

Allowable Uses of AB104 Adult Education Block Grant Funds

All AB104 Adult Education Block Grant (AEBG) MOE and consortia expenditures must be reasonable and justifiable. "Reasonable" means that expenditures will be made prudently and with every effort to utilize funds efficiently. "Justifiable" means that expenditures are consistent with AEBG program goals and activities related to the seven program areas as identified in the AB104 Adult Education Block Grant budget language.

Ultimate Responsibility

Ultimately, AB104 regional consortia members (community college district, county office, JPAs and K-12 district) are responsible for allocation decisions. The responsibility cannot be delegated. Members may be audited by the California Department of Audits, the California Department of Education, the Chancellor's Office, or other government agencies with a lawful interest in the expenditure of funds. Expenditures deemed unreasonable and/or unjustifiable will be withheld in future funding distributions or allocations.

AB104 Legislation / Allowable Costs

In order to expend AB104 Adult Education Block Grant funds the following criteria must be followed:

1. The community college district, county office, JPA and K-12 district must be a member of a regional consortium.
2. The member district must be located within the regional boundaries of the consortia as determined by the Chancellor and the Superintendent, with the advice of the executive director.
3. Each regional consortium must have an approved adult education plan (the annual plan template) that addresses the fiscal year in which the funds will be expended.
4. Funds may only be expended in the seven program areas as prescribed in the AB104 budget language (Section 84913).
5. Each regional consortium must have an approved 3-year consortia plan that includes any amendments.
6. Expenditure of AB104 Block Grant Funds must match the objectives and activities listed in the annual plan template for that specific fiscal year.
7. All members shall participate in expenditure decisions made by the consortium.

8. Expenditure decisions are made adhering to the AB104 legislation on public notice and public comment.
9. Expenditure decisions made by consortium members are final and binding.
10. Expenditure decisions are made adhering to the AB104 legislation definitions (see below).

Under the AB104, Section 84901 reads, "For purposes of this article, the following definitions shall apply, unless otherwise specified:"

- (a) "Adult" means a person 18 years of age or older.
- (b) "Consortium" means an adult education consortium approved pursuant to this article.
- (c) "Executive director" means the executive director of the State Board of Education.
- (d) "Program" means the Adult Education Block Grant Program established by Section 84900.

AB104 Performance Accountability and Potential Loss of Funding

The AB104 Adult Block Grant legislation states that "the members of a consortium shall approve an adult education plan at least **once every three years**. The plan shall be updated at least once every year based on available data. The legislation also states that the regional plan that was developed during the AB86 planning phase will satisfy the 3 year planning requirement for 2015-16, 2016-17, and 2017-18.

The legislation also addresses the possibility of a decrease in funding or loss of funding for one or more of the following:

- (1) The member no longer wishes to provide services consistent with the adult education plan;
- (2) The member cannot provide services that address **the needs identified in the adult education plan**;
- (3) The member has **been ineffective in providing services that address the needs identified in the adult education plan** and reasonable interventions have not resulted in improvements.

In AB104, section 40, subsection 84920, the budget language states, "...the Chancellor and the Superintendent shall identify common measures for determining the effectiveness of members of each consortium in meeting the educational needs of

adults". The measures listed in the budget language include (but are not limited to) the following:

(1) How many adults are served by members of the consortium.

(2) How many adults served by members of the consortium have demonstrated the following:

(A) Improved literacy skills.

(B) Completion of high school diplomas or their recognized equivalents.

(C) Completion of postsecondary certificates, degrees, or training programs.

(D) Placement into jobs.

(E) Improved wages.

Note: additional measures were added relating to transfers.

These performance measures, among others will help determine consortia effectiveness. The AEBG Office may be asked to review performance measures over a three year period to determine the effectiveness of each consortium's 3 year plan. Future funding allocations may be based on this effectiveness. It will be up to each consortium's membership to determine (1) the governance plan and decision making process, (2) the 3 year comprehensive consortium plan, (3) the annual plan for block grant related objectives and activities, (4) data collection, tracking, and reporting processes for student enrollment and progress, and (5) any consortium based tools to monitor plan effectiveness and performance outcomes.

Consortia must consider these factors when allocating funds and approving budgets and expenditures. In order to be as effective as possible, members must be involved in the decision making process to ensure that all expenditures are mindful of their consortium's three year plan/vision and annual plan objectives.

