State of Michigan
Workforce Development Agency
Office of Adult Education

COMPLIANCE REVIEW & ON-SITE MONITORING MANUAL

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(Revised October 2011)

FOREWARD

The purpose of the compliance review is to ensure that adult education providers receiving federal and state funds are in compliance with all applicable federal and state laws, rules, regulations, policies and procedures, and that funds have been expended appropriately and performance goals are achieved.

As part of this process, any technical assistance needs that the adult education provider may have will be noted and additional training or guidance can be customized to meet program needs.

Ultimately, the compliance review should be considered an aid to adult education providers to monitor and evaluate their programs and improve performance and outcomes for adult learners.

TABLE OF CONTENTS

I. OVERVIEW OF ROUTINE MONITORING ACTIVITIES

Each state has a responsibility under federal and state statute and regulations, to have a comprehensive compliance review and on-site monitoring system that monitors the implementation of adult education programs and compliance with the law. The system should be accountable for enforcing the requirements and for ensuring continuous improvement in adult education programs. To meet and fulfill these obligations, the Office of Adult Education will:

- Maintain contact with adult education providers throughout the year regarding program activities, providing guidance, or technical assistance as needed.

- Review and approve requests for budget revisions and corresponding activities, and compare these to the original approved grant application and budget.

- Monitor and review data submitted through MAERS and analyze the data in relation to approved program activities and core performance indicators.

- Review final closeout reports and final budgets and the relationship of expenditures to the application activities and outcomes.

- Collaborate with the Michigan Department of Education to assure that required audits have been performed, e.g., records of audit findings, non-compliance.

- Conduct scheduled site visits to review financial and programmatic records and observe program operations.

- Reward local providers that meet and/or exceed the state negotiated performance measures.

- Provide on-site technical assistance to local providers that fail to meet the state negotiated performance measures.

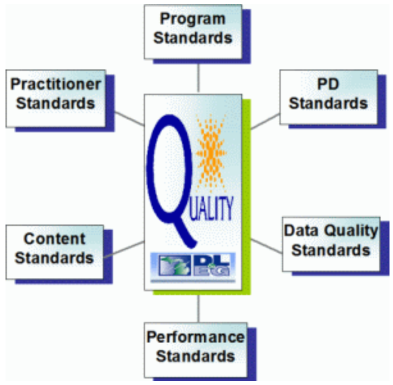
- Sanction[1] local providers that fail to show progress on two subsequent years after on-site technical assistance and fail to comply with the compliance and monitoring requirements.

- The Office of Adult Education should establish a cyclical monitoring process that ensures that providers participate in on-site monitoring at least every 5 years (if resources permit).

[1] Sanction also includes local providers who fail to: a) enter data in MAERS; b) conduct pre-tests; c) select goals that require follow-up; d) achieve less than 65% post-tests.

II. DESK AUDIT (INTERNAL) SELECTION PROCESS

II. A. Introduction



The Office of Adult Education is required by law to show the progress of the state adult education program toward continuously improving its performance. Six sets of standards comprising the Michigan Quality Framework are used to guide that continuous improvement process. (Through the development and implementation of (1) program, (2) professional development, (3) practitioner, (4) performance, (5) content, and (6) data quality standards, Michigan sets high expectations for quality services and participants success.)

To measure its progress in continuous improvement, the Office of Adult Education has developed a comprehensive system of program review. At the local level, programs have access to a variety of progress reports through the Michigan Adult Education Reporting System (MAERS). Programs enter and review their data on a quarterly basis to measure progress and determine necessary adjustments. At the state level, local providers' data are reviewed quarterly and a designated number of on-site monitoring visits are used to carefully examine the procedures, policies, and practices of local programs. The monitoring instrument is correlated to the Michigan Program Standards, a compilation of standards, benchmarks, and evidence statements that define quality services. In addition, an annual desk review process has been developed to evaluate the effectiveness of adult education and literacy activities for ***all*** local programs.

The uses of the Office of Adult Education Desk Review include:

- Accountability - meet performance goals and demonstrate state and local program achievement
- Promotion of program improvement – establish a system for (1) assisting programs in their continuous improvement process and (2) recognizing program achievement and
- Information and advocacy for the program – share key information with internal and external stakeholders.

The Office of Adult Education Desk Review addresses both participants and program achievement and provides a rating for local programs based on the following elements:

- Meeting or exceeding the state performance targets for completion of individual Educational Functioning Levels (EFL) as determined by standardized assessments.
- Meeting or exceeding the state's overall EFL completion rate.
- Helping adult learners set realistic follow-up goals related to employment, post secondary education/job training, and GED/high school diploma.
- Meeting or exceeding the state's overall attainment rate of follow-up goals.
- Meeting or exceeding the state's target for pre-testing and post-testing of participants to determine level completion.
- Meeting or exceeding the state's participant's attendance hour targets.

The selection of the quality elements in the desk review was based on a comprehensive review of MAERS data to determine indicators that (1) reflected meaningful and measurable achievement, (2) were aligned with state and/or federal goals, and (3) were obtainable through the state's current data system. In addition to the selected elements, the State Office conducts a secondary data analysis to further examine characteristics of program performance such as expenditure per participants and enrollment patterns.

