dissatisfied with the determinations made by the SEA may appeal directly to the Secretary for a final determination (116a.13(b)(c)).

Allocation of Excess Funds: The previous section described the general way in which title I funds are allocated to states by the Secretary and then how state funds are allocated by the SEA to LEAs. This method of allocating funds, however, only applies to a portion of the title I funds that the Secretary may have available for allocation. When the amount of basic grant funds available for title I exceeds that which was available in fiscal year 1979, the Secretary must allocate one-half of this excess amount to states on the following basis (116a.14): First, the Secretary must determine the product of: a) the number of children in each state aged 5 to 17, inclusive, from families below 50 percent of the median national income for a family of four, as determined by the 1975 Survey of Income and Education for HEW (as collected by the Bureau of the Census); and b) 40 percent of the average per pupil expenditure in the state. (As with basic grants, however, a state's factor may not be lower than 80 percent of the average per pupil expenditure in the nation or more than 120 percent of the national average.) From one half of the excess funds, each state receives an amount which bears the same
ratio to the excess as the product given above bears to the sum of these products for all states. A state in this formula refers only to the fifty states and the District of Columbia and not to Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands. For Puerto Rico, the state per pupil expenditure in the allocation formula for excess title I funds is the product described in a preceding footnote. With the symbol "A" used to designate a state's allocation, the allocation may be determined using the following equation:

\[
A = \frac{\sum_{i=1}^{51} \left( \frac{\text{number of 5 to 17 year olds from families below 50 percent of median national income for a family of four}_i \times (0.40 \times \text{state's per pupil expenditure})_i }{(1/2 \times \text{excess title I funds})} \right)}{51}
\]

where \( i = \) each state and the District of Columbia

From the amount allotted to each state, the amount which each LEA is eligible to receive is the amount equal to the share of all state title I funds that went to the LEA under the basic grant. Thus, if an LEA received 2 percent of the state's total allocation for the basic grant, it is eligible to receive 2 percent of the state's allocation of the excess title I funds. The remaining half of the excess title I funds--i.e., that half that was not distributed using the above formula--is distributed among the states and the LEAs on the same basis as the basic grants.

Other Eligible Recipient Agencies: Throughout this section, the local educational agency has been used to denote the recipient of title I funds. An LEA is the usual recipient and has been accepted as the organizational
unit that provides title I services. Nothing in the statute or the regulations, however, limits the receiving organization to the LEA (although control of title I funds must rest with a public agency or with a nonprofit agency or institution, in keeping with the assurances given in the program application; see previous section). Section 124(o) of the statute, in fact, allows two or more LEAs to enter into an agreement for carrying out jointly operated programs and projects. Similarly, an organization such as an intermediate service agency (ISA), organizationally located between the SEA and LEAs, may be the recipient of title I funds, provided this arrangement is made with the consent of the districts that fall under the ISA's jurisdiction. The SEA, however, may not make direct allocations of title I funds to ISAs. Such allocations may only be made when LEAs propose the ISA as the agency that will carry out discrete program activities. An illustrative example is the following:

Four school districts, each receiving its own title I allocation, all belong to the same intermediate unit. All four districts operate their own programs to the extent possible. Three districts, however, are unable to carry out all aspects of their programs independently and submit a cooperative proposal to the SEA to request specific services--e.g., language therapy--as a support service for their basic title I project, asking that the intermediate unit be given a portion of the LEA's funds to provide this service. Upon approval by the SEA, title I funds are paid to the LEAs and the intermediate unit. (This example is drawn from allocation procedures that have been followed in one state in the East.)

Such an arrangement is permitted as long as the services provided by the two types of agencies (the LEAs and the ISA) are not redundant.

Reallocation of Funds: The SEA, in addition to the responsibilities for allocating basic grants to the LEAs within the state, is also responsible for reallocating Title I ESEA funds—for instance, when an LEA has
not submitted an application or when an LEA receives an allocation in excess of the amount required for carrying out its current projects. Any LEA which the SEA determines has received too large an allocation must be notified of this determination by February 1 of the fiscal year and at that time must be informed of the amount the SEA is considering reallocating. Title I funds that are reallocated must be distributed to the LEAs that have the greatest need for additional title I funds because the data on which their allocations are based do not reflect accurately the numbers of children from low-income families currently residing in their districts (116a.38(b)(1)). For example, funds given to an LEA may be justified by changes in economic conditions or population shifts which have caused inequities in the distribution of title I funds. If excess amounts still remain after a state reallocates its funds, the Secretary may distribute the extra amounts to the states that are still in need of funds (116a.39). Although Section 412 of the GEPA states that local agencies may carry over unobligated and unspent title I funds to the succeeding fiscal year, this provision does not preclude state agencies' reallocating funds at its option.

**Payments for State Administration**

State educational agencies may receive funds for the "proper and efficient" administration of the title I projects within the state (116.101). Section 510 of ESEA authorizes the Secretary to pay each state the amount of funds needed for the SEA to carry out its responsibilities, provided that the funds going to any one SEA do not exceed 1.75 percent of the amount allocated to that state and its LEAs under the basic title I grants or $550,000 ($87,000 for Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands), whichever is greater. The payments to an SEA should not be less than that received by the state to support state administration in fiscal year 1978.

Under Section 510 of ESEA, the SEA may also receive an additional allocation of funds for state administration, equal to no more than 25 percent of the funds already received for state administration. These funds must be used solely for monitoring, audit resolution, enforcement, or other
compliance activities. The state must specifically apply for these funds and must say in its application how it intends to use the funds, assuring that no funds will be used to supplement state and local funds already used for compliance activities (116.101(d) and ESEA, Sec. 510(c)).

These amounts for state administration, however, may not be allocated unless the appropriation under Section 510 is sufficient to allow each SEA to receive the full amount for which it is eligible. When the appropriation is insufficient, the Secretary pays each SEA an amount equal to what it spends for administration, to the extent that this is possible. This amount, however, may not exceed 1.5 percent of the title I funds allocated to the state during that year or $225,000 ($50,000 for Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands), whichever is greater (116.101).