Primary Criteria

All allowable costs must meet three primary criteria:

1) Substantiate that the cost was necessary and reasonable for proper and effective administration of the allocations.

2) The cost must be allocable to the funding source activities.

3) The cost must not be a general expense required to carry out the consortia member's overall responsibilities (i.e. not supplanting).

However, even if the costs meet the prior three criteria, the costs must be approved within the 3-year consortia plan and the annual plan template of the regional consortia. Otherwise, they are not allowable within that year. Also the State has the discretion to impose special conditions above and beyond the funding source which would also determine allowability of cost.

While the proposed cost is allowable under the funding source is it also reasonable?

Reasonable is defined by the dictionary as: agreeable to sound judgment, not exceeding the limit prescribed by reason (not excessive), moderate in price, and a rational decision. Systems that can guide this definition are: necessary for the performance of the grant; following sound business practices (procurement processes, follow state and local laws, follow the terms of the grant); use of fair market prices; acting with prudence under the circumstances; and having no significant deviation from established prices.

Note: "reasonable" means that expenditures will be made prudently and with every effort to utilize funds efficiently.

What are the guidelines of Allocable?

Allocable is defined by the dictionary as: capable of being allocated or assigned. A cost is considered allocable to a particular funding source/program to the extent it actually benefits the objectives of that program. You can only charge in proportion to the value received by the funding source/program. An example would be that a project director works 80% on the funded program (only 80% of the salary and benefits can be charged in the grant application). Above and beyond this definition allocable also means that the cost must be related to the 3-year consortia plan and the annual plan template of the regional consortia that have been approved by the AEBG Office. Agencies must be able to document prorated allocated costs against the Adult Education Block Grant.

What is supplanting?

The funds may not free up state or local dollars for other purposes, but should create or augment programs to an extent not possible without AEBG funding. You must be able to demonstrate that the funds are added to the amount of state and local funds that would, in absence of the grant funds, be made available for uses specified in your plan.

Can Adult Education Block Grant funds be used to pay for Adult Education costs that generate apportionment?

The costs of instruction or other Adult Education services cannot be counted both towards state apportionment and the AEBG. To the fullest extent possible, districts should make every effort to use state apportionment funding for Adult Education

services before using block grant funds. When state apportionment funding is not available then the AEBG funds would be an appropriate source of funding to provide additional adult education services. For regional consortia attempting to pilot mix use projects, prior approval will be required from the AEBG Office.

Can funds be used as matching funds for other grants?

If the grant for which AEBG funds are being considered as matching funds is a continuing grant, meaning it was a grant the district had in the prior year then the AEBG must not replace any funds previously used to meet the match requirement. This would be supplanting and not result in increased services. But if the AEBG funds are used to increase the matching funds, possibly resulting in more grant funds, then it is an appropriate use of AEBG funds. Keep in mind that AEBG funds are restricted funds and must be spent in the seven program areas as identified by the AB104 budget language. Some matching grants prohibit the use of restricted funds.

Recommended Best Practices and Practices with Promise

At the time of expenditure, it is recommended that consortia members create written justification that establishes the reasonable and justifiable nexus between a given expenditure and the regional consortia allotment. This is especially important when expenditures are not obviously related to the AEBG goals, or program areas such as credit recovery.

The AEBG Office will review any consortia request for approval. As part of the approval process, the AEBG Office will have each consortium write up the approved request as a Practice with Promise to share with the other regional consortia. This will allow the AEBG Office to highlight approved strategies and practices that will assist regional consortia in meeting the goals of their Adult Education plan. Please see the link to the Practice with Promise website (and submission instructions).

<http://aebgpracticeswithpromise.com/>

Fees

Region Consortia may not charge fees to students for the provision of specific adult education related services, such as assessment testing for placement purposes. Fees may be charged only when required or authorized by law.

Indirect Costs

A consortium may use no more than 5 percent of funds allocated in a given fiscal year for indirect costs. The 5 percent of funds will be used on similar activities like the grant

recipients used for indirect during the AB86 planning grant period. Districts receiving MOE funds must adhere to their district policies on indirect costs.

