



*in*Forum

*In Depth Policy Analysis*

*ED Facts:*  
Special Education  
in the New National Education  
Data System

by  
**Eileen M. Ahearn**

**November 2007**

Project Forum  
National Association of State Directors of Special Education  
(NASDSE)  
1800 Diagonal Road - Suite 320  
Alexandria, VA 22314

Project Forum at National Association of State Directors of Special Education (NASDSE) is a cooperative agreement funded by the Office of Special Education Programs of the U.S. Department of Education. The project carries out a variety of activities that provide information needed for program improvement and promote the utilization of research data and other information for improving outcomes for students with disabilities. The project also provides technical assistance and information on emerging issues and convenes small work groups to gather expert input, obtain feedback and develop conceptual frameworks related to critical topics in special education.

This report was supported by the U.S. Department of Education (Cooperative Agreement No. H326F050001). However, the opinions expressed herein do not necessarily reflect the position of the U.S. Department of Education, and no official endorsement by the Department should be inferred.

*Note: There are no copyright restrictions on this document; however, please credit the source and support of federal funds when copying all or part of this material.*



This document, along with many other Forum publications, can be downloaded from the Project Forum at NASDSE website:

**<http://www.projectforum.org>**

To order a hard copy of this document or any other Forum publications, please contact Nancy Tucker at NASDSE, 1800 Diagonal Road, Suite 320, Alexandria, VA 22314  
Ph: 703-519-3800 ext. 312 or Email: [nancy.tucker@nasdse.org](mailto:nancy.tucker@nasdse.org)

This document is available in alternative formats. For details please contact Project Forum staff at 703.519.3800

# EDFacts: Special Education in the New National Educational Data System

## INTRODUCTION

In 2003, the U.S. Department of Education (ED) began an extensive revision of its data system starting with a project known as the Performance-Based Data Management Initiative (PBDMI) that was designed “to leverage technology to re-engineer ED’s current data collection and management activities in order to reduce the data collection burden on the states, improve the utility of information to all levels of the government and meet the requirements of the No Child Left Behind Act of 2001.”<sup>1</sup> ED performed an analysis of each state’s data handling capacity and then began designing a new system for federal collection of state K through 12 data. The original PBDMI evolved into the Education Data Exchange Network (EDEN). The system continues to expand and currently all states submit at least some of their data to ED through the EDEN Submission System (ESS). The term *EDFacts* was originally used for the reporting component of the new data system, but now the system as a whole is known under the single name of *EDFacts* and that term will be used in this document to refer to all components of the system.<sup>2</sup>

State reports of special education data have been required to be submitted to the Office of Special Education Programs (OSEP) of ED since the passage of P.L. 142 (1975), now the Individuals with Disabilities Education Act (IDEA). The IDEA data collection is ED’s longest standing continuous collection. From its inception in 2004, *EDFacts* has included special education data elements associated with child count, personnel, educational environments, exiting, discipline and assessment data collections.

This document begins with a background on ED’s development and implementation of a single repository for K-12 education data. It also includes a summary of interviews held with seven state special education directors and/or their IDEA data managers along with each state’s *EDFacts* coordinator to obtain information on the states’ submission of special education data via *EDFacts*. It closes with a section on observations and conclusions. This document was prepared by Project Forum at the National Association of State Directors of Special Education (NASDSE) as part of its cooperative agreement with OSEP.

## BACKGROUND

Historically, the various divisions within ED collected data from states in isolation from each other and much of the information concerned accountability for the use of funds under grants and contracts. The shift throughout education to a focus on student outcomes has driven a major transformation in the nature of ED’s information collection from states. The main emphasis now

---

<sup>1</sup> From the PBDMI website at <http://sif.edreform.net/portal/sif/pbdmiused>

<sup>2</sup> A description of *EDFacts* is available on the U.S. Department of Education (ED) website at <http://www.ed.gov/about/inits/ed/EDFacts/index.html>. The site provides links to information about the EDEN data submission system, the *EDFacts* data analysis and reporting tools and other components of the program.

is on ensuring that accurate data are collected and made available to guide decision making to improve academic achievement.

