FY24-FY26 Massachusetts

Policies for Effective

Transition to College Programs

Public Adult Education and DESE logo


[Adult and Community Learning Services (ACLS)](http://www.doe.mass.edu/acls)

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## **Introduction and Adult Education Glossary**

The [*FY24-26 Massachusetts Policies for Effective Adult Education Transition to College Programs*](https://www.doe.mass.edu/acls/cc/) (the [*Policies*](https://www.doe.mass.edu/acls/cc/)) serves to help adult educators prepare for the exciting, yet challenging task of operating a Transition to College program (the *program* or *Transition Program*).[[1]](#footnote-2) To that end, it provides:

* Basic information about the adult education (AE) system in Massachusetts including links to the ACLS data management system[, LACES](https://laces.literacypro.com/laces/), and a glossary of common adult education terms and acronyms posted at [Adult Education Policies](http://www.doe.mass.edu/acls/abeprogram/);
* Explanations of policy requirements for colleges providing Transition services to AE students: The success of a program rests on the effective implementation of policy requirements derived from multiple sources including research and data and practitioner wisdom and experience. The failure of a program to demonstrate compliance with the policy requirements in this document and in subsequent policy updates throughout the year will have consequences, including but not limited to remedial action, withholding of funds, grant reduction, or grant termination; and
* Links to additional information to facilitate effective service delivery and/or further professional growth and development. These links to additional information, such as the *FY 24-26 Indicators of Program Quality for Adult Education Transition to College Programs*, are useful to programs developing and implementing high quality and innovative models.

This manual is organized by [*FY 24-26 Indicators of Program Quality for Adult Education Transition to College Programs*](https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.doe.mass.edu%2Fgrants%2F2024%2F668%2Findicators.docx&wdOrigin=BROWSELINK)*.* The Policies cover both Transition to College Services and College Support Services. Subsequent to the release of this policy manual and, as needed, ACLS will release an updated version of the *Policies*. New policies, policy changes, and policy clarifications will be announced in numbered and labeled policy memos in special mailings. Additionally, links to the announcements will be listed in chronological order below the online policy manual. The naming convention will be ACLS TRANSITION POLICY MEMO followed by:

* + - A number and calendar year: For example, policy number #3-2024 would be the third policy memo released during calendar year 2024.
    - A descriptive title: For example, if the announcement provides a clarification regarding allowable uses for funds (e.g., use of grant funds for space), the memo might be named Clarification on Use of Grant Funds for Space.

Therefore, the above policy clarification might be named: ACLS TRANSITION POLICY MEMO #03-2024: Clarification on Use of Grant Funds for Space.

## **Overview**

### Department of Elementary and Secondary Education Goal (DESE)

The goal of the Massachusetts public K-12 and adult education (AE) system is to prepare *all* Massachusetts students for success in life. This includes services administered by the [Office of Adult and Community Learning Services](http://www.doe.mass.edu/acls/default.html) (ACLS), part of the DESE’s Center for Educational Options. ACLS is responsible for providing AE services to adults with academic skill levels below 12th grade, and/or adults who need English language skills to succeed in our communities.

Our commitment to the educational and workforce success of adult students requires that we promote and support diversity[[2]](#footnote-3), equity[[3]](#footnote-4), and inclusion[[4]](#footnote-5) (DEI) on multiple levels. First and foremost, we must guide and support students as they work to improve their skills in a world that does not always see them as assets and often raises barriers to the achievement of their goals and aspirations.

### Center for Educational Options Mission

*We expand and enhance high quality educational options for learners of all ages, and ensure equitable access for all, especially for those who have been historically underserved.*

### Adult and Community Learning Services Mission

*ACLS partners with adult education programs to ensure that all students have access to quality instruction, advising, job training, and career pathways.*

* *We set high expectations and provide support to achieve them.*
* *We promote flexible options for learning that honor the diversity of students and advance equity and inclusion.*
* *We foster collaborations that enhance student success in employment and higher education.*
* *We hold ourselves and our providers accountable for results.*

Adopted 2022

### 

### The Workforce Innovation and Opportunity Act (WIOA)

On July 22, 2014, President Obama signed into law the [Workforce Innovation and Opportunity Act](https://www.dol.gov/agencies/eta/wioa/)(WIOA) which revised and reauthorized the Workforce Investment Act of 1998(WIA). The new law supports innovative strategies to keep pace with changing economic conditions and seeks to improve coordination between four core federal programs that support adult education, employment services, workforce development, and vocational rehabilitation activities. The core programs are:

* Adult, Dislocated Worker, and Youth, administered by the Department of Labor (DOL) under Title I;
* Adult Education and Family Literacy Act (AEFLA), administered by the Department of Education (US ED) under Title II;
* Wagner-Peyser Act employment services, administered by DOL under Title III; and
* Vocational Rehabilitation Act, administered by US ED under Title IV.

The [2020-2024 Massachusetts WIOA Combined State Plan](https://www.mass.gov/doc/fy2020-workforce-innovation-and-opportunity-act-wioa-massachusetts-combined-state-plan/download) represents the combined efforts of numerous state and local partners to provide an effective and efficient workforce system for the Commonwealth.

For more information on [WIOA](https://www.congress.gov/113/plaws/publ128/PLAW-113publ128.pdf), see <http://www.doleta.gov/WIOA> and <http://www.doe.mass.edu/acls/wioa.html>.

### The Transition to College Program

Support for the Transition to College Program and College Support Services Program underscores ACLS’s commitment to building bridges between AE programs and the postsecondary system. In this regard, Transition Programs are vital partners in regional career pathway systems, as they provide students with the college navigation skills, foundational skills, and knowledge necessary to succeed in credit-bearing courses and earn certificates and/or degrees.

Transition to College Services

In order to receive funding for Transition to College Services, colleges must:

* establish and maintain two or more Memoranda of Agreement with DESE-funded Community Adult Learning Centers (CALCs) or Correctional Institutions;
* enroll and retain at least one cohort of 15 adults, 12 of whom were previously enrolled in DESE-funded CALCs or Correctional Institutions for a program design lasting one academic year;
* incorporate at least one cohort strategy
* fully integrate students into the college;
* provide academic instruction, including a College for Success course, and intrusive advising;
* offer a program design that focuses on providing students in-person or hybrid classes and on-campus experiences;
* offer at least two credit-bearing courses (3 credits per course).

College Support Services

In order to receive funding for College Support Services, colleges must:

The College Support Services program is an optional service offering intended for colleges interested in providing services to Transition students after one academic year. It is DESE's expectation that these students have achieved some level of self-sufficiency and would not need the same level of intrusive advising they had in their first academic year. Applicants will need to describe the need for continued services and how they will provide a gradual release of responsibility in order for students to achieve full self-sufficiency.

In order to receive funding for College Support Services, colleges must:

* serve an agreed upon number of Transition graduates;
* serve these students for an agreed upon period of time to serve these students (maximum of two semesters or one academic year);
* provide advising and other services to build on the self-management competencies students acquired in the first academic year such as ongoing advising that will move students to self-sufficiency.
* provide additional services such as access to credit-bearing courses and facilitating students' transition to four-year colleges.