II. B. Explanation of the Report Format

The Desk Review indicates the performance status of a local program by using six elements in two (2) measures. The two (2) measures are weighted as follows:

- Measure #1, *Participants Achievement*, represents 67% of the overall rating.
- Measure #2, *Program Performance,* represents 33% of the overall rating.

The table below is used for determining the rating designations for Measures #1 and #2 and for determining the overall Desk Review designation. For example, if the final percentage for Measure #1 is 76%, the rating for that measure is Acceptable. Superior and Exemplary programs are those that far exceed state benchmarks by 10 and 20 percentage points. Such superior and exemplary programs are likely to receive state incentives. Conversely, programs performing below 60% in two consecutive years may face sanctions after receiving technical assistance and professional development.

Designation	State Indicators Met
Satisfactory	90% - 100%
Needs Improvement	70% - 89%
Technical Assistance	Below 70%

II. C. Explanation of the Measures

Measure #1 – Participants Achievement

This measure has four (4) elements focusing on factors related to participant's performance. The elements of this measure are:

- Completion of individual Educational Functioning Levels (EFL).
- Overall completion of EFL's;
- Selection of follow-up measures including placement into postsecondary education and/or job training, attainment of employment and retention of employment, and obtainment of the GED and/or high school diploma; and
- Achievement of follow-up measures.

Measure #1 receives more weight since it reflects participant's achievement, which is the major intent of the legislation for the Office of Adult Education's state and federal funds.

Section A: Educational Functioning Levels (EFL) Completion

In this element, programs receive points for participant's *completion of the Educational Functioning Levels (EFLs)*. Programs are given one point for each EFL for which participants' performance met or exceeded the state's performance targets. Points are totaled and divided by the **total number of EFLs in which participants were enrolled**. The percentage is recorded.

As an example:

ABC Adult Education Program

Educational Functioning Level	Program's Performance	State Target	EFL Met or Exceeded State Target
Beginning Literacy ABE	45%	22%	X
Beginning Basic Education ABE	42%	22%	X
Low Intermediate ABE	27%	30%	0
High Intermediate ABE	46%	34%	X
Low Adult Secondary	50%	33%	X
Beginning Literacy ESL	(none enrolled)	47%	N/A
Low Beginning ESL	(none enrolled)	50%	N/A
High Beginning ESL	50%	50%	X
Low Intermediate ESL	51%	51%	X
High Intermediate ESL	51%	53%	0
Advanced ESL	33%	32%	X

# EFLs With Enrolled Participants	# EFLs Achieved	% Completed/Results for Section A
9	7	77.7% (Needs Improvement)

Section B: Overall Level Completion

This element compares the program's overall EFL completion rate to the state's overall EFL completion average of 24%. To receive an extra five (5) percentage points added to the total for Measure #1, a program must **meet or exceed the state's overall EFL completion average.**

As an example: The total enrollment of the ABC Adult Education Program in FY2010 was 168 participants. Of these participants, 98 completed a level. The overall performance is 59%. The overall program percent exceeds the overall state average (59% > 24%).

Total # of Participants	Total # of Participants Completing an EFL	% of Participants Completing an EFL	State Average	Percentage Points Earned
168	98	59%	24%	5

Section C: Follow-Up Goals

This section examines two elements: (1) participants with designated follow-up goals and (2) overall attainment rate of follow-up goals compared to the state's average.

C1. Setting of Follow-Up Goals: The purpose of this element is to encourage programs to help participants set appropriate follow up goals related to enrollment in postsecondary education and/or training, attainment and retention of employment, and obtainment of a GED or high school diploma. Up to four (4) points are awarded for programs that have ***all*** participants designated with follow-up goals as verified by MAERS.

As an example:

ABC Adult Education Program

Follow-Up Core Measure	MAERS indicates that one or more participants had a follow-up goal	Points Earned
Enrollment in post secondary/job training		0
Attainment of employment	X	1
Retention of employment		0
GED/high school completion	X	1
Total Points		2 of 4

C2. Overall Follow-Up Goal Completion Rate: This element compares the program's overall attainment rate of follow-up goals to the state's average attainment rate. If a program meets or exceeds the state average attainment rate for follow-up goals, six (6) points are awarded.

This element applies only to participants who had a follow-up measure as a goal.

Total # of Participants with Follow-Up Goals	Total # of Participants Achieving a Follow-Up Goal	% of Participants Achieving a Follow-Up Goal	State Average	Points Earned
100	50	50%	31%	6

Overall Section C Rating

	Points Earned	Rating for Section C
C1:Participants with Follow-Up Goals	2	$\frac{\text{Points Earned}}{\text{Total Points Available}}$
C2:Overall Completion Rate of Follow-Up Goals	6	
Total Points	8	$\frac{8}{10}$ **= 80%** (acceptable)

Overall Rating for Measure #1

Once the scoring for each of the sections is completed, the overall score is determined by adding the percentages for each section and calculating an average percentage.