According to the ED website, the purpose of *EDFacts* is to:

- Place the use of robust, timely performance data at the core of decision and policymaking in education.
- Reduce state and district data burden and streamline data practices.
- Improve state data capabilities by providing resources and technical assistance.
- Provide data for planning, policy and management at the federal, state and local levels.

The *EDFacts* system is “a collaborative effort of the U.S. Department of Education (ED), state education agencies (SEAs) and industry partners to centralize state-reported K through 12 educational performance data into one federally coordinated data repository located in ED.”<sup>3</sup> Data generally are submitted at the state, district and, in some instances, school levels. Each state has identified one individual to serve as the *EDFacts* coordinator. While a state may have more than one individual who submits data, each state can designate only one user of the *EDFacts* reporting system at this time due to software licensing restrictions. ED also provides a dedicated assistance service known as the Partner Support Center (PSC) which maintains a phone help line and regular contact with each *EDFacts* coordinator through email as well as a listserv to support discussions among SEA staff across states.

Special education data, such as the child count of students with disabilities, the number of students exiting the system, have been continuously collected since the original passage of P.L. 94-142. The data have been maintained in OSEP’s Data Analysis System (DANS), the electronic repository for all special education data mandated by IDEA to be collected from states. These data are reported to Congress annually and published as the *Annual Report to Congress on the Implementation of the Individuals with Disabilities Education Act*.<sup>4</sup> In the summer of 2005, some states reported their School Year (SY) 2004-05 exiting data to both the DANS and the *EDFacts* systems simultaneously. OSEP developed a congruency analysis procedure to compare the data submitted through these two avenues on a cell-by-cell basis. That first round of congruency analyses resulted in 14 states being approved as “*EDFacts*-only” submitters for reporting their student exiting data and they no longer had to submit exiting data to the DANS system.

While submission of data through the *EDFacts* system began as a voluntary process, a new federal regulation became effective on January 25, 2007 that requires states to submit data reports to ED “in the manner prescribed by the Secretary, including submitting any of these reports electronically and at the quality level specified in the data collection instrument” [34 CFR 76(c)(1)]. The regulation mandated that the new collection process begin for the SY 2006-07 collection, but did allow for a two-year phase-in period since state data systems were at differing

---

<sup>3</sup> See the *EDFacts Workbook SY 2006-07* at <http://www.ed.gov/about/inits/ed/EDFacts/eden/2006-07-EDFacts-workbook-3-2.doc>

<sup>4</sup> Copies are available on the Internet at <http://www.ed.gov/about/reports/annual/osep/index.html>.

levels of maturity and many states were in the process of upgrading their data systems. States that needed this time were required to file a plan specifying when (SY 2007-08 or SY 2008-09) they could comply with the new requirement. (A copy of this regulation is attached as Appendix A.)

Progress is being made in transitioning the collection of special education data to the EDEN/*EDFacts* system. For SY 2004-05 and 2005-06, the data transition focused on three IDEA data collections (i.e., child count, environments, exiting). As of July 2007, ED officials reported that 34 of 52<sup>5</sup> states had been designated *EDFacts*-only submitters for at least one of the three collections and 29 states are *EDFacts*-only for all three. The transition of two additional SY 2006-07 collections (personnel/staffing and discipline) begins in the November 2007 collection period. ED also anticipates beginning to transition the special education assessment data in February 2008. The goal is to have the *EDFacts* system become the exclusive reporting mechanism for most of the special education Section 618 data.

*EDFacts* also collects the data required by No Child Left Behind Act (NCLB) to be reported by states in their Consolidated State Performance Report (CSPR), e.g., data on student proficiency achievement, highly qualified teachers and high school graduation rates. Many *EDFacts* data elements now pre-populate states' online CSPR forms as part of the effort to eliminate duplication of reporting. *EDFacts* is also in the process of incorporating all the non-fiscal data elements traditionally collected by the National Center for Education Statistics (NCES) in its Common Core of Data (CCD) surveys. The CCD collection for 2006-07 is a pilot. *EDFacts* and the existing CCD team are both processing the data submissions. The merger of CCD and *EDFacts* is expected to be complete for SY 2007-08.