### The Role of the College

Colleges that are funded to implement a Transition to College program are required to:

* Integrate the Transition Program into the college and provide it with financial and other supports (e.g., access to credit-bearing courses for Transition students and all college resources at no cost);
* Integrate both students and staff of the Transition Program into the mainstream of the college’s activities, functions, and community;
* Provide appropriate space for the Program’s component’s (e.g., advising, courses, program administration); and
* Collaborate with local DESE-funded AE programs to ensure smooth transitions for students in their next steps in postsecondary education. See Appendix B for information on creating Memoranda of Agreement.

## **Chapter 1:** [**Indicator 1: Program Design**](#_Toc468698121)

ACLS supports outcome-driven program design and delivery that is inspired by new ideas about teaching and learning and guided by research and evidence-based practices with the goal of advancing significant achievement and growth among students.

**Diverse Populations**

ACLS identifies diverse populations (e.g., individuals experiencing homelessness, incarcerated or formerly incarcerated individuals, families) in need of services to make a smooth transition to college. Programs are required to ensure that their program design facilitates access to career pathways for these populations.

For more information on prioritizing services for diverse populations, see the Equitable Access chapter.

### Enrollment Policy

Programs are required to maintain a minimum enrollment of 15 students per semester, no less than 12 of whom are former (or current) DESE-funded AE students.

### Dual Enrollment

Enrollment in a Transition Program is also an option for students currently enrolled in DESE-funded AE programs as long as the following criteria have been met.

* Students have an identified goal of attending postsecondary education;
* Students’ academic levels, as determined by ACCUPLACER score results or other required college assessment, are appropriate for enrollment in the Transition Program; and
* The programs’ class schedules do not conflict.

This dual enrollment option exists as an accelerated alternative for some students and is something on which staff from both the Transition Program and the AE program should collaborate to ensure the continued support for and success of the students.

### Required Course

Transition Programs are required to offer a full-semester *College for Success[[5]](#footnote-6)* course at no cost to students. The *College for Success* course should prepare students to understand college culture, navigate college systems, identify barriers to attainment of postsecondary education goals and strategies for overcoming these barriers, and acquire the readiness skills that are essential for postsecondary education success.

The program must also provide academic skill courses (e.g., math, English) at no cost to students.

### Required Cohort Strategy

The program ensures that students function as members of a learning community or cohort within the college by incorporating at least one cohort strategy (e.g., students’ enrollment in a common course, ongoing group advising, a study group). In addition, the program design must include at least one in-person cohort course.

### Required College Credits Policy

Transition Programs are required to offer students at least two (2) credit-bearing courses, three (3) credits each, at no cost to students enrolled in the Program. If the *College for Success* course is three (3) credits, it counts as one of the two credit-bearing courses. The Department’s preference is to fund programs that offer two cohorts.

### No Charges to Students

The Program must ensure that enrolled students are not charged tuition, fees, or any other charges or required to purchase books and materials needed for participation.

## **Chapter 2:** [**Indicator 2: Equitable Access**](#_Toc468698121)

### Eligibility

Programs should adhere to the college policies around student eligibility when determining the eligibility of prospective students for the Program.

### Intake, Orientation, and Placement

At the beginning of each fiscal year, programs are expected to complete new intakes for all students, including those who are continuing from the previous year. Programs are encouraged to give students program information, including program completion requirements, so that they can make an informed decision about whether they are able to pursue participation in the program.

For the student intake form, see <http://www.doe.mass.edu/acls/laces/intake-form/>.

Transition Programs will use the college’s placement test (i.e., the ACCUPLACER) as the initial assessment to determine students’ academic skills and identify appropriate course placement. These scores need to be entered in LACES.

If a college has a policy that allows students at the GED® or HiSET® College Ready Level either in whole or part (e.g., math, but not English) to bypass all or part of their placement exams and be placed in credit-bearing courses then it is not necessary for these students to take the corresponding college assessments. Transition Programs should enter the students’ GED® or HiSET® scores in the Assessments tab in LACES.

If a college is using an assessment in lieu of the ACCUPLACER, for either native English speakers or English language learners, the information should be entered in the Comments panel of the Student Data tab.  In the Student Record, click on the Student Data tab and then on the Comments panel.  Click Add New Record and enter the Date, Comment Type, and Comment (the results of the assessment).  For Comment Type, choose “Assessment.”  Click Save when finished.

### Rights and Privileges

The college must grant Transition Program students all the rights and privileges of its college students and provide them with access to college resources, including college identification cards, academic support services, health and counseling center services, athletic centers, libraries, information technology, career services, student organizations, and college activities. In addition, the program must make an effort to get students involved in college activities and student organizations.

#### **Confidentiality (State requirement)**

ACLS requires that confidential student records be kept in locked files and/or in password protected databases. Students’ education records, including student data in [LACES](https://laces.literacypro.com/laces/) and records regarding students’ disabilities, are to be treated with the same confidentiality as medical records. ACLS requires that Transition Programs protect the privacy of students’ education

records and seek consent for any disclosure of personally identifiable information (PII) in students’ education records. (Note: Students entrust Transition Programs with PII. Toward protecting it, ACLS requires that all users of the state information management system ([LACES](https://laces.literacypro.com/laces/)) have unique logon credentials. Transition Programs must immediately deactivate [LACES](https://laces.literacypro.com/laces/) accounts for users who leave the program.)

**Release of Information (ROI) (State requirement)**

ACLS requires that Transition Programs ask students to provide their social security numbers (SSN) and sign an ROI form. The purpose of the ROI is twofold:

* to inform students, in writing, that their personally identifiable information (PII) will be matched with data from:
  + the Massachusetts Departments of Unemployment Assistance and Higher Education,
  + Pearson GED ® and PSI (HiSET ®),
  + the National Student Clearing House; and
* to authorize the release of data matches to the program.

Data matched outcomes are stored securely at DESE and aggregated for federal reports.

Students who sign the revised ROI form consent to have DESE update their LACES records with employment data, HSE test results, and postsecondary enrollment information obtained via data matching. Declining to provide an SSN and/or sign an ROI will not impact students’ eligibility for services.

For the ROI form, translated into 30 languages, see <http://www.doe.mass.edu/acls/laces/release-form/>.

### The Americans with Disabilities Act (ADA)

The federal ADA places affirmative duties on public and private organizations to ensure that individuals with disabilities can access and have equal opportunities to participate in public services provided by AE programs. Transition Programs signing the Statement of Assurances (SOA) as part of their grant applications are assuring ACLS that they are aware of and in compliance with their ADA-related obligations.

#### **Accommodations**

The ADA requires that Transition Programs make reasonable accommodations for students. To ensure that Transition Programs are responsive to learners with disabilities, the ADA requires, among other things, that Transition Programs designate an ADA Coordinator whose primary role is to ensure that the program is accessible and in compliance with the ADA.

For more information on the ADA, see <http://www.doe.mass.edu/acls/disability/default.html>, <https://www2.ed.gov/about/offices/list/ocr/index.html>, [ADA.gov](https://www.ada.gov/) and [SABES](https://www.sabes.org/pd-center/ada-training-and-resources).

#### **General Education Provisions Act (GEPA)**

In order to meet the requirements of [Section 427 of the General Education Provisions Act](https://www2.ed.gov/fund/grant/apply/appforms/gepa427.pdf), all grantees must complete and submit a GEPA statement in order to receive funding. GEPA requires that all providers funded by the U.S. Department of Education, or Massachusetts Department of Elementary and Secondary Education stipulate how they will ensure equitable participation in their programs. It is not meant to be a duplicate of the civil rights statement, but instead a description of the efforts the provider will make to ensure that barriers to participation by students, teachers, and others will be removed to allow participation.

