




Missouri Department of Elementary and Secondary Education

— Making a positive difference through education and service —

MEMORANDUM

TO: Administrators of Perkins Tech Prep Grants

FROM: Tom Quinn 
Assistant Commissioner
Division of Career Education

DATE: April 24, 2008

SUBJECT: Perkins Tech Prep Program Administration

Thank you to all of the Tech Prep Coordinators that took time to respond to the Division's request for feedback on the impact of paying administrative assistants/secretaries from the 5% program administration funds. As indicated in my earlier correspondence, our Division is sensitive to the concerns noted as a result of the previous guidance related to the Perkins program administration funds.

At the same time our Division requested this information from each of you, we were also having discussions with the U.S. Department of Education (USDE) trying to obtain clarification regarding the administrative costs allowed under Tech Prep. Here is an excerpt from a program memorandum issued by the USDE regarding Tech Prep:

Local consortia may elect to reserve a portion of their allocation for reasonable and necessary administration costs. Although there is no set percentage in the statute for administrative costs, generally reasonable and necessary administrative expenses would not exceed 5% of the Tech Prep allocation, and often would be less.

This language is very similar to the previous program memorandum on administrative costs issued by our Division. Thus, our Division agrees with the above-mentioned guidance from the USDE. Therefore, any position or a percentage of any position that is truly administrative in nature is required to be paid from the program administration funds. Based on the guidance from the USDE and our Division wanting to be consistent with Section 135(d) of the Perkins Act, we believe that any local educational agency (LEA) that receives a Tech Prep Grant should not use more than 5% of the funds for administrative costs.

After receiving the impact statements from the Tech Prep Coordinators and the clarification from the USDE, Division staff met several times to discuss the issue with the program administration funds allowed under the Tech Prep Grant. As a result of these discussions, the Division now offers the following guidance related to program administration for the Tech Prep Grant only. This new guidance should provide LEAs with some much needed flexibility in regards to administrative costs.

This new guidance must be adhered to by all LEAs receiving a Tech Prep Grant to ensure the appropriate use and reporting of program administration funds. This guidance will be effective on July 1, 2008.

Tech Prep Administration

The Tech Prep Coordinator will continue to be considered a programmatic position due to the responsibilities with programs of study and working directly with students. Therefore, the salary of the Tech Prep Coordinator should be paid from program funds, and the individual must maintain time and effort documentation to support the amounts charged to the Tech Prep Grant.

The administrative assistant/secretary will now be considered both a programmatic and administrative position due to the wide range of responsibilities noted in the impact statements. Because of this, each LEA must determine the percentage of time the administrative assistant/secretary devotes to programmatic and administrative duties. Once this funding split is determined, the individual must maintain time and effort documentation to support the percentages (program and admin) charged to the Tech Prep Grant. In addition, each LEA must calculate their reasonable and necessary amount for administrative costs. This will amount to 5% of the LEA's Tech Prep allocation. Once this amount is determined, it should be compared to the amount charged to the Tech Prep Grant for administrative costs based on the percentage of time devoted to administrative duties. If the amount is less than the reasonable and necessary amount for administrative costs, then the LEA has met the USDE's guidance on program administration. If the amount is more than the reasonable and necessary amount, then the LEA must document in writing a justification for exceeding 5% for program administration. This documentation should indicate why it was necessary for the LEA to charge more than 5% to the Tech Prep Grant for administrative costs. It is not necessary to submit this documentation to the Division for approval. The documentation should be kept locally and be available for review during an audit or a Perkins Technical Assistance Visit.

Example

The Fiscal Year 2009 allocation for a Tech Prep consortium is \$115,000. Thus, the reasonable and necessary amount for administrative costs would equal \$5,750 ($\$115,000 \times 5\%$). The Tech Prep consortium has determined a funding split for their administrative assistant/secretary of 30/70 in regards to programmatic and administrative duties. If the administrative assistant/secretary has a salary of \$24,000 then the amount charged to the Tech Prep Grant for administrative costs would be \$7,200 ($\$24,000 \times 30\%$). Because the amount for administrative costs exceeds the reasonable and necessary amount, the LEA must provide a written justification for the overage.

If you have any questions regarding this guidance, please contact Andy Martin, Director of Career Education Finance, at (573) 751-0449.