## METHODOLOGY

This Project Forum task was designed to obtain a snapshot of the process and status of the transition of state special education data collection to the *EDFacts* system. A protocol to guide the interview of relevant staff in seven states was developed and the draft was sent to OSEP and to the Office of Planning, Evaluation and Policy Development (OPEPD) for review and comment.<sup>6</sup> In accordance with Project Forum procedures, recommendations were solicited from those offices and others to select states to interview that represent a geographic distribution as well as varying stages of implementation of the new data system. Appointments were made through the directors of special education in *Alabama, Kansas, Kentucky, Minnesota, New Jersey, Virginia* and *West Virginia* to conduct an interview with the special education data manager and the *EDFacts* coordinator in each of those states. When possible, the state's director

---

<sup>5</sup> This number includes the 50 states plus the jurisdictions of Puerto Rico and the District of Columbia.

<sup>6</sup> OPEPD is the federal office responsible for the implementation of the EDEN/*EDFacts* system. Project Forum is grateful to Lisa Holden-Pitt of OSEP and Bobbi Stettner-Eaton of OPEPD for their generous assistance in contributing time and information and reviewing early drafts during our work on this task.

of special education also participated in the interview.<sup>7</sup> Interviews were held during June 2007. Each interview was transcribed and entered into the Atlas-ti<sup>®</sup> software program to aid in analysis.

## FINDINGS

Interviewees provided information on the issues involved in their reporting of state special education data to ED and their transition to the *EDFacts* system. A preliminary report of the findings was presented on July 10, 2007 at the OSEP/Westat Part B and Part C Data Meetings. The results of those interviews are presented under the following seven themes that were identified during analysis.

### State Staffing for Special Education Data

States vary greatly in the type of organizational structure within the units of their education departments and the allocation of staffing ratios to functions. It was not always possible for respondents to be exact about the number and full-time equivalent (FTE) of SEA staff involved with special education data. Those who handle special education data reporting to ED are also involved in other tasks related to the State Performance Plan and the Annual Performance Report, the data reports that states are required to send to OSEP.

In most cases, the responsibilities related to changeover to the EDEN/*EDFacts* system were added to an existing staff position. For example, *West Virginia* reported that the changes necessary to implement *EDFacts* were not accompanied by any increase in the number of positions associated with meeting data responsibilities and there have been reassignments and some loss of specific functions to accommodate the work. A similar situation exists in *Virginia*, although a resignation allowed for the creation of a new position devoted to special education data reporting in that state.

States reported that specific FTEs assigned to this function are usually filled as part of the jobs of a larger number of individuals in different sections of the SEA. *Minnesota's* staff are involved with special education data, web design and development across all seven divisions of the agency. Interviewees estimated that a total of 27 individuals of the *Minnesota* SEA are involved in some way with special education data, devoting the equivalent of approximately 12 FTEs to special education data and development. *Kansas* has three people who perform this work although each has other responsibilities as well. Other estimates of FTE for handling special education data were as follows: *Virginia* has 2.8 FTE positions in the special education division; *New Jersey* has 2.0 FTEs that include one new position; *Alabama* has 1.0 in special education and 1.0 in technology; *Kentucky* has 1.0 FTE spread over two people; *West Virginia* has 1.0 FTE.

---

<sup>7</sup> Project Forum acknowledges the following state personnel for their participation in an interview for this activity and for reviewing an earlier draft of this document: Mabrey Whetstone, Kathy Adams, Dominique Martel and Jeffrey Beams from Alabama; Mason Vosburgh and Charlotte Bogner from Kansas; Chris Thacker and Candy Johnson from Kentucky; Nancy Larson, Ted Vernon, Carol Hokansson and Todd Bosch from Minnesota; Roberta Wohle, Andrew Samson and Mark Falcheck from New Jersey; Paul Raskopf, Bethann Canada, Daniele Beahm, Bernie Chamberlin and Jennifer Orren from Virginia, Sandra McQuain, Nancy Walker and Melinda Shenklin from West Virginia.

