



Perkins Requirements

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Agenda

1. Common Perkins Violations
2. Local Applications and CLNA
3. Allowable Costs (Consortia, Supplanting)
4. Local Uses of Funds (CTSOs, Program Income)
5. Self-Monitoring
6. What to Expect

Most Frequently Cited Violations

- Supplanting
- Noncompliant Time and Effort Certifications (Paying Employees on Budget, not Effort)
- Untimely Obligations
- Missing Documentation/Records
- Unallowable Costs
- Procurement Violations
- Lack of Written Policies/Procedures



Local Applications & the CLNA

Sec. 134 of Perkins V

Local Application: Sec. 134(b)

- A description of the results of the CLNA;
- Information on the CTE course offerings and activities that the eligible recipient will provide with funds under this part, which shall include not less than 1 program of study approved by the State, including—
 - How the CLNA informed the selection of the specific CTE programs and activities selected to be funded;
 - A description of any new programs of study the eligible recipient will develop and submit to the State for approval; and
 - How students, including students who are members of special populations, will learn about their school's CTE course offerings and whether each course is part of a CTE program of study;

Local Application (cont.)

- A description of how the eligible recipient, in collaboration with local workforce development boards and other local workforce agencies, one-stop delivery systems described in section 121(e)(2) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3151(e)(2)), and other partners, will provide—
 - Career exploration and career development coursework, activities, or services;
 - Career information on employment opportunities that incorporate the most up-to-date information on high-skill, high-wage, or in-demand industry sectors or occupations, as determined by the CLNA; and
 - An organized system of career guidance and academic counseling to students before enrolling and while participating in a career and technical education program

Local Application (cont.)

- A description of how the eligible recipient will improve the academic and technical skills of students participating in CTE programs by strengthening the academic and career and technical education components of such programs
- A description of how the eligible recipient will—
 - Provide activities to prepare special populations for high-skill, high-wage, or in-demand industry sectors or occupations that will lead to self-sufficiency;
 - Prepare CTE participants for non-traditional fields;
 - Provide equal access for special populations to career and technical education courses, programs, and programs of study; and
 - Ensure that members of special populations will not be discriminated against on the basis of their status as members of special populations;

Local Application (cont.)

- A description of the work-based learning opportunities that the eligible recipient will provide to students participating in CTE programs and how the recipient will work with representatives from employers to develop or expand work-based learning opportunities, as applicable;
- A description of how the eligible recipient will provide students participating in CTE programs with the opportunity to gain postsecondary credit while still attending high school, such as through dual or concurrent enrollment programs or early college high school, as practicable

Local Applications (cont.)

- A description of how the eligible recipient will coordinate with the State and IHEs to support the recruitment, preparation, retention, and training, including professional development, of teachers, faculty, administrators, and specialized instructional support personnel and paraprofessionals who meet applicable State certification and licensure requirements (including any requirements met through alternative routes to certification), including individuals from groups underrepresented in the teaching profession; and
- A description of how the eligible recipient will address disparities or gaps in performance in each of the plan years, and if no meaningful progress has been achieved prior to the third program year, a description of the additional actions such recipient will take to eliminate those disparities or gaps.

CLNA Contents – Sec. 134(c)

- An evaluation of the performance of the students served by the local recipient with respect to State determined and local levels of performance, including an evaluation of performance for special populations
- A description of how CTE programs are:
 - sufficient in “size, scope, and quality” to meet the needs of all students served
 - Aligned to State, regional, Tribal, or local in-demand industry sectors or occupations identified by the State or local WDB or designed to meet local education or economic needs not identified by those boards;
- An evaluation of progress toward the implementation of CTE programs and programs of study;

CLNA Contents (cont.)

- A description of how you will improve recruitment, retention, and training of CTE staff;
- A description of progress toward implementation of equal access to high-quality CTE courses and programs of study, for all students including—
 - Strategies to overcome barriers that result in lower rates of access to, or performance gaps in, the courses and programs for special pops;
 - Providing programs that are designed to enable special pops to meet the local levels of performance; and
 - Providing activities to prepare special pops for high-skill, high wage, or in-demand industry sectors or occupations in competitive, integrated settings that will lead to self-sufficiency;

Stakeholders in CLNA - Sec. 134(d)

- CTE programs in a LEA or ESA;
- CTE programs at postsecondary educational institutions;
- State or local WDBs and a range of local or regional businesses or industries;
- Parents and students;
- Special pops;
- Regional or local agencies serving out-of-school youth, homeless children and youth, and at-risk youth;
- Indian Tribes and Tribal organizations in the State;
- Other stakeholders as required by the State

Continued Consultation – Sec. 134(e)

- You MUST consult with the stakeholders on an ongoing basis, as determined by the State, in order to—
- Provide input on annual updates to the CLNA;
- Ensure programs of study are responsive to community employment needs; aligned with employment priorities in the State, regional, Tribal, or local economy identified by employers; informed by labor market information; designed to meet current, intermediate, or long-term labor market projections; and allow employer input
- Identify and encourage opportunities for work-based learning; and
- Ensure funding under this part is used in a coordinated manner with other local resources.



