

Adult Education

Comparison of State and Federal Funding Requirements

Documents and policies referenced can be found on the Michigan Department of Labor and Economic Opportunity-Workforce Development (LEO-WD), Office of Adult Education [website](#).

	State School Aid Act, Section 107	Workforce Innovation and Opportunity Act, Title II, Adult Education and Family Literacy Act (AEFLA)
Legislation and Funding	<p>Public Act 58 of 2019, State School Aid Act, Section 107</p> <ul style="list-style-type: none"> • Regional Funding (Subsections 1-13; 19) • Special Programs (Subsections 15-18) • Supplemental (Subsection 14) 	<p>Public Law 113-128 Workforce Innovation and Opportunity Act (WIOA)</p> <p>Title II, Adult Education and Family Literacy Act (AEFLA)</p> <ul style="list-style-type: none"> • General Instruction (Section 231) • Institutional (Section 225) • Integrated English Literacy and Civics Education (Section 243) <p>Catalog of Federal Domestic Assistance (CFDA)/Subprogram No: 84.002A</p>
Administrative Guidelines	<ul style="list-style-type: none"> ▪ Michigan Compiled School Laws ▪ Revised School Code ▪ Adult Education Participant Accounting and Auditing Manuals (<i>to be updated</i>) ▪ Section 107 Requirements ▪ Application Assurances and Certifications ▪ National Reporting System (NRS) Implementation Guidelines 	<ul style="list-style-type: none"> ▪ 34 Code of Federal Regulations (CFR) Part 463 ▪ Education Department General Administrative Regulations (EDGAR) as applicable ▪ 2 CFR as applicable ▪ Unified State Plan ▪ Application Guidance and Instructions ▪ Application Assurances and Certifications ▪ National Reporting System (NRS) Implementation Guidelines

<p>Provider Eligibility</p>	<p>Eligible adult education providers include a local school district, an Intermediate School District (ISD), a consortium of local school districts, a consortium of ISDs, or a consortium of local school districts and ISDs that are identified as part of the local process and approved by LEO-WD, Office of Adult Education.</p>	<p>An organization that has demonstrated effectiveness in providing adult education and literacy activities is eligible under AEFLA. These organizations may include:</p> <ul style="list-style-type: none"> • a local educational agency; • a community-based organization or faith-based organization; • a volunteer literacy organization; • an institution of higher education; • a public or private nonprofit agency; • a library; • a public housing authority; • a nonprofit institution that is not described in any of these subparagraphs and has the ability to provide literacy services to eligible individuals; • a consortium or coalition of the agencies, organizations, institutions, libraries, or authorities described in any of the entities listed above; and • a partnership between an employer and an entity listed above.
<p>Instructional Areas and Programs of Enrollment</p>	<p><u>Regional Funding</u> An individual must be enrolled in at least one of the following instructional programs:</p> <ul style="list-style-type: none"> ▪ Adult Basic Education (ABE) ▪ Adult Secondary Education (ASE) ▪ English as a Second Language (ESL) ▪ High School Equivalency (HSE) Preparation ▪ High School Completion (HSC) <p><u>Special Programs and Supplemental Funding</u> An individual must be dually enrolled in a Section 107 funded adult education program and at least one state approved technical course (course and location) at a state approved career and technical center/program.</p>	<p>Eligible providers must provide at least one of the following instructional activities:</p> <ul style="list-style-type: none"> ▪ Adult Basic Education (ABE) ▪ Adult Secondary Education (ASE) ▪ English as a Second Language (ESL) ▪ High School Equivalency (HSE) Preparation ▪ High School Completion (HSC) ▪ Family Literacy ▪ Workplace Literacy ▪ Integrated Education and Training (IET) ▪ Integrated English Literacy and Civics Education (IELCE)

