

## General Guidance for Perkins V Local Uses of Funds

All local consortium Perkins V expenditure request approvals must comply with all the legislative rules attached to those funds. For Perkins V this includes the local uses of funds outlined in the Act as well as the general requirements for grant management of federal funds. Districts and colleges must adhere to the required uses of funds (Section 135 Local Uses of Funds) and Operational Handbook when making a budget request. With the increased focus on innovation in Perkins V, **new** should be thought of as less than three years. As you evaluate each of your Perkins V budget requests, review them through the “risk assessment” lens of the five criteria below:

### Criteria #1: Supplanting

Federal funds cannot be used to pay for services, staff, programs or materials that have previously been paid for with state or local funds or that are otherwise a local fiscal responsibility required by state or federal law. Always consider prior sources of funding-when a local district or college reduces local funds and replaces them with federal funds. If a program, personnel or activity cost was funded with nonfederal funds in a prior year, you may not use Perkins V funds for that expense. If you do, this is supplanting. Consider other revenue streams; Perkins funding is neither designed nor able to be the full support of the local CTE program(s), but rather a complement and supplement to local resources.

#### Examples:

- The district provides common classroom technologies (i.e., laptop, projector, SmartBoard, etc.) to all teachers but wants to use Perkins funds to provide these assets specifically for career and technical education (CTE) classrooms. This is supplanting.
- The college has paid for administrative personnel from the general operating budget in the past, but the current request is to move part of that salary to Perkins. Without evidence of changes in duties including a reduction in general duties to accommodate the new Perkins work, this is supplanting.

### Criteria #2: Consumable

Consumable supplies maintain a CTE program instead of providing improvement and innovation. Perkins funds are intended to make transformational change and improvement to the CTE program.

#### Examples:

- Supplies that are consumed/used up such as ink, toner, printer cartridges, paper, food, health science first aid kit supplies/gloves, lumber, welding wire, etc. (Note: secondary may want to consider including these items as part of their reported CTE Revenue/Levy).
- Items that are given to a student, not staying with the program as a resource for other students (e.g., workbooks). This is not allowed.

### **Criteria #3: Direct Individual Benefit**

Perkins funding supports CTE programs and services, not select individuals. If the budget request supports only select individuals, this is not allowable. This applies to instructional staff as well as students.

#### **Examples:**

- Awards, recognitions, scholarships, tuition, certification, exams, memberships, etc., directly benefit only certain individuals and therefore are not allowed.
- Purchasing uniforms, equipment, or resources that become property of students is not allowed.

### **Criteria #4: Capital Improvement**

It is not allowable to spend Perkins funds on structural changes, constructing buildings, or for capital improvements. Keep in mind that nothing purchased with Perkins funds belongs to the local school district or college. If a district or college closes a program(s), all Perkins purchases must be transferred to other approved CTE programs. Obviously, it would not be possible to transfer upgraded wiring or a wall that has been moved.

#### **Examples:**

- A district wants to upgrade to a commercial-grade kitchen and the new equipment will require increased electrical access and load capacities. Perkins funds cannot pay for the improvement of infrastructure such as electrical, moving of walls, installing plumbing, etc.
- Changes such as rewiring a lab or widening a doorway to accommodate new equipment purchases for a CTE program would not be acceptable uses of funds. These are seen as capital improvements a college would make to support the CTE program upgrades.

### **Criteria #5: Weak or Absent Connections**

CTE is about career preparation through industry-driven programming and learning opportunities. Your request for local uses of funds should connect to your CLNA, approved local Perkins plan and the industry standards. The goal is to have the same equipment and tools that industry professionals use to provide the learning opportunities for the students. Does the equipment request align with the technical skill requirements of the identified content/program area? Is the equipment purchase in alignment with the curriculum? What percentage of time will the equipment be utilized? What has your consortium written in the local plan to address size, scope and quality, and does the request for local uses of funds fit the consortium's priorities?

#### **Examples:**

- Requesting to attend professional development that is remotely connected to CTE or an industry, but is not directly aligned to the state or local Perkins plan.
- Audio/Video production program wants to buy video cameras and proposes buying less expensive cameras so that all students can use one in class. Industry professionals are not using similar equipment. They are using professional-quality DSLR camera/video cameras with professional grade accessories.
- Request to make a high dollar equipment purchase that only serves a small student population. Consider the cost per student in your request. (Consultation with state staff may be needed).