## Interaction Between General and Special Education Divisions of SEAs

State officials described positive pre-existing working relationships between special education and information management departments of their SEA. *Virginia* officials said that it was not *EDFacts* that forced the two departments to work together. There was, however, universal agreement that the expanding emphasis on data is fostering even closer links. For example, *Alabama* interviewees described the special education data manager and the information services people as being “joined at the hip” to meet the growing data functions. *Minnesota* staff stressed that “special education is not its own world any more” in describing the closer association with other parts of the SEA that current data reporting requires.

In response to a question about involvement of state special education staff in the process that led to the current *EDFacts* system, all states reported that they or their predecessors in the department were involved in some way in the activities that have resulted in the current changes in the data system.

## Effect of EDEN/*EDFacts* on SEA Structure and Operations

The implementation of the *EDFacts* system has had an effect on the data reporting responsibilities in all SEAs and their school districts. For example, *Alabama* changed its child count collection schedule to provide enough time to process the data before it has to be reported. *Virginia* staff mentioned that there are now closer relationships with data providers at the district level in ensuring timeliness and accuracy of data. The state operates on the philosophy that systems should be integrated like the attempts that *EDFacts* is making to eliminate “stovepipe” systems. Therefore, *Virginia* general and special education data requirements are being integrated into one collection. Similarly in *Minnesota*, the interviewees said that, although they paid attention to accuracy in the past, there is now a more intense focus on precision in a new and expanded way with the new federal reporting system.

All interviewees said that the transition to the new *EDFacts* system has increased the workload for the SEA and has caused states to spend more money on data tasks or pull people from other duties to assist in this work. For example, *Alabama* has had to add a developer to their information department and increase the use of contractors because of limitations on the creation of new state positions. Some states have received federal grants to assist in the initial implementation, but ongoing costs and responsibilities for the states have increased.

*Kansas* staff described recent revisions of their internal procedures for handling and verifying special education data. Just prior to the start of the *EDFacts* implementation, the information technology director had created a governance board to coordinate the handling of data and then added to that by establishing a data stewards program made up of the program department staff who are responsible for data in their departments. The data stewards enter metadata information into a Web-based metadata repository. The technology department programmer uses the metadata information along with the *EDFacts* file specifications to create the *EDFacts* data files. The data stewards perform data quality checks prior to the data files being submitted to *EDFacts*.

These groups now have monthly meetings to discuss all issues involved in the infrastructure related to data flow.

### **Changes in Special Education Reporting**

The *Minnesota* staff reported an extra burden on special education staff since the new system began with special education data elements. It is necessary to coordinate definitions so that there will be consistency between IDEA and the *EDFacts* and that structure is not yet complete.

Some states reported changes in procedures that were introduced by the *EDFacts* system. For example, the older *DANS* system had a method for verifying and correcting data after the original submission, but the *EDFacts* system has only one submission for each type of data. *Virginia* staff reported that they had to work out a process for resubmitting corrected data to the *EDFacts* system. *Kentucky* has changed the way that state captures data from their districts in order to have the flexibility the SEA needs to be able to meet *EDFacts* reporting needs. Districts now upload their data to a secure website for the SEA staff to extract the necessary data for *EDFacts* reporting. This has been complicated by the fact that the state is also in the process of changing its own student information system. Similarly, *Kansas* has developed a database application for its districts that is just geared for gathering required special education data. The data are exported from this application into a text file by the special education data manager who then sends the file to the programmer. The programmer creates the *EDFacts* file and uploads it to a secure server at the SEA. The data manager performs the data quality checks prior to the file being submitted to *EDFacts*.

Many interviewees noted that they are also dealing with the changes and increased requirements of the State Performance Plan and the Annual Performance Report now required by the IDEA.