<p>Participant Eligibility</p>	<p>An individual must be enrolled in an approved Section 107 funded program of enrollment, as referenced above, for which instruction is provided, and must be at least 18 years of age and the individual’s graduating class has graduated. (STATE DEFINED: Eligible July 1 after the individual’s 18th birthday)</p> <p>A region shall not be reimbursed under Section 107 for an individual who is an inmate in a state correctional facility.</p> <p><u>Special Programs</u> For the Special Programs grants, grant recipients are required to primarily serve adult education participants who are actively working toward earning a high school diploma or a high school equivalency certificate.</p> <p>Adult education staff and Michigan Works! work together to identify a cohort of participants who are most prepared to successfully enter the workforce.</p>	<p>AEFLA funds may be used for the provision of instruction below the post-secondary level for individuals:</p> <ul style="list-style-type: none"> ▪ Who have attained 16 years of age; ▪ Who are not enrolled or required to be enrolled in secondary school under state law; and ▪ Who- <ul style="list-style-type: none"> ○ Are basic skills deficient; ○ Do not have a secondary school diploma or its recognized equivalent, and have not achieved an equivalent level of education; or ○ Are English language learners.
<p>Continued Eligibility</p>	<p>An ABE participant is eligible to be funded until the participant’s reading and mathematics proficiency are assessed with a state approved assessment at or above the ninth-grade level, or the participant fails to show progress on two successive state approved assessment tests after completing at least 450 hours of instruction.</p> <p>An ESL participant is eligible to be funded until the participant:</p> <ul style="list-style-type: none"> • Is assessed with a state approved assessment as having attained basic English proficiency, or: <ul style="list-style-type: none"> ○ Attainment of highest CASAS scale scores in all modules: Reading and Listening 236+, Writing (as available) 261+ ○ Attainment of highest TABE CLAS-E scale scores in all modules: Reading 589+, Listening 608+, Writing 613+, Speaking: 595+ 	<p>Continued eligibility also is applicable to participants funded under AEFLA.</p>

- Fails to show progress on two successive state approved assessment tests after completing at least 450 hours of instruction.

An ASE participant is eligible to be funded until the participant's reading and mathematics proficiency are assessed with a state approved assessment at or above the twelfth-grade level, or the participant fails to show progress on two successive state approved assessment tests after completing at least 450 hours of instruction.

An HSE participant is eligible to be funded until the participant obtains an HSE credential or fails to show progress on two tests used to determine readiness to take the HSE test after completing at least 450 hours of instruction.

An HSC participant is eligible to be funded until the participant has obtained a high school diploma, or the participant fails to earn credit in two successive semesters or terms in which the participant is enrolled after completing at least 900 hours of instruction.

(For continued eligibility purposes only, progress is defined as achieving a higher scale score on a state approved assessment.)

<p>Policies</p>	<p>All federal and state funded adult education programs must adhere to the current policies/requirements which include, but are not limited to, the following:</p> <ul style="list-style-type: none"> ▪ Adult Learning Plan ▪ Allowable Cost Policy Issuance 16-10, Change 1 or subsequent versions ▪ Assessment Policy ▪ Attendance Policy ▪ Data Entry Policy ▪ Distance Learning Policy ▪ Goal Setting Policy ▪ Integrated Education and Training Policy Issuance 18-44 ▪ Teacher Certification Policy <ul style="list-style-type: none"> • Must employ Michigan certified teachers and qualified administrative staff and must offer continuing education opportunities for teachers to allow them to maintain certification. • ALL eligible programs of enrollment require Michigan certified teachers. • Teachers must be hired/employed by the eligible school district or eligible federal sub-recipient. ▪ Tuition and Fees Policy
<p>Performance Measures</p>	<p>In addition to the WIOA performance measures, Section 107 funded programs may also demonstrate performance in the following:</p> <ul style="list-style-type: none"> • Pass one or more high school equivalency subject area tests. • Receive one or more high school completion credits. • English language proficiency. • Enroll in post-secondary education or training. <p>WIOA established common performance measures for all core programs under Section 116. The performance measures are:</p> <ul style="list-style-type: none"> • Employed 2nd Quarter After Exit • Employed 4th Quarter After Exit • Median Earnings (2nd Quarter After Exit) • Credential Attainment <ul style="list-style-type: none"> i. Secondary credential or equivalent AND employed or enrolled in post-secondary within one year. ii. Post-secondary credential. • Measurable Skills Gains • Effectiveness in Serving Employers

<p>Participant Data Reporting</p>	<p>All state and federal funded adult education programs are required to enter participant data monthly into the Michigan Adult Education Reporting System (MAERS), at a minimum, for participants receiving at least one hour of instruction.</p> <p>All participant data must be entered into MAERS by September 17 for the prior program year ending on June 30.</p>	
<p>Allocation of Funding</p>	<p><u>REGIONAL FUNDING (\$26 million)</u></p> <p>Beginning in 2019-2020, the allocation provided to each ISD serving as a fiscal agent shall be equal to what the intermediate district received in 2018-2019:</p> <p>The most recent five-year census data factors were used to determine the allocation for each region.</p> <ul style="list-style-type: none"> ▪ Sixty percent (60%) is based upon the proportion of the state population of individuals between the ages of 18 and 24 that are not high school graduates that resides in each of the prosperity regions. ▪ Thirty-five percent (35%) is based upon the proportion of the population of individuals age 25 or older who are not high school graduates that resides in each of the prosperity regions. ▪ Five percent (5%) is based upon the proportion of the state population of individuals age 18 and older who lack basic English language proficiency that resides in each of the prosperity regions. <p>ISD fiscal agents may not use more than five percent (5%) of the funds allocated to the region for administration costs for serving as the fiscal agent.</p> <p>Fiscal agents distribute funds to adult education programs in a prosperity region based upon location, demand for services, past performance, quality indicators as identified by LEO-WD, and cost to provide instructional services. At a minimum, fiscal</p>	<p>AEFLA grants are formula-based grants distributed according to number of participants served and need for services in the local area. LEO-WD awards multi-year grants on a competitive basis to eligible providers to develop, implement, and improve adult education and literacy in Michigan. Funding is contingent upon the availability of funds from the U.S. Department of Education.</p> <p>The fiscal agent is required to be a provider of services and cannot be a flow through entity only.</p>

