

## **Perkins IV ED A-133 Compliance Supplement**

### **DEPARTMENT OF EDUCATION**

#### **CFDA 84.048 CAREER AND TECHNICAL EDUCATION—BASIC GRANTS TO STATES (Perkins IV)**

##### **I. PROGRAM OBJECTIVES**

Career and Technical Education (Perkins IV) (formerly Vocational and Technical Education—Basic Grants to States (Perkins III)) provides grants to States and outlying areas to develop the career, technical, vocational, and academic skills of secondary students and postsecondary students by: (1) promoting the integration of career, academic, and technical instruction; (2) developing challenging academic and technical standards; (3) increasing State and local flexibility in providing services and activities designed to develop, implement and improve career and technical education, including tech-prep education; (4) conducting and disseminating national research; (5) providing technical assistance; (6) supporting partnerships among secondary schools, postsecondary institutions, baccalaureate degree-granting institutions, area career and technical education schools, local workforce investment boards, business and industry, and intermediaries; and (7) providing individuals with opportunities to develop, in conjunction with other educational and training programs, the knowledge and skills needed to keep the United States competitive.

##### **II. PROGRAM PROCEDURES**

Participating States must designate or establish a State board of career and technical education (referred to in Perkins IV as the —eligible agency□) to administer and supervise State career and technical education programs. In order to receive funds for program year (PY) 2009 (July 1, 2009 – June 30, 2010), the State must have an approved 5-year State plan for career and technical education or a unified plan.

The Department of Education (ED) allocates funds to the State based on a statutory formula. The State must allocate and use funds for the following statutorily prescribed activities or programs (referred to as the —basic programs□):

1. Secondary and postsecondary career and technical education programs (Section 135 of Perkins IV (20 USC 2355));
2. State leadership activities (Section 124 of Perkins IV (20 USC 2344));
3. State administration (Section 121 of Perkins IV (20 USC 2341)).

The grantee may transfer funds to other State agencies to administer one or more of these programs. A State makes grants to subrecipients (referred to in Perkins IV as the —eligible recipients□), operates programs directly, or contracts for services. Subrecipients submit plans or applications to the State in order to receive funds. Source of Governing Requirements

This program is authorized by the Carl D. Perkins Career and Technical Education Act of 2006 (Perkins IV) (20 USC 2301 et seq., as amended by Pub. L. No. 109-270). Certain requirements applicable to the Perkins IV grants are contained in the Workforce Investment Act (29 USC 2801 et seq.), as amended, (Pub. L. No. 105-220).

#### Availability of Other Program Information

Program and policy guidance for Perkins IV is available on the Internet at <http://www.ed.gov/policy/sectech/leg/perkins/index.html>. A number of documents contain guidance applicable to the Career and Technical Education—Basic Grants To States (Perkins IV) requirements in this Supplement. They are available on the Internet at <http://www.ed.gov/about/offices/list/ovae/pi/memoperkinsiv.html>, and include:

- Questions and Answers Regarding Perkins IV Non-Regulatory Guidance, Version 3 (June 2009)
- The official Fiscal Year 2009 Perkins IV guidance for state Career and Technical Education directors (February 6, 2009)
- Consolidated Annual Report (CAR) for the Carl D. Perkins Career and Technical Education Act of 2006 (Perkins IV) (June 2, 2008)
- Estimated FY 2009 State Allocations under the Carl D. Perkins Career and Technical Education Act of 2006 (Perkins IV) (March 31, 2009)
- Supplemental Information for Completing the Perkins IV Five-Year State Plan (January 22, 2008)
- Questions and Answers Regarding the Implementation of the Carl D. Perkins Career and Technical Education Act of 2006 – Version 2.0 (June 7, 2007)
- Non-Regulatory Guidance Regarding the Consolidation of Title II Tech Prep Funds into Title I Basic Grant Funds (May 17, 2007)
- Student Definitions and Measurement Approaches for the Core Indicators of Performance Under the Carl D. Perkins Career and Technical Education Act of 2006 (Perkins IV) (May 13, 2007)

### **III. COMPLIANCE REQUIREMENTS**

In developing the audit procedures to test compliance with the requirements for a Federal program, the auditor should first look to Part 2, Matrix of Compliance Requirements, to identify which of the 14 types of compliance requirements described in Part 3 are applicable and then look to Parts 3 and 4 for the details of the requirements.

