

Beginning-of-Year: Financial Information, Reimbursements and Reports September 15, 2016 **Transcript**

[00:00:00] Good afternoon. Welcome to the Virginia Department of Education's Career, Technical, and Adult Education Video Streaming Session. Today's session will focus on the beginning of the school year with a specific emphasis on the financial allocation, expenditure, and reporting of state and local funds pertaining to career and technical programs.

Joining me is Rachel Blanton who is the new CTE Senior Grants and Budget Manager. We certainly look forward to Rachel working with our office going forward and to her work with 132 local school divisions.

[00:00:56] This session will look at all aspects of funding for the 2016 school year with particular emphasis on federal, state, and local funding. We will do a recap of the 2015-16 Grant Award, extensive focus on 2016-17, and then we'll focus on the various funding allocations associated with state funding of career and technical programs. And then, a couple of points, of reference we will make about local CTE funds.

[00:01:42] With respect to the 2015-16 Perkins Funding Close-out, reimbursement requests for 2015-16 Perkins expenditures must be submitted via OMEGA by midnight September 30th. Reimbursement requests must be based on expenditures between July 1st, 2015, and June 30th, 2016. School divisions will forfeit any remaining balance after midnight September 30th, 2016. As a reference point, the 2015-16 Perkins allocation was announced in Supts. Memo #076-15, so we are inside of roughly 20 days now of September 30th. If your school division has not submitted all of its expenditure claims, please take care of that as quickly as possible.

[00:02:46] The 2016-17 Title I Federal Perkins Funding is in the amount of \$24,019,623. Over all that represents a .46% funding increase of \$116,963 from the 2015-16 allocation. The division of the Perkins funding is based on 85 percent for local school divisions and post-secondary, 10 percent for State Leadership, and 5 percent for the Administration of the Perkins Grant. Within the 85 percent that's allocated to local school divisions and post-secondary, 85 percent of that whole amount goes to 132 local school divisions, and 15 percent goes to the 23 colleges across the state.

[00:03:57] The local school division allocation is based on individuals aged 5 through 17 who reside in the school division. The state obtains that data from the National Center for Educational Statistics Common Core Data, and that's actually based on 2013-14 data. And, also, we utilize the poverty data based on individuals aged 5 through 17, and that comes from the U.S. Census. School divisions should really pay attention to encouraging its citizens to complete these various data surveys when they happen because for over a number of years that data is used to drive the allocations that go to the local effort.

[00:04:55] Thirty percent of the funding is based on the number of 5 to 17-year-old students who reside in the school division, and 70 percent is based on the poverty index for the same area.

[00:05:13] The Estimated Allocation the local school divisions for 2016-17 was released on the Superintendent's Memo 079-16 on April 1st, 2016. Of that total \$24 million amount that we reviewed in a previous slide, \$17,254,177.62 represents the 85 percent that's divided amongst the local school divisions. This also represents a \$46,000 funding increase over the 2015-16 school year.

[00:06:00] On July 1, the federal government released 29.6 percent of that total allocation to the state, and the remaining 74.4 percent of the allocation will be awarded to the state on October 1.

[00:06:24] Expenditure Requests for Perkins Secondary Program Funds

- must have an approved Local Plan and Budget,
- must be actual school year 2016-17 expenditures,
- must be encumbered by June 30th, 2017,
- and must be appropriate use of federal funds to improve CTE programs based on required or permissive local use of funds.

[00:06:58] We would also point out that as a result of the USDE monitoring visit that took place in December of 2014, the regulations governing use of funds for CTSO activities must be used strictly to support students who are eligible members of special populations or enrolled in a non-traditional course, and those funds may only be used for registration, travel, meals, to attend CTSO conferences. Please reference the CTE Director's Memo 081-15 that was released on January 9th, 2015, for exact details on the usage of funds.

[00:07:59] Federal Perkins funds cannot be spent for capital improvements, upgrades or improvements to the physical structures, buildings, classrooms, laboratories, etc. It can also not be used to recondition or repair equipment. Equipment repairs are not to be purchased from Perkins funds, or you also cannot use Perkins funds to purchase repair parts. Those expenditures must come from local funding.

