

Perkins IV

**Carl D. Perkins Career and Technical Education
Improvement Act of 2006**

FACT SHEETS

Prepared by:

**Career and College Transition Division
California Department of Education (CDE)**

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FACT SHEET

Requirements of Local Educational Agency Career Technical Education Programs Assisted with Perkins IV Funds

Each career technical education (CTE) program assisted with Section 131 or 132 funds must incorporate the nine requirements established in Section 135(b) of Perkins IV, including a sequence of courses that provides students with coherent and rigorous content aligned with challenging academic standards and relevant technical knowledge and skills, and the following planning, organization, and instructional elements determined by the state to be critical to high-quality CTE programs:

- Be staffed by qualified CTE teachers, meaning teachers who:
 1. possess a standard secondary, single-subject or designated-subject credential which authorizes the teaching of the CTE course(s) to which assigned, and
 2. can document employment experience, outside of education, in the career pathway addressed by the program or other evidence of equivalent proficiency. The minimum qualifications for community college CTE teachers are established in Title 5 of the California Administrative Code.
- Focus on current or emerging high skill, high wage, or high demand occupations.
- Be aligned with the state's CTE Model Curriculum Standards and Framework.
- Have extensive business and industry involvement, as evidenced by not less than one annual business and industry advisory committee meeting and planned business and industry involvement in program activities as described in the Guidelines for the 2008–2012 Local Plan for Career Technical Education and instructions for the annual application for funds.
 - The governing board of each school district participating in a career technical education program shall appoint a career technical education advisory committee to develop recommendations on the program and to provide liaison between the district and potential employers. The committee shall consist of one or more representatives of the general public knowledgeable about the disadvantaged, students, teachers, business, industry, school administration, and the field office of the Employment Development Department (EDD).
- Provide for certification of students who achieve industry-recognized skill and knowledge requirements.
- Be aligned with applicable feeder and advanced-level instruction in the same career pathway.
- Integrate the development of CTE and academic skills in order to prepare students for immediate employment upon graduation and for further education or training.
- Provide practical applications and experiences through actual or simulated work-based learning assignments.
- Provide for equitable access and needed support services of all students, including special populations and those preparing for nontraditional occupations.
- Include planned career awareness and exploration experiences.

- Provide for the development of student leadership skills through an established career technical student organization or an alternate strategy that incorporates this instruction in all of the courses that make up the sequence.
- Use annual evaluation results, including achieved core indicator performance levels, to determine needed program improvements, modifications, and professional development activities for staff.
- Have a systematic plan for promoting the program to all concerned groups, including, but not limited to, students, parents, counselors, site and district administrators, and postsecondary educational agencies.

Requirements of Sequences of Courses

Sequences of courses for CTE programs assisted with Perkins IV funds must:

- Consist of not less than two full-year CTE courses with a combined duration of not less than 300 hours; or a single, multiple-hour course which provides sequential units of instruction and has a duration of not less than 300 hours.
- Be coherent, meaning that the sequence may only include those CTE courses with objectives and content that have a clear and direct relationship to the occupation(s) or career targeted by the program.
- Include sufficient introductory and concentration CTE courses to provide students with the instruction necessary to develop the skill and knowledge levels required for employment and postsecondary education or training.

Requirements of Courses Assisted with Perkins IV Funds.

Courses assisted with Perkins IV funds must:

- Be integral to an approved CTE sequence of courses.
- Be explicitly designed to prepare students with career skills that lead to employment. (Employment could be at the completion of high school, community college, apprenticeship, or 4-year College or university.)
- Have no less than 50 percent of course curriculum and content directly related to the development of career knowledge and skills. (The California CTE Model Curriculum Standards and Framework can be useful tools in ensuring and validating that there is sufficient CTE content (embedded in the curriculum.)
- Have ongoing business and industry involvement in the development and validation of the curriculum.
- Be staffed by a qualified CTE teacher, meaning a teacher who
 - 1) possesses a standard secondary, single-subject or designated-subject credential which authorizes the teaching of the CTE course(s) to which assigned, and
 - 2) can document employment experience, outside of education, in the career pathway addressed by the program or other evidence of equivalent proficiency.
- Contributes to the effort to provide students with an understanding of all aspects of the industry, the sequence of courses is preparing them to enter.

2008–2012 CA CTE State Plan, Ch. 5

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Requirements of Courses Assisted with Perkins IV Funds

Career technical education (CTE) is dynamic (See *2008–2012 California State Plan for Career Technical Education*) and can no longer be easily defined or encapsulated. While CTE is grounded in traditional vocational education, it must have the flexibility to adapt to a changing workforce in a changing technological world. In an effort to bring some clarity to the “What is...” discussion, use the following check list when determining “What is/What isn’t a CTE course?”

- The course is based on the **California Career Technical Education Model Curriculum Standards** and incorporates the Standards for Career Ready Practice, Anchor Standards and Pathway (content) Standards.
- The course is integral to a **CTE sequence of courses** and ascribable to one of the fifteen industry sectors and 58 career pathways. (See the *California Career Technical Education Model Curriculum Standards*.)
- The course **has no less than 50 percent of course curriculum and content** directly related to the development of career knowledge and specific industry skills that are used in the workplace.
- The course provides students with an understanding of **all aspects of the industry** in which they are preparing to enter, in addition to theoretical and/or background knowledge about the industry.
- The course is being/will be **taught by an appropriately credentialed teacher** as determined by the California Commission on Teacher Credentialing. The teacher:
 - possesses a standard secondary, single-subject or designated-subject credential which authorizes the teaching of the CTE course(s) to which s/he is assigned, (a Single Subject, Designated Subject, Single Subject with Subject matter Authorization, New Career Technical Education Credential by industry sector), AND
 - has employment experience, outside of education, in the career pathway addressed by the CTE program or other evidence of equivalent proficiency.
- **Business and industry** representatives have been involved in the development and validation of the course curriculum as they work with educators to shape the overall design, instruction, and assessment of the CTE program.
- The course develops **student leadership, career management, and entrepreneurial skills**. These skills can be developed through the course curriculum or through a Career Technical Student Organization (CTSO).