	<p>agents are required to conduct an open Request for Proposal (RFP) after every three years (2018-2019, 2021-2022, etc.).</p> <p><u>SPECIAL PROGRAMS</u></p> <p>An amount not to exceed \$4 million is allocated for three-year grants that connect adult education participants with employers, beginning with Program Year (PY) 2018-2019, based upon an open RFP process. The amount of the grant to each program shall not exceed \$350,000. After three years of operations and funding, a program must reapply for funding.</p> <p><u>SUPPLEMENTAL</u></p> <p>An amount not to exceed \$500,000 to allocated reimburse current Section 107 funding recipients for administrative and instructional expenses associated with commingling programming under Section 107 and Section 61a of the State School Aid Act. Payments to each funding recipient are the same proportion as funding calculated and allocated under the regional funding.</p>	
<p>Application Process</p>	<ul style="list-style-type: none"> ▪ Program Year: July 1 – June 30 ▪ For regional funding, fiscal agents are required to conduct an open RFP at a minimum after every three years. ▪ MEGS+ - https://mdoe.state.mi.us/MEGSPLUS ▪ Budget completed annually. ▪ Once state funds are available, application amendments are required for any new activity or any change in a line item that exceeds ten percent (10%) of the approved budget. ▪ Amendments must be submitted and approved before dollars can be expended for new projects or activities. ▪ Amendment deadlines for PY 2019-2020 are January 10, 2020 and April 1, 2020. 	<ul style="list-style-type: none"> ▪ Program Year: July 1 – June 30 ▪ Multi-year grant cycle ▪ MEGS+ - https://mdoe.state.mi.us/MEGSPLUS ▪ Grant Award Notification (GAN) packet in MEGS+. ▪ Budget completed annually. ▪ Once grant funds are available, amendments are required for any new activity or any deviation from the original approved budget of ten percent (10%) or more per line item category. ▪ Amendments must be submitted and approved before funds can be expended for new projects or activities. ▪ Amendments can be submitted during the program year and final amendments are due no later than May 1, 2020.

<p>Allowable Costs</p>	<p>All costs must be allowable, allocable, reasonable and necessary, and legal under federal and state laws and regulations.</p> <p>All funded activities and associated costs must be within the program year (July 1 – June 30).</p> <ul style="list-style-type: none"> ▪ Revised School Code. ▪ Michigan Compiled School Laws. ▪ Section 107 Allowable Costs Policy, Change 1, or subsequent versions. ▪ State Section 107 funds are restricted for the adult education programs only, except as provided under subsection (14) and (15). A recipient of State Section 107 funds is prohibited from using the funds for any other purpose. <p>ISD fiscal agents may not use more than five percent (5%) of the funds allocated to the region for administration costs for serving as the fiscal agent.</p>	<p>All costs must be allowable, allocable, reasonable and necessary, and legal under federal and state laws and regulations.</p> <p>All funded activities and associated costs must be within the program year (July 1 – June 30).</p> <ul style="list-style-type: none"> ▪ Uniform Grant Guidance (UGG): ▪ Education Department General Administrative Regulations (EDGAR) ▪ WIOA Title II funds are restricted for the adult education program only. A recipient of WIOA Title II funds is prohibited from using the funds for any other purpose. ▪ Instructional funds cannot be used to support an Institutional program. ▪ Institutional funds can only support criminal offenders in an institutional program. ▪ Integrated English Literacy and Civics Education (IELCE) funds can only be used to support English language learners in IELCE programs. ▪ Five percent (5%) administrative cost limitation. ▪ HSE testing costs <u>cannot</u> be supported with WIOA Title II funds.
<p>Supplement Not Supplant</p>		<p>Funds made available for adult education and literacy activities under AEFLA shall supplement and not supplant other State or local public funds expended for adult education and literacy activities.</p> <p><u>Clarification:</u> Federal funds must supplement (i.e., add to, enhance, expand, increase or extend) the programs and services offered with state and local funds. If services would be provided in the absence of this grant, by using federal grant funds to cover any portion of these services, it would be considered supplanting.</p>

Tuition and Fees/Program Income

A funding recipient receiving funds under Section 107 may establish a sliding scale of tuition rates based upon a participant's family income. A funding recipient may charge a participant tuition to receive adult education services under this section from that sliding scale of tuition rates on a uniform basis.