ACLS considers the GEPA statement to be a descriptive tool highlighting an agency’s continued commitment to anti-racism, diversity, equity, and inclusion. GEPA statements can also describe the specific actions taken annually that ensure barriers to participation are being addressed.

Six statutory barriers are listed: gender, race, national origin, color, disability, or age. Based on local circumstances, Transition Programs should determine whether these or other barriers may prevent students, teachers, or others from such access or participation in the adult education program. The description of steps to be taken to overcome such barriers in the GEPA form need not be lengthy; programs may provide a clear and succinct description of how they plan to address the barriers that are applicable to their circumstances. In addition, the information may be provided in a single narrative. The U.S. Department of Education (US ED) requires that programs submit a GEPA statement annually. ACLS requires programs submit their GEPA statements during the annual refunding process.

For examples of GEPA statements, see [Grant Experts: GEPA Examples](https://www.grantexperts.info/gepa_examples.php) and the [GEPA Notice to All Applicants](https://www2.ed.gov/fund/grant/apply/appforms/gepa427.pdf).

### Mandated Reporting (State requirement)

Adult education staff are considered mandated reporters and are required by law to report cases of suspected abuse. Mandated reporters:

* Include public and private school teachers, educational administrators, guidance or adjustment counselors, psychologists, attendance officers, social workers, day care providers, health care professionals, and court and public safety officials;
* Are immune from civil or criminal liability as a result of making a report; non-mandated reporters are also protected providing the report was made in good faith;
* Are protected from retaliation, and identities will be kept confidential; and
* Who fail to file a report are subject to a fine of up to $1,000.

For more information on mandated reporting, see the following table.

| **Age** | 0-18 years old | 18-59 years old | 60+ years old |
| --- | --- | --- | --- |
| **Population** | Children | Disabled Adults | Elderly |
| **Reporting Agency** | [Department of Children and Families](http://www.mass.gov/eohhs/gov/departments/dcf/) | [Disabled Persons Protection Commission](http://www.mass.gov/dppc/) | [Executive Office of Elder Affairs](http://www.mass.gov/elders/) |
| **Statute** | 51A | 19C | 19A |

## **Chapter 3:** [**Indicator 3: Career Pathways Exploration**](#_Toc468698122)

### Career Pathways Exploration

Transition Programs should make students aware of career resources in the college and the community and work within the college to link Transition students to activities, clubs, and organizations that would help them get greater career exposure. Transition Program coordinators should also stay current with the work of their local [MassHire Workforce Board](https://www.mass.gov/service-details/connect-with-your-local-masshire-workforce-board) and [MassHire Career Center(s)](https://www.mass.gov/masshire-career-centers). Program coordinators should also be familiar with their area’s [Local Plan Package](https://www.mass.gov/service-details/local-plan-packages-by-area). The Local Plan Package describes the policies, procedures, and local activities that will be carried out by the local area’s workforce partners on behalf of participants and businesses.

## **Chapter 4:** [**Indicator 4: Student Progress**](#_Toc468698124)

Student progress through the Transition Program course sequence, including any needed developmental courses or competencies, should be monitored carefully and interventions should be made when necessary.

### Student Outcomes

Each year at refunding time, programs will be required to send a report to their program specialist that includes data from the past five years that demonstrate the college’s success in getting students to credit-bearing courses and helping them to earn certificates and/or degrees. Programs will be required to report the data below.

| **A** | **B** | **C** | **D** | **E** | **F** | **G** | **H** | **I** | **J** | **K** | **L** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Year | # enroll. | # carry-in from past or previous fiscal year | # total enroll.  (B+C) | # from D  comp. | # from D did not comp. | # from D  cont. | # of credits earned from E and F | # from E in  program of study | # from E not in program of study | # from E earned certificate | # from E earned degree |
|  |  |  |  |  |  |  |  |  |  |  |  |

Definitions

|  |  |  |
| --- | --- | --- |
| **DEFINITIONS** | | |
| A | Year | The academic year. |
| B | # enrolled | The total number of enrollments. |
| C | # carry-in from past or previous fiscal year | The number of students that returned to the program after not completing in a past academic year. |
| D | # total enrolled (B+C) | The total number of enrollments and carry-ins in a given academic year. |
| E | # from D completed | The total number of students that completed the program. |
| F | # from D did not complete | The total number of students that did not complete the program. |
| G | # from D continuing | The number of students that continued the program in the next academic year. |
| **NOTE: E+F+G must equal D** | | |
| H | # of credits earned from E and F | The number of credits earned by the students. This number will change (increase) as the years advance. |
| I | # from E in program of study | The number of students in a program of study. |
| J | # from E not in a program of study | The number of students who are on a leave of absence. |
| K | # from E earned certificate | The number of students who earned a certificate. |
| L | # from E earned degree | The number of students who earned a degree. |

Programs must provide an overview of the data and accountability systems used to capture the outcomes. Programs can also include a brief explanation of the data if needed.

Since programs report their data each spring, often before the conclusion of the academic year, Transition Programs should only report data for complete academic years. For example, in the spring of academic year academic year 2024, programs will not report data for that year because it has not finished.[[6]](#footnote-7) Programs will instead report on academic years 2019 – 20203.

All students in an academic year must be accounted for in the same academic year. The number of students that did not complete the Transition Program in an academic year should be listed in Column F, # did not complete. Students that did not complete in one academic year but continued in the next or future year should be listed in Column C, #carry-in from past or previous fiscal year. For example, if a student did not complete the Transition Program in 2019 but continued in 2020 that student would be listed in 2019 academic year Column G, # from D continuing and in 2020 academic year Column C, #carry-in from past or previous fiscal year.

## **Chapter 5:** [**Indicator 5: Advising and Student Support Services**](#_Toc468698125)

Programs are required to have a designated advisor to provide, coordinate, and document advising and to provide learners with support services. The advisor should be available to address barriers to participation and refer students to appropriate supports both within the college and to outside agencies when necessary.

## 

The program should work to create a culture of student self-efficacy and persistence. This includes development of self-management competencies as evidenced by students monitoring their own progress; directing the choice of courses, memberships, and activities; and taking an active role in course registration and applying for financial aid.

ACLS requires that advising be available to all students. At a minimum, advising services must address:

* Development of career pathways that allow students to make informed decisions regarding their college careers;
* Barriers to participation by referring students to outside social service agencies as necessary; and
* creating a culture of student self-efficacy and persistence.

Transition Program coordinators may find it helpful to review the [*Effective Practices Aligned with Indicator of Program Quality (IPQ) #7 Guide*](https://www.doe.mass.edu/acls/ecp/) developed by the SABES Program Support PD Center This guide aligns with ACLS’s [Advising and Support Services Indicator of Program Quality](https://www.doe.mass.edu/acls/accountability/program-quality/) (i.e., IPQ seven) and includes examples of effective practices for each of the indicator's standards.

Transition Program staff are encouraged to join the mailing list for the [SABES Program Support PD Center](https://www.sabes.org/pd-center/program-support) and take advantage of the workshops and resources offered by it.

## **Chapter 6:** [**Indicator 6: Organizational Support and Professional Culture**](#_Toc468698126)

### Institutional Support

The Transition Program should be integrated into the college’s structure and provided with all necessary financial supports and college resources. The college should provide competitive salaries, benefits, and opportunities for full-time employment.