## Overarching Considerations and Key Questions

Consortium expenditures may be used for State-Recognized Programs of Study and intentional, specifically-identified and prioritized Programs of Study. Expenditures should be based on results of the comprehensive local needs assessment (CLNA), included in the Consortia Plan application, and assure Perkins Uses of Funds criteria are met (found here and in the Perkins Operational Handbook under Section 135 on Perkins V).

Essential questions which should be asked as you consider the eligibility of a proposed expenditure using Perkins funds include:

- How is the proposed expenditure intentionally supporting your identified State-Recognized Programs of Study and your local priorities identified in your application/plan? Elements and priorities must be led by CLNA.
- Is the proposed expenditure necessary, reasonable, and allocable?
- Does the proposed expenditure support new and innovative changes?
- What industries does your CLNA identify as high-skill, high-wage, or in-demand in your region?
- What has your consortium written in the plan to address size, scope and quality? (See definitions in CLNA, and Sections 131 and 132.)
- How is the proposed expenditure ensuring support for access and participation of special population groups?

### SECTION 135: LOCAL USES OF FUNDS

Each local consortium receiving funds under Perkins V must use the majority of the funds “to develop, coordinate, implement, or improve CTE programs to meet the needs identified in the comprehensive needs assessment.” Not more than five percent of the award may be used for administrative purposes. There must be a clear linkage between the needs assessment and how funds are spent. In addition to being justified by the needs assessment, funds must be used to support CTE programs that are of sufficient size, scope and quality to be effective and that:

1. Provide **career exploration and career development** activities through an organized, systematic framework designed to aid students, including in the middle grades, before enrolling and while participating in a CTE program, in making informed plans and decisions about future education and career opportunities.
2. Provide **professional development** for teachers, faculty, school leaders, administrators, specialized instructional support personnel, career guidance and academic counselors, or paraprofessionals.
3. Provide within CTE the **skills** necessary to pursue career in high-skill, high-wage, or in-demand industry sectors or occupations.
4. Support **integration of academic skills** into CTE programs and programs of study.
5. Plan and carry out elements that support the implementation of CTE programs and programs of study and that result in **increasing student achievement** on performance indicators.
6. **Develop and implement evaluations** of the activities carried out with funds under this part, including evaluations necessary to complete the local needs assessment and the local report.

A consortium can pool resources with other consortia to support program of study implementation through the professional development activities listed above. Refer to Section 135 of the Act as much more detailed elements are provided that require your attention. This information can be found on pages 202-205 of your Official Perkins V Guide. ([Perkins V: The Official Guide to the Strengthening Career and Technical Education for the 21st Century Act](#); A Hyslop; Association for Career and Technical Education.)

## UNALLOWABLE USES OF FUNDS

<ul style="list-style-type: none"> <li>• Alcoholic beverages</li> <li>• Alumni/ae activities</li> <li>• Career and Technical Education instruction in approved postsecondary programs, shops, labs and internships.</li> <li>• Capital assets (non-instructional equipment, building, land and expenditures to make improvements to capital assets)</li> <li>• Child Care</li> <li>• Commencement and convocation costs</li> <li>• Construction, renovation, and/or remodeling of facilities</li> <li>• Contributions and donations (cash, property, services)</li> <li>• Entertainment, amusement and social activities (food may be viewed as entertainment)</li> <li>• Expenditures for career education/exploration prior to the fifth grade</li> <li>• Expenditures for non-approved CTE programs (may require consultation with state staff)</li> <li>• Expenditures that supplant</li> <li>• Fines and penalties</li> <li>• Food (There is a high burden of proof to show that food is “necessary.” Follow federal, MDE and/or Minnesota State guidelines)</li> <li>• Fundraising</li> </ul>	<ul style="list-style-type: none"> <li>• Gifts</li> <li>• Goods or services for personal/individual use</li> <li>• Insurance</li> <li>• Interest</li> <li>• Items retained by students (supplies, clothing, calculators, etc.)</li> <li>• Monetary awards</li> <li>• Non-instructional furniture</li> <li>• Political activities such as contributions, fund raising or lobbying</li> <li>• Postsecondary customized training courses and programs</li> <li>• Promotional materials (T-shirts, pens, cups, keychains, book bags, etc.)</li> <li>• Remedial/developmental courses - both secondary and postsecondary</li> <li>• Scholarships</li> <li>• Student expenses/direct assistance to students (tuition, tools, fees, car mileage, etc.)</li> <li>• Student stipends</li> <li>• Vehicles unless used directly for CTE instruction (Purchasing vehicles requires consultation with state staff)</li> </ul>
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**Disclaimer:** This document is intended to provide examples to assist consortia leaders when making funding decisions. Other uses of funds not listed here may be determined to be unallowable upon further research of federal documentation or consultation with state leadership. In some instances state leadership will need to confer with our federal consultants at the Office of Career, Technical, and Adult Education (OCTAE).

