

**84.367
DPIF14**

SUPPORTING EFFECTIVE INSTRUCTION STATE GRANTS

**State
Project/Program**

SUPPORTING EFFECTIVE INSTRUCTION (PRC 0103)

US Department of Education

Federal Authorization: Title II, Part A of the Elementary and Secondary Education Act of 1965, as amended by Every Student Succeeds Act (ESSA) P.L. 114-95. Effective 07/01/17.

State Authorization:

N. C. Department of Public Instruction

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N.C. DPI Confirmation Reports:

Confirmation of Funds Expended and/or Disbursed from the State Public School Fund and Federal Programs 2023-24 will be available at the NC DPI DART Reporting System. The system provides an electronic view of Year-to-Date (YTD) financial reports in response to requests for confirmation from independent auditors.

The auditor should not consider the Supplement to be “safe harbor” for identifying audit procedures to apply in a particular engagement, but the auditor should be prepared to justify departures from the suggested procedures. The auditor can consider the supplement a “safe harbor” for identification of compliance requirements to be tested if the auditor performs reasonable procedures to ensure that the requirements in the Supplement are current.

The grantor agency may elect to review audit working papers to determine that audit tests are adequate.

Auditors may request documentation of monitoring visits by the State Agencies.

This compliance supplement must be used in conjunction with the OMB 2026 Compliance Supplement which will be issued in the summer. This includes “Part 3 - Compliance Requirements,” for the types that apply, “Part 6 - Internal Control,” and “Part 4 - Agency Program” requirements if the Agency issued guidance for a specific program. The OMB Compliance Supplement is Section A of the State Compliance Supplement.

I. PROGRAM OBJECTIVES

The purpose of the program is to provide grants to State educational agencies and subgrants to local educational agencies to (1) increase student achievement consistent with the challenging State academic standards; (2) improve the quality and effectiveness of teachers, principals, and other school leaders; (3) increase the number of teachers, principals, and other school leaders who are effective in improving student academic achievement in schools; and (4) provide low-income and minority students greater access to effective teachers, principals, and other school leaders.

This program is carried out by, but not limited to: 1) Reforming teacher, principal, or other school leader certification, recertification, licensing, or tenure systems or preparation program standards and approval processes; 2) developing, improving, or providing assistance to local educational agencies to support the design and implementation of teacher, principal, or other school leader evaluation and support systems 3) improving equitable access to effective teachers; 4) carrying out programs that establish, expand, or improve alternative routes for State certification of teachers (especially for teachers of children with disabilities, English learners, science, technology, engineering, mathematics, or other areas where the State experiences a shortage of educators), principals, or other school leaders; and 5) developing, improving, and implementing mechanisms to assist local educational agencies and schools in effectively recruiting and retaining teachers, principals, or other school leaders who are effective in improving student academic achievement, including effective teachers from underrepresented minority groups and teachers with disabilities; and 6) providing assistance to local educational agencies for the development and implementation of high-quality professional development programs for principals that enable the principals to be effective and prepare all students to meet the challenging State academic standards.

II. PROGRAM PROCEDURES

Each State educational agency must apply to the Secretary of the U.S. Department of Education. A state may choose to submit their applications as part of the Consolidated Plan. Applications are approved by the Secretary of the U.S. Department of Education. Funds are provided to each state educational agency (SEA), N. C. Department of Public Instruction (DPI), for allocation to local education agencies (LEAs) and Charter Schools that have current approved project applications on file with the SEA describing the project to be implemented using these funds.

The “hold harmless” provision has been eliminated and funds are allotted to LEAs/Charter Schools based on the following formula:

- Twenty percent (20%) will be distributed based on relative population of children aged 5-17.
- Eighty percent (80%) will be distributed based on the relative population of children 5-17 from families with income below the poverty line.

Allotment reports are sent from the School Allotment Section of the Division of School Business notifying the LEAs of the amount of funds that they have available.

Funds are distributed according to the cash request procedures discussed in the NC Department of Public Instruction Cross-Cutting Requirements, DPI-0.

