

KYAE Program Leadership Institute

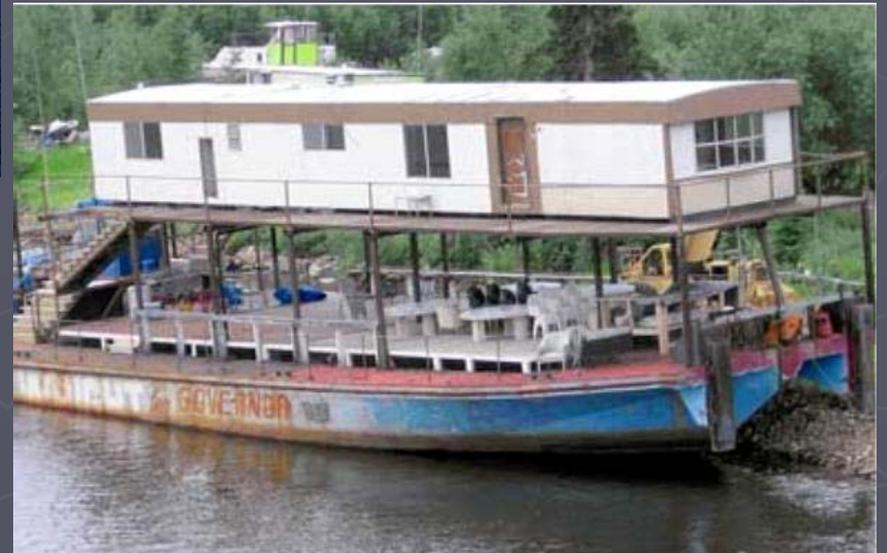
"Show Me The Money"

Contract Basics

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Council on Postsecondary Education/KYAE

Yacht



Fun



Chopper



Agenda

1. Look at some basic contract guidelines
2. Look at some guiding documents (federal and state)
3. See how those guiding documents get drafted into a contract
4. Look at the contract boilerplate
5. Cover some important dates
6. Discuss how this process completes a circle

Contract Basics

► What is a contract?

- A contract is simply an agreement between parties
- Doesn't always have to involve money
- Is usually an agreement by one entity to do something for another entity and usually for a fee
- The parties (are clearly spelled out) as
 - First party– entity seeking a service or commodity
 - Second party–entity providing the work/service
- Is a binding legal agreement

How does KYAE determine what we need in our contracts with local KYAE providers?

Kentucky

US

CPE

KYAE



The Kentucky
Adult Education
Act of 2000
(Senate Bill 1)

Workforce
Investment Act
1998, Title II

Office of
Vocational and
Adult Education

Kentucky
Postsecondary
Education
Improvement
Act, 1997

(House Bill 1)

KYAE Policy and
Procedure
Manual

RFP

The Kentucky Adult Education Act of 2000 (Senate Bill 1)

- ▶ *“The General Assembly recognizes that many adults need significant improvement in their knowledge and skills to be full participants in Kentucky's workforce and society, to develop and maintain healthy families, and to continue their education and training as necessary throughout their lifetimes. The General Assembly also recognizes that:”*
- ▶ *“An efficient, responsive, and coordinated system of providers that delivers educational services to **all** adult citizens in **quantities** and of a **quality** that is comparable to the national average or above and significantly elevates the level of education of the adults of the Commonwealth.”*
 - **Quantities - Enrollment Numbers**
 - **Quality - Performance Measures, GED diplomas, KECs, Transitions**
 - **How do we know we are achieving these benchmarks?**
 - ▶ **AERIN and its reporting requirements and data quality standards**

SB1, 2000 cont.