**Source Documents:**

Strengthening Career and Technical Education in the 21<sup>st</sup> Century Act of 2018 and The Administrator’s Handbook on EDGAR, 4<sup>th</sup> Edition

## Appendix—Examples

The table below provides explanations and examples for requests that have been the subject of inquiry in recent years. This table will be updated as questions regarding future requests arise. Please keep in mind as you review the information below, Perkins funding is not designed to be the full support of the local CTE program(s), but rather a complement and supplement to local resources. Some items labeled as unallowable may be supported through other funding sources such as the CTE levy, general education funding, leveraged equipment funds or disability services. Purchases intended for program use will be ordered in a timely manner to be used during the grant/academic learning year (i.e., items for use in fall courses should be ordered and received in a timely manner for fall; items for use in spring courses should be ordered and received in a timely manner for spring).

Item	Description/Explanation	Unallowable	Allowable
<p>Career and Technical Student Organizations (CTSO) and clubs</p>	<p>Career and Technical Student Organizations means an organization for individuals enrolled in a career and technical education program that engages in career and technical education activities as an integral part of the instructional program. The CTSO's in Minnesota are: Business Professionals of America (BPA), DECA, Family, Career and Community Leaders of America (FCCLA), FFA, Health Occupations Students of America (HOSA), and SkillsUSA.</p> <p>There are limited allowable expenses for clubs (e.g., Vex, Robotics, Supermileage) that provide intra-curricular leadership experiences to CTE students in a similar way to state recognized CTSO's.</p>	<ul style="list-style-type: none"> <li>• Individual Student membership in CTSO chapters or clubs</li> <li>• Program affiliation fees for local CTSO chapters (may be possible- requires consultation with state staff)</li> <li>• If non-CTE students also participate in the club outside of a CTE course, Perkins funding may not be used to support the club</li> </ul>	<p>Transportation for events/ excursions tied directly to CTE coursework and CTSO or club advisor travel costs if professional development opportunities are available</p>
<p>Computers, tablets and mobile devices</p>	<p>Computers, tablets and mobile devices are seldom related to specific industry skills.</p> <p>These devices may have previously been considered innovative, however, given the standard nature of this equipment across many content areas, the hardware itself is no longer considered innovative.</p> <p>These hardware items should typically be purchased by the district. Using Perkins funds could be considered supplanting.</p>	<ul style="list-style-type: none"> <li>• Standard-issue computers or mobile devices</li> <li>• Hardware primarily used for teacher and student instructional tasks (i.e. laptops, projectors, SmartBoards) and not tied to industry-standard competencies to be learned by CTE students</li> <li>• See #1 Supplanting (page1)</li> <li>• See #5 Weak or Absent Connections (page 2)</li> </ul>	<ul style="list-style-type: none"> <li>• Industry-grade computers with increased processing speeds or processing that are not the standard equipment typically purchased by the district or college.</li> <li>• New applications or software that is intended to be used on iPads</li> </ul>