The funds received for state administration (as allocated according to specifications in the title I regulations), that are in excess of one percent of the title I funds available to the state or $150,000 ($25,000 for Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands), whichever is greater, must be used only for monitoring, audit resolution, enforcement, or other compliance activities. Again, these funds must be used to supplement, not supplant, existing state and local funds already used for compliance activities (116.101(b)).

Allocation of Special Grants to LEAs: Incentive Grants

Two types of special grants are provided for under the title I legislation—special incentive grants and concentration grants. An LEA receiving title I funds is eligible to receive a special incentive grant if it is located in a state that has an approved state compensatory education program in effect for the fiscal year (116a.20). This special grant provides an additional dollar to SEAs under title I for every two dollars the state spends on an eligible state compensatory education program. The additional funds do not establish a new program but provide funds to supplement title I funds. The special incentive grant funds are subject to the same requirements as those funds received under the title I basic grant.
To qualify for an incentive grant, the state must have a state compensatory education program that satisfies several criteria (116a.20(a)(1)):

1. The children participating in the state program must be educationally deprived.

2. The objective of the state program must be to increase educational achievement and must be evaluated on this objective.

3. The program must be providing supplemental services to meet the special educational needs of children participating in the program.

4. Records adequate for verifying the above three criteria must be maintained by the LEAs.

5. The SEA must have provisions for monitoring performance under the program.

6. At least 50 percent of the funds spent during the preceding fiscal year must have been spent in school attendance areas having a high concentration of children from low-income families (116a.20(a)(2)).

The last criterion is an addition to the criteria that a state compensatory education program must meet in order to receive special treatment under title I (for clarification on what "special treatment" means, see the section of this chapter on state compensatory education programs and exemptions). With the sixth criterion, a state compensatory education program may not qualify the state for incentive grants if the program is merely "similar to" title I, as this term is used later for determining the eligibility of a state compensatory education program for special treatment.

Another question on a state program's eligibility arose in the Conference Report (H.Rpt. 95-1753, p. 254). This question concerned a program's eligibility if it was only one component of multipurpose state legislation. The Report explained that if a state enacted legislation, only one component of which satisfied the above six criteria, only that portion of state funds that are spent on educationally deprived children and meet all other criteria qualify for title I matching funds under the incentive grant provision.
Each SEA that qualifies for special incentive grants for distribution to its LEAs may receive 50 percent of the amount spent under the state compensatory program during the most recent fiscal year for which data are available. Each LEA may then receive a grant that is the same share of the total amount of incentive grant funds the state receives as the LEA's basic grant was to the aggregate amount of basic grant funds going to the state. Thus, if the LEA's basic grant was 2 percent of the total title I funds going to the state, the LEA's incentive grant must be 2 percent of the total incentive grant funds going to the state (ESEA, Sec. 116(b)(2)). The amount that all LEAs in a state are eligible to receive, however, may not be greater than ten percent of the aggregate amount that all LEAs in the state are eligible to receive under the basic grant. As with the basic grant, if the entitlement for the special incentive grants does not equal the appropriation, the amounts for which LEAs are eligible must be ratably reduced.

Allocation of Special Grants to LEAs: Concentration Grants

The second type of special grant is a concentration grant, which may be provided to LEAs in counties that have an especially high concentration of children from low-income families (ESEA, Sec. 117). The grant is meant to provide LEAs with additional funds to develop "more effective programs of instruction, especially in the basic skills of reading, writing, and mathematics" (ESEA, Sec. 117(a)). Each county (in a state other than Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands) is entitled to a concentration grant, if for any fiscal year:

1. The number of children counted in determining the amount of the basic title I grant for LEAs in the county in the preceding year exceeded five thousand; or

2. The number of children counted in determining the amount of the basic title I grant for the current fiscal year was greater than 20 percent of the total number of children aged five to seventeen, inclusive, in the LEAs in the county in that fiscal year (ESEA, Sec., 117(b)).
In order to determine the amount to which a county where there are eligible LEAs is entitled, the Secretary must determine the product of: a) the number of children over 5,000 that were counted when determining the basic grant or the number of children counted in excess of 20 percent of the total number of children, aged 5 to 17, in the school districts in the county for the preceding year, whichever is greater, and b) the quotient resulting from the division of the amount of the basic grant for the current year by the total number of children counted in determining the basic grant for the preceding year (ESEA, Sec. 117(b)(2)). Thus, the amount of the additional grant to which an eligible county is entitled is the amount which bears the same ratio as the amount appropriated for concentration grants as the above product bears to the sum of all products for all counties in the United States for the fiscal year.

The funds that are allocated to the counties are suballocated by the SEA to the LEAs within the county on the basis of the distribution of children aged 5 to 17, inclusive, from low-income families in the county (ESEA, Sec. 117(b)(5)). The poverty level used to determine the size of the grant which the LEA will receive is selected by the SEA and must be consistent with the purposes of the title I program. Similarly, the data must be those which the state determines best reflect the current distribution in the county of children from low-income families. An exception is when the number of children from low-income families is less than 20 percent of all children in the LEA. In this case, each child should be counted as a fraction, where the numerator is the percentage of low-income children in the LEA and the denominator is 20 (ESEA, Sec. 117(c)(1)). For example, if only 10 percent of the children in an LEA are from low-income families, the number of children to be counted is equal to the number of children from low-income families multiplied by 0.50 (10 divided by 20).

7.4.2 State Compensatory Education Programs and Exemptions

Eligibility as a Special Program

State compensatory education programs may qualify for special treatment when determining compliance with the requirement that LEAs use title I funds
only for the excess costs of programs and projects and with the requirement that state and local funds be used to provide services that are at least comparable to those provided in areas that are not receiving title I funds. (See Chapter 5 for a detailed discussion of the excess cost and comparability provisions.) To be eligible, however, the state programs must satisfy several criteria (116a.118(d)):

1. All children participating in the program must be educationally deprived.

2. The program must be based on improving the educational achievement of the educationally deprived children and must be evaluated on these performance objectives.

