Office of Adult Education Memorandum 1.5.21

DATE: January 5, 2021

TO: Adult Education Program Administrators

FROM: Dr. Cayanna Good, Assistant Commissioner of Adult Education

RE: Budget and Performance Guidance for the Remainder of Fiscal Year 2021

As of January 4, 2021, Georgia had 10,880 NRS students – a 55 percent decline from this time last year. In addition, last fiscal year, the Technical College System of Georgia's (TCSG) Office of Adult Education (OAE) allowed adult education programs to roll over unused federal FY20 funds into FY21. This combination of lower enrollment and rollover funds means that most programs have a higher dollar amount per student budgeted than in previous years.

OAE, as a pass-through entity of federal funds, must monitor its subrecipients to ensure that all grant expenditures are **allowable, allocable, reasonable, and necessar**y and that subrecipients meet their negotiated measurable skill gain (MSG) and enrollment targets (2 CFR § 200.332).

At this time, OAE <u>strongly recommends</u> that programs utilize the below budget and performance analysis framework to ensure that they can utilize their remaining grant funds in an allowable, allocable, reasonable and necessary way that supports them in meeting their negotiated enrollment and MSG targets. Please note, OAE will continually monitor each program's spending data and progress towards their negotiated targets. If, based on these data, OAE has significant concerns, it may impose additional conditions or other remedies for noncompliance, such as recouping unspent grant funds prior to the end of the fiscal year (2 CFR § 200.208, 2 CFR § 200.339).

BUDGET AND PERFORMANCE ANALYSIS FRAMEWORK

Step 1: Analyze your budget and spending. Review your original budget and your prior and planned expenditures. Then, consider the following questions.

1) In what budget areas and line items have I spent less than originally anticipated? Why?
2) Are there items I had originally budgeted for that I know I will no longer need?
3) Are there areas of my budget where I have spent more than anticipated? Why?
4) What is the approximate dollar amount I anticipate I will not be able to spend as originally planned?

Step 2: Analyze enrollment and MSG data and reflect on your program's progress. Using the GALIS reports listed in the box below, consider the following questions:

GALIS Reports

- Use *Report AEL0095* to understand your program's current enrollment and MSG performance. Remember to measure your progress towards your approved, negotiated MSG and enrollment targets.

- If needed, use *Report AEL0003* report to filter for students with more than 12 hours and no pretest. This number can serve as a proxy for the number of students enrolled with provisional EFLs. *Remember, your approved enrollment target includes NRS students as well as provisionally enrolled students with more than 12 hours. Students enrolled with a provisional EFL currently do not appear in Table 4.*

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1) Am I progressing at a reasonable pace towards my enrollment targets? Am I at more than 50% of my enrollment target?
    i) If *no*, why? What factors might be hindering my progress towards these goals? What actions can I take to address these factors?

    ii) If *yes*, what actions have I taken that have helped me progress towards this goal? How can I continue or build upon these actions for the remainder of the fiscal year?

2) Am I progressing at a reasonable pace towards my MSG targets?
    i) If *no*, why? What factors might be hindering my progress towards these goals? What actions can I take to address these factors?

    ii) If *yes*, what actions have I taken that have helped me progress towards this goal? How can I continue or build upon these actions for the remainder of the fiscal year?

3) Based on the answers above, what are the main actions I need to take for the remainder of the fiscal year to meet my negotiated enrollment and MSG targets?

Step 3: Amend your budget as needed.
1) Based on my answer to step 2, question 3 above, how can I utilize anticipated unspent funds to support these actions?

2) Is each item an allowable, allocable, reasonable, and necessary use of funds?

3) Do I need to make a formal budget or project amendment to use funds in this way? If yes, please submit a budget amendment for approval. For reference, OAE's FY21 Budget & Project Amendment Procedures are available here.

A user-friendly version of this framework, which includes examples and helpful resources, is available here. OAE also recommends programs review the *Outcomes Based Budgeting during a Pandemic Webinar* to help guide their thinking.

1) **Do I have to turn in my budget and performance analysis to OAE?**
   No, at this time OAE is not requesting that programs turn in their budget and performance analysis.

2) **This memo mentions that:** *"OAE will continually monitor each program's spending data, as well as their progress towards enrollment and MSG targets. If, based on these data, OAE has significant concerns, it may impose additional conditions or other remedies for noncompliance, such as recouping unspent grant funds prior to the end of the fiscal year (2 CFR § 200.208, 2 CFR § 200.339)."* **What data will OAE review?**
   OAE will review each program's progress towards their negotiated enrollment and MSG targets, as well as their spending data. For example, at mid-year, OAE expects that programs are at or above 50% of their enrollment target. Similarly, at mid-year, OAE expects programs would have spent between 40% - 60% of their grant funds.

3) **I know I will not be able to spend all of my funds by the end of the year. What should I do?**
   First, OAE recommends considering ways to use these grant funds in an allowable, allocable, reasonable and necessary way to further support and refine distance education. For example, could your program utilize a consultant to build courses in Blackboard? Could your program benefit from additional professional development (not sponsored by OAE) tailored to your specific program needs? If, after completing the Budget & Performance Analysis and considering alternative ways to spend funds, you still anticipate you will have remaining funds, you can submit a budget amendment returning the funds to OAE.

4) **Will we be allowed to rollover our Fiscal Year 2021 (FY21) funds into next fiscal year?**
   Programs **cannot** rollover unused FY21 state funds into FY22. At this time, OAE has not decided if or how it will allow programs to carry over their unused federal allocation to FY22. Please also note that this is a grant competition year. Programs that do not receive funding for FY22 will not be able to utilize **any** unused FY21 grant funds next year.

5) **I need help with this process. Who should I contact?**
   Please start by working with your Grant Program Support Coordinator (GPSC). If, after working with your GPSC, you still have questions, please feel free to contact Rebecca Ellis, Director of Accountability at rellis@tcsg.edu or Bobby Creech, Director of Instructional Services at bcreech@tcsg.edu.