Certain compliance requirements that apply to multiple ED programs are discussed once in the ED Cross-Cutting Section of this Supplement (page 4-84.000-1) rather than being repeated in each individual program. Where applicable, this section references the Cross-Cutting Section for these requirements.

## A. Activities Allowed or Unallowed

See ED Cross-Cutting Section.

1. State-Level Activities – The State plan describes the specific activities to be carried out. A State must use funds for State leadership activities as described in a, b, and c below and State administration as described in 1.d. below.

a. State Leadership Activities – Required Uses. A State must use State leadership funds for:

- (1) Assessing programs conducted with assistance under Perkins IV;
- (2) Developing, improving, or expanding the use of technology in career and technical education;
- (3) Professional development activities that, among other things:
  - (a) Provide in-service and pre-service training in career and technical education programs; and
  - (b) Are high-quality, sustained, intensive, and classroom-focused and are not 1-day or short-term workshops or conferences;
- (4) Support for strengthening the academic and career and technical education skills of students;
- (5) Providing preparation for nontraditional fields;
- (6) Supporting partnerships among local educational agencies and other education and business entities assisting students to achieve state academic standards and career and technical skills, or complete career and technical programs of study;
- (7) Serving students in State institutions;
- (8) Support for programs for special populations that lead to high-skill, high-wage, high-demand careers; and
- (9) Technical assistance for eligible recipients (Section 124(b) of Perkins IV (20 USC 2344(b))).

b. State Leadership Activities – Other Uses. A State may use State leadership funds for: (1) improvement of career guidance and academic counseling programs; (2) establishment of agreements, including articulation agreements, between secondary and postsecondary career and technical education programs; (3) support of initiatives to facilitate transition of subbaccalaureate career and technical education students into baccalaureate degree programs; (4) support for career and technical education students' organizations; (5) support for public charter schools operating career and technical education programs; (6) support for career and technical education programs that offer experience in all aspects of an industry; (7) support for family and consumer sciences programs; (8) support for partnerships between education and business or business intermediaries; (9) support to improve or develop new career and technical education courses and initiatives; (10) awarding incentive grants to eligible recipients; (11) providing for activities to support entrepreneurship education and training; (12)

providing career and technical education programs for adults and school dropouts; (13) providing assistance to individuals who participate in career and technical education programs and services under Perkins IV to continue their education and training or to find appropriate jobs; (14) developing valid and reliable assessments of technical skills; (15) developing and enhancing data systems to collect and analyze data on secondary and postsecondary academic and employment outcomes; (16) improving recruitment and retention for career and technical education programs and the transition of individuals to teaching from business and industry; and (17) support for occupational and employment information resources such as described in Section 118 of Perkins IV (Section 124(c) of Perkins IV (20 USC 2344(c))).

c. State Leadership Activities – Unallowed Uses. A State may not use State leadership funds for administrative costs (Section 124(d) of Perkins IV (20 USC 2344(d))).

d. State Administration – A State may use funds reserved for State administration for: (1) developing the State plan; (2) reviewing local applications; (3) monitoring and evaluating program effectiveness; (4) assuring compliance with all applicable Federal laws; (5) providing technical assistance; and (6) supporting and developing State data systems relevant to the provisions of Perkins IV (Section 112(a)(3) of Perkins IV (20 USC 2322(a)(3))).

2. Subrecipient Activities – Secondary and Postsecondary Career and Technical Education Programs – Funds must be used to improve career and technical education programs. The subrecipient plan or approved application describes the specific activities to be carried out. Required uses of funds are identified in Section 135(b) of Perkins IV. Examples of other allowable activities are identified in Section 135(c) of Perkins IV (Sections 135(a), (b), and (c) of Perkins IV (20 USC 2355(a), (b), and (c))).

## B. Allowable Costs/Cost Principles

See ED Cross-Cutting Section.

## C. Cash Management

See ED Cross-Cutting Section.

## E. Eligibility

1. Eligibility for Individuals – Not Applicable

2. Eligibility for Group of Individuals or Area of Service Delivery – Not Applicable

3. Eligibility for Subrecipients

a. Secondary Career and Technical Education Programs – A subrecipient must be: (1) a local educational agency (LEA), including a public charter school, that is eligible to receive \$15,000 or more under Section 131(a) of Perkins IV; (2) an area career and technical education school or an educational service agency that meets the requirements in Section 131(e) of Perkins IV; or (3) a consortium of LEAs that meets the requirements in Section 131(f) of Perkins IV (Section 3(14)(A) of Perkins IV (20 USC 2302(14)(A)) and Sections 131(a), (e), and (f) of Perkins IV (20 USC 2351(a), (e), and (f))).

