

# **PROGRAM 1 – ADULT BASIC EDUCATION PROGRAM**

## **DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT**

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### **I. PROGRAM OBJECTIVES**

The objective of this program is to provide funds for instruction of adult learners in the basic skills of reading, writing, mathematics, English literacy, and General Educational Development (GED) preparation with an emphasis on integrating workplace readiness skills and practical life skills into instruction. In addition, adult students receive instruction in speaking, reading, and writing English as a second language with an emphasis on civics education.

The Adult Basic Education (ABE) Program is authorized by the Workforce Innovation and Opportunity Investment Act (WIOA) of 2014 (Title II – Adult Education and Literacy, Subtitle C – Local Provisions, Sec. 231 - 233). These regulations are located in Title 34 of the Code of Federal Regulations, Parts 75-77, 79, 81-82, 85, 86, 97, 98, and 99. Regulations are also located in the Uniform Guidance, 2 CFR Part 200.

### **II. PROGRAM PROCEDURES**

As per Alaska Statute 44.31.020(6), “The Department of Labor and Workforce Development shall administer the state's program of adult basic education and adopt regulations to administer the program.”

In addition, Title 8, Chapter 99 of the Alaska Administrative Code authorizes the Department of Labor and Workforce Development to issue competitive grants to eligible providers to organize, plan, establish, expand, improve or maintain an adult basic education program. The Department of Labor and Workforce Development will, in its discretion, issue grants for a period of up to three years, subject to the availability of funding and review of annual performance reports.

The Department makes grants available to eligible providers. The term eligible provider is defined in Section 203(5) of the WIOA as a local educational agency; a community-based organization of demonstrated effectiveness; a volunteer literacy organization of demonstrated effectiveness; an institution of higher education; a public or private nonprofit agency; a library; a public housing authority; a nonprofit institution that is not described above which has the ability to provide literacy services to adults and families; and a consortium of the agencies, organizations, institutions, libraries, or authorities described above.

Under Section 222 of the WIOA, no more than 12.5 percent of the State allotment may be used at the State level for leadership activities, including professional development; 82.5 percent of the State allotment shall be used to support local programs and corrections education. Not more than 20 percent of the State allotment may be used for correctional education; not more than 5 percent (or \$85,000, whichever is greater) of the State allotment may be used for State level administrative costs. The U.S. Department of Education (DOE), Office of Career, Technical, and Adult Education (OCTAE) provides further guidance.

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Effective January 1, 2014, each eligible provider may desire to become a Personal VUE Testing Center in order to deliver GED tests. Eligible providers who apply with Pearson VUE Testing Center agree to conduct GED testing activities in accordance with the requirements of Title 8, Chapter 99, sections 120, 130, 140, and 190 of the Alaska Administrative Code and in accordance with the rules and regulations of the GED Testing Service LLC, an entity comprised by the American Council on Education and NCS Pearson, Inc.

### III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

#### A. **TYPES OF SERVICES ALLOWED AND UNALLOWED -**

**Compliance Requirements:** Section 231 of the WIOA requires each eligible provider receiving a grant or contract to use the grant or contract to establish or operate one or more programs that provide services or instruction in one or more of the following categories:

- a) Adult education and literacy services, including workplace literacy services.
- b) Family literacy services.
- c) English literacy programs.

Under 2 CFR each eligible provider has a set of cost principles for determining allowable and unallowable costs. Allowability of costs is determined in accordance with the cost principles applicable to the entity incurring the costs, as specified by the following table.

For the cost of a:	Use the principles in:
Private nonprofit organization other than: (1) An institution of higher education; or (2) A hospital.	2 CFR part 200, subpart E
Educational Institution	2 CFR part 200, subpart E
Commercial for-profit organization other than a hospital and educational institution.	48 CFR part 31 Contract Cost Principles and Procedures or uniform cost accounting standards that comply with cost principles acceptable to DOE

This program is also subject to non-supplanting requirements and each eligible provider must use a restricted indirect cost rate, which is referenced under 34 CFR 76.564-76.569.

