November 12, 2014

To: Regional Consortia
From: Gary Adams, Dean, Innovation and Quality Practices
Workforce and Economic Development Division
Subject: Scope of Work for Fiscal Agents for the Career Technical Education (CTE) Enhancement Fund (EF)
CC: Van Ton-Quinlivan, Debra Jones, Javier Romero, Nick Esquivel

In order to process the CTE Enhancement Funds according to State Budget language, each region’s Fiscal Agent has been identified. Attached is the finalized scope of work for the Fiscal Agent, informed by the listening sessions. The district serving as the Fiscal Agent for the Regional Consortia (RC) can be the same agent as administering the consortia renewal grant or an alternate can be designated.

Once the Board of Governors has approved the recommendation on Fiscal Agent by the Regional Consortia and the projected allocation to that region based on the budgetary formula, this finalized scope of work will accompany the grant facesheet in order to set the expectations of work for that Fiscal Agent and to better inform the development of each grant’s workplan.

Please do not hesitate to call me with questions at (916) 322-7079 or Nick Esquivel at (916) 445-4670. Thank you.
Program:
CTE Enhancement Funds

Funding Fiscal Years:
2014-15 and 2015-16

Funds Allocation by Region:

<table>
<thead>
<tr>
<th>Macro-Economic Region</th>
<th>Budget Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region A – North-Far North</td>
<td>$ 5,235,933</td>
</tr>
<tr>
<td>Region B – Bay Area</td>
<td>$ 11,316,652</td>
</tr>
<tr>
<td>Region C – Central-Mother Lode</td>
<td>$ 4,777,649</td>
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<td>Region D – South Central</td>
<td>$ 3,666,606</td>
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<td>Region E – San Diego-Imperial</td>
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<td>Region F – Desert-Inland Empire</td>
<td>$ 3,958,778</td>
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<td>Region G – LA-Orange</td>
<td>$ 16,695,271</td>
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</tbody>
</table>

Funding Source:
Economic Development (Senate Bill 852, Budget Act of 2014)

1. Introduction
This document contains general instructions, procedures, formats, and timelines for the role of fiscal agents of the CTE Enhancement Funds.

2. Program Overview

CTE Enhancement Fund Program
Senate Bill 852, Budget Act of 2014, establishes a one-time fund of $50,000,000 for use as outlined in budget language:

- Funds are to be used to create greater incentive for community colleges to develop, enhance, retool and expand quality CTE offerings that build upon existing community college regional capacity to respond to regional labor market needs.
Funds can be used for CTE equipment, curriculum development, professional development, and other related costs necessary to develop, enhance, retool and expand quality CTE offerings.

CCCCO shall allocate these funds according to a formula that factor in the total number of full-time equivalent students, including full-time equivalent students in career technical education courses.

CCCCO shall, in consultation with community colleges within each region, designate either the district now serving as the Fiscal Agent for the Regional Consortia or an alternative district to serve as the Fiscal Agent for these funds.

Funds shall be distributed by the fiscal agent to districts within the region for CTE programs developed with industry input, matched by industry resources, and adopted by faculty upon certification by the regional consortia.

The courses or programs of study for which the funds are requested shall meet all of the following criteria:
  o Be for occupations and sectors that are demonstrated to be in demand in the regional labor market;
  o Be for occupations for which the regional production of employees is insufficient to meet labor market demand; and
  o Demonstrate regional alignment of program and curricula.

Priority funding shall go to programs that meet one or more of the following criteria:
  o Are in priority sectors identified by the region;
  o Are in emerging sectors identified by the region; and
  o Are articulated with K-12 or four-year institutions.

Individual colleges and districts shall be responsible for:
  o Identifying eligible programs and their faculty;
  o Implementing courses and programs to meet regional capacity needs;
  o Participating in regional coordination efforts;
  o Articulating with K-12 and four-year institutions, and submitting outcomes data to CCCCO.

The Regional Consortia shall be responsible for certifying labor market demand with input from regional employers and essential workforce and economic development partners, prioritizing investment of funds according to industry sectors and occupations, and ensuring regional coordination.

The district designated as the Fiscal Agent in each region shall be responsible for distributing the funds to each district within its region following certification by the Regional Consortia that the courses and programs submitted to the districts and colleges for funding meet the criteria above.