The State must treat a secondary school funded by the Bureau of Indian Affairs (BIA) within the State as if such school were an LEA within the State for the purpose of receiving a distribution under Section 131 of Perkins IV (Section 131(h) of Perkins IV (20 USC 2351(h))). Except as noted below, the State must provide funds to public charter schools offering a career and technical education program in the same manner as it provides those funds to other schools; career and technical education programs within a charter school must be of sufficient size, scope, and quality to be effective (Section 133(d) of Perkins IV (20 USC 2353(d))). For the definition of —charter school□ applicable to Perkins IV, see Section 5210 (20 USC 7221i) of the No Child Left Behind Act of 2001 at <http://www.ed.gov/legislation/ESEA02/pg62.html>.

For the program year beginning July 1, 2007, and subsequent program years, unless a State has an approved alternative formula, a State must distribute the amount reserved for the secondary school career and technical education programs as follows:

(1) 30 percent to each LEA in proportion to the number of individuals aged 5 through 17, inclusive, who reside in the school district served by such LEA for the preceding fiscal year compared to the total number of such individuals who reside in the school districts served by all LEAs in the State for such preceding fiscal year, as determined on the basis of the most recent satisfactory data provided to the Secretary by the Bureau of the Census for the purpose of determining eligibility under Title I of the Elementary and Secondary Education Act of 1965, as amended (ESEA); or student membership data collected by the National Center for Educational Statistics through the Common Core of Data survey system; and

(2) 70 percent to each LEA in proportion to the number of individuals aged 5 through 17, inclusive, who reside in the school district served by such LEA and are from families with incomes below the poverty level for the preceding fiscal year, as determined on the basis of the most recent satisfactory data used under Section 1124(c)(1)(A) of the ESEA (20 USC 6333(c)(1)(A)), compared to the total number of such individuals who reside in the school districts served by all the LEAs in the State for such preceding fiscal year (Section 131(a) of Perkins IV (20 USC 2351(a))).

An LEA that does not meet the minimum grant requirement of \$15,000 can form a consortium with one or more LEAs to meet the minimum grant requirement (Section 131(f) of Perkins IV (20 USC 2351(f))). The State must waive the minimum grant requirement for an LEA that is in a rural, sparsely populated area or that is a public charter school operating a secondary school career and technical education program if the LEA demonstrates that the LEA is unable to enter into a consortium for purposes of providing activities under Title I, Part C of Perkins IV (Section 131(c)(2) of Perkins VI (20 USC 2351(c)(2))).

If the State reserves 15 percent or less for this program, it may distribute funds on a competitive basis or through any alternative method (Section 133(a) of Perkins IV (20 USC 2353(a))).

b. Postsecondary Career and Technical Education Programs – A subrecipient must be an eligible institution, which is: a public or nonprofit private institution of higher education that offers career and technical education courses that lead to technical skill proficiency, an industry-recognized credential, a

certificate, or a degree; an LEA providing education at the postsecondary level; an area career technical educational school providing education at the postsecondary level; a postsecondary education institution controlled by BIA or operated by or on behalf of any Indian tribe that is eligible to contract with the Secretary of the Interior for the administration of programs under the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.); an educational service agency; or a consortium of two or more of these entities (Section 3(13) of Perkins IV (20 USC 2302(13))).

Unless a State has an approved alternative formula, the State must distribute the amounts reserved for the postsecondary career and technical education programs to each eligible institution in proportion to the number of Pell grant recipients and recipients of assistance from BIA enrolled in programs meeting the requirements of Section 135 of Perkins IV at that institution in the preceding year compared to the total of such recipients enrolled in those programs in the State in the preceding year (Section 132(a) of Perkins IV (20 USC 2352(a))). The minimum grant is \$50,000; a State must reallocate amounts allocated to recipients that are less than \$50,000 to other eligible recipients except as provided below (Section 132(c) of Perkins IV (20 USC 2352(c))).