If the course meets all of the above criteria, it should be considered a CTE course and is eligible for Perkins IV funding.

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Guidelines for Expenditure of Perkins IV Funds

- a) Perkins IV funds may only be used to (1) improve "qualified" career technical education (CTE) programs, meaning programs that meet the Act's Section 135 requirements and the State established CTE program quality criteria and indicators; and (2) provide needed mentoring and support services to students enrolled in these CTE programs. It would not be appropriate to use Perkins IV funds to provide support or services for students not enrolled in qualified CTE programs. Nor would it be appropriate to expend Perkins IV funds in all courses (i.e. academic courses) taken by CTE students. Only those courses that have career or occupational preparation as their primary focus can be assisted with the Perkins IV funds.

Though academic courses are aligned to support the career goal of the school, the primary focus is on the development of general education skills in reading, writing, mathematics, science, and social studies and therefore are not eligible for assistance with the Perkins IV funds.

- b) It is the responsibility of the local board of education to sustain CTE programs. Section 311(a) of the Perkins IV Act states, "Funds made available under this Act for career and technical education activities shall supplement, and shall not supplant, non-Federal funds expended to carry out career and technical education activities and tech prep program activities. The following is based on information found in the American Vocational Association's "Audit Handbook" (Ch. 4, p. 19) which states:

The meaning of the phrase "improve vocational education programs" is not defined in the regulations. The Secretary does not believe that it is possible to develop a definition of 'program improvement' that would apply in all cases (57 FR 36827). It is clear you may not use federal funds to maintain the status quo.

You are encouraged to apply these rules for allowable expenditures as defined in the Education Department General Administrative Regulations (EDGAR):

- (1) The cost must be directly related to a CTE program targeted for assistance with the funds in the local educational agency's local plan and annual application;
- (2) The activity must be intended to improve the targeted CTE program;
- (3) The cost must be "necessary" and "reasonable" for proper and efficient administration of the CTE program; and
- (4) The cost must be specific to the targeted program, as opposed to a general expense required to carry out the agency's overall responsibilities.

Finally, the real test comes in comparing this use of the district's allocated funds to other potential program improvement uses.

FACT SHEET

Use of Perkins IV Funds to Support Certificated Salaries

Compliance with the general authority for the use of the Carl D. Perkins Career and Technical Education Improvement Act of 2006, Title I, Part C funds and the accompanying regulations for state administration of these funds has prompted the California Department of Education (CDE) to impose Section 131 and 132 guidelines that restrict local educational agency (LEA) use of the funds to acquisitions and activities that are clearly intended to **improve or expand current career technical education (CTE) programs or develop new programs**. Section 131 and 132 funds may no longer be used for those salaries, general classroom supplies, and counseling and guidance costs commonly supported in other program areas with the LEA's general funds. Nor will expenditures of the Section 131 and 132 funds be approved for general instructional costs which simply maintain existing CTE programs.

LEAs will continue to be allowed to use Section 131 and 132 funds—for up to three years—to support costs incurred by the addition of new course sections in existing CTE programs and the implementation of new CTE programs (State Plan for CTE p. 224). The supported costs may include instructional salaries **only** if the program expansions and new programs will cause the LEA to incur an “additional” instructional salary cost. Hence, LEAs that choose to add needed CTE course sections and/or new programs by discontinuing existing CTE course sections and programs without incurring “additional” instructional salary costs do not satisfy the “additional” salary cost requirement and may only use their Perkins IV funds for program improvement costs other than instructional salaries. At the end of the three year period the added course sections and new programs are considered to be ongoing and become the fiscal responsibility of the LEA.

LEAs are also reminded that Perkins IV requires that the Section 131 and 132 funds be used to supplement—not supplant, state and local funds provided from non-federal sources. Regional Occupational Center and Program (ROCP) funds are considered to be a non-federal funding source and, as evidenced by the local plans and applications submitted by the districts, ROCP courses and programs are integral to a majority of the state's approved CTE course sequences. Though many CTE courses formerly administered by the ROCPs are now being administered by district LEAs, ROCP courses and programs that are integral to currently approved district CTE course sequences are considered to be ongoing and may not be treated as “new” courses or programs for the purpose of using Perkins IV funds for instructional salaries. Nor, as noted above, may these courses be discontinued and replaced with “new” courses to satisfy the additional salary cost requirement.

FACT SHEET

Indirect Cost Rate Calculation

Perkins IV allows a recipient to allocate up to 5 percent of the grant funds to administer the grant. These administrative costs may be claimed by the recipient as direct or indirect costs. Both direct and indirect costs represent those costs incurred to administer the grant project.

Direct costs are those costs expended exclusively for one grant project and can be identified with a specific project objective. Such costs may be charged directly to the Perkins IV project, as long as they are allowable, are directly related to the administration of the grant, and can be clearly identified. Direct costs include such things as employee compensation for time and effort devoted specifically to grant program execution, cost of materials specifically for grant purposes, or equipment and capital expenditures directly related to the grant.