### Facilities (State requirement)

ACLS requires that grantees operate AE programs at sites that are safe, age-appropriate, conducive to learning, and that meet all city, state, and federal accessibility and safety requirements. Additionally, ACLS requires that programs ensure the privacy and security of PII and advising spaces, and that sufficient up-to-date technology is readily available for all staff.

### Minimum Qualifications

The college organizational leadership must establish minimum qualifications and maintain high standards for program leadership. The college must provide in-depth training and on-going support to staff in leadership roles, including acting or interim staff.

### Administrator Qualifications (State requirement)

All staff charged with implementing the roles and responsibilities of a program coordinator (e.g., planning and management in program design, leadership, are required to have, at a minimum, a bachelor’s degree and two years of experience in education, management, or program administration. When there is a change in program staff, programs should notify ACLS and submit a copy of the new staff member’s resume.

### Professional Development

The college should regularly provide staff with quality resources, tools, and access to high-quality professional development. [SABES](https://www.sabes.org/) provides free professional development to the Massachusetts AE system. In addition, there are other professional development resources for Transition Programs, including [the National College Transition Network](https://www.collegetransition.org/), and [LINCS.](https://lincs.ed.gov/)

## **Chapter 7:** [**Indicator 7: Collaboration and Coordination**](#_Toc468698127)

The success of any Transition Program depends on the relationships program staff have with DESE-funded AE programs, college staff and faculty, and external partners.

As noted in Chapter 1: Program Design, Transition Programs are required to maintain a minimum enrollment of 15 students per semester, no less than 12 of whom are former (or current) ESE-funded AE students. In order to accomplish this, Transition Programs must have active Memoranda of Agreement with DESE-funded AE programs and other local programs.

Connections and relationships with college departments such as financial aid, academic advising, disability resources, health services, and career services are important. Transition Programs also work with WIOA and other external partners and participate in collaborations in an effort to develop and enhance connections, resources, and support services for students.

## **Chapter 8: Indicator 8: Fiscal and Data Accountability**

Organizations that accept funds (i.e., a contract, a grant) from DESE are accountable for spending public funds appropriately, maintaining sound stable financial conditions, and operating in a financially responsible and transparent manner with data integrity. Grantees that fail to abide by federal and state fiscal and data policies will face consequences including but not limited to conditional funding, corrective action, withholding of funds, grant reduction, or grant termination.

For information on accountability for student outcomes, see the Student Progress chapter.

### Fiscal Responsibilities and Grant Administration

Grantees must comply with the terms, conditions, and regulations accompanying the grant award, accept full legal responsibility for the administration of the project, and meet all stated requirements. Therefore, it is essential that grantees make every effort to follow sound management practices and policies throughout the entire grant cycle. Grantees must ensure that DESE grants are managed with sound, stable fiscal practices memorialized in a comprehensive system of written internal policies and procedures (i.e., controls) that meet state and federal requirements and support the reporting of financial results annually. See [2 CFR Part 200.302](https://www.ecfr.gov/cgi-bin/text-idx?SID=a32963af34d3c94b854882a21e8d77e9&mc=true&node=se2.1.200_1302&rgn=div8) for more information. (Note: All requirements that apply to DESE grant funds also apply to match funds.)

Grantees must have an accounting system that maintains separate and auditable records for each grant award it receives. An effective accounting system tracks revenue and expenditures to demonstrate that funds were used appropriately by budget line and according to the approved budget. Specifically, the accounting system must be able to provide data to prepare federal, state, and DESE reports. These reports include budget versus actual, time and effort, and final financial reports (FR-1). Grantees must have effective control and accountability over all funds, property, and assets and written procedures in place that can be used to determine allowable costs under the cost principles in [2 CFR Part 200 Subpart E](https://www.ecfr.gov/current/title-2/part-200/subpart-e). By maintaining such an accounting system, grantees ensure that all grant funds are expended according to applicable regulations.

For administrative and programmatic guidance, see the Hierarchy of Applicable Regulations in Appendix B.

### Record Keeping

Grantees’ financial management, accounting, and reporting systems must be able to maintain records that identify the source and application of funds for each grant and accompanying matching funds separately. The financial management, accounting, and reporting systems must be able to maintain records to identify the source and application of funds for federal and state sponsored activities in DESE grants. Specifically, the accounting system must:

* Have a chart of accounts that identifies DESE grants and matching funds applicable to each grant;
* Be able to produce budget versus actual reports. These reports compare the approved budget versus actual spending and provide a useful tool because they help grantees maintain compliance with approved grant budgets. Using them, programs can forecast needed changes in individual budget line amounts, if necessary (i.e., over 10% or $10,000), obtain approval from ACLS in a timely manner, and avoid unapproved overruns. Unapproved overruns are questionable costs and may result in DESE requesting the return of those funds;
* Record grant funds and required matching funds separately in the grantee’s accounting system. Comingling of funds is not an accepted practice; and
* As required by federal and state grant regulations, include authorizations; obligations and unobligated balances; expenditures; assets; and income and interest.

Grantees must become familiar with basic terms for financial management of funds such as:

* Cost accounting: The method by which costs incurred are allocated to grant programs by classification (i.e., type of expenditure)
* Allowability: Costs are necessary, reasonable, and allocable to the grant
* Allocability: The degree to which goods or services can be charged to a particular cost objective in accordance with the relative benefits received. (Note: Grantees should create allocation schedules.)
* Applicable credits: Receipts or reductions in expenditures that offset or reduce direct or indirect cost items (i.e., program income, and/or discounts)
* Direct cost: A cost that is identified with and benefits a specific grant and is generally charged on a line item basis, such as grant staff and grant supplies
* Indirect cost: A cost incurred for common or organization wide activities or services that benefit more than one grant program or project, such as rent and utilities. (Note: See [34 CFR Part 76.563-569](https://www.ecfr.gov/current/title-34/part-76) for AE grants restrictions due to the statutory requirement to supplement not supplant.)
* Audit trail: Documentation that supports all grant related transactions

As required under [2 CFR Part 200.62](https://www.ecfr.gov/on/2017-01-03/title-2/subtitle-A/chapter-II/part-200/subpart-A/subject-group-ECFR2a6a0087862fd2c/section-200.62), grantees must have written financial management procedures in place that show sound internal controls over federal and state grant funds; assurance procedures for payment requests and payments; and federal and state award expenditures that can be compared to the award budget. The specific written procedures grantees must have in writing are:

* Allowable costs policy: How the grantee determines the costs charged to the grant are allowable and who is responsible for expenditures charged to the grant.
* Cash management: Drawdown process ensuring funds maintained and funds drawn down by the grantee are for expenditures that have been incurred or will be incurred in a reasonable timeframe. Funds are only drawn down by authorized staff.
* Procurement: Federal procurement guidelines for community-based organizations, state regulations for state agencies, and federal and local regulations for towns, cities, and school districts
* Travel
* Personnel policies: Policies applied to the grant should be consistently applied for all employees of the grantee.
* Inventory: Assets and technology
* Time and effort reporting: Time and effort for each employee charged to the grant for both full and split funded employees through timesheets, monthly and semi-certifications, and allocation schedules.
* Conflict of interest
* Budget process
* Records retention

#### **Record Retention**

Grantees and subcontractors of DESE must abide by the [Commonwealth of Massachusetts Regulation, 815 CMR 2.00 State Grants, Federal Grant Awards, Federal Subgrants, and Subsidies](https://www.mass.gov/regulations/815-CMR-2-state-grants-federal-grant-awards-federal-subgrants-and-subsidies). The regulation requires that all DESE grant and subsidy recipients maintain all files, records, and documents related to the program. This includes all financial and program records, and data records for seven years beginning on the first day of the final payment of the grant or such longer period as is necessary for resolution to any claims, litigation, negotiation, and or audit. Financial and data records must be made available for review by DESE upon request. Falsification of required documentation may trigger a data and/or fiscal monitoring review from DESE, conditions placed on current funding, or result in termination of the grant.

