



STATE OF TENNESSEE
DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT
ADULT EDUCATION DIVISION
220 French Landing Drive
Nashville, TN 37243-1002

ADULT EDUCATION POLICY – LOCAL ADMINISTRATIVE COSTS

Effective Date: July 1, 2020

Date Issued: June 29, 2020

AUDIENCE

- Local Adult Education program directors and staff

EXECUTIVE SUMMARY

This policy describes the requirements concerning a local Adult Education program's administrative cost allowances and limitations from the funds received from the Workforce Innovation and Opportunity Act (WIOA) Adult Education grant. The purpose for having administrative cost limitations is to ensure that the vast majority of the grant funds are used to operate the program and provide educational services to students, rather than being used for activities that only indirectly or minimally affect the program or students.

ROLES AND RESPONSIBILITIES

Title	Role or Responsibility
Local Adult Education Program Staff	Ensure administrative activities and associated costs are designated and tracked as such for documenting time and effort and requesting reimbursements.

POLICY

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1. Local Administrative Cost Limits

According to the regulations of the Workforce Innovation and Opportunity Act (WIOA) Title II, which establishes the Adult Education program, “Not more than five percent of a local grant . . . can be expended to administer a grant or contract under title II. In cases where five percent is too restrictive to allow for administrative activities, [TDLWD] may increase the amount that can be spent on local administration. In such cases, the [local] provider must negotiate with [TDLWD] to determine an adequate level of funds to be used for non-instructional purposes.”¹

Leading into each new program year for which a local provider has an Adult Education contract, TDLWD will contact the provider concerning the upcoming year’s budget and allow for program directors to negotiate an administrative cost limit for the upcoming year. Once the limit is established, local programs must adhere to it—total administrative expenses for the year must not exceed the established limit. In the event that a local program director needs to renegotiate the limit during the course of a program year, they must contact TDLWD to initiate discussions.

2. Local Administrative Activities

Local programs must consider costs incurred in connection with the activities listed below to be administrative costs.² These costs must be designated and tracked as “administrative” in budgets, expenditure reports, and reimbursement requests:

- A. *Planning*: activities related to developing the local workforce plan with the other WIOA partners. (High-level planning, collaborating, and plan drafting are considered the administrative activities; further strategizing and implementing the various components of the plan is *not* considered administrative, with the exception of the high-level planning associated with co-enrollment programs—see section 2(D), below.)

¹ See [34 CFR §463.25](#).

² See [34 CFR §463.26](#). The language from the regulation is in italics; the subsequent explanations are from TDLWD and indicate what local programs will be held accountable for.

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- B. *Administration, including carrying out performance accountability requirements:* activities related to preparing program-level reports (e.g., compiling monthly expenditure reports, aggregating quarterly performance data, fulfilling a request from TDLWD concerning AJC costs or other program-level information, etc.)
- C. *Professional development:* costs for formal professional development activities, including conference fees, travel expenses, speaker/trainer fees, etc. Costs for staff salaries/wages associated with professional development are *not* considered administrative.³
- D. *Providing adult education and literacy services in alignment with local workforce plans, including promoting co-enrollment in programs and activities under title I, as appropriate:* activities related to designing and promoting a system for co-enrolling Adult Education students in post-secondary education and training programs via WIOA Title I funds. (High-level planning and designing the system with other service providers are considered the administrative activities; implementing and carrying out the system with students is *not* considered administrative.)
- E. *Carrying out the one-stop partner responsibilities including contributing to the infrastructure costs of the one-stop delivery system:*⁴ expenses required to fulfill the Adult Education program's financial obligation established by the infrastructure funding agreements at the local American Job Centers.

All activities and costs not described above, and that are in accordance with the [TDLWD Adult Education Allowable Costs Policy](#), and that are associated with operating the Adult Education grant and providing educational services to students, are not considered administrative costs.

GOVERNANCE

To ensure local program compliance with this policy, as part of its regular in-person and remote monitoring practices, TDLWD will (1) inspect personnel time-and-effort records to determine if administrative costs are being accounted for (see the [TDLWD Adult Education Time and Effort Policy](#)); and (2) inspect expenditures and reimbursement requests associated with administrative costs.

³ Formal professional development activities are different from technical assistance or training. Whereas technical assistance or training is meant to provide staff with a greater understanding of how to implement the grant's requirements and is typically conducted internally or by TDLWD staff, professional development activities are more supplemental in nature, specially designed to enhance a staff member's professional skill set more generally relative to their profession. Examples of professional development activities include an instructor who attends a math teacher workshop put on by the local school district, a data specialist who participates in a Microsoft Excel training program, or a program director who attends the national COABE conference.

⁴ See [34 CFR §463.420](#).

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CONTACT

For any questions related to this policy, please contact Wanda Cameron, director of fiscal services, at wanda.cameron@tn.gov or 615-532-9835.

A handwritten signature in black ink, appearing to read "JBaker", is positioned above a horizontal line.

Jay Baker, Interim Assistant Commissioner of Adult Education