An eligible institution that does not meet the minimum grant requirement of \$50,000 may form a consortium with one or more eligible institutions to meet the minimum grant requirement (Section 132(a)(3) of Perkins IV (20 USC 2352(a)(3))). The State may waive the minimum grant requirement for eligible institutions in rural, sparsely populated areas (Section 132(a)(4) of Perkins IV (20 USC 2352(a)(4))).

If the State reserves 15 percent or less for its postsecondary program, it may distribute these funds on a competitive basis or through any alternative method (Section 133(a) of Perkins IV (20 USC 2353(a))).

## **G. Matching, Level of Effort, Earmarking**

### **1. Matching**

State Administration – A State must match, from non-Federal sources and on a dollar-for-dollar basis, the funds reserved for administration of the State plan. The matching requirement may be applied overall, rather than line-by-line, to State administrative expenditures (Section 112(b) of Perkins IV (20 USC 2322 (b))).

#### **2.1 Level of Effort – Maintenance of Effort**

##### **a. General**

(1) A State must maintain its fiscal effort in the preceding year from State sources for career and technical education on either an aggregate or a per-student basis when compared with such effort in the second preceding year, unless this requirement is specifically waived by the Secretary of Education. For example, to receive its PY 2009 grant award, a State must maintain its level of fiscal effort on either an aggregate or per-student basis in PY 2008 (July 1, 2008 – June 30, 2009) at the level of its fiscal effort in PY 2007 (July 1, 2007 – June 30, 2008). An example of how a State may maintain effort on a per-student basis, but not in the aggregate, is as follows:

In PY 2007, a State spends \$50 million from State funds to provide career and technical education to 300,000 students. In PY 2008, the State spends only \$49 million to provide career and technical education to 290,000 students. Even though the State's aggregate effort decreased by \$1 million, the State's per-student effort increased from \$166.67 per student to \$168.97 per student. Thus, the State met the maintenance-of-effort requirement for its fiscal year 2009 grant (Section 311(b)(1)(A) of Perkins IV (20 USC 2391(b)(1)(A))).

If a State has been granted a waiver of the maintenance-of-effort requirement that allows it to receive a grant for a program year, the maintenance-of-effort requirement for the year after the year of the waiver is determined by comparing the amount spent for career and technical education from non-Federal sources in the first preceding program year with the amount spent in the third preceding program year (Section 311(b)(2) of Perkins IV (20 USC 2391(b)(2))).

In computing the fiscal effort or aggregate expenditures, a State must exclude capital expenditures, special one-time project costs, and the cost of pilot programs (Section 311(b)(1)(B) of Perkins IV (20 USC 2391(b)(1)(B))).

(2) Decrease in Federal Support – If the amount made available for career and technical education programs under Perkins IV for a fiscal year is less than the amount made available for career and technical education programs under Perkins IV for the preceding fiscal year, then the fiscal effort per student or the aggregate expenditures of a State for such preceding fiscal year shall be decreased by the same percentage as the percentage decrease in the amount so made available (Section 311(b)(1)(C) of Perkins IV (20 USC 2391(b)(1)(C))).

#### b. Administration

(1) A State must provide from non-Federal sources for State administration under the Perkins Act an amount that is not less than the amount provided by the State from non-Federal sources for State administrative costs for the preceding fiscal or program year (Section 323(a) of Perkins IV (20 USC 2413(a))).

(2) Decrease in Federal Support – If the amount made available for administration of programs under Perkins IV for a fiscal year is less than the amount made available for administration of programs under the Perkins Act for the preceding fiscal year, the amount the State is required to provide from non-Federal sources

for costs the State incurs for administration of programs shall be decreased by the same percentage (Section 323(b) of Perkins IV (20 USC 2413(b))).

## **2.2 Level of Effort – Supplement Not Supplant**

The State and its subrecipients may use funds for career and technical education activities that shall supplement, and shall not supplant, non-Federal funds expended to carry out career and technical education activities and tech-prep activities (Section 311(a) of Perkins IV (20 USC 2391(a))). The

examples of instances where supplanting is presumed to have occurred described in III.G.2.2 of the ED Cross-Cutting Section (84.000) also apply to the career and technical education program.

Notwithstanding the above paragraph, funds made available under Perkins IV may be used to pay for the costs of career and technical education services required in an individualized education plan (IEP) developed pursuant to Section 614(d) of the Individuals with Disabilities Education Act (IDEA) and services necessary to meet the requirements of Section 504 of the Rehabilitation Act of 1973 with respect to ensuring equal access to career and technical education (Section 324(c) of Perkins IV (20 USC 2414(c))).