As an example:

ABC Adult Education Program
Overall Rating for Measure #1

Section	Total Possible Pts. For Program	Points Achieved	Score
Section A: EFL Completion	9	7	77.7%
Section B: Overall EFL Completion			5.0% (Bonus Points)
Section C: Follow Up Measures	10	8	80.0%
Average Score	$\frac{77.7 + 5.0 + 80.0}{2}$ =		81.35% (acceptable)

Measure #2 – Program Performance

For this measure, programs are rated on two (2) elements related to program performance:

- Pre-testing and post-testing rates of participants to determine level completion, and
- Average participants attendance hours in comparison to state attendance targets.

Each element achieved is worth a weighted number of points.

Section A: Pre-tests and Post-tests

Pre-test and post-test –The number of participants post-tested equals or exceeds **65%** of the number of participants pre-tested using a standardized assessment (Table 4B).

This element is worth **four (4)** points.

Section B: Average Participants Attendance Hours

Average participants attendance hours – The average participants attendance hours determined by dividing the total participant's attendance hours by the total number of enrolled participants attending 12 hours or more.

Programs earn **one (1)** point if their average participant's attendance hours equal or exceed the state's attendance hour target. The state's attendance hour target is based on the average attendance hours of participants who complete an Educational Functioning Level.

Overall Rating for Measure #2

As an example:

ABC Adult Education Program
Overall Rating for Measure #2

Element/Points	Achievement Level	Points Earned
Pre-test/post-test (4)	Program post-tested 70% of participants pre-tested. (70%>65%)	**4**
Average participants attendance hours (1)	Program's average participant's attendance hours exceeded the state target.	**1**
	Total Points Earned for Two Elements	**5**
Total points achieved = 5 Total points possible 5	Percentage of Elements Met	**100%**

II. D. Overall Rating Structure

Determining the Overall Desk Review Rating

To determine the overall program rating, the percentage for Measure #1 is doubled and added to the percentage for Measure #2 as indicated below. The total is then divided by three.

As an example:

ABC Adult Education Program
Overall Program Rating

Measure	**Percentage**	**Multiplication/Division Factor**	**Weighted Value**
Measure 1	81.35%	2	162.7
Measure 2	100.00%	1	100.0
Totals		3	262.7
Overall Rating	**Needs Improvement**	$\frac{262.7}{3}$ **= 87.57%**	

II. E. <u>Technical Assistance and Incentive Categories</u>

Category	**Criteria**	**Technical Assistance/Incentive**
At-Risk Program	Receives a 'non-acceptable' rating for one year	• Mandatory program improvement workshop • Establishment of local Program Improvement Team • Guided needs assessment and development of program improvement plan • Piloting and implementation of plan; quarterly progress reports submitted to State Office
Targeted Technical Assistance Program	Receives 'non-acceptable' rating for two consecutive years	• On-site monitoring visit and/or targeted visit by state staff • Matched with mentor from Technical Assistance Directory • Development and implementation of revised program improvement plan
Guided Technical Assistance Program	Receives 'non-acceptable' rating for three consecutive years	• State staff or other designee assigned to program for guided assistance • Development and implementation of revised program improvement plan • Subject to funding sanctions if performance does not improve
Superior Program	Receives 'superior' rating on desk review	• Up to $1500 incentive funding (based on availability of funds)
Exemplary Program	Receives 'exemplary' rating on desk review	• Up to $3000 incentive funding (based on availability of funds)

II. F. Sample Desk Review Timeline

July–September: State and local programs conduct quarterly data checks to identify data 'red flags' and resolve data issues.

October: Programs submit final MAERS data.

November: State reviews data reports; contacts programs to clarify/resolve any remaining data irregularities.

December: Performance data is submitted to US Department of Education.

January: State produces desk review reports for each program.

February:

- Desk review reports are analyzed by state staff to identify trends or patterns in performance of low and high performing programs.
- Secondary analysis is conducted to examine factors such as expenditures per participants and enrollment.
- Low-performing programs are identified for technical assistance.
- High performing programs are identified for incentive funding.

March:

- Mandatory program improvement workshop for at-risk programs is conducted. Workshop includes training on the development of local Program Improvement Teams, data analysis at the classroom level, a guided needs assessment tool to assist programs in identifying areas needing improvement, and strategies and resources to address the identified needs.
- Mentors from Technical Assistance Directory and/or state staff members are assigned to targeted and guided technical assistance programs.
- Superior and exemplary programs receive incentive funding.

April–June:

- Local Program Improvement Teams are established.
- Low-performing programs conduct needs assessment to identify and prioritize needs.
- Program improvement plans are developed and submitted to State Office by June 30.

June–July:

- Programs pilot and implement program improvement strategies.
- Programs review data and submit quarterly progress reports to State Office.
- Mentors and/or state staff provide technical assistance to low performing programs.