Indirect costs are those costs that benefit the grant project but cannot be easily distinguished from expenses that benefit other programs as well. Since indirect costs serve multiple activities, they cannot easily be allocated to one particular grant. In fact, an indirect cost could benefit both federal and non-federal program objectives. Examples of an indirect cost would be such things as utilities or rent. However, any expense charged as an indirect cost must be allowable under the Perkins IV program.

The term “indirect costs” is something of a misnomer because these costs must directly benefit the grant project. With indirect costs, however, it is difficult to calculate how much of a cost benefited the grant project because other programs benefited as well. Therefore, the distinction between direct and indirect costs is not whether the cost directly benefits the grant project, but the effort required to determine how much cost was incurred in gaining the benefit.

The calculation of indirect costs can be confusing. When building the budget, keep in mind that there are certain categories of expenses that the district must exclude when computing indirect costs. One such expense is Capital Outlay. Therefore, if the district includes any capital outlay expenditures in the planned budget, these costs must be deducted from the total grant allocation prior to the calculation of the indirect costs. Another thing to keep in mind is that while Perkins IV allows districts to use up to 5 percent of the allocation to administer the funds, the Act only allows districts to use the approved indirect cost rate or up to 5 percent for the indirect costs associated with the grant. This means that if the district’s indirect cost rate is less than 5 percent, the district is capped at that amount for the indirect costs.

Please review the example on the reverse page to learn how to compute indirect costs.

EXAMPLE

California High School District receives a Perkins IV grant of \$43,796 (line 1) and has an indirect cost rate of 3.5 percent. The district has determined that it is going to spend \$5,247 on capital outlay; these are non-allowable costs. To begin the computation of the maximum allowable indirect cost amount, subtract the non-allowable costs from the total allocation, \$43,796 - \$5,247 = \$38,549 [A] (line 2). Second, make note of the district's current indirect cost rate, 3.5 percent [R] (line 3). Third, apply the formula on line 4 in order to determine the allowable indirect costs which are \$1,303.58 (line 5). Note, the indirect cost calculation is for the maximum indirect allowable and *cannot* be rounded up to an even dollar amount.

Description	Code	Amount
1. Total Allocation	TA	\$43,796.00
2. Total Allocation minus (Capital Outlay) non-allowable costs	A	(TA-A) (43,796 - 5,247) = \$38,549
3. Indirect Cost Rate	R	3.5 % or .035
4. Formula	$\frac{A}{1 + R}$	$\frac{A}{1 + R}$
5. Allowable Indirect Cost		\$1,303.58*
5% Administrative Costs	TA x 0.05	\$2,189.80*

*Allowable Indirect Cost and allowable Administrative Cost calculations *cannot* be rounded up.

Calculation to determine the total amount the district can spend on direct costs. Simply take the total allocation, subtract the allowable indirect cost amount, and the remainder is the amount available for direct costs.

Total Allocation	\$43,796.00
Indirect Costs	<u>-1,303.58</u>
Total direct cost funds available	\$42,492.42

To check the calculation, do the following:

Total direct costs	\$42,492.42
Exclusions (non-allowable costs)	<u>-5,247.00</u>
Total	\$37,245.42
Direct costs minus non-allowable costs	\$37,245.42
Indirect rate	<u>x.035</u>
Total Indirect costs Allowed	\$1,303.58

Perkins IV allows a maximum of 5 percent of the total allocation to administer the grant. In this case the district would be allowed \$2,189.80 = (\$43,796 X .05). In the above example, the

district charges \$1,303.58 as indirect costs associated with administering the grant. This means the district can claim an additional \$886.22 = (\$2,189.80 – 1,303.58) in direct charges allocable to administration of the grant funds.

FACT SHEET

Acquisition, Management, and Disposal of Career Technical Education Equipment

Career technical education (CTE) equipment purchased totally or in part with federal funds (including Perkins IV), or solely with nonfederal funds used to meet federal government matching requirements, is subject to state and federal laws, rules, regulations, and guidelines which govern the equipment's acquisition, management, use, and disposal. In the event of a conflict between the federal and state requirements, the most restrictive requirement prevails. This fact sheet provides a working definition of equipment and summarizes the approval, use, management, and disposal requirements that must be adhered to by local educational agencies (LEAs) that acquire CTE equipment with Perkins IV funds.

Use of Perkins IV funds to acquire CTE equipment

LEA use of Perkins IV funds to acquire equipment for CTE programs is guided by two requirements of the Act: (1) Perkins IV funds must be used to improve, not maintain, CTE programs; and (2) Perkins IV funds may only be used to supplement, not supplant non federal funds for CTE. As a consequence, the LEA may not use its allocated Perkins IV funds to acquire basic classroom equipment and furnishings for existing CTE programs; nor can it use these funds to furnish existing CTE classrooms with the same equipment basic classroom equipment, i.e., computers, electronic whiteboards, LCD projectors, etc., it provides for academic classrooms. Equipment purchased with Perkins IV funds must be specific to the CTE instructional program.

Prior state approval is required to use Perkins IV funds to purchase a capitalized equipment item, or item of equipment with an acquisition cost of \$5,000 or more. The required form for making the capitalized equipment acquisition request can be downloaded from the California Department of Education (CDE) Perkins IV Web page at <http://www.cde.ca.gov/ci/ct/pk/documents/outlay.doc>.