### **3. Earmarking**

a. States – Subject to the requirements discussed below regarding the minimum amount for State administration, a State must reserve the following percentages:

(1) Secondary and postsecondary career and technical education programs – not less than 85 percent. A State must distribute all of these funds to its subrecipients. A State may reserve no more than 10 percent of the 85 percent of funds to make grants for activities described in Section 135 of Perkins IV (20 USC 2355) to eligible subrecipients in : (a) rural areas; (b) areas with high percentages of career and technical education students; and (c) areas with high numbers of career and technical education students (Sections 112(a)(1) and (c) of Perkins IV (20 USC 2322(a)(1) and (c))).

(2) State Leadership Activities – not more than 10 percent. Within the State leadership activities not more than 1 percent of the amount allocated to each State in Section 111 of Perkins IV (20 USC 2321) shall be allotted to activities that serve individuals in State institutions. Also, not less than \$60,000 and not more than \$150,000 of the amount allocated to each State in Section 111 of Perkins IV shall be made available for services that prepare individuals for nontraditional fields (Section 112(a)(2) of Perkins IV (20 USC 2322(a)(2))).

(3) State Administration – not more than 5 percent or \$250,000, whichever is greater, for administration of the State plan (Section 112(a)(3) of Perkins IV (20 USC 2322 (a)(3))).

A State must consider any tech-prep-education grant funds that it consolidates, as approved in its State plan submitted under Section 122 of Perkins IV (20 USC 2342), as funds allotted under Section 111 of Perkins IV (20 USC 2321) and must distribute these funds in accordance with Section 112 of Perkins IV (20 USC 2322) requirements as described above in paragraphs (1) – (3) (Section 202 of Perkins IV (20 USC 2372)).

b. Subrecipients – Subrecipients under the secondary and postsecondary career and technical education programs may use no more than 5 percent of those funds for administrative costs (Section 135(d) of Perkins IV (20 USC 2355(d))).

## **H. Period of Availability of Federal Funds**

See ED Cross-Cutting Section.

### **L. Reporting**

#### **1. Financial Reporting**

a. SF-269 – Financial Status Report – Not Applicable.

b. SF-270 – Request for Advance or Reimbursement – Only grantees placed on reimbursement are required to complete this form to request payment of grant award funds. The requirement to use this form is imposed on an individual recipient basis.

c. SF-271 – Outlay Report and Request for Reimbursement for Construction Programs – Not Applicable

d. SF-272 – Federal Cash Transactions Report – Not Applicable

e. SF-425 – Federal Financial Report – Not Applicable

f. Financial Status Report (Part C) for the Consolidated Annual Report for the Carl D. Perkins Career and Technical Education Act of 2006 (CAR) (OMB No. 1830-0569) – This replaces the SF 269. This form is a web-based format entitled —Financial Status Report□ (FSR). Each State files two —FSR□ forms each December for two distinct grant periods: (1) an interim FSR that reports the expenditure of those Federal funds available to a State on or after July 1 of the preceding year during the first 12 to 15 months of availability and (2) a final FSR that reports the expenditure of those Federal funds available to the State on or after July 1 of the second preceding year for the full 27 months of availability. 1

g. LEAs and other subrecipients are generally required to report financial information to the pass-through entity. These reports should be tested during audits of LEAs and other subrecipients.

#### **2. Performance Reporting – Not Applicable**

#### **3. Special Reporting**

Annual Accountability Report (Part D) for the Consolidated Annual Report for the Carl D. Perkins Career and Technical Education Act of 2006 (CAR) (OMB No. 1830-0569). A sample of cells on the CAR should be tested (in a similar manner that is done for a financial report) to ensure that the State has data that supports the numbers in the report. The measures and levels are defined in the Final Agreed Upon Performance Levels form that is incorporated in a State plan and attached to the grant award.

a. States – Each State must annually report to the Secretary the progress of the State in achieving the State-adjusted levels of performance on the core indicators of performance, including the levels of performance achieved by the special population categories described in Section 3(29) of Perkins IV and other student categories described in Section 1111(h)(1)(C)(i) of ESEA (20 USC 6311(h)(1)(C)(i)) (Section

113(c) of Perkins IV (20 USC 2323(c)). This report must be provided as part of each State's December 31 CAR submission.

