

# Expanded Learning in California Grantee Orientation

## Video 85/15 - Part 1

### Audio Transcript

Hello, and welcome to Expanded Learning in California, a video on 85/15, brought to you by the California Department of Education's Expanded Learning Division.

This video will review Direct Service to Pupils and Administrative Costs, also known as 85/15, Supplement vs Supplant and how 85/15 is monitored through the Federal Program Monitoring process.

This video was created to inform grantees, program providers and practitioners of the requirements of 85/15. By the end of this video, you will,

Learn about the requirements for 85/15, become familiar with the common issues grantees face with 85/15, learn about the FPM process and how 85/15 is monitored, and receive additional resources.

This video was created by the Policy Committee of the Expanded Learning Division, which is comprised of about 20 representatives from across the field. The Policy Committee helps to develop, maintain and disseminate clear policies to ensure quality programs.

85/15 has been an emerging issue that the Policy Committee has helped to address over the past several years. In addition to this video, the Policy Committee has also helped to revise the 85/15 guidance, which can be found on the weblink as the end of this video.

Let's begin by discussing the 3 different grant types that 85/15 applies to.

After School Education and Safety or ASES, is state funding for elementary and middle school programs.

In California, we divide our federally funded programs into two subcategories.

21<sup>st</sup> Century Community Learning Centers or 21<sup>st</sup> CCLC is for elementary and middle schools programs, and 21<sup>st</sup> Century Afterschool Safety and Enrichment for Teens, also known as ASSETs, is for high schools.

On your screen now, we have the 85/15 *Education Code* references for ASES, 21<sup>st</sup> Century, and ASSETs Programs.

These education codes state that a program participant receiving state funding may allocate no less than 85 percent of the total grant amount to school sites for direct services; and spend no more than 15 percent of the amount of the grant for administrative costs, including indirect costs.

Here, we want to highlight two phrases “no less than 85 percent and no more than 15 percent”. What that means is that programs can spend more than 85 percent on direct services, but they are cannot spend more than 15 percent on administrative costs, including indirect.

In addition to these administrative costs, a grantee may spend up to 15 percent of the first year’s annual grant award for startup costs.

There is an additional piece of *Education Code* which allows site coordinators, who spend at least 85 percent of their time on site to charge 100 percent of their time towards direct services.

In most cases, a Site Coordinator’s job is comprised of both direct services and administrative responsibilities including payroll and budgeting.

So, as long as they are on site for 85 percent of the time, they can count 100 percent of their position towards direct service.

Here are a few important things to note:

85/15 is only applied to the portion of the grant that is expended. For example, if a program receives \$112,500 for their site, but only spends \$100,000, 85/15 would only be applied to the \$100,000 expended.

85/15 is only applicable to the grant funds. It is not monitored if the program has obtained other funding, such as LCAP dollars, which is the Local Control and Accountability Plan or if the program charges fees.

Those additional funds should be tracked separately and are not mandated to meet the 85/15 requirements. Please note that if a program does charge family fees, those funds must be put back into the program.

Lastly, the 85/15 rules apply to the total amount. If a grantee subcontracts with a program provider, the 85/15 rules apply to the total amount expended, not each recipients portion.

So, what are direct services?

Direct services are services that are directly tied to the students and typically delivered at the school site.

These services directly “serve or impact” the students on a daily basis. Another way to look at it is if you remove the service, does it directly impact the quality of the program?

On your screen now are examples of items that are considered direct services.

Personnel providing direct, hands-on services to students.

Supplies and materials used by students, such as recreation equipment, enrichment supplies or academic materials.

Program Assessment!

Especially if the funds are used for the program to engage in the Continuous Quality Improvement, or CQI process. This is where the program engages key stakeholders, such as parents, teachers, students or community members, to help assess the program and then uses that data to inform practices to ensure quality.

And lastly, other services that are so integral to the program that the absence of the services would affect the quality. Examples of this include professional development for staff, parent education and coaching staff members.

Administrative costs are administrative in nature and not directly tied to the students or the quality of the program.

Expenditures that are considered administrative costs are Local Educational Agency also referred to as LEA or Community-Based Organization also known as CBO administrative personnel.

Programs commonly refer to these positions as Program Directors or Area Coordinators.