III. NOTIFICATION AND PRE-VISIT ACTIVITIES

1. The superintendent/agency official and the adult education director will receive notification that the agency has been selected for an on-site monitoring and compliance visit, and is required to attend a Technical Assistance Workshop. The workshop will review policies, processes and procedures outlined in the Compliance Review and On-Site Monitoring Manual (provided at the workshop), which include, but are not limited to, the following:

    - Pre-Visit Requirements and Timelines
        - Compliance Review Checklist
        - Questions pertaining to the areas to be reviewed
        - Agenda
    - On-Site Visit Activities
    - Post-Visit Activities
    - Participant File Review Sheet
    - Financial Review Sheet
    - Sample Forms

2. **<u>Two weeks prior</u>** to the scheduled review date, the adult education provider *must* provide the Office of Adult Education with the following:

    - Typed responses to the questions in the manual, inclusive of both the questions and the responses
    - Final agenda for the scheduled review date in the sample format provided, which identifies the location and specific address of where the review will be conducted
        - Identify by name, title, and responsibility area, the staff who will be working with the review team
        - Indicate evening program date, time, and location if different from the meeting location
        - Designate an area to be reserved for use by the review team while they are conducting the review
        - Have the identified participant files, documentation referred to in question responses, and documentation in the checklist available for review and discussion
        - Have all financial documentation including documents referred to in the checklist and question responses available for review and discussion

3. **<u>Two weeks prior</u>** to the scheduled review date, the Office of Adult Education will provide the adult education provider contact person with a list of participant files identified for review during the on-site visit.

A. Compliance Review Checklist

COMPLIANCE REVIEW CHECKLIST		
	Documentation	
□	**Handbooks:** Participants / Staff □ **Statements of Policy:** **Equal Opportunity:** □ □ **Non-Discrimination:** □ □ **Accessibility:** □ □ **Programs:** □ □ **Facilities:** □ □ □ **Adult Education Program Organizational Chart/Staff Assignments**	
□	**Participants Files**	
	□ **Attendance** □ **ALP** □ **Assessments – Pre, Progress, Post- test** □ **High School Credits and Transcripts** □ **Evidence of On-going Evaluation** □ **Placement in a course, level, program** □ **Follow-up Surveys**	
□	**Tracking system for hours of instruction/attendance**	
□	**Documentation to support 107 FTE calculations & 10% performance**	
□	**Written Course Curriculum (Updated regularly)**	
□	**Teacher Certifications**	
□	**Internal Program Evaluations** □ **Program Evaluation** □ **Staff Evaluation** □ **Participants Evaluation** □ **Participants Feedback**	
□	**Organizational chart**	
□	**Adult Education Program Budget - all funding sources**	
□	**Monthly General Ledger reports, and year end Summary Financial report of revenue and expenditures**	
□	**Chart of accounts coding**	
□	**Single Audit Report**	
□	**State Aid Membership - ISD Participant Audit**	
□	**Time Sheets/Personal Activity Reports for co-funded staff**	
□	**Semi-Annual Certification Forms**	
□	**Cost Allocation Plan**	
□	**Tuition and Fee Schedule**	
□	**Adult Education Program equipment inventory log**	
□	**Financial Documentation (invoices, corresponding receipts, payroll reports, etc.)**	

State of Michigan, Workforce Development Agency
Office of Adult Education

Program Name: ____

<u>Please provide complete responses to these questions, as they become a record of your program operations for review by the federal government and state auditors.</u>

<u>Please forward the completed document to the Office of Adult Education no later than 2 weeks prior to the scheduled review date.</u>

<u>Administering Programs</u>

1. **What other agencies, institutions, or organizations do you coordinate services with locally? What services do they provide and/or what services do you offer them?**

2. **How do you ensure the community has access to your building/facilities? How do you market your adult education programs to your potential participants? Please explain.**

3. **Does your program use Michigan certified teachers and counselors to provide instruction and counseling services? If not, please explain.**

4. **What specific professional development activities has your staff participated in?**

5. **How do you assess the effectiveness of your instruction/adult education programs? How do you improve in areas that show low performance?**

6. **How do participants evaluate your adult education program? Did the participants use an evaluation form? How is this information used?**

7. **Please use the space below to describe in detail, any innovative approaches to instruction, curriculum, retention, training, etc. that you would like to share with the Office of Adult Education and with other Adult Education providers.**

8. **For high school completion, do your requirements for graduation differ from those of K-12? If so, how are they different?**

9. **Does your program possess a written curriculum? Please have a copy on hand for reference, along with the schedule of classes for the year being monitored.**

10. **Does your program allow open-entry, open-exit enrollment?**

11. **What evidence-based and/or research-based practices are used in your program? What instructional materials do you use and when were the materials last updated?**

12. **Describe the various types of instruction available in your program, i.e. standard classroom, learning labs, etc. For learning labs, please indicate the program they are used for, and list the specific instructional software used. Describe how participants make use of the labs, and how attendance would be determined.**

13. **Do you have a policy/process/procedure in place for 16 or 17 year olds requesting to take the GED test? Please explain.**

14. **Is there a policy/process for alerting participants with a learning/physical disability that they may be eligible for special accommodations when taking the GED Test? Please explain.**

15. Describe how the official GED Practice Tests are a part of your lesson plans.

Data

16.
- **a) Do you have a MAERS Manual?**
- **b) How do you train new staff to use MAERS?**

17. Do you have a printed, posted schedule for data entry? How do you ensure quarterly data entry that accurately reflects the information in the participant's file?

18. What MAERS management reports do you use to monitor your program performance? Please list them specifically, along with any desired reports you would like to have available to you.