The Perkins IV core indicators on which States must report aggregate data are:

Secondary Level:

- Attainment of academic skills – reading/language arts
- Attainment of academic skills – mathematics
- Technical skill attainment
- School completion
- Student graduation rates
- Placement
- Nontraditional participation
- Nontraditional completion

Postsecondary Level:

- Technical skill attainment
- Credential, certificate, degree
- Student retention or transfer
- Student placement
- Nontraditional participation
- Nontraditional completion

States are also required to report disaggregated data on the performance of students by gender, race, ethnicity, migrant status, and the following special population categories described in Section 3(29) of Perkins IV (20 USC 2302 (29))(Section 113(c)(2)(A) of Perkins IV (20 USC 2323(c)(2)(A))):

- Individuals with disabilities
- Individuals from economically disadvantaged families, including foster children
- Individuals preparing for non-traditional fields

- Single parents, including pregnant women
- displaced homemakers
- Individuals with limited English proficiency

Each State negotiates with ED adjusted performance levels (i.e., targets) for each core indicator for each program year (Sections 113(b)(3)(A)(iii) and (iv) of Perkins IV (20 USC 2323 (b)(3)(A)(iii) and (iv))). Each State's adjusted performance levels are contained in a —Final Agreed-Upon Performance Level (FAUPL) Form,□ which is incorporated by reference into the State plan and grant award (OMB Number 1830-0029) (Sections 113(b)(3)(A)(iii) and (v) of Perkins IV (20 USC 2323(b)(3)(A)(iii) and (v))).

A State that retains all, or a portion, of its tech prep grant (Title II) for purposes authorized under Title II of Perkins IV must report its tech prep students as a disaggregated population for each of the section 113 indicators in its CAR (Sections 113(c) and 203(e) of Perkins IV (20 USC 2323(c) and 2373(e))).

Each State must review the accountability data submitted by its subrecipients and, in the State's annual CAR submission, (1) indicate the total number of subrecipients that failed to meet at least 90 percent of an agreed upon local adjusted level of performance and that will be required to implement a local program improvement plan for the succeeding program year, and (2) note trends, if any, in the performance of these subrecipients (i.e., core indicators that were most commonly missed, including those for which less than 90 percent was commonly achieved; disaggregated categories of students for whom there were disparities or gaps in performance compared to all students) (Section 113(c) of Perkins IV (20 USC 2323(c))).

b. Subrecipients – Each LEA and other subrecipients must annually report to the State the progress of the LEA or other subrecipient in achieving its local adjusted levels of performance on the core indicators of performance, including the levels of performance achieved by the special population categories described in Section 3(29) of Perkins IV and other student categories described in Section 1111(h)(1)(C)(i) of ESEA (20 USC 6311(h)(1)(C)(i)) (Section 113(b)(4)(C) of Perkins IV (20 USC 2323(b)(4)(C))). March 2011 Career and Technical Education – Basic Grants To States (Perkins IV) ED A-133 Compliance Supplement 4-84.048-13

The LEA or other subrecipient reports on the Perkins IV core indicators described in paragraph a. above (Section 113(b)(4)(C) of Perkins IV (20 USC 2323(b)(4)(C))). The LEA or other subrecipient is also required to report disaggregated data on the performance of students by gender, race, ethnicity, migrant status, and the special population categories described in Section 3(29) of Perkins IV (20 USC 2302 (29)) (Section 113(b)(4)(C)(ii) of Perkins IV (20 USC 2323(b)(4)(C)(ii))).

Each LEA or other subrecipient negotiates with the State local adjusted performance levels (i.e. targets) for each core indicator for each program year (Sections 113(b)(4)(A)(iii) and (iv) of Perkins IV (20 USC 2323 (b)(4)(A)(iii) and (iv))). Each LEA's or other subrecipient's local adjusted performance levels are incorporated into the local plan required by Section 134 before approval by the State.