#### **Suggested Audit Procedures:**

- a) Test transactions to determine whether expenditures are necessary and reasonable for the performance and administration of the program, and are authorized or not prohibited under applicable guidelines and regulations;

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- b) Test transactions for accuracy and support;
- c) Test transactions to determine that overall combined direct and related indirect administrative costs do not exceed the total amount that the Department of Labor negotiated with each provider.

### **B. ELIGIBILITY -**

**Compliance Requirement:** Each eligible provider is responsible for determining the eligibility of those enrolled in its programs. Section 211(2)(d) of the WIOA defines adult education as services or instruction below the postsecondary level for individuals:

- a) Who is at least 16 years of age,
- b) Is beyond the age of compulsory school attendance under the law of the State;
- c) who: is basic skills deficient; does not have a secondary school diploma or its recognized equivalent; or has a secondary school diploma or its recognized equivalent but has not achieved an equivalent level of education; or is an English language learner.

Each eligible provider may choose to designate a staff member to assume the responsibility of determining the eligibility of those enrolled in its program. Title 8, Chapter 99, section 120 of the Alaska Administrative Code defines eligibility requirements for individuals desiring to take the GED test if:

- a) the person is 18 years of age or older,
- b) the person is physically present in the state,
- c) the person is not enrolled in a high school program,
- d) the person has not received a diploma or certificate through a high school or GED program in Alaska or in another state, province, or U.S. possession.

A person aged 16 or 17 is eligible to take the GED if:

- a) the person is physically present in the state,
- b) the person is not enrolled in a high school program,
- c) the person has not received a diploma or certificate through a high school or GED program in Alaska or in another state, province, or U.S. possession,
- d) the person presents to the local ABE program's regional director:
  - a legal emancipation document, or
  - written permission from a parent or guardian and,
  - a withdrawal slip from the last school attended in Alaska.

### **Suggested Audit Procedures:**

- a) Review the eligibility determination system and evaluate it for accuracy;
- b) Review selected participant files for documentation of eligibility criteria;
- c) Review selected participant files and determine the appropriateness of eligibility determinations.

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### C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

There is no matching or level of effort requirements.

### D. REPORTING REQUIREMENTS -

**Compliance Requirement:** Fiscal reports are required at least quarterly. Student information must be entered into the ABE Statewide Database at least monthly.

**Suggested Audit Procedure:**

- a) Review procedures for preparing reports and evaluate adequacy;
- b) Review a sampling of reports for completeness and timeliness of submission;
- c) Trace data in selected reports to the supporting documentation; and
- d) Evaluate adjustments, if any, for propriety.

### E. EQUIPMENT -

**Compliance Requirement:** Under 2 CFR Part 200.303, title to equipment, acquired by a recipient with Federal funds:

- a) Use the equipment for the authorized purposes of the project,
- b) Not encumber the property without approval of the Federal awarding agency or pass-through entity,
- c) Use and dispose of the property as defined in the CFR, Etc.

**Suggested Audit Procedures:**

- a) Determine if the activities referred to above occur and if so, do they result in noncompliance.
- b) Determine if income generated by these activities is treated as program income as required.
- c) Review biannual inventory logs and reconcile inventory logs to accounting records. Report any discrepancies.
- d) Verify the existence, current utilization, and continued need for the equipment.

### F. SPECIAL TESTS AND PROVISIONS -

**Compliance Requirements:** All programs are required to maintain individual student records. Each program must keep on file for each student a State of Alaska ABE Student Intake Form, assessment tests, and attendance data. A paper file with the information will be maintained at the program site and the information will be entered into the ABE Statewide Database at least monthly. The grant agreement will specify any additional tests and provisions.

**Suggested Audit Procedures:** Through observation and discussion with appropriate personnel, determine whether the files are maintained at the program site and whether they contain the required information. Review the grant agreement, identify any special provisions or requirements, and verify that they were met.