[00:08:37] Perkins funds also cannot be used for installation of equipment or shipping unless the costs are included in the original purchase invoice and price; Perkins funds cannot be used for material, supplies/commodities that are consumed or materially altered when used such as welding gases, paint, lumber, sheet metal, batteries, solvents, etc.

[00:09:10] Perkins funds may be used for any new equipment, instructional and/or classroom reference sets of textbooks, computers, computer software upgrades, rechargeable batteries if part of the original purchase of equipment. You cannot purchase batteries to replace batteries that have been drained; however, you may include batteries in the original purchase of equipment, such as digital cameras, portable drill, etc.

[00:09:48] With respect to equipment, equipment is defined as objects that retain its original shape, appearance, and character with use; Does not lose its identity through fabrication for incorporation into a different or more complex unit or substance; Is non-expendable. And,

additionally, under normal use, it can be expected to serve its principle purpose for at least one year, and excludes supplies and materials as defined by the Virginia Department of Planning and Budget's Expenditure Structure, Part II.A 13-XX which was released in June, 2011. The source for that document is found on pages 12 through 15 within the web link provided.

[00:10:54] Equipment purchase must be listed in the current state edition of the *Recommended Equipment Approved for CTE Programs*. Requests must be emailed to the appropriate program area specialist for approval to purchase any equipment not listed on the current approved list, and a web link to that list is provided at the bottom of the slide.

[00:11:21] Federal Perkins funds cannot be carried over to the next school year; therefore, it's critical that you encumber or pay for all items to be purchased by June 30th, 2017. Reimbursement requests must be submitted by September 30th, 2017. Unspent Perkins 2016-17 funds will result in forfeiture of remaining allocated Perkins funds. Unspent Perkins school year 2016-17 funds will be placed in a reserve account and reallocated for unpaid Industry Certification reimbursements, and that's specifically to school divisions that meet the requirements identified in the state Perkins plan.

[00:12:25] Rachel, you're coming to us from the finance department of the office of DOE and work very closely with the online management system OMEGA and a number of other areas in finance, so if you would provide a little insight pertaining to activities that take place within the OMEGA system.

[00:12:50] Thank you for the warm welcome to the Career and Technical Education's Unit. I look forward to working with the 132 school systems to process their reimbursements and budget transfers and make sure that we spend all of the allotments that have been given. With the OMEGA system, in order to be reimbursed, you have to have an approved Local Plan and a Career and Technical Education Management System Schedule 17 and 18 Admin. and Budget Summary Worksheet, and that's found within the application. You also have to have an Approved Budget Transfer. When your budget is initially loaded, it is loaded to the zero default, and when you get ready to spend it, then you need to move it to the appropriate project codes.

[00:13:49] School Year 2016-17 Initial OMEGA Budget Transfer Request Options:

- July 1st, 2016, to October 1st, 2016:
 - 29.6 percent funding allocation equally distributed to each budgeted Object Code based on the approved Local Plan, or
 - 29.6 percent funding allocation selectively targeted to one or more Object Codes based on the approved Local Plan.
- After October 1st,
 - 100 percent of the funding allocation distributed by Object Codes amounts based on the approved Local Plan.

[00:14:33] For school year 2016 and 17 Reimbursement Request Requirements:

- you must have an approved Perkins local plan in OMEGA
- you must have an approved OMEGA Budget Transfer

- we do recommend that you should submit your reimbursement monthly based on your actual expenditures or at minimum you should submit them quarterly
- you must have encumbrance dates for all Object Codes 3000, 5000, and 8000 expenditures

[00:15:10] Also, for Reimbursement Requirements, you may use more than one line entry with each request, expenditures may be split between local, state, and federal funding sources, you must use 100 percent of your total school year 2016-17 Perkins allocation amount. And, again, we ask that you do not wait until the end of the school year to submit one reimbursement request for the entire allocation amount.