4. Section 1512 ARRA Reporting – Not Applicable

5. Subaward Reporting under the Transparency Act – Applicable

### **M. Subrecipient Monitoring**

Each State must evaluate annually, using the local adjusted levels of performance described in Section 113(b)(4) of Perkins IV (20 USC 2323(b)(4)), the career and technical education activities of each subrecipient receiving funds under the basic grant program (Title I of Perkins IV) (Section 123(b)(1) of Perkins IV (20 USC 2343(b)(1))). The State determines whether a subrecipient failed to meet at least 90 percent of an agreed upon local adjusted level of performance for any of the core indicators of performance described in Section 113(b)(4) of Perkins IV and, if so, the State must work with the subrecipient to implement the improvement plan required by Section 123(b)(2) (Section 123(b)(2) and (3) of Perkins IV (20 USC 2343(b)(2) and (3))) (See III.N.3, —Special Tests and Provisions – Developing and Implementing Improvement Plans.□)

### **N. Special Tests and Provisions**

1. Schoolwide Programs

See ED Cross-Cutting Section

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

See ED Cross-Cutting Section. March 2011 Career and Technical Education – Basic Grants To States (Perkins IV) ED A-133 Compliance Supplement 4-84.048-14

3. Developing and Implementing Improvement Plans

a. States – Any State that fails to meet at least 90 percent of an agreed upon State adjusted level of performance for any of the core indicators of performance described in Section 113(b)(3) of Perkins IV must develop and implement a program improvement plan, with special consideration given to performance gaps identified under Section 113(c)(2) of Perkins IV. The determination of 90 percent is based on the data submitted to the State. The State must develop and implement its improvement plan in consultation with appropriate agencies, individuals, and organizations during the first program year succeeding the program year for which the State failed to meet its State adjusted levels of performance for any of the core indicators of performance (Section 123(a)(1) of Perkins IV (20 USC 2323(a)(1))).

A State’s program improvement plan, which is included in its CAR submission to ED, must address, at a minimum, the following items.

The core indicator(s) that the State failed to meet at the 90 percent threshold.

The disaggregated categories of students for which there were quantifiable disparities or gaps in performance compared to all students or any other category of students.

The action steps which will be implemented, beginning in the current program year, to improve the State's performance on the core indicator(s) and for the categories of students for which disparities or gaps in performance were identified.

The staff member(s) in the State who are responsible for each action step.

The timeline for completing each action step.

b. Subrecipients – Each LEA or other subrecipient for which the State determines that the LEA or other subrecipient failed to meet at least 90 percent of an agreed upon local adjusted level of performance for any of the core indicators of performance described in Section 113(b)(4) of Perkins IV must develop and implement a program improvement plan with special consideration given to performance gaps identified under Section 113(b)(4)(C)(ii)(II) of Perkins IV (20 USC 2323(b)(4)(C)(ii)(II)) (Section 123(b)(2) of Perkins IV; 20 USC 2343(b)(2)). The subrecipient must develop and implement the local improvement plan – in consultation with the State, appropriate agencies, individuals, and organizations – during the first program year succeeding the program year for which the LEA or other subrecipient failed to meet any of its local adjusted levels of performance for any of the core indicators of performance (Section 123(b)(2) of Perkins IV (20 USC 2343(b)(2))). The LEA's or other subrecipient's data on each local adjusted level of performance for any of the core indicators of performance described in Section 113(b)(4) of

Perkins IV must be available to the general public through a variety of formats, including electronically through the Internet (Section 113(b)(4)(C)(v) of Perkins IV (20 USC 2323(b)(4)(C)(v))).

Audit Objective – (States) Determine whether the State developed and implemented a program improvement plan, as required, if it failed to meet at least 90 percent of an agreed upon State adjusted level of performance for any of the core indicators of performance described in Section 113(b)(3) of Perkins IV.

Suggested Audit Procedures (States)

a. Ascertain if the State failed to meet at least 90 percent of an agreed upon State adjusted level of performance for any of the core indicators of performance by reviewing data in the CAR.

b. If so, verify that the State developed and implemented a program improvement plan in a manner consistent with the above requirements.

Audit Objective (Subrecipients) – Determine whether: (1) a subrecipient's data are publicly available; and (2) the subrecipient developed and implemented a program improvement plan, as required, if the State determined that it failed to meet at least 90 percent of an agreed upon local adjusted level of performance.

Suggested Audit Procedures (Subrecipients)

Verify that the LEA's or other subrecipient's:

a. Developed and implemented a program improvement plan in a manner consistent with the above requirements, if the State determined that the LEA or other subrecipient failed to meet at least 90 percent of an agreed upon local adjusted level of performance for any of the core indicators of performance.

b. Provided data on each local adjusted level of performance for the core indicators of performance to the general public through a variety of formats, including electronically through the Internet.