LEA or CBO program personnel, such as fiscal representatives, and LEA or CBO program evaluation. Here I want to quickly distinguish the difference between assessment and evaluation. Typically, evaluation is when a third party evaluates the program and provides a report of the findings. Assessment, particularly if it is part of CQI process, is when a program engages stakeholders to help assess the program and then uses the data gathered from the assessment to inform practices to ensure quality.

LEA or CBO advisory councils, and general staff development not related to Expanded Learning. A real life example here is when an administrator had all staff get trained on the Public Address system, or PA system. Because the training was not directly linked to the Expanded Learning program, it would be considered an administrative cost.

What are indirect costs? Indirect costs are general management costs and may account for things such as budgeting, accounting, or data systems and services.

Indirect costs may not exceed 5 percent of the total grant award OR the CDE approved Indirect Cost Rate, whichever is less.

Indirect costs together with the administrative costs and may not exceed 15 percent in total.

For example, if an LEA has already spent 12 percent on administrative costs, the maximum they can claim for indirect costs is 3 percent-even if the approved rate exceeds 3 percent.

CDE approved Indirect Cost Rates can be found on the CDE Web address located on your screen.

For our 21<sup>st</sup> Century Community Learning Center Programs, a Community Based Organization or CBO, may be the fiscal agent and they do not have a CDE approved cost rate. Therefore, these programs would charge a straight 5 percent for indirect.

Now, let us discuss a few examples and see if you can identify if they would fall into the direct service category or the administrative costs category. Feel free to pause the video after each example and have a conversation with your colleagues before we share the answer.

#### Curriculum materials

Purchasing curriculum materials would be direct! Curriculum is used at the school sites and directly benefits students and the quality of the program. While purchasing curriculum is direct, if a program decides to develop their own curriculum, the process of development would be administrative.

#### Fingerprinting

Fingerprinting is administrative. Fingerprinting is part of the hiring process and that process is administrative.

Next, we have contracted services. This is when an organization or person comes in to provide direct instruction to the students, such as teaching the students karate or art.

This would be direct! Because the person or organization is providing direct instruction to the students, it can be directly linked to the students and quality of the program.

Next up is Walkie Talkies used at site.

The answer is direct! Walkie Talkies used at site can be directly linked to the safety of students. Another safety precaution that sites use would also be

considered direct is when staff wear T-shirts at sites so that they can be quickly identified as a staff member by parents, students or the community.

Next is benefits, which is inclusive of sick leave, vacation or cost of health care for front line staff members.

The answer is direct! Benefits for front line staff members are incorporated in as part of the overall cost of staffing. Because it is frontline staff we are discussing, we know that they provide programming at the site level on a day to day basis and are integral part of the program quality.

Lastly, we have volunteer recruitment.

Volunteer recruitment is considered administrative. Similar to fingerprinting, it is a process that is administrative in nature.

When expenditures fall into a gray area, carefully evaluate the nature and extent of the benefit to the student by asking these two questions.

How direct is the benefit to the students?

Does the expenditure have a clear education or enrichment impact on the Expanded Learning program?

If you are still unsure, ask your System of Support for Expanded Learning team for help!

Let's move on to discuss another important topic, Supplement vs. Supplant.

*Education Code* states that Expanded Learning program funds for all three grant types should be used to supplement, or build upon-and not supplant, or replace existing services.

This includes personnel, programs and equipment.

Now we have some different scenarios where we you can identify if funds are being used to supplement or supplant. Feel free to pause after each scenario to

discuss with your colleagues if you feel the program is supplementing or supplanting.

Golden State Elementary school currently offers yearbook as a club for students. They can no longer afford to run this club, so they want the Expanded Learning program to now run the yearbook club after school. Is this allowable?

This would be supplanting and is unallowable. In order for this not to be considered supplanting, the yearbook club must NOT be in operation for at least one year before the after school program can run it.

The Expanded Learning program at 123 Middle school purchased computers for their students that are housed in the school's computer lab. Sometimes they are used by the students in the school day as well. Is this supplement or supplant?

This is supplanting! Only students in the Expanded Learning program may use the computers. One strategy programs have used to allow both the students in the Expanded Learning program and students in the core instruction day to use the equipment is the creation of a cost share agreement.

Since the core instructional day usually runs about 6 hours and the after school program usually runs about 3 hours, the school should pay for about two-thirds of the computers and the Expanded Learning program should pay for about one-third in order for all students to use the equipment.