- ▶ *“The Council on Postsecondary Education, in consultation with the Department for Adult Education and Literacy, shall assess the need for **technical assistance**, training, and other establish regional advisory groups and shall provide necessary staff support to assist in the development of adult education...”*
 - **Technical Assistance - Part of Accountability from Enrollment and Outcome Workgroup**

- ▶ *“There is created in the Council on Postsecondary Education a **special fund** to be known as the adult education and literacy initiative fund, which shall consist of moneys appropriated by the General Assembly, gifts, grants, other sources of funding, public and private, and interest accrued by the fund. ”*
 - **Budgets - Appropriates General Funds (State Funds) to CPE/KYAE for Adult Education**

- ▶ *“The Council, in collaboration with the Department for Adult Education and Literacy, **shall establish the guidelines for the use, distribution, and administration of the fund**, financial incentives, technical assistance, and other support for strategic planning; and guidelines for fiscal agents to assess county and area needs and to develop strategies to meet those needs. ”*

*“Funding is allocated to county programs through grants for adult education services, the cornerstone of Kentucky Adult Education. The Kentucky Adult Education Act requires services **to be targeted to communities with the greatest need, so funds are allocated using a formula** based on the number of adults in each county functioning at low literacy levels. ” (CPE Budget of the Commonwealth document)*

 - **Funding Formula for Core Service and the new Program and Student Performance funds**

Workforce Investment Act, 1998

- ▶ *“(1) ADULT EDUCATION- The term `adult education' **means** services or instruction below the postsecondary level for individuals--*
 - *(A) who have attained 16 years of age;*
 - *(B) who are not enrolled or required to be enrolled in secondary school under State law; and*
 - *(C) who--*
 - *(i) lack sufficient mastery of basic educational skills to enable the individuals to function effectively in society;*
 - *(ii) do not have a secondary school diploma or its recognized equivalent, and have not achieved an equivalent level of education; or*
 - *(iii) are unable to speak, read, or write the English language.”*
- ***Eligibility Requirements***

WIA cont

- ▶ *“The purpose of this section is to establish a **comprehensive performance accountability system**, comprised of the activities described in this section, to assess the effectiveness of eligible agencies in achieving continuous improvement of adult education and literacy activities funded under this subtitle, in order to optimize the return on investment of Federal funds in adult education and literacy activities.” (Workforce Inv. Act, 1998)*
 - ***Core Indicators of Performance / NRS Performance Indicators***

- ▶ *“The establishment or operation of **professional development** programs to improve the quality of instruction provided pursuant to local activities required under section 231(b), including instruction incorporating phonemic awareness, systematic phonics, fluency, and reading comprehension, and instruction provided by volunteers or by personnel of a State or outlying area.” (Workforce Inv. Act, 1998)*
 - ***Professional Development***

- ▶ *“The funds described in subsection (a) shall be used for the cost of educational programs for **criminal offenders in correctional institutions** and for other institutionalized individuals, including academic programs for– ” (Workforce Inv. Act, 1998)*
 - ***Corrections Education***

WIA, Title II/ SB 1/ CPE/ KYAE

▶ Edgar 80.22- Allowable Costs

Limitations on use of funds. Grant funds may be used only for:...

- Applicable Cost Principals as outlined in OMB Circulars A-87 (State and Local gov't), A-122 (Private nonprofit), and A-21 (Educational Institutions)
- **Allowable Cost**
 - ▶ Necessary & Reasonable —market price, ordinary and necessary, sound business practices, not a significant deviation from established practices of the unit
 - ▶ Allocable to Federal Award —chargeable or assigned to a particular federal program
 - ▶ Authorized or not prohibited under state or local laws or regulations
 - ▶ Conforming to Limitation or Exclusions - allowable under the program statute and regulations and within the terms of the applicable circular
 - ▶ Consistent with Policies, Regulations and Procedures - consistent with policies, regulations and procedures that apply uniformly to both federal awards and other activities of the unit
 - ▶ Accorded Consistent treatment - like costs be treated consistently (direct v indirect)
 - ▶ Determined in Accordance with GAAP - not counted as match
 - ▶ Not included as a Match or Cost Share
 - ▶ Net of all Applicable Credits
 - ▶ Adequately Documented
- **Capital Purchases-** Purchases of \$5,000 or more are not allowable
- **Distributes the Federal funds into "set-asides"** that provide for Core Service, PD, Corrections, etc.