The amount of tuition charged per participant must not exceed the actual operating costs per participant minus any funds received under this section per participant.

A funding recipient may not charge a participant tuition under this section if the participant's income is at or below two hundred percent (200%) of the federal poverty guidelines published by the United States Department of Health and Human Services.

NOTE: The 2018 HHS Poverty Guidelines can be found at: https://www.acf.hhs.gov/sites/default/files/ocs/2018_hhs_poverty_guidelines.pdf

2 CFR 200.307 applies to the WIOA Title II award, which allows State grantees under the Adult Education and Family Literacy Act (AEFLA) to earn program income. 2 CFR 200.80 defines "program income" generally to mean "gross income earned by the non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance..." A local subgrantee charging reasonable and necessary tuition or fees to students and employers may use that income to provide additional adult education and literacy services that it would otherwise be unable to provide. Program income from tuition and fees must be (1) governed by the terms of the agreement between the State grantee and the local subgrantee to which the State provides federal funds, (2) accounted for in program records, and (3) used only for costs allowable under AEFLA.

Also applicable to this award is 34 CFR 76.534, which provides that States and subgrantees may not count tuition and fees collected from students toward meeting federal matching, cost-sharing, or maintenance of effort requirements related to this award. Moreover, States must ensure that fees charged to students participating in an adult education program that receive federal support are equitably administered and do not reach levels that have an adverse effect on the participation of economically disadvantaged students.

NOTE: Tuition or fees must be expended in the Program Year they were collected and may not be deferred.

<p>Funding Disbursement</p>	<p>Fiscal agents will receive 1/11th payments disbursed from the Michigan Department of Education, State School Aid Office on the 20th of each month based upon the total regional allocation (October – August).</p> <p>The regional fiscal agent is responsible for distributing funds to adult education programs in a prosperity region as described in Section 107 of the State School Aid Act.</p> <p>Agencies must maintain separate ledger accounts for federal and state adult education funds, for both revenue and expenditures.</p> <p>Payments may be withheld by LEO-WD, Office of Adult Education, for failure to meet administrative or reporting requirements.</p>	<p>Sub-recipients must request federal funds on an accrual basis at least quarterly in the Cash Management System (CMS), and may not request funds that exceed their needs for three days cash on hand. Retain supporting documentation of fund requests.</p> <p>Agencies must maintain separate ledger accounts for federal and state adult education funds, for both revenue and expenditures.</p>
<p>Deferred Funds</p>	<p><u>Regional Funding</u> Individual regional providers do not defer their own unspent funds. All unspent funds for the region are redistributed in the following year by the fiscal agent to regional providers based upon the statewide allocation criteria or regionally determined method.</p> <p>All deferred funds (revenue and expenditures) must be tracked separately, must be used to support a Section 107 instructional adult education program only.</p> <p>All deferred funds are required to be FULLY expended by March 1 in the year following the original year of the funding.</p> <p><u>Special Programs and Supplemental Funding</u> Funds <u>cannot</u> be deferred to subsequent year. Unexpended funds are redistributed for regional funding purposes.</p>	<p>AEFLA funds <u>cannot</u> be deferred to a subsequent year.</p>

Reporting Requirements

REGIONAL FUNDING AND SUPPLEMENTAL FUNDING

- Final Expenditure Report
 - MEGS+
 - Deadline: August 21, 2020
- Financial Information Database (FID)
 - Center for Educational Performance and Information (CEPI)
 - Deadline: November 1

SPECIAL PROGRAMS

- Email preliminary final expenditure amount to LEO-WD.
Deadline: July 24, 2020
- Final Report
 - Participant Spreadsheet
 - Final Expenditures
 - Narrative
 - MEGS+
 - Deadline: August 21, 2020
- Financial Information Database (FID)
 - Center for Educational Performance and Information (CEPI)
 - Deadline: November 1
- Report to Legislature and State Budget Office
 - Funded applicants are required to provide a report to the senate and house appropriations subcommittees on school aid, to the senate and house fiscal agencies, and to the state budget director identifying the number of participants, graduation rates, and a measure of transition to employment.
 - Funded applicants are also required to provide this report to LEO-WD, Office of Adult Education.
 - Deadline: Not later than December 1, 2020

- Final Expenditure Report (FER):
 - Cash Management System (CMS)
 - Deadline: August 29
- Final Narrative report:
 - MEGS Plus
 - Deadline: October 31
- (School Districts and ISDs only) Financial Information Database (FID)
 - Center for Educational Performance and Information (CEPI)
 - Deadline: November 1