Records may be retained in electronic format. However, the grantee is expected to establish formal procedures that address records management requirements, including recordkeeping requirements and disposition.

For guidance on establishing administrative controls, visit the [Commonwealth of Massachusetts Secretary of State Electronic Records Guidelines](https://www.sec.state.ma.us/arc/arcpdf/Electronic_Records_Guidelines.pdf).

#### **Grants Accounting and Information System**

Grantees must have an accounting system that enables them to develop and submit an annual budget that supports the services approved in the grant. The budget process must be in writing and reflect the requirements of the grant. Authorized personnel must submit grant budgets by the deadlines specified in the DESE grants accounting system, [GEM$.](https://mass.egrantsmanagement.com/default.aspx?ccipSessionKey=638289965262909899) Failure to meet the specified deadlines may delay grant approvals.

For more information on grants, see [Grants for Schools: Getting Them and Using Them, A Procedural Manual](http://www.doe.mass.edu/grants/procedure/manual.html).

### Supplement not Supplant

AE grants are not intended to support 100% of programs costs. Technically classified as restricted rate grants, because they have the statutory requirement to supplement and not supplant (i.e., SNS) other federal, state, local, or private funding, AE funds cannot be used for costs that are assumed to be part of the agreement of the grant nor can they be used for costs previously funded with other funds available to the grantee. In other words, AE grant funds may not be used to pay for expenses that have been paid for by other federal, state, local, or private awards in the prior year or for costs assumed to be part of the determination of awarding funds to the grantee. The funds must be used as a supplement to an existing program.

This explains why grantees are expected to use existing resources to ensure the fiscal health of AE programs. For example, costs for rental of space including maintenance are assumed to be provided by the grantee when awarding the grant and therefore cannot be charged to the grant. Space attributed to the general administrative units of the grantee may be included as part of the indirect costs rate. However, the grantee must maintain records in determining indirect costs on file and have an approved indirect cost rate agreement from a federal cognizant agency or negotiate a rate with DESE. Please refer to [34 CFR Part 76.563-569](https://www.ecfr.gov/current/title-34/part-76) for further guidance.

### Match and Maintenance of Effort (State requirement)

As per [2 CFR Part 200.306](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/section-200.306), ACLS requires that Transition Program grantees provide a minimum of 30% of the total grant award as match or the amount contributed in the previous year, whichever is greater (i.e., the matching share committed in year one of a multi-year grant cycle cannot be reduced without written DESE approval).

This is referred to as maintenance of effort (MOE) and it applies to the full range of commitments grantees make in the first year of a funding cycle (e.g., director qualifications, space, technology). Specifically, the grantee is expected to provide some funding toward the direct services to the program for their match.

Only allowable program costs can be charged to match. As a result, indirect costs in excess of 8% cannot be recovered. (Note: Programs that have a DESE approved IDC rate of 8%, can claim a portion of that rate on the direct budget and a portion of that rate on match (e.g., 4% IDC on the direct budget and 4% IDC on the match budget). Programs that have a federally approved indirect cost (IDC) rate that exceeds the DESE approved IDC rate may not claim the difference between the 8% and the federally approved rate as match.

All matching funds and contributions must be directly related to the grant program. This includes cash and third-party in-kind contributions. These contributions must adhere to the requirements detailed in this chapter. Specifically, they must be verifiable, adequately supported with documentation, and approved in the program budget. Time and effort reporting for volunteers’ matching expenditures must adhere to the same reporting policies and procedures used for the grantees’ employees. The expenditures used as matching funds may not be included as contributions for or funded by any other federal award.

Examples of allowable matching or cost-sharing requirement criteria are:

* The value of the third-party in-kind contributions is applicable to the period to which the cost sharing or matching requirements apply;
* Valuation of donated services provided to a grantee or subgrantee by individuals must be valued at rates consistent with those ordinarily paid for similar work, in the grantee's or subgrantee's organization; and
* Valuation of third party donated supplies and loaned equipment or space must be valued at rates consistent with those common in the area where the grantee provides services.

The source(s) of match funding must be documented, and the match funds must be an integral part of the approved program, recorded in the grantee’s financial management system for each grant, fully auditable, and demonstrative of the grantee’s capacity to provide self-sustaining fiscal and program operations. Examples of acceptable match requirements include but are not limited to:

* Classes supported by match funds. If a program meets the match requirement with classes, these classes and students must be entered into [LACES](https://laces.literacypro.com/laces/).
* Allowable costs incurred by the grantee, subgrantee, or a cost-type contractor under the assistance agreement;
* Personnel who provide volunteer instructional services (e.g., in class, one on one tutoring). Rates for volunteer services must be consistent with rates for similar work paid by the grantee. If required skills are not paid for by the grantee, rates must be consistent with those paid for similar work in the labor market. Fringe benefits that are reasonable, necessary, allocable, and allowable may be included in the valuation but only to the extent that they are included in the grantee’s personnel policies. Time of the volunteer services must be documented using the same time and effort reporting system used for employees of the grantee. DESE limits matching contributions for volunteer time to 5% of the total grant award, not to exceed $24,000;
* Employees of other organizations; and
* Space may be claimed as match. The amount charged to the grant must be limited to actual usage of the space by the Transition Program. The formula for determining match is the cost per sq. ft. used by the program (e.g., classrooms, office space) multiplied by the percentage of time the space is used by the program. If office space for general administrative organization wide services is included in the indirect cost calculation, it cannot be used as a match expense.

### General Grant Requirements

As the entity responsible for distributing AE grant funds and monitoring their use, DESE monitors grantee adherence to applicable state and federal requirements. Documentation and information collected for this purpose includes but is not limited to:

* Statement of Assurances (SOA): Each year an authorized signatory of the grantee must submit a signed SOA that assures compliance to DESE policies. The failure of a grantee to demonstrate compliance with the policy requirements in the *FY24-26* *Massachusetts Policies for Effective Adult Education Transition to College Programs* and in subsequent policy updates throughout the year will have consequences, including but not limited to corrective action, withholding of funds, grant reduction, or grant termination. By signing the SOA, the signatory is assuring DESE that the organization is aware of and will comply with all grant requirements and governing fiscal and data regulations.
* Risk Management: [2 CFR Part 200.205](https://www.ecfr.gov/cgi-bin/text-idx?node=se2.1.200_1205&rgn=div8) requires that DESE assess the risk of grant recipients in order to identify fiscal and programmatic conditions that could put federal and state funds at risk and, based on the results of the risk assessment, develop monitoring plans**.** ACLS will continually assess program risk using a risk analysis rubric that incorporates a range of fiscal and data indicators including single audit findings, fiscal monitoring review findings, unspent funds, grant to agency budget ratio, timeliness of data entry, and data accuracy. Mitigation could involve training and technical assistance, additional site reviews including fiscal and data audits, stops on grant payments, and grant reduction or termination.
* Time and effort records must support payrolls and time distribution records must support salaries and wages of employees for both full time staff and/or staff working on more than one grant or cost center. Grantees must have written policies and procedures on how the account for staff is charged to the grant including salaries and in-kind services used as matching funds. Grantees should become familiar with [2 CFR Part 200.318](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1), document time and effort in payroll records, ensure that they comply with the approved budget, and keep supporting documentation for time and effort reporting. This requirement also pertains to matching funds.
* Time and effort documentation is important and a requirement as per [2 CFR Part 200.430](https://www.ecfr.gov/cgi-bin/text-idx?node=se2.1.200_1430&rgn=div8). The grantee must have written time and effort reporting procedures that reflect the grantee’s written personnel policies. Payroll systems must be based on records that accurately reflect the work performed and supported by a system of internal controls that provides reasonable assurances that charges are accurate, allowable, reasonable, and properly allocated. Payroll distribution records must be incorporated into the grantee’s official records and reasonably reflect employees’ total activity. Additionally, records need to support the distribution of salary or wages across specific activities or cost objectives if an employee works on more than one grant or activity. Time and effort reporting documentation requirements also apply to salaries counted as match.
* A reasonable method of tracking time and effort must be employed. Estimates may be used, however, reconciliation to actual time worked and charged (i.e., planned versus actual) must occur on a regular basis. Time worked, level of effort, and dollars charged are not independent of each other. They are linked and methodologies for tracking, reporting, and the internal controls in place need to be part of the documentation associated with personnel charges to DESE grants.

### Essential Budget Information

AE grantees must be familiar with [grants management information](http://www.doe.mass.edu/grants/essential.html), submit applications that follow the “line item” structure [GEM$](https://mass.egrantsmanagement.com/default.aspx?ccipSessionKey=638289998205400414), and use official [grants management forms](http://www.doe.mass.edu/grants/procedure/default.html) and/or ACLS required forms as identified in individual Requests for Proposals (RFP). They must also abide by rules related to administrative costs and meet DESE deadlines including the rule that all fiscal requirements that apply to DESE grant funds also apply to match funds. Administrative costs for Transition Programs may not exceed 15%.

[AEFLA Sec. 233](https://www.congress.gov/113/bills/hr803/BILLS-113hr803enr.pdf) states that professional development expenses are administrative expenses and part of the five percent limit. DESE has further defined administrative professional development expenses to include non-SABES registration fees and travel expenses including out of state travel. SABES trainings and the annual MCAE Network conference are defined by DESE as instructional expenses.

When preparing budgets, grantees must keep in mind the specific line item costs that are included in the calculation of administrative costs.

#### **Budget Information Line by Line**

Allowable costs under all line items must be directly attributable to the project and documented.

For example, job descriptions and organization charts must be maintained for all employees charged to the grant for both direct and indirect costs. The job descriptions and organizational charts should be in line with the duties performed on the grant and through the grantee’s organization. Job descriptions should also be maintained for services performed as match (e.g., volunteer and other salaries included as match for the grant). Grantees should contact their assigned PS if they need assistance with budgets.

For more information on grant budgets, see <http://www.doe.mass.edu/grants/essential.html> and Budget Information Line by Line in Appendix C.

#### **Requests for Funds**

Grantees must monitor expenditures carefully and draw down funds only as needed to ensure that state and federal funds are expended on a consistent, timely basis, and in full by the close of each fiscal year. The grantee must have a written cash management policy to ensure funds are only drawn down as needed and expended in a reasonable amount of time. The grantee must have an interest policy for funds held longer than a reasonable time. All DESE grant drawdowns are processed online using the [GEM$](https://mass.egrantsmanagement.com/default.aspx?ccipSessionKey=638289998205400414) platform. State agencies and correctional facilities are set up with an account in MMARS via an Interagency Service Agreement (ISA), to use their funds. Grantees should not draw down funds if expenditures have not occurred or will not occur in a reasonable time period.

It is important to develop cash management policies and procedures that include monitoring budget versus actual expenditures, and cash on hand. Communication between program staff and fiscal staff on a monthly basis will allow the grantee to apply for amendments if needed and avoid disallowance of expenditures. Costs incurred and charged must only be for allowable costs as approved in the budget.

For more information on grant management, see <http://www.doe.mass.edu/grants/procedure/manual.html>.

#### **Amendments**

Grant amendments are required when there is:

* a significant change in program objectives, personnel and/or scope of services for the grant;
* an increase or decrease in the total amount of the grant; or
* a line item change that exceeds $100 or 10% of the line, whichever is greater, or exceeds $10,000 must be approved by DESE program staff.

When an amendment is required, the program must consult with its assigned PS for preapproval of the proposed change prior to submitting an amendment electronically via [GEM$](https://mass.egrantsmanagement.com/default.aspx?ccipSessionKey=638289998205400414). Program failure to meet assigned submission deadlines will delay grant processing and receipt of funds.

To allow time for amendments to be processed, programs must submit amendments at least 30 days prior to the desired change and/or 30 days before the end of the fiscal year. Communication between program and fiscal staff on a consistent basis and the use of budget versus actual reports to monitor the grant will prevent any disallowance of expenditures by DESE.

#### **Unexpended Funds**

Grantees must monitor expenses on all grants to ensure that funds are used within the approved project period of the grant.

* Grant funds MUST be obligated by the grant end date.
* Goods/services MUST be received by the grant end date.
* Applicants have 60 days to finalize/pay invoices for obligations incurred by the grant end date.

Unexpended funds above $1.00 must be returned with the final financial report (i.e., FR-1) each year. The FR-1 must be filed 60 days after the close of the grant. Expenditures reported on the FR-1 must be supported in the grantees’ accounting records. The accounting system accounts should mirror the grant budget lines, or the grantee must maintain a crosswalk that links the accounts on the accounting system to the grant budget lines. DESE recommends that the grantee maintain supporting documentation to support all filed FR-1’s.

Grantees must notify their program specialist (PS) as soon as possible if funds may be unspent, including funds assigned to subcontractors, so that grant funds can be reallocated. Returned and unspent funds are indicators of risk and will be recorded in the risk analysis. Grantees that repeatedly return funds may have their subsequent award reduced by the amount of the funds returned and may not be eligible for increases offered during the following year.

#### **Condition of Funding**

As a condition of accepting DESE funding, grantees commit to identifying DESE as the entity supporting the delivery of AE services at the program in official correspondence. Grantees additionally agree that DESE will have the right to publish and distribute any materials developed with grant funds.

### Data Quality and Integrity

When grantees submit a Statement of Assurances signed by the authorized signatory of the grantee, they are assuring DESE of the accuracy of the information in their grant applications (i.e., competitive and continuation) and all grant related documentation. Grantees will be required to provide financial and data records as requested with the understanding that falsification of required documentation may trigger a data audit and/or fiscal audit or result in termination of the grant. In addition to submitting accurate data, grantees must meet deadlines for data submission.

#### **Data Entry**

All data, including intakes, assessment, enrollments, and other information as the need arises must be entered into [LACES](https://laces.literacypro.com/laces/) in a timely manner according to a fixed, regular schedule. Data entry must be consistent with program records in the grantee’s files. Programs that routinely lag in data entry will not have an accurate picture of their current performance. Routine lags in data entry may trigger a data and/or fiscal audit.