CCCCO shall be responsible for administering the distribution of funds to the Fiscal Agents for each region and monitoring progress toward meeting regional and statewide career technical education needs.

Please refer to the FAQs at http://doingwhatmatters.cccco.edu/WEDDGrants/CTEEnhancementFunds/FAQs.asp for further clarifications.
3. Definitions:

**Encumbered Funds** – Obligations in the form of purchase orders, contracts, salaries, and other commitments for which part of an appropriation is reserved.

**Encumbrance** – A limitation or reserve placed on an appropriation to pay for goods or services, which have been ordered by means of contracts but not yet received.

**Fiscal Agent** – A California Community College district, holding a Certification of Interest and Qualifications Form and is recommended to CCCCO by the Regional Consortia to act as fiduciary representative for the region.

**Spend** – To pay out or disburse an amount of money paid for a particular purpose or over a particular period of time.

**Regional Consortia** – One of seven regional consortia of community colleges established to facilitate collaboration between community colleges, K-12 and employers and to provide workforce development services to California’s regional economies. Each Regional Consortium is hosted by a district within the region that serves as the Fiscal Agent for the consortium.

**Subcontractee or subgrantee** – Individual California community college district participating in this application process as herein defined contracting as a subgrant or subcontract recipient with a California community college district acting as the designated Fiscal Agent for the region in which it resides. Subgrants for projects involving multiple districts may be made to one district acting as Fiscal Agent for its partners or may be accomplished by separate subgrants to each of the participating districts.

4. Grant Facesheet

Four originals of the grant facesheet in an ink color other than black will be requested in hard copy and should be returned along with the Forms packet, including the grant workplan, objectives with associated Metric such as a Momentum Point or Leading Indicator, activities, timeline, responsible party, and budget detail and summary.

5. Contact Page

An Excel workbook (Appendix B) contains the contact page, budget forms and annual workplan. The first tab “Do First” of the workbook requires the applicant to fill in the following information first:

- The community college district that has been designated by the Board of Governors as the Fiscal Agent on behalf of the region’s Regional Consortia for
purposes of this CTE Enhancement Fund grant (click twice on the community college text box and choose the community college district from the provided drop down menu).

After filling in the “Do First” tab, the District and budget allocation will auto fill within the contact page, application budget summary, application budget detail sheet and annual workplan. The contact page tab must be filled in second. After filling in the contact page, the Project Director and the Chief Business Officer’s name and title will auto fill within the application budget summary. These auto fill features prevent incorrect and/or inconsistent information within the application.

6. Statement of Work (Annual Workplan)

a. Objectives

Objectives should be based on the scope of the proposed project while remaining consistent with the reporting requirement as outlined herein. List all objectives within the ‘Do First’ tab, which will auto fill to an annual workplan. One objective will be listed per form, along with corresponding measurable outcomes, activities, timelines, and responsible individual. Label the objectives in sequential order: Objective #1.0 at the top of page one; Objective #2.0 at the top of page two, and so forth. Up to ten objectives can be selected. Additional copies of the form will be needed to address all of the project objectives.

NOTE: While each object must be on its own form that does not preclude a single objective having activities that cover more than one page. Additionally, for the dropdown functionality to work, Excel 2010 or above is required.

b. Metric Number(s)

Identify which of the Common Metrics & Accountability Measure (see Appendix E) this objective affects and click from the dropdown menu the corresponding number in the Metric No. type. Each objective must select a single Leading Indicator (LI) or Momentum Point (MP). It is not necessary to assign an accountability measure to each individual activity. Quality of Service (QS) measures is assumed for every objective; it is not necessary to select a QS measure. Describe the outcomes in qualitative and quantitative terms. Address any performance outcomes unique to this project that will result from the implementation of the objectives and activities listed in the Statement of Work (Annual Workplan). One objective in that annual workplan must also address how data will be collected and submitted to the LaunchBoard.

c. Activities

Project activities are the basic steps that are required to be taken to implement the stated goals of the project and to achieve results. Major activities and tasks should be outlined in the activities section of the annual workplan for each objective.
d. Timelines

Provide the projected completion date for key activities within the term of the grant. Identify the month and year in which activities are scheduled to be completed. Do not make activities “on going” or year long. An estimated completion date must be entered.

e. Responsible Persons

Identify specific individual(s), by role that is responsible for completing the stated activities.