3. The program must be providing supplementary services for meeting the needs of the participating children.

4. Adequate records must be maintained by the school district to verify the above three criteria.

5. The state educational agency must monitor the performance of children in the program, in order to assure that the objectives of the program are being met.

Thus, the state program need not be identical to title I to qualify as an exemption but must be "similar to" title I. It is not enough, however, to say that the state program qualifies, in principle, for special treatment. The SEA must also determine that the district is actually using the funds according to the specified criteria. When this has been determined, the state compensatory education program becomes a special program. These same criteria apply to identification of state programs which qualify LEAs for special incentive grants under title I. (See Chapter 7.4.1.)

The statute allows other programs to qualify as special programs, as well. For example, a state program, although not exactly similar to a title I program, may qualify as a special program if the Secretary determines that the program permits LEAs to use special state funds in accordance with the
requirements of a title I program (116a.118(b)(2)). Thus, if a district uses state general aid funds to support a compensatory education program similar to title I, then these funds are eligible for special treatment under title I. A local compensatory education program that is implemented in a manner similar to a title I program may also be called a special program, as may a bilingual program for children of limited English proficiency or a special educational program for handicapped children or children with learning disabilities (ESEA, Sec. 131(b)).

Eligibility as a Phase-in Program

A state phase-in program may also qualify for special treatment (116a. 118(c)). Such a program is one that is being phased into full operation and is authorized and governed specifically by state law. The program must have as its purpose the providing of a comprehensive and systematic restructuring of the total educational environment at a school. The program must be based on the objective of improving educational achievement (although this need not be its sole objective). Parents and school staff must be involved in the planning, implementation, and evaluation of the program; the program must be designed to benefit all children in a particular grade span or school; and strategies must be described for meeting the special education needs of the participating children in a school-level plan. The phase-in period of the program must not be more than six years (except that a program that began before November 1, 1978, the date of the enactment of the Education Amendments of 1978, is considered to have started on that date). Finally, at least 50 percent of the schools participating in the program must be those schools serving project areas with the greatest number or concentration of educationally deprived children or children from low-income families. As for the basic title I grant, funds for a phase-in program must supplement, and not supplant, state and local funds which would, in the absence of the phase-in program, have been provided for schools participating in the program (ESEA, Sec. 131(b)(2) and Sec. 131(d)).

The Secretary of Education must make an advance determination of a state or local program's qualification as a special or phase-in program before the program may be used as the basis for an exemption. In order to make this determination, the SEA or LEA must submit to the Secretary or the SEA the
provisions of the state or local law, along with the implementing rules, regulations, guidelines, and interpretations which are necessary to make the determination. These documents are submitted to the Secretary when the determination is to be made on a state compensatory education program's eligibility and to the SEA when the program is a local one. The Secretary's and SEA's determination must be in writing and must include the reasons for which the determination was made. When the state or local law that affects a program changes, the SEA or LEA must inform the Secretary or the SEA of these changes (ESEA, Sec. 131(e) and Sec. 131(f)).

Models for the Coordination of Title I and State and Local Programs

The Title I ESEA statute permits the coordination of Title I and state and local compensatory education programs (ESEA, Sec. 126(d)(2)). However, any coordination of programs must not violate the recordkeeping requirements of the statute. In other words, each LEA must keep records that indicate the amount of title I funds received and how these funds were spent, the total cost of the title I program, and the portion of the program cost that was paid from sources other than title I (ESEA, Sec., 127(a)). Even with these requirements, however, LEAs may use funds from other federal and state programs to support identifiable portions of a single local compensatory education program. A district may also develop a comprehensive plan for the district or a particular school, showing how all compensatory education funds--federal and state--will be used. Similarly, an LEA may submit one application to the SEA for both federal and state compensatory education funds. Throughout this discussion of coordination, it must be remembered that the requirements of the title I statute and regulations must be met. This means that title I funds must be targetted to low-income areas and must be spent for providing services to educationally deprived children.

The Department of Education has provided several models for the coordination of title I and state and local education programs [see Robert Silverstein, "A Policy-making Guide to Title I of the Elementary and Secondary Education Act and Its Relationship to State and Local Special Programs,"
Education Commission of State (May, 1979)]. The first model suggests using the different sources of compensatory education funds to support discrete supplementary programs for the same children. For example, remedial reading services could be funded with title I funds, while remedial math and auxiliary services could be funded with state and local compensatory education funds.

A second model suggests using state and local funds for one grade level, while using title I funds for a different grade level. Model three allows funding different program components for the same children with different types of compensatory education funds. For example, a teacher might be funded by title I, while the workbooks that that teacher uses could be paid for by state compensatory education funds. A fourth model explains that state and local compensatory education funds and title I funds could be used to fund discrete programs for different children, even within the same grade or school. The LEA would have to make an advance determination of the group of educationally deprived children to receive each of the differently funded programs. A final model, which is allowed under the provisions of the Title I statute, suggests offering discrete programs to different geographic areas, with funding coming from different sources. Thus, Title I could pay for a program in an area eligible to receive title I services, and state funds could pay for a program in an area eligible to receive title I services, but unserved by title I.

An LEA's selection of certain models implies certain requirements, and, thus, depending on rules within individual states—either SEA rules or requirements of the state law, one model may be preferable to another. For example, if an LEA were to select the first model of coordination, it would have to serve the educationally deprived children of the greatest need with state as well as with title I funds, because, under this model, the two sources of funds are being provided for services to the same children. Thus, the first model (and the third) necessitate LEAs using state compensatory education funds for children who satisfy title I eligibility criteria. If an LEA uses either the first or the third model, children receiving compensatory education services are considered as participating in both the title I and the state program.
7.4.3 State Rulemaking

SEAs have the responsibility for developing rules for administering their state programs. The Title I ESEA statute leaves the SEA considerable leeway, however, in the kinds of rules it may develop. Section 165 of ESEA (and section 504), for example, says that "nothing in this title shall be deemed to prohibit an SEA from adopting rules, regulations, procedures, guidelines, criteria, or other requirements applicable to programs and projects" that are assisted under Title I ESEA. The adoption of rules, in fact, is encouraged by the law, in order that procedures followed by states may recognize the "special and unique needs and circumstances" of each SEA, as well as each LEA within the state. Any rules, however, may not conflict with the provisions given in the law or with any other requirements given in the regulations or other applicable federal document (116.121).