[00:15:43] Accessing through the VDOE Website, and this is for the OMEGA. It is a secure portal access to the VDOE data processes, reports, and applications. The school system, each school division, you'll have the SSW Account Manager assign assigns an authorization access. And you have to fill out an OMEGA Users Permission Form in order to get access to OMEGA.

[00:16:15] With OMEGA Budget and Reimbursement Requests Submissions and Approval, there are several levels. For the Local School Division there is the Level 0, which is a required level. This is the level at which the person creates and submits the budget or reimbursement request. There's also a Level 1 and Level 2, and this is an optional level for the school system, so it is not required, but Level 3 is required, and this is the Superintendent's Approval level and the actual submission to VDOE CTE unit. Within the CTE unit, we have Level 5 and Level 6.

Within

VDOE, within our Fiscal Services Unit, we have a final Level 7 approval, and this is where the last approval is done and the payments are actually set up for payment. The OMEGA transfer of payments to Department of Accounts is weekly. Once a payment is processed, it takes about a week before the money is actually electronically deposited into your county or city financial department.

[00:17:33] Just a few reminders. The Federal Perkins school year 2015-16 funds cannot be carried over to the next school year. Final requests for school year 15-16 must be submitted by the deadline of September 30th, 2016. Unspent funds will result in forfeit of remaining allocated funds; unclaimed funds will be reallocated for unpaid industry certification reimbursement.

[00:18:13] Okay, we will now move to state equipment or State Funding of CTE programs. And we'll focus on CTE Equipment, Industry Certification Exams for Students and Teachers, Workplace Readiness Skills for the Commonwealth, Information Technology Industry Certifications, Occupational Preparation and Adult Education Program Entitlements, and special funding this year, Competitive Innovative Program Grants.

[00:18:48] Supts. Memo 169-16 issued on July 8th, 2016, provided the continuing \$1.8 million in State Lottery Funding to support local school divisions' purchase of equipment. A Floor amount of \$2,000 is allocated to all school divisions, and then based on CTE student enrollment, \$2.403 cent per student, your total allocation for the school year is calculated.

[00:19:27] One hundred percent of reimbursement of equipment expenditures, not to exceed the approved allocation amount, will be reimbursed. State equipment funds must be used: first, 100 percent before requesting any Perkins federal fund reimbursements for equipment (Object Code 8000), to supplement, not supplant, any funds currently provided within the local use of funds. Equipment purchased with state funds cannot be claimed on Federal Perkins loan reimbursement requests.

[00:20:14] Equipment purchases may be split between local, state, and federal funding sources. Reimbursement request forms must be submitted to VDOE by Friday, June 2nd, 2017. Request forms must have the division superintendent's or his or her designee's original signature. It must be in blue ink. Mail the completed, signed form to the Virginia Department of Education Office of Career and Technical Education to the attention of the Senior Grants and Budget Manager, Post Office Box 2120, Richmond. Or these documents may be scanned and emailed to the CTE email box.

[00:21:03] In addition to the \$1.8 million that divisions have access to for equipment this year, the General Assembly approved an additional \$2 million dollars from the Lottery Funds for equipment that meets the criteria of being high-demand, high-skill, and fast-growth industries. Of that \$2 million dollars, \$1.4 million is being divided amongst the school divisions with a Floor amount of \$1500, and then allocated based on the school division enrollment at \$1.884 cent.

[00:21:56] The remaining \$600,000 from the \$2 million will be awarded to the school divisions based on a competitive grant application for high-demand, fast-growth industry sectors. An announcement of the Competitive Innovative Grant Award program will be announced on the Supts. Memo number in the fall of school year 16-17.

[00:22:27] Supts. Memo 167-16 issued on July 8th provides \$1,331,464 in funding for Industry Certification Exams, Licensure Tests, Occupational Competency Assessments. Reimbursement for those funds must be claimed by June 2nd, 2017. That funding, of course, again, can be used for Industry Certification Exams, including Workplace Readiness, State Licensure Exams, Occupational Competency Assessments, School/Regional Center Site License. Must be listed, those examinations, those Industry Credentialing Exams, must be listed on the Board of Education approved list.