III. COMPLIANCE REQUIREMENTS

Noted below in the following matrix are the types of compliance requirements (Types) that are applicable to the federal program. These Types are either determined by the federal agency or the State Agency may have added the Type. This is noted by "Y." If the State determines that the federal requirement does not apply at the local level or if the State modifies the federal requirements, this is discussed in the supplement under the type of compliance requirement. If the federal and/or State agencies have determined that the type is not applicable, this is indicated by "N."

If the Type is applicable, the auditor must determine if the Type has a direct and material effect on the federal program for the auditee. The auditor must use the OMB 2026 Compliance Supplement, Part 3 and Part 4 (if an OMB supplement is issued) in addition to this State supplement to perform the audit.

CC	A	B	C	E	F	G	H	I	J	L	M	N
Cross Cutting Requirements	Activities Allowed or Unallowed	Allowable Costs/ Cost Principles	Cash Management	Eligibility	Equipment/ Real Property Management	Matching, Level of Effort, Earmarking	Period of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y

A. Activities Allowed or Unallowed

Compliance Requirements:

Funds may be used by a LEA or other operating agency only in accordance with the approved State plan and only for those services or activities in its approved project application.

Approved project applications may include some of the following allowable activities:

1. Developing or improving a rigorous, transparent, and fair evaluation and support system for teachers, principals, or other school leaders.
2. Developing and implementing initiatives to assist in recruiting, hiring, and retaining effective teachers, particularly in low-income schools with high percentages of ineffective teachers and high percentages of students who do not meet the

challenging State academic standards, to improve within-district equity in the distribution of teachers, consistent with section 1111(g)(1)(B).

3. Recruiting qualified individuals from other fields to become teachers, principals, or other school leaders, including mid-career professionals from other occupations, former military personnel, and recent graduates of institutions of higher education with records of academic distinction who demonstrate potential to become effective teachers, principals, or other school leaders.

4. Reducing class size to a level that is evidence-based, to the extent the State (in consultation with local educational agencies in the State) determines that such evidence is reasonably available, to improve student achievement through the recruiting and hiring of additional effective teachers.

5. Providing high-quality, personalized professional development that is evidence-based, to the extent the State (in consultation with local educational agencies in the State) determines that such evidence is reasonably available, for teachers, instructional leadership teams, principals, or other school leaders, that is focused on improving teaching and student learning and achievement, including supporting efforts to train teachers, principals, or other school leaders to:

a. Effectively integrate technology into curricula and instruction (including education about the harms of copyright piracy).

b. Use data to improve student achievement and understand how to ensure individual student privacy is protected, as required under section 444 of the General Education Provisions Act (commonly known as the “Family Educational Rights and Privacy Act of 1974”) (20 U.S.C. 1232g) and State and local policies and laws in the use of such data.

c. Effectively engage parents, families, and community partners, and coordinate services between school and community.

d. Help all students develop the skills essential for learning readiness and academic success.

e. Develop policy with school, local educational agency, community, or State leaders.

f. Participate in opportunities for experiential learning through observation.

6. Developing programs and activities that increase the ability of teachers to effectively teach children with disabilities, including children with significant cognitive disabilities, and English learners, which may include the use of multi-tier systems of support and positive behavioral intervention and supports, so that such children with disabilities and English learners can meet the challenging State academic standards.