Allowable Costs

Allowable Costs – 2 CFR 200.403

- To be allowable, a cost must:
 - Be necessary, reasonable and allocable
 - Comply with the cost principles and Federal award
 - Be consistent with policies and procedures applying uniformly to Federal and non-Federal activities and costs
 - Be consistently treated as either direct or indirect costs
 - Be determined in accordance with GAAP
 - Not be included or used to meet cost sharing / match requirements
 - Be adequately documented

Sec. 135(a) – Local Use of Funds

- Each local recipient that receives Perkins funds “shall use such funds to develop, coordinate, implement, or improve [CTE] programs to meet the needs identified in the [CLNA].”
- If it doesn’t tie back to the CLNA, it will be impossible to argue it is necessary under Perkins...therefore its unallowable

Size, Scope, and Quality

- Sec. 135(b) of Perkins requires local recipients to “support [CTE] programs that are of sufficient size, scope, and quality to be effective.”
- Defined in the State Plan

Sec. 135(b)(1) – Career Exploration

- Provide career exploration and career development activities, including in the middle grades, to aid in making informed plans and decisions about future education and career opportunities and programs of study

Sec. 135(b)(2) – Professional Development

- Provide professional development for teachers, faculty, school leaders, administrators, specialized instructional support personnel, career guidance and academic counselors, or paraprofessionals

Sec. 135(b)(3) – Skills Attainment

- Provide within CTE the skills necessary to pursue careers in high-skill, high-wage, or in-demand industry sectors or occupations

Sec. 135(b)(4) – Academic Skills

- Support integration of academic skills into CTE programs and programs of study to support—
 - CTE participants at the secondary school level in meeting the challenging State academic standards adopted under section 1111(b)(1) of the Elementary and Secondary Education Act of 1965 by the State in which the eligible recipient is located; and
 - CTE participants at the postsecondary level in achieving academic skills

Sec. 135(b)(5) – Increase Student Achievement

- Plan and carry out elements that support the implementation of CTE programs and programs of study and that result in increasing student achievement of the local levels of performance
 - 20 different possible uses of funds (work-based learning, CTSO costs, industry certifications, support for special pops
 - “Other activities to improve [CTE] programs.”

Sec. 135(b)(6) - Evaluations

- Develop and implement evaluations of the activities carried out with funds under this part, including evaluations necessary to complete the CLNA and the local performance report

Admin

- 5% of total allocation can be used for administrative purposes
 - This covers fiscal agent costs for consortia
 - If recovering indirect costs, total direct admin charges and total indirect recovery may not exceed 5%

Consortium Requirements - Sec. 131(f)(2)

- Funds allocated to a consortium shall be used only for purposes and programs that are **mutually beneficial** to all members of the consortium and can be used only for programs authorized under Perkins V.
- Such funds **may not be reallocated** to individual members of the consortium for purposes or programs benefitting only 1 member of the consortium.

Questions:

- Can Perkins funds be allocated to members based on each member's share of the total amount?
- Can the consortium purchase supplies/equipment for individual members?
- Can the consortium offer PD for only specific members?

However...

- The Consortium CAN
 - Use funds for activities benefiting all members of the consortium (online, access open to all members, etc.)
 - Purchase equipment and supplies available to all members of the consortium
 - Offer PD opportunities for all member of the consortium

But how?

- Place equipment in central locations available to all members
 - Or in multiple locations if geographically diverse
- Offer PD that all members may participate in (even if some choose not to)
 - May include offering different types of PD that members can choose from
 - Should include online/virtual options if geographically diverse

Supplanting – Sec. 211(a)

- Perkins V funds shall supplement, and shall not supplant, non-federal funds expended to carry out CTE activities.

Presumptions of Supplanting

1. Required to be made available under other state, or local laws
 2. Provided with non-federal funds in prior year
- These presumptions are rebuttable if the SEA or LEA can demonstrate that it would not have provided the services in question with non-federal funds had the federal funds not been available

Program Income – 200.1

- Gross income earned by the non-federal entity that is **directly generated by a supported activity or earned as a result of the federal award** during the period of performance except as provided in §200.307 paragraph (f). (emphasis added)

Program Income (cont.)

Includes

- Fees for services or use of property
- Sale of commodities
- License fees and royalties
- Principal and interest on loans

Does Not Include

- Applicable credits (200.406)
- Interest on advance payment (200.305)
- Taxes, levies, fines (200.307(c))
- Proceeds from sale of real property/supplies (200.307(d))



Self Monitoring

Self Monitoring...Why?