7. Budget Summary/Budget Detail Sheet

This grant is one-time funding. No extensions will be granted for this funding. In order to help allocation recipients plan objectives, activities and their corresponding budgets, Appendix C, Guidelines, Definitions and Allowable Expenditures has been developed. Please review these guidelines before completing your budget summary and budget detail sheet.

a. Completion of Budget Detail Sheet/Budget Summary

The purpose of the Budget is to indicate whether the project is well planned and reasonable in scope. Technical errors in the budget can be changed if the project is recommended for funding, as long as the request does not exceed the maximum amount allowable.

Budget Detail Sheet: The budget detail sheet is required within the application and must be filled in before the application budget summary as it auto fills and adds the application budget summary.

The application budget detail sheet is found within an Excel workbook in Appendix B. The budget detail sheet is filled in after completing the “Do First and Contact Sheet” tabs within the workbook because these sheets will auto fill the applicable sections of the budget detail sheet and budget summary (preventing errors). The budget detail sheet must include the cost of each budget classification requested indicating specific rates and amounts. It is expected that this breakdown will be highly detailed.

Budget Summary: After completing the budget detail sheet, the budget summary within the Excel workbook will be fully filled in via the auto fill features. The budget summary is to be signed by the Project Director and the District Chief Business Officer/Designee (four originals in an ink color other than black will be requested in hard copy).
b. Travel

For Travel (Object 5000), district travel and reimbursement policies apply. Only travel necessary for the project is allowed. List travel purpose and estimated cost. Out-of-state travel will be closely scrutinized and requires completion of the Out-of-State Travel Request form found here: http://extranet.cccco.edu/Divisions/WorkforceandEconDev/CareerEducationPractice\s/OutofStateTravel.aspx.

In addition, out-of-state travel must be disclosed on the budget detail sheet. After the grant has been fully executed, any out-of-state travel requires prior approval of the Project Monitor by sending in the above-mentioned form for approval. The state reserves the right to limit out-of-state travel. Out-of-country travel is not an allowable expenditure.

c. Equipment Purchases

It is the intent of this funding to design and implement long-term effectiveness and sustainability.

d. Match

There are no matching funds required for any part of the CTE Enhancement Fund. However, match may be considered in the rank ordering of Regional Share applications if the region is oversubscribed. Matching resources may come from various sources and may be cash or in-kind. In-resources include, but are not limited to, staff time (i.e., industry partners attending advisory committee meetings), facilities, and the use of equipment. Cash match may include monetary or equipment donations.

NOTE: Grantees will be expected to include in their final narrative report all match actually generated. If any match funds are generated by any subcontractees or subgrantees, the final narrative report should indicate the amount of investment in the project by partners, program income for services provided and matching resources contributed to funding the project by your district and/or other stakeholders or donors, especially industry partners.

8. Administrative Cost

Program funds are for direct services to the project only and are intended to supplement, not supplant, existing programs.

Funds to be administered by the Fiscal Agent are the Local and Regional Share. The Local Share will be distributed by the Fiscal Agent: 1) after each college in the region has self-certified their proposed expenditures on their application, 2) the Regional Consortia have facilitated a regional discussion on potential investment duplications and opportunities for potential advantage through collaboration between colleges, and 3) the Regional Consortia have provided secondary certification. The
Regional Share will be distributed by the Fiscal Agent after the Regional Consortia have reviewed the joint applications and determined the awards.

While the Fiscal Agent’s role is to pass the funds through to the subcontractee or subgrantee, there is a substantial amount of work of both a programmatic nature (review and processing of applications) and a fiscal nature (awarding contracts/grants, making payments) to be carried out. In support of these responsibilities, each region receives 5% of the total allocation for support of this programmatic and fiscal work required to administer the CTE Enhancement Fund. In regions where the Fiscal Agent for the Regional Consortia and the Fiscal Agent for CTE Enhancement Fund are different, the Regional Consortia and the Fiscal Agent for the Fund will reach a mutually acceptable agreement on the division of responsibilities and budget.