Participant-Related Issues

19. How are participants with special needs being served?
- **a) Low income participants?**
- **b) Individuals with disabilities?**
- **c) Single parents and displaced homemakers?**
- **d) Individuals with multiple barriers to educational enhancement, including limited English proficiency?**

20. How do you verify a participant's eligibility to enter an adult education program? What method of documentation is used, and where is it kept?

21. An ABE, GED or ESL program participant remains eligible for funding until he/she fails to show progress on two successive assessments after completing at least 450 hours of instruction.
A High School Completion program participant remains eligible for funding until he/she fails to earn credit in two successive semesters or terms in which the participant is enrolled after completing at least 900 hours of instruction. Describe how your program tracks and monitors hours of instruction to ensure continued eligibility for each participant.

22.
- **a) Describe the procedures and name the tests that are used to ensure each participant is properly assessed.**
- **b) What timelines are used for pre and post testing in your program and who is responsible for administering the tests?**
- **c) What other assessment tools do you use to measure participant's progress? How often do you assess participants in a term (semester)?**
- **d) How is assessment used to determine participant placement?**

23. Please describe the process used to enroll each participant into the Adult Education program, track their progress toward their goal, and to conduct follow-up based upon their participation in an Adult Education Program.

State School Aid Section 107 Requirements

24. For programs that receive State School Aid Section 107 funds, describe the method used to determine the FTE calculations as reported in the Michigan Student Data System (MSDS). Please make available at the time of the on-site review, the documentation/MSDS Adult Education Alpha reports, which support the FTE's reported for each count date (participant name, program of enrollment, FTE's, etc.).

25. For programs that receive State School Aid Section 107 funds, please provide documentation supporting the Program Performance Objective (10%) at the time of the on-site review. Documentation must include head count and FTE data reported for participants who have met performance objectives for each category/program of enrollment (participant name, program of enrollment, specific performance criteria met, etc.).

Financial Reports

26. To assure compliance with federal and state requirements, please have a business office finance or accounting staff person provide a copy of the following with your responses to the questions 30 days before the on-site visit to the Office of Adult Education:

a) A chart of accounts that reflects the coding used to separate Adult Education participant funding (revenues and expenditures) from other funds of the district for State School Aid Section 107, Federal General Instruction, Institutional, EL Civics, Special projects and Tuition and Fees. Please identify the coding used for Alternative Education and Adult Community Education.

b) The Adult Education program year end summary financial reports that include revenue and expenditures, for the fund sources noted above for the program year being monitored.

c) The total Adult Education budget that reports all funding sources that support the program.

27. Please describe how you determine the allocation of costs between the various funds that support the adult education program for payroll, supplies and materials, etc. For example, for classes containing both pupils and participants, the percentage of participants to pupils in the class is applied to the instructors' salary and allocated to Adult Ed funds and general funds.

28. Are the certified federal final expenditure reports consistent with the approved budgets and the year end expenditure reports of your agency? Are all expenditures accounted for through the end of the grant period of June 30th?

29. Time/salaries spent working on adult education programs that receive federal funds must be documented for co-funded and 100% funded staff in compliance with OMB Circular A-87. Co-funded staff must complete time sheets or personnel activity reports at least monthly to account for each staff person's total activity. For staff that work solely on a single federal award or cost objective, charges for their salaries must be supported by semi-annual certifications. Please have a staff person in charge of payroll available to assist with these documents at the time of the review.

30. For programs that receive federal funds, is there a reimbursement and final expenditure process outlined for grant funds disbursed through the Michigan Department of Education Office of Financial Management and Administrative Services (OFM&AS), Michigan Education and Information System (MEIS) and Cash Management System (CMS)? Please have this available for the review during the on-site visit.

31. Do you have a tuition and fee schedule? If so, please provide a copy of the schedule and describe the process used to establish the rates.

32. Have you made any equipment purchases or made any capital expenditures? If so, please provide documentation supporting the expenditure, an inventory record, and show the review team where the equipment/materials are located. The purchase of equipment not specifically listed in the approved budget, must have prior written approval from the Federal Grant Administrator. Equipment is defined as non-expendable personal property having a useful life of more than one year. Such equipment shall be retained by the Grantee unless otherwise specified at the time of approval.

IV. COMPLIANCE REVIEW CRITERIA

IV. A. Administration and Policy

Administrators of federally funded adult education programs are required to administer programs in accordance with Title II – Adult Education and Family Literacy, Workforce Investment Act of 1998 (WIA), OMB Circular A-87 Cost Principles for State, Local, and Indian Tribal Governments, OMB Circular A-122 Cost Principles for Non-Profit Organizations and OMB Circular A-133 Compliance Supplement, and all applicable federal laws, rules, and regulations.

Administrators of state funded adult education programs are required to administer programs in accordance with the State School Aid Act, Section 107, the Michigan State Plan for Adult Education (as currently amended), Michigan's State Board of Education policies, (State of Michigan, Workforce Development Agency policies) and all applicable state laws, rules and regulations.