Item	Description/Explanation	Unallowable	Allowable
Concurrent Enrollment Fees	Costs associated with the delivery/participation in concurrent enrollment postsecondary opportunities	<ul style="list-style-type: none"> <li>• Payment of individual Tuition/Course Credit</li> <li>• See #1 Supplanting (page 1)</li> <li>• See #3 Direct Individual Benefit (page 2)</li> </ul>	<ul style="list-style-type: none"> <li>• Start-up costs for new concurrent enrollment instructional materials (ongoing costs are not allowable)</li> <li>• Professional Development intended to build the capacity of teachers offering concurrent enrollment</li> <li>• <b>In certain situations</b>, fees for individuals of special populations (needs consultation with state staff)</li> </ul>
Electronic Instructional Materials	Curricula that supplements instruction and allows students to gain knowledge and skills that meet industry standards and expectations in high-wage, high-skill or in-demand occupations.	<ul style="list-style-type: none"> <li>• Licensure agreements that provide curriculum access to students not enrolled in CTE programs</li> <li>• Online subscriptions with a per person user agreement</li> <li>• Curriculum only loosely aligned to career exploration or preparation</li> <li>• See #5 Weak or Absent Connections (page 2)</li> </ul>	<ul style="list-style-type: none"> <li>• Online CTE simulations</li> <li>• Purchased curricular components that are supplemental to the full program offering</li> <li>• Online curricula available via a site or lab license or limited access date rather than per person user agreement</li> </ul>
Equipment that is used in a program to generate profit	<p>Perkins funds cannot be used to acquire equipment in which the acquisition results in a direct financial benefit.</p> <p>If the equipment is purchased with federal funds and then used to sell products or services, the generated revenue must be returned directly to the program. Generally accepted accounting practices and documentation <b>must</b> be in place to show the funds were invested in the program. There is a robust burden of proof documenting the reinvestment of any profit.</p>	<ul style="list-style-type: none"> <li>• Equipment which is used to fundraise for Career and Technical Student Organization activities or for programs</li> <li>• Equipment has a weak connection to the skills taught within the course</li> <li>• See #5 Weak or Absent Connections (page 2)</li> </ul>	<ul style="list-style-type: none"> <li>• Equipment is connected directly to the skills taught within the course</li> <li>• All generated revenue is re-invested into the program; no students or school district personnel receive a direct financial benefit</li> </ul>

Item	Description/Explanation	Unallowable	Allowable
Food: Meals/ Working Lunches	The federal grant has marked meals as allowable with a high threshold or burden of proof to show that food is necessary and requires a working meeting. Perkins funds may not be spent on food <b>except in very limited circumstances</b> and must be pre-approved.	<ul style="list-style-type: none"> <li>• Banquets, award ceremonies, goodwill gestures, etc.</li> <li>• Payments for student meals during a regular school day is the responsibility of the school district</li> </ul>	<p>Food and meal expenses are allowed in limited situations and must be pre-approved. In order to be approved, expenses must meet the following criteria:</p> <ul style="list-style-type: none"> <li>• The event is undertaken to further the goals of the Perkins grant</li> <li>• All food costs are documented in the consortia budget in a manner that makes it possible for a third party to easily determine how the costs benefitted the project</li> <li>• Food is an integral part of the event and necessary to sustain the flow of the meeting</li> <li>• The portion of the agenda to be carried out during lunch moves beyond networking and includes substantive and integral content connected to the overall purpose of the conference or meeting</li> <li>• Meeting is in excess of four hours (not including the meal period)</li> <li>• Breaking for lunch would extend the meeting time and cause most participants to incur additional travel and hotel expenses</li> <li>• A formal agenda and meeting roster is documented and available upon request</li> </ul>

Item	Description/Explanation	Unallowable	Allowable
Furniture and Storage	<p><i>Tangible supplies purchased by the district</i> such as desks, chairs, tables, mobile carts, storage bin cabinets, tool boxes, shelving, and external USB storage are generally supported with local funds for non-CTE purposes and would therefore be considered supplanting.</p>	<ul style="list-style-type: none"> <li>Storage bins, cabinets, shelving, mobile carts</li> <li>USB storage, removable storage</li> <li>Furniture such as desks, chairs, and tables</li> </ul>	<ul style="list-style-type: none"> <li>If items are specific to a CTE area, i.e., stainless steel prep tables for culinary classes, drafting tables for architecture and construction, cosmetology chair, or diagnostic cart for Health Science program, <i>and not able to be used in general classes</i>, they may be funded by Perkins.</li> <li><b>In specific situations</b>, a cart may be allowable if it is used for the purpose of moving a specific tool from one work station to another and matches industry.</li> </ul>
Industry-grade equipment and tools  [Note: Must have a per item value of \$100 or more]	<p>Perkins funding supports instruction which equips students with career skills in preparation for high skill, high wage, or in-demand careers. Items that are not the industry standard in the workplace are not allowable.</p> <p>The minimum cost is to ensure innovation and improvement rather than maintenance cost.</p>	<ul style="list-style-type: none"> <li>Basic, residential grade, educational version, and/or hobby grade tools and equipment</li> <li>Multiple purchases of an identical item in order to circumvent the \$1,000 or \$5,000 threshold for equipment requests</li> </ul>	<ul style="list-style-type: none"> <li>Secondary equipment purchases greater than \$1,000 must also go through Minnesota Department of Education (MDE) approval process</li> <li>Postsecondary equipment purchases greater than \$5,000 must go through Minnesota State approval process</li> </ul>
Memberships	<p>Memberships to professional organizations that provide a benefit to the consortium membership and provide a direct individual benefit to staff and students. Additionally, many membership organizations actively lobby elected officials on behalf of CTE.</p>	<ul style="list-style-type: none"> <li>Dues and memberships to professional organizations for individuals even when included in registration fees.</li> <li>Entrance fees, food, or individual student costs may not be funded for any student travel or activity.</li> <li>May not be used for memberships in civic or community organizations (ie chamber of commerce, Lions club, etc).</li> <li>See #3 Direct Individual Benefit (page 2)</li> </ul>	<p>Organizational membership granted to the agency, district, or college that provides a benefit to the consortium rather than a specific entity.</p>