### **Technical Assistance for the Transition to EDEN/*EDFacts***

There was unanimous agreement among all interviewees that the technical assistance provided for the *EDFacts* transition has been excellent. Comments included one who said, "I can't think of a thing that is lacking in that aspect of the program." The supports and availability of training were described as "superb" and the responsiveness of ED staff was considered remarkable. One interviewee put it this way, "They always get back to me when they say they will." Another described a situation in which there were three people from ED on the phone at the same time helping him with a difficult issue. The high quality of the assistance received specifically through the help desk, PSC, was frequently praised by state interviewees.

### **Benefits of *EDFacts***

Most interviewees reported that they saw only limited benefits for states from the new federal data system at this time. The specific advantages derived from the system to date according to those interviewed include:

- ◆ increased depth in the way state staff communicate and cooperate across divisions;

- ◆ movement in the direction of a large amount of program area interaction and coordination;
- ◆ expansion of the use of cross-sectional teams;
- ◆ open contact and amicable relationships between the technology and program areas;
- ◆ support for better use of data for improved student learning;
- ◆ provision of a catalyst for states to improve their data systems;
- ◆ consolidation of different data collections and less duplication; and
- ◆ many related benefits derived from participation in the extensive training opportunities provided to support the transition to the new system.

Most interviewees mentioned that they saw the possibility of future benefits from the *EDFacts* system. Among the improvements they hoped would occur and suggested could be beneficial are:

- ◆ broader access to the reporting features of the system now limited to one license per state;
- ◆ access to the information for people outside the SEA to reduce the number of times state staff have to provide the same data for people such as researchers, national groups and parents;
- ◆ the availability of consistent and comparable data to allow a state to make comparisons with similar states;
- ◆ more effective elimination of duplication;
- ◆ preparation by the *EDFacts* system of the required reports for IDEA—the state performance plan and the annual performance reports—similar to the way the system now is able to package the data elements and narrative of the CSPR; and
- ◆ more effective use of the *EDFacts* reporting function by providing a single format for each report to save time and paperwork and make the data more usable.

### Challenges and Suggestions for Improvement

State staff mentioned the following challenges and suggestions to address some of them.

- ◆ Implementation of the *EDFacts* system has been more work than states originally expected and the state has had to absorb the extra costs. A number of interviewees stressed that ED should provide full funding for an *EDFacts* coordinator in each state and additional support for other aspects of the implementation.
- ◆ There is a need for state policymakers to understand better the level of difficulty and burden that SEA and LEA (local education agency) staff have in handling and reporting data.
- ◆ ED needs a more complete awareness of what goes on in data work for SEAs, such as:
  - Some local and state collections do not coincide with federal data reporting timelines.
  - LEAs have great variation in hardware and software, so compiling data at the SEA level is more complex than ED realizes.

- ED needs to better understand the amount of time it takes for states and districts to implement changes.
- Changes in personnel can pose serious setbacks for SEAs. EDEN/*EDFacts* should prepare a series of documents, such as flowcharts that could be used to orient a new coordinator or other state staff to the new system and the responsibilities of SEAs for gathering and reporting data.
- ◆ Current submission requirements to send separate files for each school and LEA and the state as a whole add to the burden. The *EDFacts* system should be able to roll up data from school-level reports.
- ◆ Programming changes in the *EDFacts* system pose a burden for SEAs, especially in terms of extra time and expense. SEA staff suggest that a freeze be placed on all changes at least until everyone is caught up with the current requirements.
- ◆ Differences in dates for start of the school year—September 1<sup>st</sup> or even July 1<sup>st</sup> in LEAs and October 1<sup>st</sup> for the *EDFacts* system—complicate reporting and can cause data interpretation inaccuracies.
- ◆ *EdFacts* reports are not useful to states at this time.
  - States use different definitions for data elements, so it is not possible to make meaningful comparisons across states.
  - Access to the reports should be made available on the Internet to anyone who wishes to access educational data.
  - Improvements in the reporting capacity are critical for states given the increased mandates for reporting to the public. Priority should be given to improving this aspect of the *EDFacts* system.
  - Reporting available through the federal system should eventually be sufficient to meet requirements states have to report to the public.
  - Confidentiality concerns arise in specific regard to the protection of the rights of students with disabilities and their families that require special attention in all aspects of data systems.