Subcontractees or subgrantees of the Fiscal Agent will not be allowed to charge any indirect administrative cost on either the Local or Regional Share.

9. Specific Responsibilities of the Fiscal Agent and Regional Consortia

Specific responsibilities of the Fiscal Agent and Regional Consortia shall include the following. The Fiscal Agent and RC for each region may decide how to divide these responsibilities:

a. Review the budget for each application received and ensure the following:
   1. Proposed expenditures are allowable under the terms of the contract or grant.
   2. Proposed expenditures are properly classified.
   3. All budget calculations are correct.
   4. Work with the subcontractee or subgrantee to resolve any issues that arise.

b. Developing policies, procedures, systems, and timelines for application consistent with those set by CCCC0 and disbursement of the funds including the following:
   1. Setting a timeline in consultation with RC for disbursing the funds that provides sufficient time for the RC to exercise due diligence in review of the applications while providing subcontractees or subgrantees with sufficient time to execute their workplan and budget.
   2. Determining the documentation required to ensure the funds are properly accounted.
   3. Determining where this documentation must be maintained (Fiscal Agent, subcontractee or subgrantee, CCCC0) and what form it must take (hard copy with original signatures, electronically transmitted PDFs, etc.).
   4. Developing systems in collaboration with the CCCC0 and the other RCs for tracking each of the contracts or grants and their status that can be
shared with the RCs, the CCCCO grant monitors, and the subcontractees or subgrantees.

c. Maintain a website for transparent flow of reporting, preferably tied to the RC website.

d. Develop contracts with each of the subcontractees or subgrantees, including:
   1. Ensuring that the contract or grant covers the contracting requirements of both the CCCCO and those of the Fiscal Agent. Contracting requirements for CCCCO will be contained in the Legal Terms and Conditions (Appendix A, Article I and Article II) accompanying the grant facesheet. Contracting requirements for the Fiscal Agent will depend on their district policy.
   2. Working with each of the subcontractees or subgrantees to answer questions they may have about the contract or grant.
   3. Working with the subcontractees or subgrantees to obtain the necessary approvals and review.

e. Managing the flow of funds to the subcontractees or subgrantees, including:
   1. Receiving and reviewing claims for funds from districts or colleges, ensuring that proper documentation has been received, verifying that what is requested conforms with what was approved and resolving discrepancies when they occur.
   2. Issuing payments.
   3. Verifying that payments have been received.

f. Fulfilling reporting requirements, including:
   1. Receiving and monitoring quarterly and final reports.
   2. Following up on missing or incorrect reports.
   3. Consolidating reports and reporting up to the CCCCO as required.

10. Administration of the “Local Share”

Using the budget funding formula, the CCCCO will provide the RC and the Fiscal Agent with the allocation for each college in that region. The Fiscal Agent shall be responsible for the following with regards to the Local Share:

- Notice colleges of timelines/deadlines. In October 2014, the CCCCO will release the online application and the breakdown of Local Shares. Colleges will then submit an expenditure plan outlining its planned use of its Local Share.
- Post onto a website the receipt of applications and its completeness (especially the self-certifications of adherence to the Budget language requirements for the use of the funds).
- Create and update website sufficient detail from the applications to enable dialog between colleges, Sector Navigators, Deputy Sector Navigators, Labor-Market Centers of Excellence and the RC regarding potential collaborations and potential oversupply of labor markets regionally.
• Create and update website on process and use of funds with no less than monthly, and up to as frequently as weekly, reports in order to give the region and its’ colleges transparency.

• Generate reports in support of Regional Consortia-facilitated discussions. In October-November 2014, the Regional Consortia will convene a regional discussion focused on potential collaborations, duplications and gaps, especially in the priority and emergent sectors of the region. In support of this dialog, the RC will post a report of all proposed expenditures by all colleges across the region sorted by TOP code to give a consolidated regional view. Based on the conversations in the region and within the colleges, colleges are invited to modify or stay with their application. After colleges have certified their applications as meeting the requirements of the CTE Enhancement Fund, the colleges will then seek Regional Consortia secondary certification of their final application. Final applications for Local Share will be processed by the Fiscal Agent, in consultation and collaboration with their Regional Consortia, as subgrants or subcontracts in January, 2015.