Examples of Allowable Expenditures (specific to AB104)

Sample Expenditures Listed by Objective

Sample expenditures listed by objective include, but are not limited to the following:

Objective #3: Activities for consortium members and partners to integrate existing programs and create seamless transitions into postsecondary education or the workforce.

The consortium will align and connect existing and future adult education programs to postsecondary academic pathways and/or career pathways leading to employment. Consortia should address alignment of placement tools, curriculum, assessment tools and rubrics, and student performance outcomes across delivery systems to ensure that student transition paths, both between providers and into postsecondary credit programs, are understood and supported across all systems.

Examples of allowable expenditures:

- * Program coordination and staff/instructor time
- * Staff/instructor stipends
- * Program and curriculum planning and development
- * Student assessment
- * Articulation
- * Instructional materials and equipment
- * Supplemental instruction and tutoring
- * Counseling, Advising, and other student education planning services
- * Publication and Outreach Material
- * Office supplies
- * Meeting supplies
- * In State Travel
- * Computer Hardware or Software Equipment
- * Assessment for Placement Services
- * Follow-up and Orientation Services
- * Research and contractual services

Objective #4: Activities to address the gaps identified pursuant to the evaluation of regional needs and the evaluation of current levels and types of adult education programs.

Describes the consortium response to the gaps identified in the region. These might include, but are not limited to, working with other partners in the service area, developing or expanding programs and plans to assess the effectiveness of these expanded efforts.

Activities identify programming and service gaps including lack of providers, services, access, attainment, and/or performance. Activities also include strategies to incrementally increase capacity in identified gap areas (e.g., using distance learning to reach adult populations in a consortium's region who are currently underserved).

The AB86 approved 3 year consortia plan includes the resources needed to carry out those strategies, the costs involved, the consortium participants responsible for implementing the identified strategies, the methods for assessing the progress made toward implementing the identified strategies, and a timeline for accomplishing the various implementation steps.

Examples of allowable expenditures:

- * Staff/instructor time for new classes
- * Program coordination and staff/instructor time
- * Staff/instructor stipends
- * Space Use Agreements
- * Classroom reconfiguration
- * Classroom furniture
- * Program and curriculum planning and development
- * Instructional materials and equipment
- * Supplemental instruction and tutoring
- * Counseling, Advising, and other student education planning services
- * Publication and Outreach Material
- * Office supplies
- * Meeting supplies
- * In State Travel
- * Computer Hardware or Software Equipment
- * Follow-up and Orientation Services
- * Research and contractual services

Objective #5: Activities to employ approaches proven to accelerate a student's progress toward his or her academic or career goals, such as contextualized basic skills and career technical education, and other joint programming strategies between adult education and career technical education.

Examples of allowable expenditures:

- * Program coordination and staff/instructor time
- * Staff/instructor stipends

- * Program and curriculum planning and development
- * Articulation
- * Instructional materials and equipment
- * Supplemental instruction and tutoring
- * Counseling, Advising, and other student education planning services
- * Publication and Outreach Material
- * Office supplies
- * Meeting supplies
- * In State Travel
- * Computer Hardware or Software Equipment
- * Follow-up and Orientation Services
- * Research and contractual services

Objective #6: Activities to collaborate in the provision of ongoing professional development opportunities for faculty and other staff to help them achieve greater program integration and improve student outcomes.

Examples of allowable expenditures:

- * Program coordination and staff/instructor time
- * Staff/instructor stipends
- * Professional Development
- * Publication and Outreach Material
- * Office supplies
- * Meeting supplies
- * In State Travel and Out of State Travel
- * Research and contractual services

Objective #7: Activities to leverage existing regional structures, including, but not limited to, local workforce investment areas.

Describes how the consortium will leverage existing assets or structures to benefit the adult learners in the region. These assets or structures might include, for example, contributions from or collaborations with existing members, Local Workforce Investment Boards (WIBs), industry employer groups, chambers of commerce, and county libraries.

Examples of allowable expenditures:

- * Program coordination and staff/instructor time
- * Staff/instructor stipends
- * Space Use Agreements
- * Meeting supplies
- * In State Travel
- * Research and contractual services

Examples of Allowable Expenditures by AB104 Objective of Expenditure Reporting Categories

1000: Instructional Salaries, Supervisor's Salaries, Counselor's Salaries, and Project Coordinator / Director's Salaries.

