may exceed the 1% and 2% caps described in §200.13.

### WHEN MAY A STATE OR LEA EXCEED THE 1% AND 2% CAPS?

<table>
<thead>
<tr>
<th></th>
<th>Alternate academic achievement standards—1% cap</th>
<th>Modified academic achievement standards—2% cap</th>
<th>Alternate and modified academic achievement standards—3%</th>
</tr>
</thead>
<tbody>
<tr>
<td>State</td>
<td>Not permitted</td>
<td>Only if State is below 1% cap, but cannot exceed 3%.</td>
<td>Not permitted</td>
</tr>
<tr>
<td>LEA</td>
<td>Only if granted an exception by the SEA.</td>
<td>Only if LEA is below 1% cap, but cannot exceed 3%.</td>
<td>Only if granted an exception to the 1% cap by the SEA, and only by the amount of the exception.</td>
</tr>
</tbody>
</table>

§200.14 Components of Adequate Yearly Progress.

A State’s definition of AYP must include all of the following:
(a) A timeline in accordance with §200.15.
(b) Starting points in accordance with §200.16.
(c) Intermediate goals in accordance with §200.17.
(d) Annual measurable objectives in accordance with §200.18.
(e) Other academic indicators in accordance with §200.19.

(Authority: 20 U.S.C. 6311(b)(2))

§200.15 Timeline.

(a) Each State must establish a timeline for making AYP that ensures that, not later than the 2013–2014 school year, all students in each group described in §200.13(b)(7) will meet or exceed the State’s proficient level of academic achievement.

(b) Notwithstanding subsequent changes a State may make to its academic assessment system or its definition of AYP under §§200.13 through 200.20, the State may not extend its timeline for all students to reach proficiency beyond the 2013–2014 school year.

(Authority: 20 U.S.C. 6311(b)(2))

§200.16 Starting points.

(a) Using data from the 2001–2002 school year, each State must establish starting points in reading/language arts and in mathematics for measuring the percentage of students meeting or exceeding the State’s proficient level of academic achievement.

(b) Each starting point must be based, at a minimum, on the higher of the following percentages of students at the proficient level:

(1) The percentage in the State of proficient students in the lowest-achieving subgroup of students under §200.13(b)(7)(ii).

(2) The percentage of proficient students in the school that represents 20 percent of the State’s total enrollment among all schools ranked by the percentage of students at the proficient level. The State must determine this percentage as follows:

   (i) Rank each school in the State according to the percentage of proficient students in the school.

   (ii) Determine 20 percent of the total enrollment in all schools in the State.

   (iii) Beginning with the lowest-ranked school, add the number of students enrolled in each school until reaching the school that represents 20 percent of the State’s total enrollment among all schools.

   (iv) Identify the percentage of proficient students in the school identified in paragraph (iii).

(c)(1) Except as permitted under paragraph (c)(2) of this section, each starting point must be the same throughout the State for each school, each LEA, and each group of students under §200.13(b)(7).

(2) A State may use the procedures under paragraph (b) of this section to...