7. Providing programs and activities to increase the following:

- a.** Knowledge base of teachers, principals, or other school leaders on instruction in the early grades and on strategies to measure whether young children are progressing.
 - b.** Ability of principals or other school leaders to support teachers, teacher leaders, early childhood educators, and other professionals to meet the needs of students through age 8, which may include providing joint professional learning and planning activities for school staff and educators in preschool programs that address the transition to elementary school.
- 8.** Providing training, technical assistance, and capacity-building in local educational agencies to assist teachers, principals, or other school leaders with selecting and implementing formative assessments, designing classroom-based assessments, and using data from such assessments to improve instruction and student academic achievement, which may include providing additional time for teachers to review student data and respond, as appropriate
- 9.** Carrying out in-service training for school personnel in the following:
 - a.** Techniques and supports needed to help educators understand when and how to refer students affected by trauma, and children with, or at risk of, mental illness.
 - b.** Use of referral mechanisms that effectively link such children to appropriate treatment and intervention services in the school and in the community, where appropriate.
 - c.** Forming partnerships between school-based mental health programs and public or private mental health organizations.
 - d.** Addressing issues related to school conditions for student learning, such as safety, peer interaction, drug and alcohol abuse, and chronic absenteeism.
- 10.** Providing training to support the identification of students who are gifted and talented, including high-ability students who have not been formally identified for gifted education services, and implementing instructional practices that support the education of such students, such as the following:
 - a.** Early entrance to kindergarten.
 - b.** Enrichment, acceleration, and curriculum compacting activities.
 - c.** Dual or concurrent enrollment programs in secondary school and postsecondary education.
- 11.** Supporting the instructional services provided by effective school library programs.

12. Providing training for all school personnel, including teachers, principals, other school leaders, specialized instructional support personnel, and paraprofessionals, regarding how to prevent and recognize child sexual abuse.

13. Developing and providing professional development and other comprehensive systems of support for teachers, principals, or other school leaders to promote high-quality instruction and instructional leadership in science, technology, engineering, and mathematics subjects, including computer science.

14. Developing feedback mechanisms to improve school working conditions, including through periodically and publicly reporting results of educator support and working conditions feedback.

15. Providing high-quality professional development for teachers, principals, or other school leaders on effective strategies to integrate rigorous academic content, career and technical education, and work-based learning (if appropriate), which may include providing common planning time, to help prepare students for postsecondary education and the workforce.

16. Carrying out other activities that are evidence-based, to the extent the State (in consultation with local educational agencies in the State) determines that such evidence is reasonably available and identified by the local educational agency that meet the purpose of this title.

A. Activities Allowed or Unallowed

Compliance Requirement - Funds may be used by a LEA or other operating agency only in accordance with the approved State plan and only for those services or activities in its project application.

See also Part 4, 84.000 ED Cross-Cutting Section.

Certain compliance requirements that apply to multiple ESEA programs are discussed once in the Department of Education (ED) Cross-Cutting Section of this Supplement (84.000) rather than being repeated in each individual program. When applicable, Section III references the Cross-Cutting Section for these requirements. Also, as discussed in the Cross-Cutting Section, SEAs and LEAs may have been granted waivers from certain compliance requirements.

1. Activities Allowed

a. State Use of Funds

(1) State Administration and Activities – SEAs have the authority to set aside 5 percent of a state's total allocation to carry out statewide activities related to improving educator quality. Allowable state-level activities are identified in Section 2101(c)(4) of the ESEA. While not an exhaustive list, examples of allowable activities include:

(2) Carrying out programs that establish, expand, or improve alternative routes for state certification of teachers, principals, or other school leaders;

(3) Carrying out activities that focus on ensuring teachers have the necessary subject-matter knowledge and teaching skills, as demonstrated through measures determined by the state, and principals or other school leaders have the instructional leadership skills to help teachers teach and to help students meet such challenging state academic standards;

(4) Reforming and teacher, principal, or other school leader certification, recertification, licensing, or tenure systems or preparation program standards and approval processes to ensure that they are aligned with such challenging state standards;

(5) Developing, or assisting local educational agencies in, developing career opportunities and advancement initiatives that promote professional growth and emphasize multiple career paths; and

(6) Developing, or assisting local educational agencies in developing, strategies that provide differential pay, or other incentives, to recruit and retain teachers in high-need academic subjects and teachers, principals, or other school leaders, in low-income schools and school districts (Section ESEA 2101(c)(4)(20 USC 6611(c)(4))).

SEAs may use a certain amount (not more than 3 percent of the amount reserved for subgrants to LEAs under Section 2101(c)(1)) for one or more of the activities for principals or other school leaders described in Section 2101(c)(4). For more information about this additional SEA reservation of funds, please see Part 3 of the *Non-Regulatory Guidance for Title II*,

Part A: Building Systems of Support for Excellent Teaching and Leading,

available at <https://www2.ed.gov/policy/elsec/leg/essa/essatitleiipartguidance.pdf>

(ESEA Section 2101(c)(3)).