▶ CPE/KYAE-

- **Indirect Charges are not allowed**

Compare & Contrast

	Adult Education Act of 2000, SB1	Workforce Investment Act 1998	CPE	KYAE
Eligibility	<ul style="list-style-type: none"> -16 yrs or older -Not enrolled or required to be enrolled Lack skills -w/o diploma -Do not speak, read or write English 	Same	Same	Same
Enrollment	Quantities and Quality that significantly elevates the level of education of adults of the Commonwealth		Sets GED Goal & Transitions Goal	<p>Core business is to raise the educational levels of eligible adults ...</p> <p>Determines enrollment goals for County</p>
Technical Assistance	Shall assess the need for Technical Assistance			<p>Provides Sr. Associate and 6 Associate positions</p> <p>Enrollment & Outcome policy</p>

Compare & Contrast cont

	Adult Education Act of 2000 SB1	Workforce Investment Act 1998	CPE	KYAE
Performance	Big picture outcome is to significantly elevate the level of education of the adults of the Commonwealth	Set specific percentages of NRS enrollments that should achieve level completions or other student outcomes to be eligible for WIA Incentive award	Sets targets for GED diplomas and transition to postsecondary	Sets enrollment number goals and performance goals—leads to Program Performance and Student Performance funding
Funding	Appropriated State General Fund \$ (>\$23M)	Awarded to states based on census data (~\$9M)	submits CPE budget to legislature	Submits budget proposal to CPE Set Priorities
Allowable Expense	Fairly General Guidelines— State procurement policies	Federal Circulars and Edgar	Budget Group meets monthly Policies/ Procedures	Budget Group Incorporates State and Federal Guidelines
Professional Development	Provides for: CCLD And provides for technical assistance	Sets aside \$ for Professional Development		Sr. Associate & Associate Positions Determines needs and awards PDUs

How do we get a contract?

► Steps:

- KYAE determines what we need local programs to do.
 - Guided by SB1, WIA- Title II, CPE Guidelines, KYAE requirements
- KYAE formulates that need into a Request for Proposal (RFP)
- KYAE publishes that need in several places so it is open to competition with information on how KYAE intends to evaluate each proposal
- KYAE receives and reviews proposals from potential providers
- KYAE selects the best proposal based on the published criteria

RFP

- ▶ RFP requirements - the State and Federal requirements are passed on in that document.
 - Eligibility—Lists the eligible students
 - Grant Period—July 1, 2008- June 30, 2009 with option to renew based on performance, funding, and etc.
 - List of Required Core Services

RFP

- List of Other Core Services to be provided based on needs assessment
 - Family Literacy
 - English as a Second Language
 - Workplace Education
- Program Design
- Enrollment Goals
- Performance Measures
- Staffing—minimum requirements and staff titles
- Facilities—some minimum standards

Is all this in my contract?

Handout



Key Dates for FY2008-09

- ▶ **The 10th of each month**– invoices are due for prior month's expenses (except the final invoice)
- ▶ **Report staff changes** 10 days after the change
- ▶ **August 31**– Final reconciliation due (and any repayments) & Inventory Report due
- ▶ **March 31**– Agency Single Audit due or letter stating you are exempt
- ▶ **April 30**– last day to submit budget amendment or realignment
- ▶ **June 12th** final invoice due

Contract Basics

▶ Then what?

- Then we reconcile the financials.
 - As discussed, we send in a reconciled invoice in August and possibly a check.
- Then we audit the results.
 - Your program may be selected for an audit.
 - An audit is just a tool to determine how well the agreement worked.

Audit

- ▶ Generally choose randomly about 30 programs to be audited with some follow-up work.
- ▶ Send out Programmatic Checklist –
 - Handout

Is that all?

No. Then we prepare to do it all again!

HOW DO WE GET PAID FOR OUR WORK?

- Return for Part II of Show Me the Money—Faith Cirre and Ashley Smither for the details on invoicing and payment.

KYAE Program Leadership Institute

Thank You for Attending

Contract Basics

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