Equipment acquired with Perkins IV funds must be used by the LEA in the program or project for which it was purchased as long as needed, whether or not the program or project continues to be supported by Perkins IV funds. When no longer needed for the original program or project, the equipment may be used in other activities currently or previously supported by a federal agency. [CFR, Title 34, Part 80.32(c)(1)]

The equipment may be made available for use on other projects or programs currently or previously supported with federal funds, providing such use will not interfere with the work on the project or program for which it was originally purchased. First preference for other use must be given to other programs or projects supported by the state. [CFR, Title 34, Part 80.32(c)(2)]

The equipment may not be used to provide services for a fee to compete unfairly with private companies that provide equivalent services, unless specifically permitted by federal statute. [CFR, Title 34, Part 80.32(c)(3)]

Establishment and Maintenance of an Equipment Inventory

Section 35168 of the California Education Code requires the governing board of each LEA to establish and maintain a historical inventory, audit trace inventory system, or any other property recordkeeping system authorized by the State Board of Education, which contains the description, name, serial or other identification number, acquisition date, original cost, and percentage of federal participation in the cost, location (room), use, condition, and date and mode of disposal of all equipment items acquired by it that has a market value of five-hundred (\$500) or more per item. A reasonable estimate of the original cost may be used if the actual original cost is unknown.

Equipment Labeling

The LEA must ensure that each equipment item classified as object classification 6400 or 6500 has a label that contains the name of the federal or nonfederal source of funds, an equipment identification number, and the name of the LEA. The labeling of an equipment item may be accompanied either by etching the information on the equipment or by attaching a permanent metal label to the equipment.

Equipment Inventory Retention and Location

The equipment inventory is considered to be a Class 1—Permanent Record and must be retained indefinitely. **A copy of the inventory must be kept on file at the district office.**

Biennial Reconciliation of Equipment Property Records

A physical inventory of the equipment property must be taken and the results reconciled with the property records at least once every two years. [CFR, Title 34, Part 80.32(d)(2)]

Guidelines and Instructions for disposing of equipment purchased with Perkins IV funds

When original or replacement equipment acquired under a Perkins IV grant or sub grant is worn out, stolen, obsolete, or no longer needed for the original project or program, or for other activities currently or previously supported by a federal agency or the state, disposition of the equipment must be made as follows:

- (1) The LEA is requested to notify the CDE of its plan to dispose of any large equipment items acquired for use in the traditional shop programs (automotive, manufacturing, metal, welding, and wood). While these equipment items may seem to be old and outmoded, many have a lengthy useful life and are difficult, if not impossible, to replace. The CDE will make them available to LEAs who continue to offer these programs. The CDE contact person is the regional consultant for the LEA.
- (2) Other than the shop equipment items described above, equipment items with a current per-unit fair market value of **less than \$5,000** may be retained, sold, or otherwise disposed of with no further obligation to the state or federal government. Equipment items with a current per unit fair market value **in excess of \$5,000** may be retained or sold. If sold, the state has the right to an amount calculated by multiplying the current market value or proceeds from the sale by the state agency's share of the equipment.

[CFR, Title 34, Part 80.32(e)(1)&(2)]

- (2) A Career Technical Education Inventory Equipment Removal Form (VE-35) must be completed and submitted by the LEA to obtain the CDE's approval to remove CTE equipment items purchased with Perkins IV funds from its equipment property records. The VE-35 form can be downloaded from the CDE Perkins IV Web page at, <http://www.cde.ca.gov/ci/ct/pk/documents/outlay.doc>. The completed form should be submitted to the CDE at the provided address.

FACT SHEET

Non-allowable Expenditures

It is the responsibility of the local board of education to sustain local career and technical education (CTE) programs. Section 311(a) of the Perkins IV states, "Funds made available under this Act for career and technical education activities shall supplement, and shall not supplant, non-Federal funds expended to carry out career and technical education activities and tech prep program activities." The following is based on information found in the American Vocational Association's "Audit Handbook" (Ch. 4, p. 19) which states:

The meaning of the phrase "improve vocational education programs" is not defined in the regulations. The Secretary does not believe that it is possible to develop a definition of 'program improvement' that would apply in all cases (57 FR 36827). It is clear you may not use federal funds to maintain the status quo.

The California Department of Education (CDE) has determined that the items on this list would be considered non-allowable expenditures of Perkins IV funds. While this is not a complete list of items that should not be purchase with Perkins IV funds, the list does provide some guidance regarding commonly seen non-allowable expenditures. If there is a question regarding an allowable expenditure it is advised that you contact a Perkins IV consultant at the CDE.

1. Consumable supplies to be made into products to be sold or to be used personally by students, teachers, or other persons (paper ink, CO₂ cartridges, etc.)
2. Standard classroom consumable supplies, except those required to provide additional services to special population students or are beyond the core program
3. Contingency or "petty cash" funds
4. Contributions and donations
5. Dues/memberships to professional organizations or societies
6. Equipment and supplies for building maintenance
7. Fines and penalties
8. Standard classroom furniture, files, and equipment not specific and unique to the instructional program (tables, chairs, desks, general storage, whiteboards, etc.) or used by the teacher (Overhead, LCD projectors, laptops, iPads, Nooks etc.)
9. General storage files or cabinets not designed to store specific tools or equipment
10. Gifts, door prizes, etc.
11. Instructional aids, uniforms, tools, laptops or other items to be used by a limited number of students or retained by students
12. Interest and other financial costs
13. Lodging, food, dues, individual transportation, or dues for Career Technical Student Organizations (in-state or out-of-state)
14. Maintenance contracts or agreements