• By March 15, 2016, collect recertification by colleges that funds were used in accordance with State Budget language. Colleges that fail to certify (or if improprieties are detected) will be subject to the annual contract audit process set up by the CCCCO.

• Fiscal Agents have between March 15 - May 15, 2016, to audit and render findings. Fiscal Agent will notify the CCCCO of outcomes of audits.

• The CCCCO will be responsible for following up with the recipient colleges on resolution of the audit findings.

All colleges partaking in these funds will need to fill out the CCCCO-provided online application, which will include an 1) expenditure plan, 2) self-certification, and 3) contact page.

11. Administration of the “Regional Share”

The Fiscal Agent shall distribute the Regional Share as certified by the Regional Consortia for multi-college applications within regions and multi-college applications that cross regions. If there is over subscription to the available Regional Share, the Regional Consortia shall rank those applications considering criteria in accordance with the budget language for the program and award to those applications with higher rank order.

• The Fiscal Agent shall be responsible for the following with regards to the Regional Share: Notice of timelines/deadlines.

• Post online for the general public the receipt of applications, its completeness (especially the self-certifications of adherence to the Budget language requirements for the use of the funds), and the application’s standing in the process.

• Create and update website with monthly, up to as frequently as weekly, reports in order to give the region and its colleges/districts transparency on
the process and use of funds, preferably utilizing the Regional Consortia website.

- Generate reports in support of Regional Consortia-facilitated discussions. Each Regional Consortia will develop a process to prioritize and certify which applications will receive funds from the Regional Share. Regional Consortia should anticipate that there will be multi-college applications from a single region and some from multi-regions. In the case of a multi-region application, should it receive certification by the respective Regional Consortia affected, a college can only draw down funds from its own Regional Share.
- Issue funds to the recipient colleges or regions upon certification of application in a timely fashion.
- By March 15, 2016, collect re-certification by colleges that funds were used in accordance with State Budget language. Colleges that fail to certify (or if improprieties are detected) will be notified of an audit by the Fiscal Agent, and subject to the funds in question. Fiscal agent will notify the CCCCO of these actions.
- Fiscal Agents have between March 15 - May 15, 2016, to audit and render findings. Fiscal Agent will notify the CCCCO of outcomes of audits.
- The CCCCO will be responsible for following up with the recipient colleges on resolution of the audit findings.

All colleges partaking in these funds will need to fill out the CCCCO-provided online application, which will include an 1) expenditure plan, 2) self-certification, and 3) contact page. At the back end, colleges will need to submit a re-certification. The Fiscal Agent can add additional reporting requirements as needed or required by its own governance process.

12. Allowable Uses

Funds may be used for equipment, curriculum development, professional development, and other related costs necessary to develop, enhance, retool, and expand quality career technical education offerings at single colleges within the region, multiple colleges within the region or multiple regions. Please refer to the FAQs at: http://doingwhatmatters.cccco.edu/WEDDGrants/CTEEnhancementFunds/FAQs.asp for further clarifications.

13. Subcontractee or Subgrantee Application Form

The CCCCO will release an online application for subcontractee or subgrantees, both for the Local Share and the Regional Share. The Fiscal Agent and Regional Consortia will be provided access to the collected data to facilitate regional dialog and coordination for reporting, planning, prioritization and certification purposes.
The Fiscal Agent may collect additional information as it needed for its own governance processes.

14. CCCCO Monitoring

The CCCCO will monitor the grant issued to each Fiscal Agent on behalf of their macro-economic region. This monitoring process will include:

- Notifying the grantee to commence work;
- Maintaining grant documentation;
- Monitoring the grant to ensure compliance with all provisions, including:
  - Progress of work to ensure services are performed according to the quality, quantity, objectives, timeframes, and manner specified in the grant; and,
  - Ensuring all work is completed and accepted by the CCCCO before the grant expires.
- Assessing and requesting amendments, renewals, or new contracts as required;
- Reviewing invoices for payment;
- Examining expenditures to:
  - Ensure there are sufficient funds to pay for all services rendered as required by the agreement; and,
  - Identify low spending levels and consider partial dis-encumbrance and reassignment of funds.
- Verifying the grantee has fulfilled all grant requirements, including filing a final report and completing all reporting in the CCCCO online Year-To-Date Expenditures and Progress Report before approving the final invoice.

