Understanding Carl Perkins Formula Funding

Rebecca Patterson
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Overview

- How Perkins allocations are calculated
- Requirements for shared services arrangements (SSAs)
- Reallocation process
- Important funding considerations
- Critical dates
How Perkins allocations are calculated
2015-2016 Perkins funding

- Nationwide - $1,117,598,000
- Texas - $91,909,431
Funds are divided between secondary and postsecondary education. Funding split is determined by the Texas State Board of Education (SBOE):

- 70% for secondary education
- 30% for postsecondary education
2015-2016 Perkins funding

- Perkins requires states to divide funds into three segments:
  - **At least 85%** must flow to the local level as formula grants (LEAs and community colleges)
  - **Up to 10%** may be used for state-level leadership projects, including nontraditional programs and corrections education
  - **Up to 5%** may be used for state-level administration of the Perkins state plan
Where the dollars go (2015-2016)

Postsecondary Formula: $25,580,275
- Postsecondary Leadership: $1,015,106
- Postsecondary Administration: $932,449

Postsecondary Administration: $919,094

Corrections Education: $2,330,000

Secondary Formula: $55,579,647
- Secondary Leadership: $5,552,860
- Secondary Administration: $2,330,000
2015-2016 Perkins and state funding

- Amount of Perkins funding for Texas LEAs (prior to reallocation): $55,579,647
- Estimated amount of state Foundation School Program (FSP) CTE weighted funding: $1,886,000,000
Eligibility – size, scope and quality

- Funds must be awarded to CTE programs with sufficient **size, scope, and quality** to be effective.
- Texas defines size, scope, and quality in terms of enrollment in CTE coherent sequences as reported to PEIMS.
Size, scope and quality defined

- **Scope and Quality**: Evidence of a coherent sequence of CTE courses
- **Size** (coherent sequence enrollment):
  - Public School Districts: At least 10 students in a coherent sequence
  - Charter Schools: At least 5 students in a coherent sequence
Report coherent sequence enrollment to PEIMS!

- **Baseline eligibility:** PEIMS prior-year Fall Snapshot data for enrollment in Career and Technical Ed Indicator Code 2 or 3
- LEAs that don’t enroll students in coherent sequences are not eligible for Perkins funds.
How is my Perkins allocation determined?

- Calculations are based on Census Bureau population and poverty counts of individuals age 5-17
- Estimates for state and LEA population and poverty counts adjusted annually by Census Bureau
- Based on the same data used to determine NCLB allocations
How is my Perkins allocation determined? (continued)

- Population and poverty counts for charter schools are based on the SC5050 – Request for Federal Funding and Indirect Cost Rate for Charter Schools.
- CTE student counts and coherent sequence counts are **not used** to calculate any portion of your allocation.
Formula for LEA allocations

- Formula for planning allocation:
  - 90% based on the federal formula:
    - 70% based on age 5-17 poverty counts
    - 30% based on age 5-17 population counts
  - LEA allocations are based on the LEA’s population/poverty counts relative to the statewide population/poverty totals.
10% of the formula grant (the “reserve”) may be distributed to LEAs based on criteria other than population/poverty counts.
Requirements for shared services arrangements (SSAs)
Perkins SSA requirements

- SSAs are partnerships of two or more LEAs that apply for funding through a fiscal agent.

- **Congressional intent:** LEAs with small allocations can leverage their funding and outcomes by joining an SSA to achieve a mutually beneficial purpose.
LEAs must be eligible for more than $15,000 to apply alone unless they receive a waiver.

LEAs that are eligible for $15,000 or less may apply for Perkins funds by joining an SSA.

LEAs that don’t meet coherent sequence threshold may join an SSA.
SSA requirements: Sec. 131(f)(1)

- SSAs may use Perkins funds only for purposes that are **mutually beneficial** to all members of the SSA.
- Perkins funds may not be flowed back to individual members for purposes or programs benefiting **only one member** of the SSA.
Waiver from SSA requirement

- LEAs eligible for $15,000 or less may apply as an independent project only if:
  - they are located at least 30 highway miles from the nearest neighboring high school; or
  - the LEA is an approved charter school and demonstrates that it is unable to join an SSA.