LEA Use of Funds- After conducting meaningful consultation, as required by ESEA Section 2102(b)(3), LEAs may use funds for a broad range of activities designed to improve educator effectiveness that are identified in ESEA Section 2103(b). While not an exhaustive list, examples of allowable activities include:

1- Providing “professional development” (as the term is defined in ESEA Section 8101(42) (20 USC 7801(42))) to teachers, instructional leadership teams, principals, or other school leaders that is focused on improving teaching and student learning and achievement;

1- Developing and implementing initiatives to recruit, hire, and retain teachers, principals, and other school leaders;

2- Providing training, technical assistance, and capacity-building in local educational agencies to assist teachers, principals, or other school leaders with selecting and implementing formative assessments, designing classroom-based assessments, and using data from such assessments to improve instruction and student academic achievement carrying out initiatives that provide teacher, paraprofessional, principal, or other school leader advancement and professional growth, and an emphasis on leadership opportunities, multiple career paths, and pay differentiation. LEAs also may use funds to hire teachers to reduce class size (ESEA sections 2103(b) (20 USC 6613(b))).

2. Activities Unallowed

a. SEAs may use not more than 1 percent of their total Title II allocation for state administration activities.

b. SEAs may also use not more than 2 percent of the state's total Title II, Part A state allocation to establish or expand teacher, principal, or other school leader preparation academies to prepare teachers, principals, and other school leaders to serve in high-need schools. For more information, please see the guidance described in A.1.a.ii, above (ESEA Section 2101(c)(4)(B)(xii)).

Audit Objective – To determine that expenditures are allowable and properly recorded.

Suggested Audit Procedures – Obtain a copy of the Budget Balance Reconciliation Report from DART or the finance officer and compare to local accounting record for appropriateness. Test expenditure and related records to determine if expenditures were made only for those services or activities in the project application.

- Obtain a copy of the approved project plan and approved program budget from the local program coordinator.
- Review expenditures to determine that expenditures are in accordance with the approved project plan.
- Review salary expenditures to determine that personnel paid from these funds do not exceed budgeted personnel in approved program budget.

B. Allowable Costs/Cost Principles

Addressed in the NC Department of Public Instruction Cross-Cutting Requirements.

Part 4, 84.000

C. Cash Management

N/A

E. Eligibility

Eligibility for Subrecipients – This compliance requirement does not apply at the local level. The local auditor is not required to test for compliance with this requirement.

F. Equipment and Real Property

N/A

G. Matching, Level of Effort, Earmarking

1. Matching

This compliance requirement does not apply at the local level. No testing required.

2. Level of Effort

Addressed in the US Department of Education Cross-Cutting Section. Part 4, 84.000

H. Period of Availability of Federal Funds

N/A

I. Procurement and Suspension and Debarment

N/A

J. Program Income

This compliance requirement does not apply at the local level. No testing is required.

L. Reporting

N/A

M. Subrecipient Monitoring

This compliance requirement does not apply at the local level. No testing is required.

N. Special Tests and Provisions

Compliance Requirement - An LEA may transfer all or a lesser amount of its Title II and Title IV allocation to supplement its allocation under Title I, Parts A, C, and D, and/or Title III, Parts A and B per Section 5103 in ESSA.

Audit Objective - An LEA that wishes to transfer funds must do so by budget amendment: (1) using the object code 722 to transfer the funds out of the desired federal program entering the amount to be transferred out as a positive number and

(2) using the object code 721 to transfer the funds into the desired federal program entering the amount to be transferred in as a negative number.

1. Participation of Private School Children (SEAs/LEAs)

See Part 4, 84.000 ED Cross-Cutting Section.

2. Access to Federal Funds for New or Significantly Expanded Charter Schools

See Part 4, 84.000 ED Cross-Cutting Section.

Suggested Audit Procedures:

- Verify that the LEA or charter school performed budget amendments for both federal programs affected by the transfer.
- Verify that the budget amendments performed by the LEA or charter school used the appropriate object codes.