The title I regulations provide some guidance on the kinds of rules that may be adopted by SEAs (116.122). For example, the regulations indicate that an SEA may restrict the number of hours per day that a child may be pulled out of a regular class to receive title I services. The SEA may also limit the number of curricular areas that may be included in a title I project.

7.4.4 Technical Assistance and Dissemination of Information

Each SEA must establish a comprehensive technical assistance program that will provide assistance to LEAs on the proper use of title I funds (116.170(a)). The technical assistance program must be designed to address a wider set of issues than just the use of funds, however. As described in Section 166 of Title I ESEA (P.L. 95-561) and Section 505, the program must include technical assistance for:

1. Management procedures.
2. Planning, development, implementation and evaluation of programs.
3. Preparation of applications.
4. Any other forms of technical assistance needed by local educational agencies.
In addition to providing direct forms of technical assistance, states must adopt procedures for disseminating relevant information to local districts (116.171). Items to be disseminated include significant and relevant information that has resulted from educational research, information about successful compensatory education projects, and information about other federal and state-funded programs which may provide needed health, social, and nutrition services to children participating in the Title I program. The names of these other service programs, their current levels of funding, the restrictions on the uses of these funds or on the availability of services, and the names of agencies or individuals from whom additional information about these services may be obtained must also be given to LEAs by the SEA. Any other information that will assist LEAs in their planning, developing, implementing and evaluating of Title I projects should be made available to LEAs as well.

7.4.5 Monitoring and Enforcement

Complaint Procedures

Any parent, teacher, Title I advisory council, or other concerned individual or organization may file a complaint against an LEA which the individual or the organization believes has violated a Title I requirement (116.180(a) and 116.181). The complaint should be filed with the LEA, if the complaint relates to a Title I project operated by an LEA, and should consist of a signed statement which specifies the alleged violation, any information and documents that support the alleged violation, and a specific request for relief. Chapter 4.14.0 also discusses this complaint procedure in relation to Title I advisory councils.

Each LEA that receives Title I funds must have a written procedure for resolving the complaints, and it is through this procedure that any complaints filed with the LEA should go (116.183(a)). The procedures that the LEA develops must provide specific time limits for resolving complaints (no more than 30 days may elapse between the filing of the complaint and its resolution), must allow for an opportunity for the complainant, his or her representative, or both to present evidence (including an opportunity to question
the parties involved in the alleged violation), and must state that the complainant has the right to appeal the LEA's final resolution to the SEA (116.183 (b)). Information about these procedures must be given to anyone interested, especially all title I advisory councils for the LEA.

Any complaint filed with an LEA must be resolved within 30 days of its being received, unless the SEA determines that additional time is needed because of exceptional circumstances. In determining whether exceptional circumstances exist, the SEA may consider the need to conduct an investigation or an audit to determine whether the allegations in the complaint are accurate and the nature and complexity of the issues that are raised by the complaint (116.184). If the complainant is dissatisfied with the LEA's resolution of the complaint, the complainant may file for an appeal of the resolution to the state department. The appeal must be post-marked within 30 days of the complainant's receipt of the LEA's resolution.

Like the LEAs, the SEA must have written procedures for reviewing such appeals, as well as for reviewing complaints that are received directly (116.186). The procedures must stipulate that a complaint filed with the SEA and relating to a Title I project that is operated by an LEA may be resolved by the SEA or referred to the LEA operating the project on which the complaint was based. The SEA's procedures should also specify time limits for resolving the appeals and complaints and should not contain time limits exceeding 60 days, unless it is determined that exceptional circumstances exist. The SEA's procedures must provide the complainant, his representative, or both, as well as the LEA operating the project under consideration, with the opportunity to present evidence and with the opportunity to question parties and any of their witnesses. The complainant must also be given the right to appeal the final resolution of the SEA to the Secretary within 30 days of receiving the SEA's written decision.

The written decision made by the SEA must contain a summary of the facts that the complaint or appeal is based on, a statement of the title I requirements that are alleged to have been violated, and the state's findings of fact, including a summary of the evidence that the state considered in making its finding. The SEA should also include with its decision its
conclusions regarding the merits of each allegation in the complaint and a summary of its reasons for each conclusion. If the SEA is asking the LEA to take any corrective action, this must be stated in the decision, with the time frame over which any action must take place. Finally, the SEA must notify the complainant that he has the right to appeal the SEA's final resolution to the Secretary (116.188).

Any appeal to the Secretary must be postmarked within 30 days of the complainant's receipt of the final resolution of the SEA and must be mailed to the Deputy Assistant Secretary for Compensatory Education at the Department of Education. The appeal must be written and signed, must identify the parts of the SEA's final resolution that the complainant disagrees with and state the substance of the disagreement, and must indicate the additional relief that the complainant is seeking (116.243). In addition, the appeal should include a copy of the original complaint, the resolution of the complaint, the appeal to the SEA, the SEA's final resolution, and any other documents that the complainant wishes the Secretary to rely on in the consideration of the appeal.

The Deputy Assistant Secretary is responsible for the preliminary review of all complaints, to determine whether the appeal has been submitted within the specified time requirements and contains the necessary materials and documentation. The Deputy Assistant Secretary must dismiss those appeals that do not meet these requirements, and in doing so, must inform the complainant, the SEA, and the LEA of the dismissal (116.244). If the Deputy Assistant Secretary determines that the appeal meets the requirements given above, he must also notify everyone involved that the appeal has been accepted and that the parties may submit any written evidence or argument to support their positions during the next 20 days. During this time, the Deputy Assistant Secretary may also conduct whatever research and investigations he considers appropriate, including on-site investigations into the complainant's allegations of violation.