If there is no cost share agreement, then the computers need to be housed in a location where only the Expanded Learning program can access them.

ABC Elementary has previously held a soccer program after school. Due to recent budget cuts, the school can no longer offer the soccer program. They have asked the Expanded Learning program to start offering it to ensure the students don't miss out due to financial restraints. Is this supplementing or supplanting?

This is Supplanting and not allowable. There has to be at least a year gap in between when the school offered the club and when the Expanded Learning program offers the club in order for it not to be considered supplanting.

However, if the Expanded Learning program wanted to offer soccer to its students in the program and there was not any additional cost associated with it, they would be able to offer soccer.

Donald Duck High School has a focus on physical activity. With approval from the CDE, the High School has purchased two treadmills for their Expanded Learning program. They have placed the treadmills in the exercise room where the high school students partake in Physical Education, and have signs above the treadmills that says "for ASSETs students only". Is this supplementing or supplanting?

The answer is Supplanting. There is nothing that stops students in the core instructional day from using this equipment. Supplement vs. supplant is one of the items we look at as part of Federal Program Monitoring and a big piece of it is the placement of the equipment.

Here is a quick-check that programs can utilize to determine if supplanting exists.

What would have happened in the absence of state or federal funds?

What services would have been provided in the absence of state or federal funds?

In other words, if the Expanded Learning program was no longer available or active, would the services also go away, or would they be paid for by the school?

Now, we will briefly review 85/15 time keeping requirements.

All salaries and wages that are charged to any of the Expanded Learning programs must be documented through payroll. It is important to note that only actual time worked can be charged and not an estimated percentage.

Some acceptable forms of documentation for state and federally funded programs include timesheets illustrating the actual time worked every day towards the grant.

Periodic Personnel Certification. This is a certification that states that 100 percent of an employee's time is working from one object code.



Personnel Activity Report, also known as a PAR. When an employee is paid from multiple funding sources, they should charge time to the appropriate funding source. PARS can also be used when a staff member charges some of their time providing direct services and some of their time working on administrative duties.

For example, as an area coordinator, I worked in the administrative office in the morning and out at different sites in the afternoon either filling in where we had shortages or providing coaching to site staff. I would use the PAR to document my administrative time in the morning and document my direct service time in the afternoon, noting the different sites that had unique codes so that the time could be charged accordingly.

Lastly, other time distribution records such as a substitution system.

In this next section, we are going to discuss Federal Program Monitoring, FPM for 85/15 and the annual independent audits.

What is Federal Program Monitoring or FPM?

Federal law requires the California Department of Education Expanded Learning Division to monitor the implementation of categorical programs operated by Local Education Agencies, LEA's and Community Based Organizations, CBO's.

It is the primary vehicle for monitoring appropriate implementation of programs and the expenditure of funds in compliance with requirements of each categorical program.

The Expanded Learning Division conducts FPM to ensure that programs are meeting the minimum requirements as outlined in *Education Code*.

Each Local Education Agency, or LEA, is put on a cycle and will be monitored either on site or online. When the FPM office selects the LEA's that are going to be monitored, only a subset of the schools within the LEA are actually monitored. It is the intent that each LEA is monitored at least once every three years.

For our online FPM's, evidence is uploaded to our online system. For our onsite, evidence is uploaded to the same online system and then the reviewer will conduct an onsite visit to verify the evidence uploaded.

Remember when a school is selected for the FPM process, the program is responsible to provide evidence that they are in compliance with *Education Code*.

It is important to note that all fiscal items, including 85/15 and matched are monitored for the prior year. All programmatic items, including students served and staff to student ratio are monitored for the current year.

It is a promising practice to keep a file box where you can put in evidence for each of the items are being monitored. Evidence that we look for can be found in the Expanded Learning Programs tool which is located on the CDE's Compliance and Monitoring website.

It is one of the items that continues to have the highest number of FPM findings. Next we will review the pieces of evidence that are requested during FPM to verify program compliance for 85/15.

It is important to note that we only monitor the funds allocated from the grant.

Contracts. Upload subcontracts and budgets with other entities, such as provider agencies and community based organizations, that are paid in part or whole with afterschool funds. Indicate the percentage allowed for direct services versus administrative cost.