- TEA will verify all waiver requests.
The reallocation process
Reallocations – November 2015

- Perkins grantees receive a supplemental allocation from unobligated Perkins funding.
- Funds come from unexpended prior-year funds and current-year funds that were not included in the planning amount.
- Based on the same formula used to determine the planning amount
Reallocation process

- TEA will amend your application for you.
- Reallocation funds added to the largest budgeted category.
- The eGrants application will close temporarily for amendments before reallocations are loaded.
- LEAs will not be able to amend the application until TEA adjusts budget schedules to add reallocations.
Final reallocation amounts will be posted on the TEA website.

A listserv message will notify you when the reallocations are available for viewing.
Important funding considerations

- No carryover (roll forward) for Perkins
- Obligation of funds
- Receipt of goods and services
- Reasonable and necessary costs
- Supplement, not supplant principal
Some federal formula grants allow LEAs to “carry over” or “roll” unexpended balances into the next funding year.

Perkins requires states to “redistribute” unexpended funds.

Redistribution occurs during reallocation.
Obligation of funds

- Funds shall not be obligated before the beginning date of the grant or after the ending date of the grant unless pre-award costs are expressly permitted.
- Funds may only be requested for items that are reasonable and necessary to accomplish the goals of the grant program.
Obligation of funds (continued)

- Your LEA must receive the benefit and liquidate (record as an expenditure) all obligations no later than the revised final expenditure report due date.
- An encumbrance cannot be considered an expenditure or account payable until the goods have been received and the services rendered.
Obligation of funds (continued)

- When does an obligation occur?
- See page 25 of the General and Fiscal Guidelines for a table describing the type of obligations and when they are made.
Receipt of goods and services

- **Past:** All goods must be received and services rendered between the beginning and ending date of the grant.
- **New flexibility:** Goods and services delivered near the end of the grant period may be viewed by TEA as not necessary to accomplish the objectives of the grant.
- TEA will evaluate on a case-by-case basis.
TEA monitor or an auditor may disallow expenditures if the subgrantee is unable to:

1. Document the need for the expenditures
2. Demonstrate that program beneficiaries receive benefit from the late expenditures, or
3. Negate the appearance of “stockpiling” of supplies
Reasonable and necessary costs

- All costs must be budgeted in the approved application.
- Expenditures must be reasonable and necessary for objectives of grant.
What is a reasonable cost?

- A cost generally recognized as ordinary and necessary for the operation of the organization or grant performance.
- Evidence that the grantee is acting with prudence in responsibility to the organization, its members, employees, clients, the public, and federal or state government.
- There are no significant deviations from established practices of the organization that may unjustifiably increase grant costs.
What is a necessary cost?

- Necessary costs are those that are essential to accomplish the objectives of the grant program.
Perkins funds must be used to supplement (*increase the level of services*), and not supplant (*replace*) funds from nonfederal sources.

Any program activity required by state law, State Board of Education (SBOE) rules, or local board policy may not be paid with Perkins funds.
State or local funds may not be decreased or diverted for other uses because these Perkins funds are available.

You must maintain documentation that clearly demonstrates the supplementary nature of your Perkins funds.
Supplanting assumption #1:

- Federal funds were used to provide services that the LEA is required to provide under state or local law, rule, policy, or a court order.
Supplanting assumption #2:

- Federal funds were used for any service that previously has been funded with state or local funds.
Supplanting assumption #3:

- Federal funds were used to provide the same service for eligible children (i.e., CTE students) as the LEA provided with state or local funds to children not eligible for services (i.e., students not enrolled in CTE courses).
A major test for supplanting

- One major test to determine whether supplanting has occurred is whether the programs supported with federal funds would, in the absence of those federal funds, have been supported with state or local funds.
A major test for supplanting (continued)

- Ask yourself: “If I didn’t have these federal funds, would I conduct this program/activity/service with other funds anyway?”
A major test for supplanting (continued)

- If the answer is yes, you are supplanting because it is no longer a supplemental activity.
- The LEA must be able to demonstrate that it could not conduct the activity if it didn’t have the federal funds.
Supplement, Not Supplant Handbook

- TEA Website, Administering a Grant Page
- Handbooks and Guidance heading
Where’s my NOGA?
Where’s my NOGA?
Where's my NOGA? (continued)
Contacts

- TEA Help Desk

- Program Information
  - Division of Curriculum
  - Email: Career@tea.texas.gov
  - Phone: (512) 463-9581
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