A written resolution of the appeal must be issued within 60 days of the Deputy Assistant Secretary's having received it, unless exceptional circumstances justify taking additional time. The resolution issued by the Deputy Assistant Secretary must include a statement of the resolution, along with
the reasons for it and a notice of the complainant's, the LEA's, or the SEA's right to appeal the resolution to the Assistant Secretary for Elementary and Secondary Education. The notice of the resolution must be sent to the complainant and his representative, the LEA, the SEA, the LEA advisory council, and the appropriate school advisory councils within 10 days of its issuance (116.245(b)).

Any individual who was a party to the appeal and who is dissatisfied with the resolution issued by the Deputy Assistant Secretary may file for an administrative appeal (116.246). The appeal must be postmarked within 30 days of the appellant's having received the Deputy Assistant Secretary resolution and must be sent to the Assistant Secretary for Elementary and Secondary Education, at the Department of Education.

Along with the written and signed request for the appeal, the appellant should send to the Assistant Secretary a statement indicating those parts of the Deputy Assistant Secretary's resolution that the appellant disagrees with and why and a statement indicating the additional relief that the appellant is seeking. After a preliminary review of the appeal to determine whether the appeal contains all that is required, the Assistant Secretary must notify the appellant, the LEA, and SEA that the administrative appeal has been accepted for review. If the administrative appeal does not contain all that is required, it may be dismissed by the Assistant Secretary.

Once the appeal has been accepted, the Assistant Secretary must notify all parties involved in the appeal that each of them has 20 days from the date on which the notice was sent to submit written evidence or arguments concerning the appeal. The Assistant Secretary must review all evidence and arguments and submit a written resolution of the appeal within 60 days of his having received it, unless there are exceptional circumstances which warrant extra time. The written resolution issued by the Assistant Secretary must include a statement of the resolution and the reasons for which it was made. Within 10 days of the issuance of the resolution, the Assistant Secretary must send a copy of the resolution to the appellant and his representative, and to the LEA, the SEA, the district advisory council, and the appropriate school advisory councils (116.248).
The complaint procedures specified in the statute and the title I regulations outline a process that begins from the bottom--i.e., the district or school building level--and proceeds upwards--i.e., to the federal department level. Nothing in the statute or the regulations, however, prohibits a complainant from submitting direct complaints to the SEA or the Department of Education. For example, an individual or an organization alleging an LEA's violation of a title I requirement may submit the complaint first to the SEA or the Department of Education (the Assistant Secretary) rather than going first to the LEA. It must be noted, however, that the SEA may have the option of referring the complaint back to the LEA, if the complaint has not proceeded through the LEA's complaint procedures. Direct complaints to the Assistant Secretary may be made, but may only be considered if: a) the information shown in the direct complaint indicates that delayed resolution of the complaint will result in serious and immediate harm to the complainant and that the complainant has good evidence and cause and will probably be successful in winning his case, and b) a direct complaint previously filed with the LEA or SEA has not been resolved within the specified time periods (116.242). Thus, in filing direct complaints with the Department, the complainant must have at least submitted the complaint to the LEA or the SEA.

Monitoring and Auditing

Each SEA that receives title I funds must adopt standards for monitoring the effectiveness of the Title I projects that are operated by the LEAs within the state. The standards must meet those set out for maintenance of effort (see Chapter 5) and must be consistent with the standards that are outlined in the SEA's monitoring and enforcement plan.

Monitoring and Enforcement Plans: As has been noted in the section of this chapter on the approval of an SEA application (7.4.1.), each state agency must have a plan for monitoring local programs and for enforcing the requirements of the statute and regulations, and this plan must be approved along with the application before the SEA may receive program funds. The monitoring and enforcement plan (MEP) must be submitted to the Secretary at least once every three years (ESEA, Sec. 171(a) and 116.21(b)) and should
present the SEA's program for conducting regular visits to sites where local projects are operating. In addition, the matters to be reviewed during these visits should be described in the MEP, and procedures for verifying information provided by LEAs, including the use of other information that is available to the state to check that information, should be provided.

Similarly, procedures for regular audits of the LEAs' title I expenditures and procedures for the recovery of misspent funds, as well as procedures for resolving any title I complaints, must be described in the MEP. The procedure by which the SEA will determine the compliance of local agencies with the requirement that private school children must be provided with equitable services must also be outlined. Finally, the MEP should contain a report of the title I monitoring and enforcement activities that the SEA has conducted since submitting its last MEP (116.21(c)).

Minimum Standards for State Monitoring: Title I regulations provide general guidelines for state monitoring and set forth minimum standards (116.151). The regulations state that officials or representatives of each SEA must visit each LEA operating a title I project at least once every three years. Those LEAs receiving the largest amounts of title I funds or having a history of non-compliance with title I requirements, however, must be visited at least once every two years (116.151(b)). The monitoring is meant to determine whether the title I projects that are being operated comply with all title I requirements and whether the programs are being operated in accordance with the LEA's approved project application. In addition, the SEA monitoring officials are required to evaluate the quality and effectiveness of the Title I services that are being provided and to provide technical assistance, where it is needed.

Within 90 days of the SEA's on-site visit, the SEA must issue a written monitoring report to the LEA that was visited. The monitoring report should contain the SEA's findings concerning the LEA's compliance with title I requirements, should discuss the quality and the effectiveness of the LEA's Title I project, and should include any recommendations for corrective action (116.151(c)).
A response to any monitoring report calling for corrective action must be sent to the SEA within 60 days of the LEA's having received it. The response should be written and include a description of the action that the LEA has taken and plans to take in response to the corrective action required. If the LEA has not responded to all or any part of the SEA's list of required actions by the time it submits its response, it must indicate why it has not done so (116.151(d)). The response to the monitoring report must be reviewed by the SEA to determine whether follow-up action is necessary. Such action by the SEA may include an audit, withholding of funds, or a compliance agreement with LEA; all three are discussed in subsequent sections. The title I advisory council must receive copies of the monitoring reports and any written statements of the SEA's plans to follow up the recommendations it has made. Other individuals wishing to review these documents must be given access to them (116.151(f)).