Item	Description/Explanation	Unallowable	Allowable
Middle School Career Exploration	<p>Section 135 of the Act states local uses of funds shall be used to “provide career exploration and career development activities through an organized, systematic framework designed to aid students, including in the middle grades, before enrolling and while participating in a career and technical education program, in making informed plans and decisions about future education and career opportunities...”</p> <p>Activities in the middle grades should expose students to a wide range of career and college options and equip them with transferable skills to transition to high school and beyond. Activities should be exploratory and introductory and across several career fields.</p>	<ul style="list-style-type: none"> <li>• Activities or equipment for students below grade five</li> <li>• Activities or equipment focused on a single career field</li> <li>• Activities or equipment intended for the development of life skills</li> <li>• See #5 Weak or Absent Connections (page 2)</li> </ul>	<ul style="list-style-type: none"> <li>• Activities or equipment intended for broad career exploration across all career fields</li> <li>• Professional development related to career exploration and CTE for school counselors serving middle school students</li> <li>• Activities or equipment intended for development of career-related skills</li> </ul>
Removing barriers to access for a member of a special population	<p>Supports that reduce or eliminate barriers to participation in CTE programs and activities. This may include such areas as transportation, targeted programs for preparation or retention, mobility, child care or cost of associated fees.</p>	<p>Direct assistance to a student not identified as a member of a special population or gender nontraditional is not permissible.</p>	<ul style="list-style-type: none"> <li>• Assistance may only be provided to an individual to the extent that is needed to address barriers to the individual’s successful participation in CTE programs.</li> <li>• Consultation with state staff is needed.</li> </ul>
Technical Skill Attainment (TSA) Exams or Industry Recognized Credentials	<p>TSA Exams and Industry recognized credentials allow students to demonstrate mastery of knowledge and skills within a specific course and provide data for curriculum improvements for a program or program of study.</p>	<p>Exam or credential is only completed by select students within an approved program or course.</p>	<ul style="list-style-type: none"> <li>• Exam or credential is listed on <a href="http://www.MinnState.Edu/System/CTE">Minnesota State’s TSA website</a>.</li> <li>• Exam or credential is required for all students enrolled in a CTE course that is part of an approved program. Results should be utilized by instructor for data-driven decision making and continuous program improvement.</li> </ul>

Item	Description/Explanation	Unallowable	Allowable
Textbooks (printed or digital)	School districts regularly purchase textbooks for other content areas in the district. As such, using Perkins funding to purchase textbooks for CTE courses would be an example of supplanting local funds. Additionally, textbooks can become out-of-date shortly after they are printed, particularly in quickly changing fields, and are thus not an innovative classroom tool.	<ul style="list-style-type: none"> <li>Classroom sets of textbooks (including digital) intended to update or replace current textbooks</li> <li>See #1 Supplanting (page 1)</li> </ul>	<ul style="list-style-type: none"> <li>New program or course which is offered for early college credit and which is aligned to an in-demand occupation identified in an approved application or statewide Perkins priority.</li> <li><b>In specific situations</b>, a limited number of textbooks may be purchased for individuals of special populations (needs consultation with state staff)</li> </ul>
Unmanned aerial vehicle or unscrewed aerial vehicle, commonly known as a drone	<p>Use of drone technology which is standard for the industry for which the requesting program prepares students.</p> <p>Aerial vehicles/Drones must be registered with the FAA and the instructor must hold the appropriate FAA license. If the instructor under whose name the drone is registered leaves the district or consortium, the district or consortium is responsible for ensuring that registration is transferred to an individual providing instruction in the CTE classroom and licensed.</p>	If aerial vehicles/drones are purchased for non-CTE classroom instruction or other uses using district funds, Perkins may not support similar drones in the CTE classroom.	Used solely for CTE instructional purposes and aligned with curriculum