Instructors in High School Completion, GED preparatory classes, ABE classes and English as a Second Language courses, for which federal/state funds are distributed, must have at a minimum a State of Michigan teaching certificate. If a license is required in a specialized field, this license must be obtained prior to employment and remain current during the period of employment. Administrators must have written policies and procedures in place, governing the expenditure of federal and state adult education funds.

The following certifications, policies, and assurances ***must*** be in place:

- Certification regarding lobbying for grants and cooperative agreements;
- Certification regarding debarment, suspension, ineligibility and voluntary exclusion;
- Assurance concerning non-construction programs;
- Certification regarding nondiscrimination under federal and state assisted programs;
- Certification regarding Title II of the Americans with Disabilities Act;
- Certification regarding Drug-Free Workplace Requirements;
- Supplement not supplant;
- Deviations from approved activities – Prior approval;
- Clear agency record and audit trail;
- MAERS reporting, and;
- Workforce Development Board Five-Year Plan.

IV. B. Program Performance

The adult education provider will furnish all information regarding programs funded by federal/state funds. The goal is to establish a comprehensive performance accountability system, which will promote continuous improvement of adult education and literacy activities.

The following will be reviewed to assess program performance: accessibility, classrooms and labs, textbooks, equipment, participants records, participants referral process, School or Program Improvement Plan, curriculum/course guides/schedules, GED preparatory course outline, teacher certification files, Adult Learning Plans/lesson plans, staff development activities, application forms, recruiting materials, adult education marketing plans, data aggregation and entry – core indicators, narrative reports, local evaluations/assessments, Corrective Action Plan(s), and access to computer applications.

IV. C. <u>Participants Support Services</u>

Participants will be interviewed and participant activities will be reviewed to determine if the project activities are directed toward participants who: (1) are low income and have special needs. (2) require services and/or assistance in order to successfully complete an adult education program, and (3) have the ability to benefit from the educational activities provided. The review will also determine if all categories of special populations are treated equally on the basis of greatest financial and/or socio-economic need(s). The provider will be asked to assist in identifying as many participants who would be willing to participate in interviews.

IV. D. <u>Financial Records</u>

All records of the adult education provider's revenue and expenditure of federal and state funds ***must*** be made available for review. Adult education providers and the business office staff should be prepared to provide an explanation of their budgetary process and internal controls used to ensure that federal funds are used appropriately and do not supplant state or local funds, that federal and state funds are not co-mingled, and the financial records provide a clear audit trail.

Examples are: Authorization processes, authorized signatures, budgetary reports, chart~~s~~ of accounts coding, contracts and awards, cost allocation plans, documentation of co-funded positions, semi-annual certifications, electronic spreadsheets, financial and grant files, general ledger reports/summary financial reports of revenue and expenditures, invoices, ISD participant audit reports, local grant application/budgets and award documents from MEGS, MAERS reports, management letters, monitoring of contractors, policies and procedures records, single audit reports, year-end final expenditure reports from MEIS/CMS.

V. COMPLIANCE REVIEW VISIT

V. A. Agenda

Compliance Review Visit Sample Agenda (For planning purposes only, can be adjusted to meet local needs. Start time is always 9:30am to allow for travel time.)

Adult Education Provider Name: _______________________________
Monitoring Site Address: _____________________________________
Monitoring Date: ____
Contact Person: ____
Contact Ph#:___________________________**Cell:**_________________

EVENING BEFORE ON-SITE VISIT.	TOUR OF FACILITY	DESIGNATED PERSONNEL
Date: ________________ Time: ___________	Address (if different) for evening programs: ________________________ ________________________	WDA, Office of Adult Education Staff Adult Education Program Director/Manager

TIMEFRAMES	PROCESS	DESIGNATED PERSONNEL
9:30 – 10:00	Introduction and Overview of Program with AE Director & Superintendent	
10:00-10:30	Review of specific responses with AE Program Director and staff	WDA, Office of Adult Education Staff Adult Education Program Director/ Manager
10:30-11:45	Concurrent review of Financial Records, Participants Files, Teacher files, Checklist Items	
12:00-12:30	Lunch	
12:30-3:00	Review Continues	
3:00-3:30	Office of Adult Education Staff Meet	
3:30-4:00	Exit Interview and Discussion	WDA, Office of Adult Education Staff Adult Education Director/Manager and Superintendent

V. B. <u>Entrance Meeting</u>

The Office of Adult Education's review team will begin the on-site visit by holding a meeting with the superintendent and pertinent adult education provider staff.

The review team will:

- Acknowledge the cooperation of the adult education provider's administration and personnel
- Introduce themselves, and explain their assignments
- Explain how the adult education provider was selected for the compliance review
- Describe the purpose of the compliance review visit
- Provide an overview of the compliance review activities
- Go over the day's agenda
- Respond to any questions about the process

The adult education provider will be asked to present an overview of their adult education program to include the following:

- The general philosophy of the institution
- The size and types of programs and related services offered
- Best practices, unique/innovative and successful programs, procedures etc.
- Cooperative arrangements/involvement with their WDB, EAG, and/or Community College
- Any needs or concerns they may have

V. C. <u>Interviews and Record Reviews</u>

The Office of Adult Education's review team will observe instructional settings, interview adult education participants and staff, and review program and financial records to determine whether the requirements for each program are being met.