[00:23:26] Funding Reimbursement for Industry Certification Exams will be available for the following periods:

- Industry Certification Exams that were taken in June, 2016, at the end of the 2015-16 school year must be submitted for reimbursement by October 31st, 2016
- Industry Certification Exams taken between July, 2016, and May, 2017, must be submitted by June 2nd, 2017.

One hundred percent reimbursement of exam costs not to exceed allocation amount.

[00:24:13] Your Industry Certification Reimbursement Request must be submitted on the CTE State Industry Certification Reimbursement Form. Your initial CTE State Industry Certification Reimbursement Request must be for the full 100 percent or less of the allocation amount.

Subsequent CTE State Industry Certification Reimbursement Requests and any that exceeds the initial allocation amount must be submitted on a separate reimbursement request form.

[00:24:53] Supts. Memo 168-16 released on July 8th, 2016, provided an additional allocation of \$308,655 for Workplace Readiness Skills for the Commonwealth Assessments and/or any of the other Board of Education approved Industry Certifications.

[00:25:21] This funding provides flexibility, funding allocation may be used for the actual Workplace Readiness assessment, as mentioned, or any of the other certifications on the Board approved list. And again, Reimbursement Requests for Workplace Readiness, for those exams taken in June, 2016, must be submitted by October 31st, 2016, and those taken between July, 2016, and May, 2017, must be submitted by June 2nd, 2017.

[00:26:03] This slide sort of recaps points that were just made. And now we move to another new funding allocation stream, and this is Industry Certification for STEM-H. The 2016 Virginia Acts of Assembly allocated \$500,000 to support industry credentialing testing material for students and professional development for instructors in STEM-H CTE programs. So, please review Supts. Memo 207-16 for that additional allocation of Industry Certification Funding.

[00:26:54] There will be a forthcoming memo pertaining to Information Technology Industry Certifications. The General Assembly allocated \$1.5 million in this area, and we would make two points here: the existing contract with Certiport and Microsoft for information technology industry certifications and related testing preparation is still in effect and does not expire until November 30th, 2016. Negotiations for the new contract will be finalized prior to November 30th, 2016, so that school divisions have the continuous use of those resources throughout the school year.

[00:27:49] And, of course, the IT funding is being provided to increase the percentage of students enrolled in IT courses, (to) increase the number of students achieving industry-recognized IT certifications, (and to) increase the number of high schools and regional technical centers that implement IT program, and, finally, increase the number of instructors receiving IT training for targeted CTE programs, and increase the number of teachers earning industry certifications in recognized IT areas.

[00:28:31] Your Industry Certification and Workplace Readiness Skills Assessment Reimbursements must be submitted by June 2nd. Those documents must be submitted by the superintendent or the superintendent's designee, and must be signed in blue ink. The documents may be mailed, faxed, or emailed to the Department of Ed.

[00:28:58] Recommended Reimbursement Request Actions

- Ensure all expenditures are only those Industry Certification Exams, Licensure Exams, and Occupational Competency Assessments that have been approved by the Board of Education
- Use the specific name of the examination, credential, and/or license as listed on the Board of Education approved list on all reimbursement requests

[00:29:30] Submit your initial Workplace Readiness Skills and/or Industry Certification Request for the total 2016 allocation amount and ensure that your superintendent signs those forms. Any additional Industry Certification or Workplace Readiness Skills assessments that exceeds 2016-17 allocation amount will be held for payment processing until June 2nd, 2017. On June 6th, 2017, unclaimed state allocated industry credentialing funds will be reallocated to school divisions and regional technical centers that have submitted additional reimbursement requests for Industry Certifications and/or Workplace Readiness Skills Examinations.

[00:30:40] State Payments for Fiscal Year 17. State General fund payments for Workplace Readiness and Industry Certifications will be paid fully on the state semi-monthly payment schedule; State Lottery funds payments for State Equipment and Industry Certification Exams reimbursement requests will be posted for payment after January 2nd, 2017.