State Audits: In addition to monitoring title I projects, the SEA must provide for program and fiscal audits of the LEAs. Audits must be performed by auditors who are either employed by the SEA, but are independent of the organizational unit administering the title I program, or by auditors who are employed by a state audit agency or a private audit firm (116.190(c)). The audits must be conducted to determine the fiscal integrity of each LEA's financial transactions and each LEA's reports relating to its use of program funds. The audit must also examine the LEA's compliance with selected title I requirements and must include, where applicable, a review of (116.190 (a)(2)):

1. The selection of schools or school attendance areas for title I projects.

2. The selection of children to receive title I services; The project's conformity with the description and assurances provided in the LEA's project application.

3. The use of title I funds to supplement, not supplant, non-federal funds that would otherwise have been spent.

4. The use of funds for services to educationally deprived children and not for general aid.

5. The equity of title I services for children attending private schools.

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The SEA must audit each LEA receiving title I funds at least once every three years (116.190(b)). When the appropriations for state administration of title I under Section 510(a) of ESEA are met in full (see Chapter 7.4.1 of this chapter), the SEAs must conduct annual audits of agencies receiving title I funds. If, however, there is a shortage of funds available for state administration of the title I program, the title I projects in the state are large and complex, the LEAs to be audited are geographically isolated, or there are a large number of agencies in the state conducting title I projects, the Secretary may authorize less frequent audits (116.190(b)).

Procedures must be developed by the SEA for resolving all findings and recommendations resulting from audits. These procedures must include sending a copy of the audit report to the LEA that was audited within 30 days of the SEA's receiving the report. The SEA must also require the LEA to respond, in writing, within 60 days, to any findings of violations or any recommendations for corrective action. The SEA must then send the LEA its final determination concerning the findings and recommendations in the final audit report within 60 days of its receipt of the LEA's written response and must notify the LEA of its opportunity to appeal adverse final decisions to the SEA (116.191(b)).

Written procedures for receiving and hearing appeals from final audit appeals must be developed by the SEA. These procedures should inform the audited LEA whether its appeal has been accepted for further review, and should describe procedures for conducting hearings on the appeal, receiving evidence from the LEA and maintaining a full record of the evidence and arguments that are presented during the appeal proceedings, recording the SEA's final action on the appeal and the basis for that action, notifying the district that was audited of the state's final action and any corrective action that the LEA must take, and notifying each LEA that is ordered to repay misspent title I funds that it has the right to appeal the order to the Secretary of the Department of Education (116.192).

An LEA wanting to make an appeal to the Secretary must submit its request within 20 days of when the district was informed of the state's final action (116.193). If, however, the LEA chooses not to appeal and
has been ordered to repay misspent funds, it should repay those funds to the SEA if the funds are still available for obligation (see Sec. 412(b) of GEPA) or to the Secretary if the funds are no longer available for obligation. The misspent funds must be repaid from non-federal sources or from federal funds for which the federal government does not require accountability (e.g., general revenue funds). The misspent funds may be repaid in a single payment or in installments which do not extend over a period of more than three years from the date on which the final action by the SEA or the Secretary was taken (116.194). If the LEA refuses to repay misspent funds, the Secretary may initiate collection actions (116.196).

**Audits by the Secretary:** Audits of SEAs receiving title I funds must also be conducted by the Department and are similar in purpose and process to those conducted by the SEA (116.250). The findings of any audit must be submitted in a draft audit report to the SEA for comment. After review of these comments, a final audit report must be submitted to the SEA, at which time the SEA has an opportunity to submit a written response to the Assistant Secretary for Elementary and Secondary Education. The final audit determination should then be sent to the SEA, identifying any improper expenditures and indicating the reasons for the final audit findings in detail sufficient enough to permit the SEA to respond to them. In the letter reporting the audit findings, the Assistant Secretary should notify the SEA of its right to appeal the determination to the Education Appeal Board within 30 days of its receiving the letter. If the SEA chooses not to do this, however, it must repay misspent funds to the Department.

If the SEA is dissatisfied with the Board's decision, the SEA may appeal the decision to the United States Court of Appeals for the circuit in which the state is located. This process is identical to that which was described in Chapter 7.4.1 on SEA application for title I funds and approval by the Secretary. The letter containing the final audit determination should be sent by certified mail, and a return receipt should be requested (116.251).

As for an LEA, any SEA found to have misspent title I funds must repay these funds to the Department from non-federal sources or from federal funds for which the federal government does not require accountability (116.253).
The Secretary may require one of three types of collection methods: a) a direct voluntary payment by the SEA, b) a voluntary offset of funds, agreed upon by the SEA and the Department; or c) an involuntary offset of funds. If the first method is used, the SEA may pay back the funds in a single payment or in installments over a period of more than three years from when the final action by the Assistant Secretary, the Secretary, or a federal court was taken. Using the second method, title I funds for which the SEA is currently eligible may be reduced by the amount which must be repaid, at which time the SEA must replace these offset funds with funds from non-federal sources or with federal funds that do not require direct accountability. The more drastic action of involuntarily offsetting funds going to an SEA may also be taken by the Secretary, if such action is warranted. This method of collecting funds involves removing the SEA from its letter of credit or from a payment system under the Departmental Federal Assistance Financing System. The SEA is then put on a direct advance payment or direct reimbursement system, and the payment of federal funds going to the SEA is reduced by the amount of the debt. Any SEA that has been put on a direct advance payment system is required to replace the offset funds (116.253(c)).

