

## § 403.174

(a) Expenses incurred in carrying out the programs, services, and activities described in § 403.170, including, for example, expenses for—

(1) The introduction of new vocational education programs, particularly in economically depressed urban and rural areas;

(2) The introduction or improvement of basic skills instruction, including English-as-a-second-language instruction, in order for an individual to be eligible for employment, to continue employment, or to be eligible for career advancement;

(3) Costs associated with coordination between vocational education programs, business, and industry, including advisory council meetings and newsletters; and

(4) Transportation and child-care services for students necessary to ensure access of women, minorities, individuals with disabilities, and economically disadvantaged individuals to projects, services, and activities authorized by the Business-Labor-Education Partnership for Training Program; and

(b)(1) Subject to paragraph (b)(2) of this section, expenditures for necessary and reasonable administrative costs of the State board and of eligible partners.

(2) Total expenditures for administrative costs of the State board and of eligible partners may not exceed 10 percent of the State's allotment for this program in the first year and five percent of that allotment in each subsequent year.

(Authority: 20 U.S.C. 2392(d) and 2393(a)(1))

### **§ 403.174 What additional fiscal requirements apply to the Business-Labor-Education Partnership for Training Program?**

(a) The business and industrial share of the costs required in § 403.32(a)(29) may be in the form of either allowable costs or the fair market value of in-kind contributions such as facilities, overhead, personnel, and equipment.

(b) The State board shall use equal amounts from its allotment under this program and from its allotment for basic programs to provide the Federal share of cost of projects, services, and activities under this program.

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(c) If an eligible partner demonstrates to the satisfaction of the State that it is incapable of providing all or part of the non-Federal portion of the costs of projects, services, and activities, as required by § 403.32(a)(29), the State board may designate funds available under parts A and C of title II of the Act or funds available from State sources in place of the non-Federal portion.

(Authority: 20 U.S.C. 2392(c))

### **Subpart G—What Financial Conditions Must Be Met by a State?**

#### **§ 403.180 How must a State reserve funds for the basic programs?**

(a)(1) Except as provided in paragraph (a)(2) of this section, each State shall reserve from its allotment under the basic programs authorized by title II of the Act, for—

(i) The Program for Single Parents, Displaced Homemakers, and Single Pregnant Women under § 403.81, and the Sex Equity Program under § 403.91, respectively, an amount that is not less than the amount the State reserved for each of those programs under section 202 of the Carl D. Perkins Vocational Education Act (CDPVEA) from its Fiscal Year (FY) 1991 grant from the FY 1990 appropriation; and

(ii) The Program for Criminal Offenders under § 403.101 an amount that is not less than—

(A) The amount the State reserved for projects, services, or activities under section 202(6) of the CDPVEA from its FY 1991 grant from the FY 1990 appropriation; and

(B) The amount of Federal funds under the CDPVEA, other than the one percent reserved under section 202(6) of the Act, that the State and its eligible recipients obligated for projects, services, and activities for criminal offenders in correctional institutions from its FY 1991 grant from the FY 1990 appropriation.

(2) In any year in which a State receives an amount for purposes of carrying out programs under title II of the Act that is less than the amount the State received for those purposes in its FY 1991 grant award from the FY 1990

appropriation under the CDPVEA, the State shall ratably reduce the amounts reserved under paragraph (a)(1) of this section in the same proportion that the amount for carrying out programs under title II of the Act is less than the amount the State received for those purposes from the FY 1990 appropriation.

(b) Except as provided in paragraph (a) of this section, from its allotment for the basic programs authorized by title II of the Act, a State shall reserve—

(1) At least 75 percent for the Secondary School Vocational Education Program and the Postsecondary and Adult Vocational Education Programs described in § 403.111;

(2) Ten and one-half percent for the Program for Single Parents, Displaced Homemakers, and Single Pregnant Women described in § 403.81 and the Sex Equity Program described in § 403.91, as follows:

(i) Not less than seven percent for the Program for Single Parents, Displaced Homemakers, and Single Pregnant Women.

(ii) Not less than three percent for the Sex Equity Program;

(3) Not more than eight and one-half percent for State Programs and State Leadership Activities described in §§ 403.70 and 403.71;

(4) Not more than five percent or \$250,000, whichever is greater, for administration of the State plan, of which—

(i) Not less than \$60,000 must be available for carrying out the provisions in § 403.13, regarding the personnel requirements for eliminating sex discrimination and sex stereotyping; and

(ii) The remaining amounts may be used for the costs of—

(A) Developing the State plan;

(B) Reviewing local applications;

(C) Monitoring and evaluating program effectiveness;

(D) Providing technical assistance;

(E) Ensuring compliance with all applicable Federal laws, including required services and activities for individuals who are members of special populations; and

(F) Supporting the activities of the technical committees it establishes under § 403.12(b)(1); and

(5) One percent for Programs for Criminal Offenders described in § 403.101.

(c) The procedure for meeting the “hold-harmless” requirements in § 403.180(a) and the \$250,000 minimum for State administration provision in § 403.180(b)(4) is as follows:

(1) If the five percent reserved for administration is less than the \$250,000 minimum allowed by paragraph (b)(4) of this section, or if any of the amounts reserved for the Program for Single Parents, Displaced Homemakers, and Single Pregnant Women in § 403.81, the Sex Equity Program in § 403.91, or the Program for Criminal Offenders in § 403.101, respectively, is less than the amount reserved for that program in FY 1990 (funds from the FY 1990 appropriation awarded in the States FY 1991 grant), a State shall subtract any amount necessary to satisfy the \$250,000 minimum for State administration or any of the “hold-harmless” amounts from the total basic programs award received by the State.