[00:31:11] School divisions must first use all of their state allocation for Workplace Readiness Skills assessment and Industry Certifications before submitting for such claims on the Perkins funding. The following OMEGA comment statement will be required, that you must certify that you have indeed utilized all of your state funding before using Perkins funds.

[00:31:40] Supts. Memo 148-16 issued on June 23rd, 2016, provided school divisions the amount of funding that they would receive for Occupational Preparation and Adult Education programs. The General Assembly allocated \$5,995,000 for Occupational Preparation, and \$1.9 million for Adult Education programs. Those funds may be used for principals and assistant principals of centers where at least 50 percent of their time is spent in CTE program administration or supervision area; extended contracts for instructors for activities related to coordination, development, and implementation of CTE programs; and adult occupational CTE programs to provide opportunities for adults to prepare for initial employment, retraining, or career advancement.

[00:32:56] Based on the actual expenditures report by the school divisions and regional centers for the prior school year on the CTE financial report (CTEFR) for school year 2014-15 Occupational Preparation Expenditures are based on 51.2 percent Reimbursement, and also Adult Education Expenditures are based on 51.2 percent.

[00:33:29] The CTEFR report for the 2016-17 school year, which will collect data pertaining to your 2015-16 school year, will be disseminated under a Supts. Memo in December, 2016. It is extremely critical that school divisions accurately complete that form.

Local Funding. The allocation and expenditure of local school division funds for career and technical education programs is reported on CTEMS schedule 16, line 10, for equipment, and CTEFR Report for Occupational Preparation and Adult Education.

[00:34:27] OMEGA Support Help and Tips. On your OMEGA submission page, if you click on the "OMEGA Support," where the red arrow is pointing, you'll be able to send an email directly to the OMEGA support specialist at the Department of Education with any questions or concerns that you might have. Also, if you click on the "Help" link, with the red arrows pointing, you will be directed to the OMEGA web page, which the first paragraph provides a link to the User's

Guide. The Guide is very helpful with screen prints and step-by-step directions, and you can also print it for future references. And, as you all know, the OMEGA system is designed to eliminate paper submission for grant reimbursement.

[00:35:24] So, for the final CTE Federal Funding Review. For school year 2016-17, Supts. Memo 079-16 issued April 1, the Estimated State Allocations, that goes out to the schools, can be used for CTE Equipment, for Industry Certification Exams for Students, for Workplace Readiness Skills for Commonwealth Examinations, Information Technology Industry Certifications, as well as Occupational Preparation and CTE Adult Education Program Entitlements, and Competitive Initiative Program Grants.

[00:36:10] So, for upcoming events, we have the new CTE Administrators Workshop, the VACTEA Conference, that's going to be September 27th thru the 28th in Virginia Beach, Virginia, as well as the VACTEA Conference September 28th thru the 30th at the same location in Virginia Beach, Virginia.

[00:36:35] We certainly look forward to seeing representatives from the 132 school divisions at the VACTEA Conference. It provides a great opportunity for local administrators to share best practices and discuss ways to continually improve their CTE program. Many of the CTE state staff will be in attendance at various times during the conference and look forward to providing technical assistance in any areas that you might need help.

[00:37:12] And listed here is the contact information for Rachel Blanton, who again, is our new CTE Senior Grants and Budget Manager, as well as Lolita Hall, who is the Director of the Office of Career, Technical, and Adult Education. Additionally, Bill Hatch works with us in terms of administration of Perkins funding, Perkins application approval, and reimbursement requests. His contact information is also listed there. Mine is above his, and the general office contact information is listed at the bottom of the screen.

[00:37:57] We certainly appreciate Rachel's participation today. We look forward to her working with local school divisions across the state. We hope that the presentation has been beneficial, and that local administrators will use it as a reference throughout the year. We would ask that you would complete the evaluation of this session; we utilize that information for continuous improvement of our technical development. We would also like to thank Sharon Acuff who provided technical coordination for today's session. And, in closing, we wish everyone a successful 2016-17 school year.

[00:38:50]