Example: Program Director/Coordinator and Staff - AEBG director/coordinator who has direct responsibility for coordinating the program services, developing and monitoring the program plan and budget, reviewing data submissions to ensure accuracy and completing required program reports. Staff who work directly in the program, all positions -- classified, faculty or administrative -- must directly support program services, as reflected in job descriptions and included in the AB104 3 year Consortium Plan and Annual Plan. The member/consortium must be able to document staff time charged to the program. Costs may include salaries or wages and employee benefits. Costs must be prorated for employees who are assigned to AEBG on a part-time basis.

2000: Non Instructional Salaries: Classified Staff (non instructional) Salaries, and Instructional Aides Salaries.

Example - Counseling, Advising, and Other Student Education Planning Services – AEBG members may use funds to pay for counseling, advising, and other education planning services provided to students. This may include salary and benefit costs of staff who provide these services, costs related to the provision of workshops, group counseling or advising sessions, online advising, etc. unless those workshops or group sessions are part of a course that generates apportionment (FTES). AEBG funds cannot be used to pay for services that are provided through an apportionment generating activity.

Example: Orientation Services - Development and delivery of orientation services: this may include staff and materials costs to deliver group orientations, workshops, development of online orientation resources, etc.

3000: Employee Benefits.

4000: Supplies & Material - books, supplies for the adult education program (office), outreach, and recruitment materials.

Example: Publications and Outreach Materials - Reasonable costs to develop and produce materials to promote AEBG services and activities. Examples include materials

for orientation and assessment workshops, guides for creating an education plan, brochures about supportive services, etc.

Example: Food and Beverages - funds can be used to provide food or non-alcoholic beverages for students or staff, provided that there is no local board policy prohibiting these costs. Food and beverage costs must be for activities or functions consistent with the objectives of the AEBG 3 year Consortia Plan and the Annual Plan. Funds cannot be used to pay for general activities such as open houses or other events not directly related to AEBG.

5000: Other Operating Expenses and Services – AB104 AEBG related conferences and travel expenses, meeting supplies for AEBG related activities, consultants, subcontractors, speaker fees at AEBG workshops, and leases for AEBG related space and equipment.

6000: Capital Outlay & Equipment - computer hardware/software/printer, space use agreements.

Example: Computer Hardware and Software and Equipment - Members may use program funds to purchase computer hardware, software, and equipment to assist in the delivery of AEBG services if the purchases are included in the AEBG Annual Plan. These could include education planning software. Equipment purchased by the program that is no longer needed or is being replaced cannot be donated to another non-AEBG program. District policies regarding the use and disposal of surplus equipment must be followed.

Example: Follow-Up Services – AEBG members may use program funds to pay for communication or early alert systems designed to notify students of their academic standing or intervention services that may include related workshops targeting students on probation or facing dismissal.

Example: Assessment for Placement Services - Purchase of assessment tests and the implementation of multiple measures used for course placement, career assessments, assessment center staff, test proctors, communication to students, practice tests, etc. This may include evaluators or other staff who collect and review of multiple measures data, such as transcripts from other schools, military service and work experience, and specialized certificates and licenses.

Examples of Allowable Expenses by AB104 Types of Activities

Program and curriculum planning and development: Development of an AEBG tutoring program. Development of an AEBG curriculum planning guide. Development of an AEBG drop in peer help center. Development of online distance education courses for AEBG students. Curriculum development for AEBG courses, including new courses.

Student assessment: Purchase of computers and equipment such as scanners, to assess AEBG student abilities. Purchase of software and licenses for assessment. Salary of non-instructor hired to administer AEBG assessment tests. Development and implementation of assessment intervention programs. Research and development methods for assessment preparation.

Advisement and counseling services: Salary of AEBG advisor or counselor. Salary of AEBG mentor. Purchase of supplies to create AEBG announcements. Creation and maintenance of a website devoted solely to AEBG. Cost of an AEBG email list that delivers adult education information to adult education students. Direct advising and counseling services for adult education students. Embedded counseling in adult education courses. Counseling and advising in support of adult education courses.

Supplemental instruction and tutoring: Purchase of a web-based interactive program of supplemental instruction for AEBG. Purchase of training videos, or online training videos, or similar that supplement AEBG instruction. Direct tutoring to adult education students in AEBG areas. Supplemental instruction for AEBG students. Salary of teaching assistants assisting AEBG instructors.

