



INDIANA STATE BOARD OF EDUCATION

100 N. Senate Ave., RM N1049
Indianapolis, IN 46204

To: State Board of Education Members
From: State Board Staff
Date: July 30, 2014
Re: Perkins Funds

In March 2011, the General Assembly passed House Enrolled Act ("HEA") 1340, which revised Indiana Code ("IC") 20-19-2-19(a) to provide that the State Board of Education ("State Board") "shall receive, distribute, and account for all funds received for career and technical education under the Carl D. Perkins Vocational and Applied Technology Act (20 U.S.C. 2301 et seq.)." HEA 1340 was signed into law in April and was designated as effective upon passage.

Section 11 of HEA 1001-2011 (the 2011 budget bill) provided that:

The following allocations of federal funds are available for career and technical education under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq. for Career and Technical Education). These funds shall be received by the state board of education, and may be allocated by the budget agency after consultation with the board of education and any other state agencies, commissions, or organizations required by state law. Funds shall be allocated to these agencies in accordance with the allocations specified below:

STATE PROGRAMS AND LEADERSHIP	
2,543,246	2,533,482
SECONDARY VOCATIONAL PROGRAMS	
14,238,694	14,182,825
POSTSECONDARY VOCATIONAL PROGRAMS	
8,156,232	8,124,229
TECHNOLOGY - PREPARATION EDUCATION	
2,463,650	2,463,650

The 2011 budget bill was effective July 1, 2011.

At the May 2011 State Board meeting, Matt Fleck, Division of College and Career Preparation, presented a request for approval of the ratifications, certifications, assurances, and other actions necessary to reflect designation of the State Board as the Perkins IV eligible agency pursuant to HEA 1340-2011. See http://www.in.gov/sboe/files/2011_may-minutes-approved.pdf.

Section 11 of HEA 1001-2013 (the 2013 budget bill) provides similar, but not identical, language regarding the use of Perkins funds:

The following allocations of federal funds are available for career and technical education under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq. for Career and Technical Education). These funds shall be received by the state board of education, and may be allocated by the budget agency after consultation with the board of education and any other state agencies, commissions, or organizations required

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by state law. Funds shall be allocated to these agencies in accordance with the allocations specified below:

STATE PROGRAMS AND LEADERSHIP

2,546,515 2,546,515

SECONDARY VOCATIONAL PROGRAMS

14,341,974 14,341,974

POSTSECONDARY VOCATIONAL PROGRAMS

8,067,360 8,067,360

In accordance with IC 20-20-38, the budget agency, with the advice of the board of education and the budget committee, may proportionately augment or reduce an allocation of federal funds made under SECTION 11 of this act.

The 2013 budget bill was effective July 1, 2013.

Because the State Board was part of the same business unit as the Indiana Department of Education (the "Department"), as a matter of convenience, the Department has received and allocated Perkins funding since state fiscal year 2011. However, now that the State Board is a business unit that is separate from the Department, state law requires a formalization of the relationship between the State Board and the Department in order for the Department to continue to receive Perkins funds.

Therefore, we recommend that the State Board authorize its Executive Director to enter into a memorandum of understanding ("MOU") on behalf of the State Board with the Department to permit the Perkins funds to "flow through" the State Board to the Department for the continued administration of the Perkins funds and the programs associated with the Perkins funds for the Federal Funding Period 07/01/2014 – 09/30/2015. A new MOU will be required for all future funding periods. Because of the potential hardship for programs expecting to receive these funds, we recommend that the initial MOU be executed as soon as possible to enable the State Budget Agency to release the current funds to the Department.

Further, because the State Board is required by law to account for all Perkins funds, the MOU should require the Department to submit a plan to the State Board detailing its proposed distribution of Perkins funds for the State Board's approval, as well as quarterly reports detailing actual distribution of the funds. In future years, the MOU should require submission of this plan (and State Board approval) prior to the federal application deadline for Perkins funds.