### ADDITIONAL INFORMATION

This analysis of the current status of implementation of *EDFacts* for collecting and reporting special education data is a small piece of a large array of developments in the field of educational data systems. The investment by public agencies in educational data collection and reporting at this time is enormous and private organizations, such as Standard and Poor's, are also investing in collecting and providing educational data for the public (<http://www.schoolmatters.com>).

States are devoting significant resources to their individual data systems, and ED has allocated funding to support the development and implementation of data systems at both the state and federal levels. For example, the following states have been awarded three-year grants from ED to support the development of their longitudinal data systems:

November 18, 2005

**Alaska**, \$3.5 million  
**Arkansas**, \$3.3 million  
**California**, \$3.3 million  
**Connecticut**, \$1.5 million  
**Florida**, \$1.6 million  
**Kentucky**, \$5.8 million  
**Maryland**, \$5.7 million  
**Michigan**, \$3 million  
**Minnesota**, \$3.3 million  
**Ohio**, \$5.7 million  
**Pennsylvania**, \$4 million  
**South Carolina**, \$5.8 million  
**Tennessee**, \$3.2 million  
**Wisconsin**, \$3.1 million

July 2, 2007

**Arizona**, \$6.0 million  
**Colorado**, \$4.2 million  
**District of Columbia**, \$5.7 million  
**Indiana**, \$5.2 million  
**Kansas**, \$3.8 million  
**Maine**, \$3.2 million.  
**Nebraska**, \$3.5 million  
**Nevada**, \$6.0 million.  
**New Hampshire**, \$3.2 million  
**North Carolina**, \$6.0 million  
**Oregon**, \$4.7 million  
**Utah**, \$4.6 million  
**Virginia**, \$6.1 million

There are a number of national organizations mentioned by state representatives that are targeting educational data systems at all levels to support these development efforts. They include:

- *Education Information Management Consortium (EIMAC)*: a membership group to which almost all states belong that is sponsored by the Council of Chief State School Officers (CCSSO). Its mission is to advocate on behalf of states to reduce data collection burden on states and improve the overall quality of the data collected at the national level. See [www.ccsso.org/projects/Education\\_Information\\_Management\\_Advisory\\_Consortium](http://www.ccsso.org/projects/Education_Information_Management_Advisory_Consortium).
- *National Forum on Education Statistics*: sponsored by the National Center for Education Statistics (NCES) of the U.S. Department of Education, the Forum is committed to improving the quality, comparability and usefulness of elementary and secondary education data, while remaining sensitive to data burden concerns. Forum members include representatives from state education agencies, local education agencies, the federal government and other organizations with an interest in education data. Its purpose is to plan, recommend and implement strategies for building an education data system that will support local, state and national efforts to improve public and private education throughout the United States. More information is available at <http://nces.ed.gov/forum>.
- *Schools Interoperability Framework Association's (SIFA)*: an organization founded to ensure that data systems work together, that is, to enable schools to better utilize technology in a manner that leverages the promise and capabilities of interoperability between disparate applications. More information is available at: [www.sifinfo.org](http://www.sifinfo.org).
- *Data Quality Campaign (DQC)*: an organization that aims to assist state development of quality longitudinal data systems while providing a national forum for reducing duplication of effort and promoting greater coordination and consensus among the

organizations focusing on improving data quality, access and use. The DQC has a goal of having longitudinal education data systems in 50 states by 2009. This organization has developed a list of 10 essential elements crucial to the longitudinal data system of a state that were found to exist fully only in four states (Arizona, Delaware, Florida and Utah) according to their 2007 survey of states.<sup>8</sup> The essential elements are:

- a unique statewide student identifier that connects student data across key databases across years;
- student-level enrollment, demographic and program participation information;
- the ability to match individual students' test records from year to year to measure academic growth;
- information on untested students and the reasons they were not tested;
- a teacher identifier system with the ability to match teachers to students;
- student-level transcript information, including information on courses completed and grades earned;
- student-level college readiness test scores;
- student-level graduation and dropout data;
- the ability to match student records between the Preschool through grade 12 and higher education systems; and
- a state data audit system assessing data quality, validity and reliability.