15. Excessive installation costs for equipment purchased with Perkins funds
16. Any entertainment costs, including meals or banquets
17. Promotional items, such as T-shirts, pens, cups, key chains, and other memorabilia
18. Student tuition costs or university fees
19. Purchase or lease of passenger vehicles including vehicles such as automobiles, trucks, buses, utility vehicles, airplanes, boats, and golf carts
20. Remediation of students
21. Purchasing, constructing, renovating or remodeling facilities
22. Equipment or supplies not used directly to teach skills to students, including electronic student response systems (Quizdoms, SMART Boards, etc.)
23. Equipment solely for use by the teacher, administrator or other staff members
24. Administrative or supervisory salaries (unless this is a portion of the 5 percent allowed for administering the funds)
25. Administrative and clerical activities related to the management of the Perkins IV funds, these costs must be charged to the 5 percent allowed for administering the funds
26. Salaries or wages paid to students
27. Conference travel unrelated to career and technical education program improvement
28. Out-of-state travel not directly related to program improvement activities in the local plan
29. Student instructional costs or tuition of either technical or academic courses used to meet remediation, graduation, degree or certificate requirements
30. Costs of advertising and public relations designed to solely promote the LEA
31. Student expenses/Direct assistance to students or salaries to students
32. Insurance/Self-Insurance
33. Audits, except single audit
34. Expenses that supplant
35. Alcohol
36. Fund Raising
37. Others, as evaluated on a case-by-case basis
38. Collapsible walls, blinds, greenhouse, farm animals for shows
39. List is not complete or exhaustive – please contact CDE for additional information.

FACT SHEET

Carryover and Legal Obligations of Perkins IV Funds

One of the most frequently asked questions about Perkins IV funding is, “Can Section 131 and 132 funds be carried over to the next program year?” The answer is, “no!” Section 133(b) of the Perkins IV Act requires that allocated Section 131 and 132 funds not expended by the end of the academic year (June 30) be returned for reallocation in the following program year. However, Parts 76.703 and 76.707 of the Education Department General Administrative Regulations (EDGAR) Code of Federal Regulations (CFR), Title 34, provide local educational agencies (LEAs) with the **option of either expending or legally obligating** the Perkins IV funds by the June 30 deadline. In paraphrasing the EDGAR guidelines for obligating federal funds, the California School Accounting Manual notes, **“Federal funds may be claimed from the current-year grant for qualifying legal obligations incurred before June 30, even though the goods or services will not be received until after the grant period ends.** Legal obligations represent commitments made by an LEA to purchase goods or services immediately or in a future period. The written commitments are generally made in the form of a purchase order or a written contract. Pursuant to EDGAR, Part 80.23 **all obligations incurred under a Section 131 or 132 award must be liquidated not later than July 31st after the end of the grant period.**

The question of whether or not an obligation qualifies for funding from a current-year grant is determined by what the obligation is for and whether the obligation is made within the current period (i.e., on or before June 30). The following illustration from EDGAR, Part 76.707 demonstrates when a legal obligation occurs.

If the obligation is for . . .	The legal obligation is made . . .
Acquisition of real or personal property	On the date on which the LEA makes a binding written commitment (purchase requisition) to acquire the property
Personal services by an employee of the LEA	When the services are performed
Personal services by a contractor who is not an employee of the LEA	On the date on which the LEA makes a binding written commitment to obtain the services
Performance of work other than personal services	On the date on which the LEA makes a binding written commitment to obtain the work
Public utility services	When the LEA receives the services
Travel, conferences	When the travel is taken or conference is attended
Rental of real or personal property	When the LEA uses the property

An example of a legal obligation that would not qualify for funding from the current-year grant is expenses for a conference to be held after June 30. Regardless of when a purchase order or contract is signed, the obligation occurs when the conference is attended, not before.

FACT SHEET

Perkins Program Monitoring (PPM)

The accountability requirements of local educational agencies (LEAs) participating in the federal Perkins Act funding were significantly changed by the Carl D. Perkins Career and Technical Improvement Act of 2006 (Perkins IV) and the ensuing administrative guidelines issued by the U.S. Department of Education. Core indicators were modified or added to align with the Elementary and Secondary Education Act (ESEA). LEAs must now set specific performance targets for each core indicator and be responsible for meeting these targets. Sanctions, including partial or total loss of funding, may now be imposed on LEAs that fail to meet established performance-level targets (California State Plan for Career and Technical Education, Appendix K, pp. 307–311).

Accountability Determination:

1. Compliant Agency

- A. The LEA meets or exceeds 90 percent for each of its approved annual performance-level targets.
- B. The LEA will submit an annual Perkins IV application indicating the career technical education (CTE) program elements the Perkins IV funding will be used to support and anticipated outcomes.
- C. The LEA is exempt from formal program improvement plans but will continue to be subject to Categorical Program Monitoring (CPM) reviews, state monitoring, and local fiscal audit requirements.

2. Needs Improvement Agency

- A. The LEA falls below 90 percent on one or two of its approved annual performance-level targets.
- B. The LEA is required to submit a Program Improvement Form, which describes the planned strategies and activities to be employed during the upcoming year to bring performance levels to the 90 percent compliance mark.
- C. The LEA is subject to random selection for an on-site visit.