- Audit & monitoring reports are great assessment tools for internal controls...but
 - Corrective Actions are dictated by Feds or Pass-Through; and
 - Could include monetary liability = repayment of funds
- If non-federal entities identify and mitigate risks through corrective action prior to audit or monitoring visit:
 - Any findings might not include liabilities; or
 - Could avoid findings altogether

COSO Risk Model

4 Principles

- Clear agency objectives;
- Identify and analyze risks to achievement of objectives;
- Consider the potential for fraud; and
- Identify and assess changes that could significantly impact the system

Risk Areas

- Strategic –political risk and risk from dependencies on other orgs
- Financial –risk of audit findings and poor reporting integrity
- Compliance –fraud risk and non-programmatic noncompliance
- Operational – lack of resources and technology

Risk Assessment Step 1: Identification

- Identify Areas to Assess:
 - Prior audit/monitoring findings
 - Especially repeat findings
- Ongoing corrective actions
- Compliance areas that auditors will test
 - OMB Compliance Supplement

OMB Compliance Supplement Compliance Requirements

- 1. Activities Allowed or Unallowed**
- 2. Allowable Costs/Costs Principles**
- 3. Cash Management**
- 4. Eligibility**
- 5. Equipment & Real Property Management**
- 6. Matching, Level of Effort, Earmarking**
- 7. Period of Performance**
- 8. Procurement and Suspension & Debarment**
- 9. Program Income**
- 10. Reporting**
- 11. Subrecipient Monitoring**
- 12. Special Tests & Provisions**

Self-Assessment Step 2: Review Documentation

- Reviewer cannot reconstruct what has happened without documentation.
- Audits and Monitors only have the documentation to tell the story.

Self-Assessment Step 2: Review Documentation (cont.)

- Policies & Procedures
- Job descriptions
- Organizational chart
- Work papers
- Examples of processes (procurement, invoices, etc.)
- Most recent audit/monitoring reports
- Current or recently completed corrective action plans
- Specific conditions on federal awards (look at GAN or subsequent correspondence)

Document Risk Areas

- Are records kept by school, grant, fiscal year?
- Do you back up documentation?
 - Where and how often?
- What happens when staff retire or voluntarily leave?
- What happens when staff are fired?
- What happens when a school closes?
- Do staff keep documentation at home?

Self-Assessment Step 3: Staff Interviews/Discussions

- Identify relevant staff
 - Program-specific staff (allowability, eligibility, reporting)
 - Contracts office (procurement and suspension & debarment)
 - Warehouse or Receiving Dept. (inventory)
 - Accounting/Fiscal staff (cash mgmt, supplanting, financial mgmt)
- Interview staff on compliance issues
 - Current practices
 - Familiarity with policies & procedures
 - Relevant audit/monitoring findings
 - Status of any corrective actions

Self-Assessment Step 4: Identify Risks

- Risk Mapping
 - Risk factors: based on prior doc review, staff interviews, and prior findings
 - Prioritize: Most likely to occur & will have the biggest impact
 - Focus on highest priorities but DO NOT ignore lowest items

		CONSEQUENCES				
		Negligible	Minor	Moderate	Significant	Severe
PROBABILITY	Almost Certain (81%-100%)	Low Risk	Moderate Risk	High Risk	Extreme Risk	Extreme Risk
	Likely (61%-80%)	<u>Minimum Risk</u>	Low Risk	Moderate Risk	High Risk	Extreme Risk
	Moderate (41%-60%)	Minimum Risk	Low Risk	Moderate Risk	High Risk	High Risk
	Unlikely (21%-40%)	Minimum Risk	Low Risk	Low Risk	Moderate Risk	High Risk
	Rare (1%-20%)	Minimum Risk	Minimum Risk	Low Risk	Moderate Risk	High Risk

Self-Assessment Step 5: Mitigation/Corrective Action

- Draft and implement a corrective action plan (CAP) IMMEDIATELY!
 - Don't wait until auditor or monitoring team is onsite
- CAP must focus on specific activities to mitigate identified risk(s)
 - Specific Measurable Objectives
 - Timelines
 - Clear Lines of Responsibility
- Relevant staff must be notified and included in discussions and drafting of the plan

Self-Assessment Step 6: Monitoring

- Once CAP is in place, monitoring should take place at regular intervals
 - Intervals should align with CAP deadlines
 - Before any upcoming audit/monitoring visit
- Is the CAP progressing?
 - Are objectives being met?
 - Are deadlines adhered to?
- If CAP is not having the desired effect, must be revised

Self-Assessment Step 7: REPEAT!



Tips for Avoiding Risk

- Know the UGG/EDGAR requirements and programmatic compliance standards
- Have a well-developed system of internal controls
- Conduct a risk review
- Timely address areas of identified noncompliance (or show plan to address how noncompliance will be corrected)
- Timely file annual single audits
- Document, document, document!

What is Next?

- “Ending Radical And Wasteful Government DEI Programs And Preferencing”
 - What about Perkins? Special Pops? Civil Rights Requirements?
- End of ED?
 - CTE would move to DOL...what would that mean?
- Perkins Guidance?



Questions?

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