V. D. <u>Exit Meeting</u>

Following the compliance review, an exit meeting will be held between the Office of Adult Education's review team and the adult education provider's staff to go over the preliminary findings of the review team, discuss any technical assistance needs the adult provider may have, discuss the timeframe for receipt of the final report, the components of a Corrective Action Plan if required, and the appeals process.

VI. POST-VISIT ACTIVITIES

VI. A. Letter of Findings/Reports

A letter of findings and the accompanying documentation will be mailed to the adult education provider within 15 business days of completion of the compliance review.

VI. B. Post Report Format

After a monitoring and compliance on-site visit, a report will be issued to the sub-recipient that was monitored documenting the monitoring team's findings. The report will consist of the following reporting format (sections) whenever it is applicable: Commendation, Required Action, Major Concern, Recommendation, Clarification, Technical Assistance, and Corrective Action Plan.

Commendation: The report will commend any best practice observed during the on-site monitoring and sub-recipients are encouraged to highlight any educational practice, instructional style, classroom activity, curriculum, delivery method, or anything that is exemplary that promotes adult engagement, participation, learning and success while in the adult education program.

Required Action: It is a finding that highlights a non-compliance activity, deficiency, inaccurate procedure, improper representation of federal and/or state regulation/policy, wrong interpretation of federal or state regulation/policy that requires a corrective action plan. A corrective action plan must address or correct the deficiency identified in the finding and is mandatory and must be submitted to this office within 45 days upon receipt of the monitoring visit report.

Major Concern: This addresses egregious issues that may result in a major sanction by the state agency. The monitoring team may refer such a finding to either the state Internal Audit Unit to conduct further investigation or to the upper management for directive.

Recommendation: It is optional. A sub-recipient may or may not accept the recommendation. If the sub-recipient decides to accept the recommendation, they can do one of the following: send a corrective plan, or adopt the recommendation without notifying this office.

Clarification: This is a point in question not clearly stated by the sub-recipient and/or not well understood by the monitoring team. Example: a sub-recipient provides a document for which the monitoring team is unsure as to its purpose or what expenditure an invoice supports (if it is fiscal related). In other instances, the sub-recipient presents conflicting or mixed information, which the monitoring team may seek a better understanding.

Technical Assistance: An opportunity is offered to the sub-recipient to request any technical assistance, resource(s), training they deem necessary that will help them remedy any of the findings.

<u>Corrective Action Plan (CAP):</u> This plan *must* be submitted by the sub-recipient outlining the remedies that, if implemented, will correct or fix the deficiencies stated in the "Required Action" and "Recommendation (if accepted)" of the report.

VI. C. Corrective Action Plan for Non-Compliance

If required, an adult education provider must submit a written Corrective Action Plan, describing in detail the exact procedures that will be implemented to correct items which are not in compliance with rules and regulations under WIA Title II, Education Department General Administrative Regulations (EDGAR), OMB Circular A-87 Cost Principles for State, Local, and Indian Tribal Governments, OMB Circular A-122 Cost Principles for Non-Profit Organizations and OMB Circular A-133 Compliance Supplement and the current Michigan State Plan for Adult Education, as currently amended.

<u>Procedures for development:</u> The adult education provider can utilize the assistance of a review team member to develop the Corrective Action Plan. The components of an Adult Education Provider Corrective Action Plan are as follows:

- Name of Provider
- Date of Submission
- Statement of the AE review team action
- Required actions being addressed
- Statement of Action to be taken to satisfy the requirements
- Identification of the specific activities/steps to be accomplished to achieve the stated objectives
- Dates for each activity/step to begin and conclude
- The personnel who will be responsible for initiating and ensuring the implementation of the Corrective Action Plan

<u>Approval and signatures</u>**:** The Corrective Action Plan must be approved by the local education board/administrating body as documented in the minutes of the boards proceedings, and should contain the signature of the superintendent of the school district or the director of the adult education program. **The final Corrective Action Plan must be submitted within 45 days of the compliance review visit. Failure to submit the CAP within 45 days may result in freezing of funds.**

The adult education provider will be given 21 days following the resolution of an appeal (if applicable), to submit the adult education provider's Corrective Action Plan.

A sample of the adult education provider Corrective Action Plan is located in Appendix A.

VI. D. Appeal Process

An adult education provider may appeal decisions and actions taken as a result of compliance monitoring reviews and the enforcement of reporting requirements. The appeal procedure is as follows:

1. An eligible recipient that intends to contest the Workforce Development Agency (WDA), Office of Education action shall appeal to the Office of Adult Education's director, in writing, within 14 calendar days of receipt of the findings. The written appeal shall state: (a) the findings that are in question; (b) the issues upon which the findings are challenged; and (c) all pertinent facts related thereto.

2. Upon receipt of an appeal, the Office of Adult Education's director shall prepare a written reply within 30 calendar days. Such a reply may include a change of position by the Office of Adult Education or an affirmation of its original position, in whole or in part.

3 Within 14 days of receipt of the reply from the Office of Adult Education's director, the party whose appeal has been denied shall forward their concern to the Fund Manager of the Michigan Strategic Fund.