3. Priority Improvement Agency

- A. The LEA falls below 90 percent in three or more of its annual performance-level targets or scores below 60 percent on any of the annual performance-level targets. Agencies that remain in the Priority Improvement Agency status for four years will become Monitored Agencies.
- B. The LEA must submit a detailed Action Plan. The Action Plan is to include:
 1. Analysis of the causes of the low performance using available data and other pertinent information.
 2. Description of the strategies planned to move the agency or school site to 90 percent performance within two years.
 3. Expected outcomes.
 4. Perkins IV funding and agency funding dedicated to each strategy.

5. Date of completion expected for each strategy.
- C. The LEA may request specific technical assistance from the California Department of Education (CDE) to help them build capacity to meet the established annual performance-level targets.
- D. The LEA will be visited by a CDE staff member at least once during the year to validate that the agency is making progress in implementing the Action Plan and to arrange for appropriate/available technical assistance.

4. Monitored Agency

- A. Agencies scoring in the lowest percentage of the overall performance as determined by a composite ranking of Priority Improvement Agencies, as calculated by the CDE, will be considered Monitored Agencies.
- B. The CPM system annually conducted by the CDE will be utilized for any Monitored Agency that falls within the annual CPM site selection criteria.
- C. For agencies not included in the current year CPM cohort, the monitoring will be conducted by a team of trained reviewers consisting of a CDE lead member serving as the review team lead, a representative from a county office of education and/or ROCP, and other CTE experts and/or business/labor identified by CDE and trained to conduct the PPM review. The review tool utilized by the review team to determine the quality of the Monitored Agency's CTE programs will examine the extent of compliance with Perkins IV local uses of funds requirements, the extent to which the agency is meeting the state's CTE program quality indicators, the alignment of curricula with the California Model CTE Curriculum Standards, and other aspects of the CTE program administration.
- D. The Monitored Agency will use the review tool to conduct a self-study, and will submit the completed self-study accompanied by a proposed Action Plan to the CDE prior to the arrival of the review team. All pertinent data and documents related to the review tool and proposed Action Plan will be gathered for use by the review team in determining any finding.
- E. The review team will provide the Monitored Agency with a written report and a set of recommended actions for achieving compliance within two years.
- F. Monitored Agencies must submit a final detailed Action Plan to the assigned CDE or designated county office staff member for negotiation and approval. The Monitored Agency will be required to submit progress reports as described in the Action Plan. The agency may request specific technical assistance to help them build capacity to meet the established annual performance-level targets.
- G. Monitored Agencies making substantial improvements will be allowed to continue receiving Perkins funding if they make sustained progress in their performance status.
- H. Monitored Agencies remaining at low performance levels or experiencing decreasing performance will be revisited and re-evaluated by the review team after two years.
- I. The review team may determine that there are conditions the Monitored Agency cannot overcome and which should not prohibit the agency from receiving continued

Perkins funding. In this case, the Monitored Agency will be certified as exempt by the Joint Advisory Committee on Career Technical Education (JACCTE). Such conditions may include remote locations, local labor market conditions, or other unusual situations identified by the team.

Calculation formula for determining Perkins Monitored Agencies

1. A factor will be given to each core indicator based on a percentage in deviation from the level achieved by the local LEA and the State level target for that core indicator. The resulting percentage is calculated using the following formula:

$$\frac{\text{Numerator: LEA Level}}{\text{Denominator: State Level Target}} = \text{Factor}$$

2. If the percentage of deviation is equal to or greater than one, the core indicator is awarded one point. If the percentage of deviation is less than one, the core indicator is awarded the resulting percentage. (Example: if an LEA has a performance level of 52.5 percent (numerator) on a core indicator and the state target is 70 percent (denominator), the factor for this core indicator would be .75)
3. Each factor is calculated to five decimal places, factors for each core indicator are summed and the list of LEAs is ranked in descending order. The lowest five percent of LEAs are then identified as Monitored Agencies.

FACT SHEET

Section 134, Local Plan for Career Technical Education Programs

- (a) **Local Plan Required:** Any eligible recipient desiring financial assistance under this part shall, in accordance with requirements established by the eligible agency (CDE) (in consultation with such other educational training entities as the eligible agency determines to be appropriate) submit a local plan to the eligible agency. Such local plan shall cover the same period of time as the period of time applicable to the State plan submitted under section 122.
- (b) **Contents:** The eligible agency shall determine the requirements for local plans, except that each local plan shall;
- (1) describe how the career technical education (CTE) programs required under section 135(b) will be carried out with funds received under this title;
 - (2) describe how the CTE activities will be carried out with respect to meeting state and local adjusted levels of performance established under section 113;
 - (3) describe how the eligible recipient will;
 - (A) offer the appropriate courses of not less than 1 of the career and technical programs of study described in section 122(c)(1)(A);
 - (B) improve the academic and technical skills of students participating in CTE programs by strengthening the academic and CTE components of such programs through the integration of coherent and rigorous content, aligned with challenging academic standards, and relevant CTE programs to ensure learning in;
 - (i) the core academic subjects (as defined in section 9101 of the Elementary and Secondary Education Act of 1965); and
 - (ii) CTE subjects
 - (C) provide students with strong experience in, and understanding of, all aspects of an industry;
 - (D) ensure that students who participate in such CTE programs are taught to the same coherent and rigorous content aligned with challenging academic standards as are taught to all other students; and
 - (E) encourage CTE students at the secondary level to enroll in rigorous and challenging courses in core academic subjects (as defined in section 9101 of the Elementary and Secondary Education Act of 1965);