Transition Programs should enter Student, Class, and Staff data in [LACES](https://laces.literacypro.com/laces/). For students, note that the “Assess Status in Subj Area” field in the Student grid should show as “Never Assessed.” This is because Transition students do not take National Reporting System (NRS) assessments. Transition students instead should only take the college’s common assessment.

For more information on [LACES](https://laces.literacypro.com/laces/) data entry, see <https://sites.google.com/a/literacypro.com/laces-massachusetts-customizations/ma-laces-manual>.

#### **Desk Reviews**

ACLS uses desk reviews to ensure and improve the quality of data collection in LACES. Twice a year, your assigned program specialist will do a desk review to check student enrollments and class creation.

## **Appendix A: Guidelines for Memoranda of Agreement (MOA)**

The memorandum of agreement (MOA) is a written document describing the agreement between the grantee and another organization working together to deliver services. The purpose of the MOA is to formalize and clarify the expectations of the grantee and partnering program.

All parties must commit to fulfilling the requirements outlined in the signed Statement of Assurances and the requirements set forth in the *Policies*. The MOA must be revisited annually: one original must be signed and dated by all partners and submitted to ACLS; however, with approval from the ACLS PS, the MOA may be updated at any time through written agreement of each partner.

Required components of the MOA include an articulation of the following:

* purpose of the MOA
* description of the roles and responsibilities of staff of each partnering organization
* if the partner is offering instructional services, a detailed description of those services (number and type of classes) as reflected in the program’s program plan
* description of the scope of work, including expected results
* duration of agreement articulating the beginning and end date
* schedule for review of MOA at a minimum three times per year: beginning, midyear, and end of year
* articulation of grounds for termination of the MOA, for example:

*“This agreement may be terminated by either of the partners upon written notice delivered to the other party at least 30 days prior to intended date of termination. The grantee must terminate the agreement with the partner organization if its activities are not delivered as described in the MOA.*

The following items are commonly seen in Transition to College Program MOAs:

Responsibilities of the Transition Program include:

* Scheduling on-campus information sessions and tours, including observing a class
* Assisting AE students in enrolling in the Transition Program
* Regularly presenting to AE classes about the Transition Program
* Advising AE instructors on curricula and lesson plans designed to prepare students for college level courses

Responsibilities of the Adult Education agencies include:

* Providing the Transition Program coordinator access to classes for program information sessions
* Designating an agency contact for the Transition coordinator.
* Assisting the Transition Program coordinator in scheduling informational tours of the college
* Disseminating information about the Transition Program to students
* Including Transition Program information as part of orientations for incoming students
* Collaborating with the Transition Program coordinator on developing curricula and lesson plans designed to prepare students for college-level courses.

## **Appendix B: Hierarchy of Applicable Regulations**

Grantees should become familiar with applicable federal regulations as they provide the universe of fiscal requirements for AE grants and will be used as reference during fiscal monitoring reviews. There are a number of requirements that come from different sources. The following section summarizes the hierarchy of legal requirements for federal AE programs that also apply to DESE state grants.

#### **Statutes**

Programmatic statutestypically contain rules that govern specific federal education programs. The programmatic statute for adult education isthe Adult Education and Family Literacy Act (AEFLA), Title II of the [Workforce Innovation and Opportunity Act](https://www.congress.gov/113/bills/hr803/BILLS-113hr803enr.pdf). AEFLA is the statute (i.e., legislation) that authorizes AE grants. It contains information about the program goals and objectives, permissible use of funds, fiscal requirements, and other rules unique to the program.

Administrative statutes typically establish cross-cutting rules that apply to the management of federal education programs. An example is the General Education Provisions Act (GEPA), which defines rules regarding the timing and availability of certain education grants, appeal rights, enforcement actions, and other important administrative issues.

Appropriation statutesdetermine the specific amount of money that will fund the AE programs and may contain substantive requirements beyond simple funding, including additional programmatic or administrative requirements.

#### **Regulations**

Regulations are next in the legal hierarchy governing AE programs. Unlike statutes which are passed by Congress, regulations are drafted and adopted by the federal agency that is responsible for implementing the statute. A statute must be in place for an agency to adopt a regulation. (Note: The grant regulations specified in these documents also apply to state matching funds.)

The U.S. Department of Education (US ED) is responsible for maintaining specific programmatic and administrative regulations for US ED grants. These regulations can be found in the Code of Federal Regulations (CFR). CFR is the codification of the rules published in the Federal Register by the federal government. The first two numbers indicate the federal agency. Regulations pertaining to US ED are identified by the numbers 34. Therefore, 34 CFR regulations are specific to US ED grants. (Note: State AE grants meet the Commonwealth’s requirement to match federal funding. As a result, these grants must adhere to the same regulations as federal awards.)

Like statutes, there are programmatic and administrative regulations. In addition to agency specific regulations, there are general administrative regulations that address administrative requirements to all federal grants. The general administrative regulations have been adopted by all federal agencies and are to be adhered to along with the agency specific regulations. They address areas not specifically addressed in the agency regulations and our uniform requirements for all grants and are to be referred to if a requirement is not addressed in the agency specific regulations.

Programmatic regulations typically contain rules that govern specific federal education grants. The programmatic regulation for adult education, [34 CFR Part 463](https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=bd74a6782834f6b8567d23a1628a2139&mc=true&n=sp34.3.463.d&r=SUBPART&ty=HTML), establishes specific programmatic and fiscal regulations to AE programs authorized under AEFLA.

US ED administrative regulations that are specific to the US ED grants awarded by DESE can be found in [34 CFR Part 76](https://www.ecfr.gov/current/title-34/subtitle-A/part-76), Administrative Requirements for State Administered Programs. These regulations provide grant administrative requirements for all US ED federal education grants administered by DESE. The grant regulations specified in these documents also apply to state matching funds.

Uniform Grant Guidance (UGG), [2 CFR Part 200](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl), are the Uniform Administrative Requirements, Cost Principles, and Audit Requirements are the general administrative, cost principles, and audit requirements for all federal grants. As indicated above, these regulations are the general administrative requirements for all federal grants and are to be referred to and followed if the requirement is not addressed in the 34 CFR regulations.

#### **Non-regulatory Guidance and Policy Letters**

These provide US ED’s interpretations of statutes and regulations in plain language with user friendly guidance to grant recipients and useful indicators about how US ED interprets important aspects of their federal programs. The guidance and policy letters do not have the same legal authority as the statutes and regulations.