Those funds that are repaid to the Secretary may be considered additional funds for distribution under the title I program. The SEA that had been required to make the repayments may receive a portion (not to exceed 75 percent) of these funds if the Secretary determines that the practices and procedures that had been cited as being noncompliant have been corrected (116.254(a)(2)). The SEA must also submit to the Secretary a plan for using these additional funds. The SEA should be encouraged to use the funds it receives from the Secretary for the group of children that had been affected by the state's noncompliant procedures, wherever possible. In all cases, however, these funds must be used to provide services for educationally deprived children living in areas having large proportions of children from low-income families (GEPA, Sec. 456).

The districts and SEAs receiving funds from the additional funds made available to the Secretary because of repayments must submit periodic reports on the use of the funds. As with the basic title I grant program, the LEAs and SEAs must also consult with parents or representatives of those
children who will benefit from the program funds. The Secretary must publish a notice in the Federal Register of the intent to repay funds. The notice must appear at least 30 days before the payments are to be distributed. This notice then allows any interested individual to submit comments on the proposed payments during the 30 days before the actual repayments are made (116.254(d)).

Withholding of Payments

The final enforcement power of SEAs and the Secretary is the authority to withhold or suspend the payment of title I funds to LEAs and SEAs, respectively. Such an action may be taken when the SEA or the Secretary finds that an LEA or the SEA has failed to comply substantially with the requirements of the title I statute or regulations (116.260 and 116.200). The suspension or withholding of funds may be done in whole or in part and may be continued until the SEA or the Secretary is satisfied that the non-compliance has been corrected. Provisions contained in a compliance agreement that the LEA or SEA has signed on the same requirement for which withholding action is being taken may be excepted.

Before the SEA or the Secretary may initiate proceedings to withhold title I funds, the SEA or the Secretary must determine, on a case-by-case basis, that the agency is not in substantial compliance. Such a determination may come only after considering the following factors:

1. The amount of title I funds that are involved.
2. The effect the withholding would have on participating children.

The SEA and the Secretary must inform the LEA and SEA of any intended action before funds may be withheld. In the case of an LEA, the SEA must provide the LEA with reasonable notice of the reasons why the state is planning to withhold funds. The LEA must also be given an opportunity for a hearing before an impartial decisionmaker—i.e., an individual who did not participate in the SEA's decision to withhold the title I funds. If the LEA requests the hearing and the impartial decisionmaker finds that the LEA

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is not in substantial compliance, the SEA may then proceed with its withholding action. Unless the LEA and the SEA enter into a compliance agreement, the SEA may withhold title I payments to the LEA until it determines that the district is once again in substantial compliance with the title I statute and regulations (116.200(b)).

The Secretary must provide similar notices to the SEA before withholding any state title I funds. The SEA must receive written notice of the Secretary's intent to withhold funds, and the notice must specify the exact findings of noncompliance (including citations of the title I requirements in violation). The opportunity for a hearing (on the record) must be given the SEA. The decision issued by the hearing officer is final, unless the Secretary modifies or dismisses the finding for good cause within 60 days of the SEA's having received notice of the decision. If the decision is modified by the Secretary, this modified decision becomes the final decision of the Department within 60 days of the Secretary's action. When the final decision shows that the SEA is not in substantial compliance with the assurances it made in its application, the Secretary must notify the SEA that further title I payments will not be made to the state, that the SEA must limit title I payments to those LEAs that were not involved in the SEA's failure to comply with the requirements, or that the SEA should reduce its title I payments to the LEAs that contributed to the SEA's noncompliance. Unless the Secretary enters into a compliance agreement with the SEA, the Secretary may continue to withhold title I payments until it is determined that the SEA is again in substantial compliance (116.260).

Under certain circumstances, the Secretary may suspend title I payments to an SEA during the process of a withholding action (116.261). This may be done when the SEA is in substantial and continuing violation of the assurances it made in its application. Before this type of action may be taken, however, the Secretary must give the SEA written notice of his intent to suspend payments, indicate the reason he is suspending payments, and notify the SEA that the suspension will be effective 10 days after the SEA receives the written notice, unless during those 10 days the SEA sends a written request to the Secretary that it be given an opportunity to show why the suspension action should not be taken (116.261(b)). After notifying the
SEA of any withholding action, the Secretary must also take whatever action necessary to inform the public within the state of the withholding (116.263). The SEA may file a petition for a review of the Secretary's final decision with the U.S. Court of Appeals for the circuit in which the state is located, if the SEA is dissatisfied with the final action (116.262).

Compliance Agreements

Instead of initiating action to withhold title I funds from LEAs or SEAs, the SEA or the Secretary, respectively, may enter into a compliance agreement with the local or state agency (116.210 and 116.270). A compliance agreement may also be drawn up at any time during the withholding proceedings. The agreement, which may only apply to current or future violations, relieves the LEA or the SEA of any liability for repayment of funds that are spent in violation of requirements covered by the agreement during the period that is covered by the agreement. The agreement may be used to specify the amount of funds that have been misspent and a schedule for repaying those funds. It may not be used to reduce or forgive any liability for repaying funds that were spent prior to the date on which the agreement was signed.

Each compliance agreement must be written and signed by an authorized official or representative of the SEA and the LEA and must specify the requirement that the SEA or LEA is violating. The activity that is in violation of the requirement must also be detailed. Furthermore, the agreement must describe the steps that the SEA or the LEA agrees to take to come into full compliance with all applicable requirements, must address all the matters that were the basis for the initial withholding action, and must consist of a single agreement, or a series of agreements, that, when viewed together, will result in the agency's full compliance with all title I requirements. An agreement between the SEA and an LEA may be for a period of no longer than 60 days, during which time the LEA must come into compliance. Both a state and federal compliance agreement expires immediately, if the SEA or LEA fails to comply with all terms of the agreement.

If an SEA alleges that it is impossible for it to come into full compliance within the specified time period, the Secretary must hold a hearing
within 30 days of the agreement's having been signed. At the hearing, the SEA has the burden of showing that it is not feasible for it to come into compliance until sometime after the period specified in the agreement. The period that the SEA believes more reasonable must be specified. Parents, parents' representatives, and other interested individuals or organizations are also able to participate in the hearing.