Articulation: Cost of studies that evaluate applicable English and mathematics courses, to identify important points of instruction to include in AEBG course curriculum. Support for AEBG faculty/teachers to attend or host meetings and discussions on course alignments and student preparation as these pertain to AEBG courses. Stipends for meetings, portfolio sharing, and discussions on course alignment and curriculum.

Instructional materials and equipment: Purchase of learning materials and equipment that support AEBG students. The costs for safe storage of AEBG supplies, equipment, instructional materials, and similar. Purchase of textbooks and learning materials used in AEBG courses. Purchase of AEBG instructional software. All learning materials and equipment that support AEBG courses and students. Purchase of computers to assess AEBG abilities.

Purchase of supplies to create AEBG announcements. Creation and maintenance of a website devoted solely to AEBG. Cost of materials distribution across a variety of media, to AEBG students. Purchase of a web-based interactive program of supplemental instruction for AEBG courses. Purchase of training videos that supplement AEBG instruction.

Coordination: Salary of AEBG coordinator, or assistants, or project leads for hours of service provided, not to supplant a teaching salary. Cost of seminars to raise AEBG awareness among faculty. Cost of a consultant providing services to create, coordinate, and implement AEBG programs.

Research: Purchase of electronic support equipment, hardware and/or software for in-class use by AEBG students, used to capture data. Salary of qualified researcher hired to quantitatively assess AEBG student data against outcomes of success. Cost of creating a safe storage process for AEBG research data. Expanded bandwidth of research capabilities and services related to AEBG data systems and queries.

Professional development: Travel to events whose training will directly benefit AEBG students, will enhance AEBG instructor capabilities, or both. Replication of AEBG related training, provided by attendees who return to their schools to share this knowledge with their peers. Cost of seminars to raise AEBG awareness among faculty/teachers. Cost of an AEBG professionals/consultants providing services to create, coordinate, implement, and improve AEBG programs. Workshop, conferences, and seminars attendance directly related to AEBG programs and students. Support for learning communities for professional development for faculty/teachers to learn AEBG best practices.

Example of Expenses Not Allowed or that Need Prior Approval (specific to AB104) include, but are not limited to:

1. Construction

Any funds used for construction work, remodeling, or renovation must have prior approval by the AEBG Office.

2. Other Staff Salaries and Benefits

Program funds cannot be used to pay for any staff that does not directly support the AEBG services described in the consortium's approved plan.

3. Political or Professional Dues, Memberships, or Contributions

Funds cannot be used for these activities, unless professional membership is an institutional requirement. Business, technical and professional organization or periodical memberships are allowed. Civic or community, or country club or social or dining club memberships are not allowed.

4. Unrelated Travel Costs

Program funds may not be used for the cost of travel not directly related to program activities or functions.

5. Vehicles

Any funds used to purchase vehicles needs to have prior approval by the AEBG Office.

6. Clothing

Program funds may not be used to purchase clothing for individual students such as jackets, sweatshirts, or tee shirts (gift of funds). However, clothing for a classroom is permissible – i.e. aprons for a culinary class, welding helmets, etc.

7. Entertainment Costs

Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) are unallowable.

8. Fines and Penalties

Costs resulting from violations of, or failure of the institution to comply with, Federal, State, and local or foreign laws and regulations are unallowable, except when incurred as a result of compliance with specific provisions of the sponsored agreement, or instructions in writing from the authorized official of the sponsoring agency authorizing in advance such payments.

9. Travel

Only travel necessary for the project is allowed. Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business for the grant. Such costs will be based on the fiscal agent's per diem rates. These costs shall be considered reasonable and allowable only to the extent such costs do not exceed charges normally allowed by the institution in its regular operations as the result of the institution's written travel policy.

Out of State Travel: Out-of-State travel will be closely scrutinized and requires completion of the Out-of-State Travel Request Form and must be disclosed in the Annual Plan template (and reported in the AB104 online grant budget and quarterly expenditure & progress report). After the templates & forms are fully executed, any further Out-of-State travel requires prior approval of the AEBG Office by sending in the above-mentioned form for approval. The state reserves the right to limit Out-of-State travel.

Out of Country Travel: The AEBG Office has determined that Out-of-Country travel will not be an allowed via this funding source.