- (4) describe how comprehensive professional development (including initial teacher preparation) for CTE, academic, guidance, and administrative personnel will be provided that promotes the integration of coherent and rigorous content aligned with challenging academic standards and relevant CTE (including curriculum development);
- (5) describe how parents, students, academic and CTE teachers, faculty, administrators, career guidance and academic counselors, representatives of tech prep consortia (if applicable), representatives of the entities participating in activities described in section 117 of Public Law 105-220 (if applicable), representatives of business (including small business) and industry, labor organizations, representatives of special populations, and other interested individuals are involved in the development, implementation, and evaluation of CTE programs assisted under this title, and how such individuals and entities are effectively informed about, and assisted in understanding, the requirements of this title, including career and technical programs of study;
- (6) provide assurances that the eligible recipient will provide a CTE program that is of such size, scope, and quality to bring about improvement in the quality of career and technical education programs;
- (7) describe the process that will be used to evaluate and continuously improve the performance of the eligible recipient;
- (8) describe how the eligible recipient will
 - (A) review CTE programs, and identify and adopt strategies to overcome barriers that result in lowering rates of access to or lowering success in the programs, for special populations;
 - (B) provide programs that are designed to enable the special populations to meet the local adjusted levels of performance; and
 - (C) provide activities to prepare special populations, including single parents and displaced homemakers, for high skill, high wage, or high demand occupations that will lead to self-sufficiency
- (9) describe how individuals who are members of special populations will not be discriminated against on the basis of their status as members of the special populations;
- (10) describe how funds will be used to promote preparation for non-traditional fields;
- (11) describe how career guidance and academic counseling will be provided to CTE students, including linkages to future education and training opportunities; and
- (12) describe efforts to improve
 - (A) the recruitment and retention of CTE teachers, faculty, and career guidance and academic counselors, including individuals in groups underrepresented in the teaching profession; and
 - (B) the transition to teaching from business and industry.

FACT SHEET

Section 135, Local Uses of Funds

- (a) **General Authority:** Each eligible recipient that receives funds under this part shall use such funds to improve career and technical education (CTE) programs.
- (b) **Requirements:** for Uses of Funds: Funds made available to eligible recipients under this part shall be used to support CTE programs that—
- (1) strengthen the academic and career and technical skills of students participating in CTE programs, by strengthening the academic and CTE components of such programs through the integration of academics with CTE programs through a coherent sequence of courses, such as career and technical programs of study described in section 122(c)(1)(A), to ensure learning in—
 - (A) the core academic subjects (as defined in section 9101 of the Elementary and Secondary Education Act of 1965); and
 - (B) CTE subjects
 - (2) link CTE at the secondary level and CTE at the postsecondary level, including by offering the relevant elements of not less than one career and technical program of study described in section 122(c)(1)(A);
 - (3) provide students with strong experience in and understanding of all aspects of an industry, which may include work-based learning experiences;
 - (4) develop, improve, or expand the use of technology in CTE, which may include—
 - (A) training of CTE teachers, faculty, and administrators to use technology, which may include distance learning;
 - (B) providing CTE students with the academic and career and technical skills (including the mathematics and science knowledge that provides a strong basis for such skills) that lead to entry into the technology fields; or
 - (C) encouraging schools to collaborate with technology industries to offer voluntary internships and mentoring programs, including programs that improve the mathematics and science knowledge of students
 - (5) provide professional development programs that are consistent with section 122 to secondary and postsecondary teachers, faculty, administrators, and career guidance and academic counselors who are involved in integrated career and technical education programs, including—
 - (A) in-service and pre-service training on—
 - (I) effective integration and use of challenging academic and CTE provided jointly with academic teachers to the extent practicable;
 - (II) effective teaching skills based on research that includes promising practices;

- (III) effective practices to improve parental and community involvement;
and
 - (iv) effective use of scientifically based research and data to improve instruction;
- (B) support of education programs for teachers of CTE in public schools and other public school personnel who are involved in the direct delivery of educational services to CTE students, to ensure that such teachers and personnel stay current with all aspects of an industry;
 - (C) internship programs that provide relevant business experience; and
 - (D) programs designed to train teachers specifically in the effective use and application of technology to improve instruction;
- (6) develop and implement evaluations of the CTE programs carried out with funds under this title, including an assessment of how the needs of special populations are being met;
 - (7) initiate, improve, expand, and modernize quality CTE programs, including relevant technology;
 - (8) provide services and activities that are of sufficient size, scope, and quality to be effective; and
 - (9) provide activities to prepare special populations, including single parents and displaced homemakers who are enrolled in CTE programs, for high skill, high wage, or high demand occupations that will lead to self-sufficiency.

FACT SHEET

Use of Funds for Career Technical Student Organizations

The Carl D. Perkins Career and Technical Education Improvement Act of 2006 (Perkins IV) permits the use of Title I, Basic Grant Funds, to support career technical student organizations (CTSOs) and related activities. Funds used for appropriate CTSO activities must follow the established guidelines for use of Title I- Part C funds.

The Act defines career and technical student organizations as “an organization of individuals enrolled in a career and technical education program that engages in career and technical activities as an integral part of the instructional program. Such organizations may have state and national units that aggregate the work and purposes of instruction in career and technical education at the local level.” In California, the state supported career technical student organizations include: California DECA: A Marketing Association (formerly Distributive Education Clubs of America), Future Business Leaders of America (FBLA), Future Farmers of America (FFA), FHA-HERO, an organization for students enrolled in Home Economics Careers and Technology related courses and programs; Health Occupations Students of America (HOSA), and Skills USA (formerly Vocational Industrial Clubs of America-VICA).