After the hearing takes place, the Secretary may enter into another compliance agreement with the SEA, and the agreement may specify a period of more than 60 days for coming into full compliance with the title I requirements. Before the agreement may be signed, however, the Secretary must make written findings that the time period now specified in the compliance agreement is more reasonable for allowing the SEA to come into compliance with all requirements. Upon the expiration of any compliance agreement, another compliance agreement may not be entered into with the same SEA or LEA for the same violation addressed in the first agreement (116.213 and 116.274).

Any compliance agreement entered into by the SEA or the Secretary must be sent to each person or organization that filed a complaint with the LEA, SEA, or the Department concerning the violation that is covered by the agreement. In addition, a state compliance agreement must be sent to the Assistant Secretary (Office of Elementary and Secondary Education) and to the district advisory council of the LEA that signed the agreement with the SEA, (116.214 and 116.275).

7.4.6 Recordkeeping, Reporting, and Evaluation

SEA Recordkeeping

Maintaining records on the title I (ESEA program is a responsibility of the LEAs and SEA. Each SEA that receives title I funds must keep records that show (116.140(a)(1)).

1. The amount and disposition of title I funds.
2. The total cost of title I programs.
3. The share of the cost of the title I program that is provided by non-title I sources.
Any other records necessary to facilitate an effective audit of the title I programs must also be retained by the SEA.

In addition to the records that the SEA itself must keep, the SEA also requires the LEAs operating title I programs to maintain certain records. These include records showing the amount of title I funds received, how the LEA used the funds, the total cost of the title I project, and the share of that cost provided from non-title I sources. Other records necessary for facilitating state audits must also be maintained, as well as records that show the LEA’s compliance with all title I requirements and records of significant project experiences and results (116.140(b)). An LEA need not account separately for title I funds if it operates a single compensatory education project meeting all title I requirements and the project is supported by title I funds as well as state and local compensatory education funds. Similarly, an LEA is not required to account separately for title I funds when it determines its compliance with the excess costs and comparability requirements, if it excludes expenditures from state and local sources (116.140(c)).

**Reporting Requirements of SEAs**

Previous sections of this chapter have already noted some reports that the state is required to submit to the Secretary—e.g., the state's monitoring and enforcement plan—and to local education agencies—e.g., monitoring reports and audit reports. In addition to these, the state is required to submit periodic reports to the Secretary, which contain evaluations of the effectiveness of title I projects operating within the state. Such reports must discuss the effectiveness of the projects in meeting the special educational needs of the children participating in the project (116.160). The SEA evaluation reports may be based on the individual evaluation reports submitted by the LEAs within the states. The frequency with which these local evaluation reports are submitted, as well as the frequency with which the SEA must submit its evaluation to the Secretary, must be specified by the SEA and the Secretary, respectively. Other reports must be submitted to the Secretary if these reports are important for carrying out the Secretary's responsibilities. These reports and any information that they must contain must be specified by the Secretary (ESEA, Sec. 172).
In addition to having to submit reports to the Secretary, the SEA must require LEAs to submit reports to the state. Each LEA receiving title I funds must submit an annual report to the SEA which contains (116.161), at a minimum:

1. An evaluation of the effectiveness of the district's title I project.

2. The results of objective measurement of the educational achievement of the participating children in basic skills.

3. The results of relevant research.

4. Any other information that the SEA has deemed important in order for it to carry out its administrative responsibilities.

7.4.6.3 Evaluation Responsibilities of SEAs and the Secretary

Each LEA and SEA that receives title I funds must adopt procedures for evaluating the effectiveness of their title I projects. These evaluations must be conducted at least once during each three-year application period (116.130(b)) and must assess the degree to which the projects have met their goals and include an analysis of achievement in basic skills over at least a 12-month period. The evaluations should be used when planning for and working to improve the title I projects that will be carried out in subsequent years (116.130(c) and Chapter 6.4.3).

The Secretary must provide for the independent evaluation of title I, as well as review those evaluation reports submitted to the Department of Education by the SEAs (see previous section on Reporting Requirements of SEAs) (116.230). In overseeing the evaluations conducted by the states, the Secretary must develop evaluation standards and schedules for conducting these evaluations, consult with SEAs and LEAs about jointly sponsored objective evaluation programs, provide SEAs with models for the evaluation of their title I projects, and report to the Congress on the results of the evaluations of title I projects. In conjunction with these activities, the Secretary must also develop a system for collecting and disseminating the
results of the evaluations of title I projects and particularly effective elements of Title I projects. These exemplary projects should not just be available to SEAs and LEAs, but should also be made available to anyone within the education profession and to the general public (116.230(g)(f)(3)).

7.5.0 Summary of Requirements for State and Federal Administration

The Title I ESEA legal framework indicates that state educational agencies must submit title I applications to the federal Department of Education and, in addition, perform a variety of administrative tasks designed to ensure that local title I programs meet all legal requirements. SEAs receive title I funds to fulfill these administrative responsibilities.

This chapter dealt with the most important of the SEAs' administrative responsibilities, all of which are directed at seeing that title I funds are, in fact, used to meet the special educational needs of educationally deprived children living in areas with high concentrations of children from low-income families. These administrative responsibilities of the SEA are directly related to the targeting, program design, funding allocation and local administrative responsibilities discussed in Chapters 1 through 6 of this manual. SEAs are responsible for ensuring that LEAs comply with these provisions--through their review of local title I applications, the development of statewide rules and guidelines for title I, fiscal management at the state level, and monitoring and enforcement procedures.

The Department of Education has similar administrative responsibilities related to the SEAs. These responsibilities include the development of regulations, grant distribution, program review, monitoring and enforcement, and reporting requirements--both to Congress and to local and state educational agencies. The Department of Education is also the final decision-making level, outside of the judicial system, for disputes regarding the title I program. Complaint and resolution procedures at both the state and federal levels are set forth in detail in title I regulations, as discussed in this chapter.