## **Appendix C: Budget Information**

* Administrators: Administrators supervise project staff and/or direct the project. Their duties include planning and management in program design, leadership, operations, human resources, budgeting, collaborations, and risk management. Regarding program supervision, all supervisory activities, including but not limited to classroom observations, curriculum development, and supervising teaching, curriculum development, and lesson planning are considered administrative. These guidelines apply regardless of the title of the position.
* Direct Service Staff: Direct service staff provide direct educational/instructional services under the project including curriculum development and similar activities when carried out by professional staff.
* Support Staff: Support staff provide services necessary to support direct educational/instructional services under the project. Costs included under this line item must be directly attributable to the project and documented. This would include secretaries that perform duties directly related to the program (e.g., data input, IT technicians) and support directly related to the program.
* Fringe Benefits: Fringe benefits offered to project staff must be granted under approved plans and be consistent with the grantee's standards for similar costs supported with other than project funds. For example, funds may be allocated for retirement accounts if, and only if, such benefits are provided to other staff working at the applicant agency. (Note: Fringe for staff charged to Lines 1 and 3 staff contributes to programs’ overall administrative costs.)
* Stipends: Stipends, in general, are not charged to AE grants. However, staff that receive a stipend for grant activities, which are over and above their regular responsibilities, may only receive the stipend if the grantee has a policy of paying overtime for such activities. Stipends paid must have supporting documentation that describes the purpose of the payment and provides evidence of performance.
* Contractual: Costs must be supported with a scope of services and evidence that services were rendered through time sheets, attendance records, and the DESE budget for subcontracts/subawards. Contracts over $25,000 should have a certification from the subcontractor/sub awardee that they are not on the federal debarment and suspension list.
* Materials and Supplies including Computing Devices: As per [2 CFR Part 200.302(b)(4)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200), [2 CFR Part 200.314](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200), and [2 CFR Part 200.453](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200), costs for materials and supplies necessary to carry out a federal award are allowable. Materials and supplies[[7]](#footnote-8) refer to all tangible property other than that described in the Equipment section below. Incoming transportation charges are a proper part of materials and supplies costs. Purchased materials and supplies must be charged at their actual prices. Grantees must maintain effective control and safeguard all assetsincluding technologyand assure that they are used solely for authorized purposes regardless of cost.

Property records for computing devices and equipment must be maintained. Records must include a description of the property, a serial number or other identification number, the source of funding for the property, who holds title, the acquisition date and cost of the property, percentage of federal participation in the costs for the federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and, if applicable, sale price. Grantees are required to have a written inventory policy that includes technology.

As per [2 CFR Part 200.313](https://www.ecfr.gov/cgi-bin/text-idx?node=se2.1.200_1313&rgn=div8), programs that have usable equipment and/or computing devices purchased with grant funding, which will no longer be used on behalf of an DESE-funded program, must notify their ACLS PS so the PS can facilitate the reallocation of the usable equipment and/or computing devices to programs in the region. Programs that wish to follow a different procedure for disposal of computing devices and equipment should submit a written request to the state director. (Note: Date of disposal and sale price, including the method used to determine fair market value, if applicable, must be added to the equipment inventory.)

* Travel: Costs for employees on official business incident to the project. Costs must be consistent with the grantee’s standards for similar activities supported with other funds. Out of state travel must be approved by DESE and travel reimbursements must be reasonable, allowable. and related to grant activities.
* Other Expenses: This line includes the allocable costs related to a Single Audit for grantees that expended an aggregate amount of federal funds of $750,000 or greater for the fiscal year. In addition, classroom space costs required to meet the additional needs of the grant that were not included in the grantee’s proposal (e.g., a satellite space at a request by DESE to provide additional services).
* [Indirect Costs](http://www.doe.mass.edu/grants/essential.html) (IDC): The AE services program is a restricted rate program that is subject to a statutory supplement not supplant restriction. As per [2 CRF Part 200.56](https://www.ecfr.gov/cgi-bin/text-idx?SID=d0fd5d854a5a34225e4e558656655b66&mc=true&node=se2.1.200_156&rgn=div8) and [34 CFR Part 76.563-569](https://www.ecfr.gov/current/title-34/subtitle-A/part-76)[[8]](#footnote-9), grantees are allowed a restricted IDC rate of eight (8) percent, unless their calculated restricted IDC rates are less than 8%, in which case they must use the lower rate. If a grantee has an approved negotiated federal IDC rate, it must be submitted to DESE. If a grantee does not have an approved IDC rate, the grantee must negotiate a restricted indirect cost rate with DESE. The IDC rate is calculated using costs specified in the grantee's IDC plan. The grantee must provide documentation to support the costs related to general administration. Other costs are the executive director and department heads that do not have organization wide duties. The costs included in the indirect cost rate proposal cannot be charged as direct costs on other federal or nonfederal programs and must be allowable costs under the cost principles of [2 CFR Part 200 Subpart E](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E).

Grantees must annually apply to DESE Audit & Compliance Unit for an approved IDC rate prior to submission of grant applications. Grantees that do not have an approved IDC rate will not be able to claim indirect costs.

When the direct grantee and a subcontractor both have approved DESE IDC rates, both agencies may charge indirect costs to the grant. However, the total dollar amount charged for indirect costs must not exceed the maximum IDC dollar amount for which the direct grantee is eligible.

When the direct grantee has an approved IDC rate, but the sub awardee/subcontractor does not have an approved IDC from a federal cognizant agency or DESE, the sub awardee/subcontractor may not charge an IDC rate. If the sub awardee/subcontractor has a federal negotiated rate agreement it must be sent to DESE Audit & Compliance for review and approval. Upon approval, the sub awardee/subcontractor may charge the approved IDC rate allowed which will be limited to a maximum of 8% as long as the dollar amount of the total indirect charged to the grant does not exceed the maximum dollar amount for which the direct grantee is eligible.

When a subcontractor has an approved IDC rate, but the direct grantee does not, the subcontractor may claim an IDC. Subcontractors are bound by the maximum amount the direct grantee can charge under the grantee’s approved indirect rate.

* Equipment: As per [2 CFR Parts 200.33, 200.313, 200.453, and 200.439](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E), equipment is tangible, nonexpendable, property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit. Equipment must be used in the program for which it was acquired. Grantees must not encumber the property without prior approval from DESE.

During the time that equipment is used in the program for which it was acquired, grantees must also make equipment available for use on other programs currently or previously supported by the federal government, provided that such use will not interfere with the work on the program for which it was originally acquired. First preference must be given to other programs supported by the federal awarding agency that financed the equipment and second preference must be given to programs under federal awards from other federal awarding agencies. Use for non-federally-funded programs and projects is also permissible. User fees should be considered if appropriate. (Note: The most common use of AE funds for equipment is for training equipment used in the implementation of IET and IELCE grants.)

1. A Transition to College program always includes Transition to College services. A program may also include College Support Services.

   [↑](#footnote-ref-2)
2. Diversity: The representation of people from a wide range of races, languages, abilities, identities, experiences, values, and perspectives. And we recognize the impact of intersectionality. [↑](#footnote-ref-3)
3. Equity: Placing a heightened focus on groups experiencing disproportionate impact through the development of systems to remediate disparities in their experiences and outcomes, particularly racial groups. [↑](#footnote-ref-4)
4. Inclusion: Pursuing deliberate actions to create welcoming environments and ensure differences are actively sought and heard, and that every individual feels a sense of belonging and a role in impacting decision-making, practices, and policies. [↑](#footnote-ref-5)
5. The title of this course varies from college to college. [↑](#footnote-ref-6)
6. Student, class, and class enrollment data, however, must be entered into LACES. See Chapter 8, Indicator 8: Fiscal and Data Accountability for more information.

   [↑](#footnote-ref-7)
7. Supplies include computing devices if the acquisition cost is less than $5,000, regardless of the length of their useful life. Computing devices means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories or peripherals for printing, transmitting and receiving, or storing electronic information. [↑](#footnote-ref-8)
8. As per [34 CFR 76.563-569](https://www.ecfr.gov/current/title-34/subtitle-A/part-76), the restricted rate is much lower than the unrestricted indirect cost rate which must be calculated to attain the restricted rate. Certain indirect costs allowed in the unrestricted rate determination are not allowed in the restricted rate. These costs include but are not limited to, rent and maintenance costs for space other than the space occupied by the general administration staff such as the accounting, procurement, and human resources office which are organizational wide costs. [↑](#footnote-ref-9)