Outlined below are the criteria for expenditure of Perkins IV funds for CTSOs by general areas of expenditures of funds, as well as examples of both allowable and non-allowable expenditures.

1. Qualifying Criteria for the Expenditure of Funds:

- Title I-Part C funds may only be expended in instructional programs identified for improvement in the application/plan for Perkins IV funds.
- The career technical student organization must be an integral part of the instructional program.
- All expenditures must be for the purpose of improving and expanding career and technical instruction and meet the guidelines for the use of funds.
- Activities supported with these funds must be made available to all students enrolled in a class or program without regards to membership in any career student organization.

2. General Areas Where Funds May Be Expended:

- Career technical student organization supplies and materials
- Career technical student organization activities
- Career technical student organization advisor expenses

3. Examples of Allowable Expenditures:

- Student in-state transportation expenses when organization membership is not a precondition
- CTSO advisor travel (both in-state and out-of-state), lodging, conference registration, and per diem while supervising students participating in approved career technical student organization activities
- Instructional supplies and materials, such as chapter handbooks, leadership development materials, and official recordkeeping handbooks
- Equipment that is appropriate to the career technical student organization program and that benefits all students in a class/program

4. Examples of Non-allowable Expenditures:

- Career technical student organization membership dues
- That portion of a student's conference registration fees used for food, lodging, awards, social assemblages, and recreation
- Student food and/or lodging expenses
- Student out-of-state travel
- Any item which becomes the personal property of a student or advisor such as a jacket, uniform, briefcase, or pins
- Cost of a social activity or assemblage, such as a dance, dinner, etc.

The California Department of Education continues to recognize and support the role and value of career and technical student organizations in providing quality leadership development training for students related to the career and technical education course/program in which they are enrolled.

FACT SHEET

Use of Funds for Examinations

The Carl D. Perkins Career and Technical Education Improvement Act of 2006 (Perkins IV), Section 135(a)(6) permits the use of Title I, Basic Grant Funds, to support the development and implementation of evaluations for the career technical education (CTE) programs carried out with the Perkins IV funds, including assessments of how the needs of special population students are being met. Funds used for this purpose must follow the guidelines for use of Title I- Part C funds.

A question that often arises is, "Can Perkins IV funds be used to pay for a student's testing fee for certification tests?" The common response to this question is, "Perkins IV funds cannot be used to pay the cost of certification tests for individual students." It is important to note that one of the legislative intentions of Perkins IV legislation is that Perkins IV funds should primarily be used to fund "CTE programs" and not students directly. However, there are limited circumstances when direct assistance to a student may be necessary.

Perkins IV funds made available to secondary and postsecondary recipients (local funds) could be used to pay a student's testing fee for certification tests only if certain conditions are met. The Perkins IV Act is clear that only "special populations" students may receive direct compensation from Perkins IV funds and only if failing to receive the compensation would result in the possible exclusion of this population from CTE programs or courses. To pay the cost of a certification exam after a student completes a CTE program would not be allowable since the failure to take the examination has no negative affect on the student's participation in the CTE program nor is the student being excluded from the program. If however, if a certification examination is required for entry into a CTE program or for a student to successfully continue in a CTE program and that student meets one of the criteria of a "special population" student, then the local educational agency (LEA) may choose to pay for the certification testing for that particular student. For example, if it is required that students in a culinary arts program work in a restaurant and in order to do so a food safety examination is required, the LEA may pay the cost of the examination for an individual student only if the student qualifies as a "special population."

Outlined below are the criteria for expenditure of Perkins IV funds for any examinations or tests.

- The examination must be given to all students in the program.
- The individual and collective results are available to the teacher/school and used to help evaluate the program for improvement.
- The results of the examination are part of the student course grade.
- The LEA must maintain evidence that the test results, including an item analysis of the data were used to evaluate the program.
- The examination costs are reasonable and necessary.
- The examination is an end of program assessment and integral to the program.

FACT SHEET

Funding Work Experience Education

According to Section 135(c) of Perkins IV, funds may be used to provide for instructional activities and support services for students enrolled in career technical education (CTE) programs. In accordance with the Perkins IV definition of CTE, the California Department of Education has determined that Work Experience Education (WEE), by itself, is not a CTE program. It would not be appropriate, therefore, to expend Perkins IV funds for WEE and/or any support services provided prior to a student's enrollment in a CTE program.

The typical high school district WEE plan indicates three types of work-site learning that are being provided:

- (1) Exploratory WEE which is non-paid and has as its general purpose the CTE guidance of the students by affording them opportunities to observe and sample systematically a variety of conditions of work for the purpose of ascertaining their interest and suitability for the occupation they are exploring. The length of the assignment may vary depending on the aptitude of the student, the occupation being explored, the facilities of the work station, and the job classification. Exploratory WEE students may be less than 16 years of age;
- (2) General WEE which has as its purpose the application of basic skills of reading, writing, and computation. These students acquire general and specific occupational skills through a combination of supervised paid employment and related classroom instruction; and
- (3) Vocational or Occupational WEE which has as its purpose the reinforcement and extension of CTE learning opportunities for students through a combination of related classroom instruction and supervised paid employment in the occupation for which their CTE program in school prepares them. The majority of the district WEE enrollment is in General WEE.

Perkins IV funds may not be expended for General WEE, funds may only be expended in Exploratory and Vocational WEE if this instruction is integral to an approved CTE sequence that meets the requirements of the Act's Section 135(b), the State Plan, and the CTE quality criteria and indicators established by the state for programs to be assisted with the funds.