The CDE will also monitor subcontracts of the grant, including community based organizations that help to provide programming. Here we would request supporting documentation from the grantee such as a copy of the subcontractor and or MOU.

Expanded Learning Program duty statements. Upload duty statements, in one document, for ALL after school grantee and subcontractor staff who are paid with Expanded Learning funds. This should correlate with records in your general ledger.

If an individual is working for the after school program, even for just a small portion of their time, it should be reflected in their duty statement

Expanded Learning Program expenditure reports for grantee and subcontractor staff. Upload a detailed position control or labor distribution report for the previous fiscal year or current year.

General ledger for Resource 4124 or 6010. Include name, title, full-time employee, Regional Consultant, Salary and Benefits.

This is for the grantee and if they have any subcontracts, we will need to see a copy of the contract or MOU, the subcontractors expenditure reports and invoices that directly relates to the general ledger.

Please note that we will request to speak with fiscal representatives to walk us through the reports and clarify expenditures.

Additionally, it is not uncommon for a reviewer to ask for receipts to verify that purchases that were made are allowable expenditure of grant funds.

Expanded Learning Program time sheets, including time accounting methods. Upload for a month of time sheets, in one document, for selected payroll general ledger.

On your screen now is the general process that the Expanded Learning division utilizes as part of the 85/15 FPM review.

First, we obtain the documentation from the general ledger, timesheets, duty statements, time accounting and 85/15 overview.

Second, we verify the information. This is done primarily by interviewing stakeholders, such as site staff, district administrators, fiscal representatives, and teachers. We also review expenditures listed in the general ledger.

Next, we calculate 85/15.

Finally, we determine if the program is in compliance or must work to resolve any findings.

Now we are going to discuss how to resolve an FPM finding for 85/15.

We monitor fiscal items for the prior year, which means the books have closed. In order to resolve a finding for 85/15, the grantee must transfer funds from an unrestricted general fund to the current year's Expanded Learning program.

For example, if a grantee spent 20 percent on administrative instead of the allowable 15 percent, they must transfer that 5 percent into the current year for program.

This 5 percent that is transferred must be expended on direct service. This 5 percent will not be included or recorded with the current year grant award. An example, it would not be entered into ASSIST expenditure report. This is why the grantee must provide documentation to the reviewer of how the funds were spent.

Finally, it is important to note that the grantee is legally responsible for the finding!

If the grantee subcontracts with another organization, the subcontractor agency is not responsible!

The grantee, is responsible for monitoring the grant to ensure the subcontractor is in full compliance.

Also, an FPM finding is not as detrimental as some think. If there is a finding is given during your FPM review, you will be given a set amount of time to resolve that finding. Remember, we are here to help.

Here are some common findings for 85/15 as part of the FPM process.

Grantees are spending more than 15 percent on administrative costs.

Subcontracts and grantees are each spending 15 percent on administrative costs.

Administrative staff are charging time to direct service, but do not have the documentation to support it.

Lastly, no differentiation of time if staff work for the core instructional day and in the Expanded Learning program.

For technical assistance, California is divided into 11 regions. Each region has at least one System of Support for Expanded Learning, or SSEL Regional Team whose purpose is to help and support the Expanded Learning programs within the region. This team is comprised of the following.

An Education Program Consultant from the Expanded Learning Division provides program, administrative, and fiscal policy support for Expanded Learning program grantees.

The Fiscal Analyst provides support to grantees with budget transfers, expenditure reports, AO-400 grant awards, attendance reports, grant reductions, and ASSIST.

The County Office of Education SSEL Lead, who is the first point of contact for delivering TA in each region to fully address all ASES and 21<sup>st</sup> CCLC program requirements.

The link at the bottom of your screen will provide you access to your regional support team contact list.

85/15 is not black and white. It consists of many gray areas. We encourage you to stay in close contact with your regional support team. They are happy to answer any questions that you may have.

I want to take this time to thank all of you for the hard work that you do and serving the students and families in your community. We appreciate you.

This video is one of five videos providing information regarding program requirements and expectations. Other Expanded Learning in California topics that you can access include Grants 101, The Quality Standards for Expanded Learning, Continuous Quality Improvement, and Federal Program Monitoring.

Thank you for watching. This video has been brought to you by the CDE Expanded Learning Division and the California AfterSchool Network. We would like to give a

special thank you to the schools and regional professionals for their assistance in the creation of these videos.