

related to State educational agency review. See section 7429 of this title.

PART B—FLEXIBILITY IN THE USE OF
ADMINISTRATIVE AND OTHER FUNDS

§ 7821. Consolidation of State administrative funds for elementary and secondary education programs

(a) Consolidation of administrative funds

(1) In general

A State educational agency may consolidate the amounts specifically made available to it for State administration under one or more of the programs under paragraph (2) if the State educational agency can demonstrate that the majority of its resources are derived from non-Federal sources.

(2) Applicability

This section applies to any program under this chapter under which funds are authorized to be used for administration, and such other programs as the Secretary may designate.

(b) Use of funds

(1) In general

A State educational agency shall use the amount available under this section for the administration of the programs included in the consolidation under subsection (a) of this section.

(2) Additional uses

A State educational agency may also use funds available under this section for administrative activities designed to enhance the effective and coordinated use of funds under programs included in the consolidation under subsection (a) of this section, such as—

- (A) the coordination of those programs with other Federal and non-Federal programs;
- (B) the establishment and operation of peer-review mechanisms under this chapter;
- (C) the administration of this subchapter;
- (D) the dissemination of information regarding model programs and practices;
- (E) technical assistance under any program under this chapter;
- (F) State-level activities designed to carry out this subchapter;
- (G) training personnel engaged in audit and other monitoring activities; and
- (H) implementation of the Cooperative Audit Resolution and Oversight Initiative of the Department.

(c) Records

A State educational agency that consolidates administrative funds under this section shall not be required to keep separate records, by individual program, to account for costs relating to the administration of programs included in the consolidation under subsection (a) of this section.

(d) Review

To determine the effectiveness of State administration under this section, the Secretary may periodically review the performance of State educational agencies in using consolidated

administrative funds under this section and take such steps as the Secretary finds appropriate to ensure the effectiveness of that administration.

(e) Unused administrative funds

If a State educational agency does not use all of the funds available to the agency under this section for administration, the agency may use those funds during the applicable period of availability as funds available under one or more programs included in the consolidation under subsection (a) of this section.

(f) Consolidation of funds for standards and assessment development

In order to develop challenging State academic standards and assessments, a State educational agency may consolidate the amounts described in subsection (a) of this section for those purposes under subchapter I of this chapter.

(Pub. L. 89-10, title IX, § 9201, as added Pub. L. 107-110, title IX, § 901, Jan. 8, 2002, 115 Stat. 1966.)

PRIOR PROVISIONS

A prior section 9201 of Pub. L. 89-10 was classified to section 7901 of this title, prior to the general amendment of this subchapter by Pub. L. 107-110.

§ 7822. Single local educational agency States

A State educational agency that also serves as a local educational agency shall, in its applications or plans under this chapter, describe how the agency will eliminate duplication in conducting administrative functions.

(Pub. L. 89-10, title IX, § 9202, as added Pub. L. 107-110, title IX, § 901, Jan. 8, 2002, 115 Stat. 1967.)

PRIOR PROVISIONS

A prior section 9202 of Pub. L. 89-10 was classified to section 7902 of this title, prior to the general amendment of this subchapter by Pub. L. 107-110.

§ 7823. Consolidation of funds for local administration.

(a) General authority

In accordance with regulations of the Secretary and for any fiscal year, a local educational agency, with the approval of its State educational agency, may consolidate and use for the administration of one or more programs under this chapter (or such other programs as the Secretary shall designate) not more than the percentage, established in each program, of the total available for the local educational agency under those programs.

(b) State procedures

Within 1 year after January 8, 2002, a State educational agency shall, in collaboration with local educational agencies in the State, establish procedures for responding to requests from local educational agencies to consolidate administrative funds under subsection (a) of this section and for establishing limitations on the amount of funds under those programs that may be used for administration on a consolidated basis.

(c) Conditions

A local educational agency that consolidates administrative funds under this section for any