More information on the work of this organization is available on the website at [www.dataqualitycampaign.org](http://www.dataqualitycampaign.org).

## CONCLUSION

The state representatives interviewed for this analysis are committed to finding ways to eliminate duplication of data reporting and enhance their ability to meet the new and growing demands for information about all aspects of K-12 education. At this point in time, they see *EDFacts* as a federal system that serves to meet ED needs for state data to compile national reports on education. They expressed the hope that the system would eventually become more useful to states by reducing the reporting burden and providing added capacity for data analysis, such as the capacity to compare similar states on various factors. They praised the assistance they are receiving from *EDFacts* staff in the implementation of the new system, but they expressed significant frustration related to the unexpected level of burden they have experienced in terms of staff time and cost.

The findings of the survey reported in this document are heavily weighted in the direction of the need for closer coordination between the state and federal levels. The coordination challenge in achieving a system that can provide the appropriate information needed to inform the improvement of the educational system is daunting. Continued and expanded cooperation is the major area of need to realize the goals of the *EDFacts* system and reach successful implementation in all states.

---

<sup>8</sup> See the announcement of the survey results at <http://www.doe.state.de.us/news/2007/1112.shtml>

## APPENDIX A: Regulation Mandating Electronic Report Submission

Dated: January 22, 2007

### Elementary and secondary education, Reporting and recordkeeping requirements.

For the reasons discussed in the preamble, the Secretary amends part 76 of title 34 of the Code of Federal Regulations as follows:

#### **PART 76--STATE-ADMINISTERED PROGRAMS**

1. The authority citation for part 76 is revised to read as follows:

Authority: 20 U.S.C. 1221e-3 and 3474, unless otherwise noted.

2. Section 76.720 is revised to read as follows:

##### **Sec. 76.720 State reporting requirements.**

(a) This section applies to a State's reports required under 34 CFR 80.40 (Monitoring and reporting of program performance) and 34 CFR 80.41 (Financial reporting), and other reports required by the Secretary and approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995, 44 U.S.C. 3501-3520.

(b) A State must submit these reports annually unless--

(1) The Secretary allows less frequent reporting; or

(2) The Secretary requires a State to report more frequently than annually, including reporting under 34 CFR 80.12 (Special grant or subgrant conditions for "high-risk" grantees) or 34 CFR 80.20 (Standards for financial management systems).

(c) (1) A State must submit these reports in the manner prescribed by the Secretary, including submitting any of these reports electronically and at the quality level specified in the data collection instrument.

(2) Failure by a State to submit reports in accordance with paragraph (c)(1) of this section constitutes a failure, under section 454 of the General Education Provisions Act, 20 U.S.C. 1234c, to comply substantially with a requirement of law applicable to the funds made available under that program.

(3) For reports that the Secretary requires to be submitted in an electronic manner, the Secretary may establish a transition period of up to two years following the date the State otherwise would be required to report the data in the electronic manner, during which time a State will not be required to comply with that specific electronic submission requirement, if the State submits to the Secretary--

(i) Evidence satisfactory to the Secretary that the State will not be able to comply with the electronic submission requirement specified by the Secretary in the data collection instrument on the first date the State otherwise would be required to report the data electronically;

(ii) Information requested in the report through an alternative means that is acceptable to the Secretary, such as through an alternative electronic means; and

(iii) A plan for submitting the reports in the required electronic manner and at the level of quality specified in the data collection instrument no later than the date two years after the first date the State otherwise would be required to report the data in the electronic manner prescribed by the Secretary.

(Authority: 20 U.S.C. 1221e-3, 1231a, and 3474)

3. Section 76.722 is revised to read as follows:

##### **Sec. 76.722 Subgrantee reporting requirements.**

A State may require a subgrantee to submit reports in a manner and format that assists the State in complying with the requirements under 34 CFR 76.720 and in carrying out other responsibilities under the program.

(Authority: 20 U.S.C. 1221e-3, 1231a, and 3474)