4. Within 14 calendar days of receipt of a notice indicating a further review of a decision, a written response will be issued by the Michigan Strategic Fund. The written response by the Fund Manager concludes the appeal process. All decisions are based on applicable laws and the policies of the Office of Adult Education.

VI. E. Sanctions

Sanctions may include a Corrective Action Plan, Withdrawal and/or Reduction of Program funds. This defines the Office of Adult Education responsibility for program monitoring and corrective action for noncompliance with identified program requirements, program accountability standards, and financial propriety.

The Education Department General Administrative Regulations (EDGAR) 34 CFR 80.43 (federal funding applications) applies not only to states but also extends to the local program level; if the local program "materially fails to comply with any term of an award whether stated in a federal or state statute or regulation, an assurance, in a state plan or application, a notice of award or elsewhere, the awarding agency may take any of five actions:

- withhold cash payments until a deficiency is corrected,
- disallow funds and matching credits for the activity,
- wholly or partly suspending or terminating the award,
- withhold further awards,
- take other legal remedies."

It is the intent of the Office of Adult Education to maintain effective adult education programs. However, if through program reviews, desk monitoring and ongoing technical assistance, it is determined that a program is in need of corrective action the following remediation steps occur:

1. Office of Adult Education staff will provide technical assistance including:
    - Discussion as to why there is a lack of program performance.
    - Establishment of an agreed-upon improvement corrective action plan that includes:

  - Intense state technical assistance through further desk monitoring, conference calls and on-site review visits.
  - Establishing a reasonable timeframe to meet agreed upon performance standards
  - Sanctions that may occur if improvement and compliance with program standards are not met.

2. If after following the above process a program is deemed unable or unwilling to comply with corrective action components a formal process will be initiated with the Office of Adult Education director who supervises the respective program regarding the situation, findings, and proposed final actions following the process outlined in 2011 revised Compliance Review & On-Site Monitoring Manual.

3. If a program's state funding is reduced or terminated, the remaining funds may be redistributed to currently funded districts.

4. If a program's federal funding (AEFLA) is reduced or terminated, the remaining funds may be redistributed among the currently funded grantees for the balance of the program year and the second/subsequent years as defined by the Office of Adult Education. In either case, recaptured funds would be redistributed based on the number of participants served by other funded programs demonstrating intensity and rigor. Recaptured AEFLA or other federal funds cannot be awarded to a new grantee without a new competition.

VI. F. Technical Assistance

The Office of Adult Education offers technical assistance visits to individual adult education providers receiving federal and/or state funding. These visits may be initiated by a request from an adult education provider following their own assessment/self review (there must be a minimum of three weeks notice) or by the Office of Adult Education, if there has been a change in key adult education provider personnel or if the adult education provider's core performance indicator data indicates a failure to meet the minimum required level of performance (less than 60% of all the measures – refer to Table 1) on one or more indicators for two consecutive years.

A self-review enables a provider to identify needs for technical assistance and focus the agenda for a technical assistance visit. A provider may use the Improvement Plan section of the WIA Title II Final Report for this purpose.

Technical assistance visits are designed to help adult education providers exceed/meet state core performance indicator levels and will be scheduled at a mutually convenient time.

The Technical Assistance Visit

The Office of Adult Education staff will informally meet with appropriate local adult education provider staff to discuss the agency's performance and any technical assistance needs. The discussion may include identified problems, as well as, best practices/model programs of the adult education provider.

Unless requested by adult education provider staff, there will be no formal WDA, Office of Adult Education report relating to technical assistance visit outcomes. The Office of Adult Education staff may, however, share “best practices” across the state with other local education agency/provider.

Outcomes/Gains of Technical Assistance Visit:

1. Sharing of best practices leading to participants’ success.

2. Increased participants success in academic skill attainment; occupational skill attainment; program completion, i.e., conferred awards; participants placement and employment retention, and an increase in the rates of participants who complete occupational programs that are nontraditional for their gender.

3. Improved process for evaluation of participants’ success.

4. Professional development for key personnel.

5. Improved administrative process in support of program improvement as required by WIA Title II and State funding.

6. Collection, reporting and utilization of participant data for program improvement.

TECHNICAL ASSISTANCE
Technical Assistance Self Assessment

The Process
1. What processes did the adult education provider engage in when reviewing the results of each of the core indicators? 2. How did you determine upon which core indicators and associate programs to focus? 3. Were your instructors/teachers, staff, needy participants, local stakeholders (could be industry/business representatives) involved in the decision-making processes? 4. How was data reviewed for accuracy? 5. What specific problems were encountered when analyzing the data? 6. How is an improvement plan being used?

VII. SPECIAL COMPLIANCE AND MONITORING ON-SITE VISIT

Special compliance review and on-site monitoring may be triggered by sub-recipient's data, performance, public complaints, MDE single audit report, inquiry, allegation(s), publication, etc. Under any of these circumstances, the Office of Adult Education is required to conduct an on-site compliance review and monitoring visit. The sub-recipient being monitored may or may not be informed prior to this on-site visit. Other state of Michigan monitoring or audit teams may join on a special compliance and on-site monitoring visit. The monitoring team may conduct a full or skeletal compliance review based upon the nature of the issues.