15. Quarterly and Final Reports

The first quarterly report in the CCCCO online reporting system for these funds will be due on March 30, 2015 and proceed for each immediately succeeding quarter until the Final Report to CCCCO is submitted on July 1, 2016.

There will be no reversions between Local and Regional Shares. Local Shares stay local and have until March 15, 2016, to be spent. Regional Shares stay regional and have until March 15, 2016, to be spent. Unspent funds as of March 15, 2016, will go back to the CCCCO.

Note that a Final Report by the CCCCO on the funds is due the Legislature 60 days following the close of June 30, 2016.

16. Reporting Requirements

As reflected above, the reporting requirements that monitors will evaluate the expenditure of funds will be around what should be the stated objectives in each grantees workplan and reflect the criteria enumerated in budget law:
• Are the subcontractee/subgrantee activities for occupations and sectors that are demonstrated to be in-demand in the regional labor market?
• Are the subcontractee/subgrantee activities for occupations for which regional production of employees is insufficient to meet labor market demand?
• Do subcontractee/subgrantee activities demonstrate regional alignment of program and curricula?
• Have subgrantees given priority to one of the following:
  o Priority sectors identified by the region?
  o Emerging sectors identified by the region?
  o Articulation of programs and pathways with K-12 or four year institutions, particularly the University of California and the California State University?
• How funds were allocated?
• Detailed listing of which CTE programs were selected by region.
• Detailed information on how funds were utilized and spent by colleges and throughout the regions.
• Partnerships created as a result of CTE Enhancement Funds.
• Industry match broken out per region – types of match (in-kind or cash related to the course/program that is the subject of the application), i.e., funding, internships, trainings, etc.
• New CTE courses or programs created.
• Job placements.
• Did these funds increase industry co-investment in apprenticeships, work-based learning, internships and other forms of on-the-job training at your college? If yes, to what extent and what were the direct benefits to employers?

17. Disbursing & Audit

For the Regional Shares, the Fiscal Agent will make all disbursements for the project. All transactions will be recorded in the project account established by the Fiscal Agent.

In accordance with the underlying principle of this policy statement, sufficient documentation must be maintained by the Fiscal Agent to allow the Fiscal Agent’s external auditor to perform the fiscal and compliance audit of the contract.

The Fiscal Agent and any subcontractor or subgrantee agree that the Chancellor’s Office, the Bureau of State Audits, any other appropriate state or federal oversight agency, or their designated representative(s), shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Grant Agreement.

The Fiscal Agent and any subcontractor or subgrantee agree to maintain such records for possible audit for a minimum of three (3) years after final payment or until
any audit findings have been resolved, unless a longer period of records retention is stipulated.

The Fiscal Agent and any subcontractor or subgrantee agree to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records.

Further, the Fiscal Agent and any subcontractor or subgrantee agree to include a similar right of the CCCCO, the Bureau of State Audits, any other appropriate state or federal oversight agency, or their designated representative(s) to audit records and interview staff in any subcontract or subgrant related to performance of this Grant Agreement.

18. Inventory Records

The subcontractor or subgrantee is responsible for maintaining fixed asset records for any such items properly purchased under the provisions of this Fund. In addition, the subcontractor or subgrantee is responsible for maintaining inventory records for any items, as required by the agreement.

If one college does bulk buying for a group of colleges, it retains liability for maintenance and insurance on all equipment purchased only up to the point of distributing that equipment to the other colleges involved in the bulk purchase. Upon transfer of the asset to the resident college, the resident college also assumes the responsibility for maintenance, insurance and whatever costs are associated with ownership of that equipment. Thus, the entity that has physical custody of the fixed asset has the responsibility for providing insurance coverage if coverage is desired.

When contract assets are located at a single college, this location should be identified on the subcontractor or subgrantee’s inventory records. The Fiscal Agent shall maintain an electronic record of all fixed assets acquired with the region’s CTE Enhancement Funds. The record should include a description of the equipment purchased, cost, location, programs that it is intended to serve, and expected lifespan.

The financial reporting of these assets under the Governmental Accounting Standards Board statement number 34 (GASB # 34) or any subsequent accounting principle should also be covered in the Fiscal Agent Agreement.