(2) The State shall reserve \$250,000 for administration and shall reserve for any program not meeting the “hold-harmless” requirement an amount necessary to meet that requirement.

(3) The State shall reserve from the remainder of the basic program award an amount for each of the remaining programs that is proportionate to the amount that program would have received in the absence of a shortfall in the amounts reserved for administration or to meet the “hold-harmless” requirements in paragraph (a)(1) of this section.

*Example 1:* (a) A State receives a basic programs award of \$4,000,000. Five percent of the basic programs award equals \$200,000, which is \$50,000 less than the \$250,000 minimum that may be reserved for State administration. To determine the amount of funds that will be reserved for each program under title II, parts A, B, and C of the Act, the State first subtracts \$250,000 for State administration from the \$4,000,000 basic programs award (\$4,000,000 – \$250,000 = \$3,750,000).

(b) Second, the State determines the amount that would have been reserved for each of the programs under title II, parts A,

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B, and C of the Act in the absence of a shortfall in the set-aside amount for administration, as follows:

3.0% ×\$4,000,000 =	\$120,000	for Sex Equity Programs.
7.5% ×\$4,000,000 =	300,000	for Programs for Single Parents, Displaced Homemakers, and Single Pregnant Women.
8.5% ×\$4,000,000 =	340,000	for State Programs and State Leadership Activities.
1.0% ×\$4,000,000 =	40,000	for Programs for Criminal Offenders.
75% ×\$4,000,000 =	3,000,000	for part C of title II.
	3,800,000	

(c) Third, the State converts each of these amounts into a percentage by dividing each amount by the sum of the amounts the programs would have received in the absence of a shortfall (\$3,800,000) and multiplies the remaining basic programs award (\$3,750,000) by these percentages to determine the amount to reserve for each program under parts A, B, and C of title II of the Act, as follows:

(\$120,000/\$3,800,000) ×\$3,750,000 =	\$118,421	for Sex Equity Programs.
(\$300,000/\$3,800,000) ×\$3,750,000 =	296,053	for Programs for Single Parents, Displaced Homemakers, and Single Pregnant Women.
(\$340,000/\$3,800,000) ×\$3,750,000 =	335,526	for State Programs and State Leadership Activities.
(\$40,000/\$3,800,000) ×\$3,750,000 =	39,474	for Programs for Criminal Offenders.
(\$3,000,000/\$3,800,000) ×\$3,750,000 =	2,960,526	for part C of title II.
	3,750,000	

This example assumes that amounts reserved meet the “hold-harmless” requirement of section 102(c)(1) of the Act.

*Example 2:* A State’s seven percent reserve from its FY 1992 grant for the Program for Single Parents, Displaced Homemakers, and Single Pregnant Women is \$1,400,000 and the amount reserved for that program from its FY 1991 grant was \$1,581,000. Therefore, the amount of FY 1992 funds reserved for that program is \$181,000 less than the amount reserved in FY 1991. The State received a basic programs award of \$20,000,000 in FY 1992. The other programs under title II, part B meet the “hold-harmless” requirement in § 403.180(a)(1), and the amount reserved for State administration exceeds \$250,000. The State determines the amount of funds to be reserved for each program under title II, parts A, B, and C of the Act as follows:

(a) First, the State subtracts \$1,581,000 from the \$20,000,000 total basic programs award (\$20,000,000 – \$1,581,000 = \$18,419,000).

(b) Second, the State determines the amount that would have been reserved for each of the programs under parts A, B, and C of title II of the Act in the absence of a shortfall in the set-aside amount for the Program for Single Parents, Displaced Homemakers, and Single Pregnant Women, as follows:

5.0% ×\$20,000,000 =	\$1,000,000	for administration.
3.5% ×\$20,000,000 =	700,000	for Sex Equity Programs.
8.5% ×\$20,000,000 =	1,700,000	for State Programs and State Leadership Activities.
1.0% ×\$20,000,000 =	200,000	for Programs for Criminal Offenders.
75.0% ×\$20,000,000 =	15,000,000	for part C of title II.
	18,600,000	

(c) Third, the State converts each of these amounts into a percentage by dividing each amount by the sum of the amounts the programs would have earned in the absence of a shortfall (\$18,600,000) and multiplies the remaining basic programs award (\$18,419,000) by these percentages to determine the amount to reserve for each program under parts A, B, and C of title II of the Act, as follows:

(\$1,000,000/\$18,600,000) ×\$18,419,000 =	\$990,269	for administration.
(\$700,000/\$18,600,000) ×\$18,419,000 =	693,188	for Sex Equity Programs.
(\$1,700,000/\$18,600,000) ×\$18,419,000 =	1,683,457	for State Programs and State Leadership Activities.
(\$200,000/\$18,600,000) ×\$18,419,000 =	198,054	for Programs for Criminal Offenders.
(\$15,000,000/\$18,600,000) ×\$18,419,000 =	14,854,032	for part C of title II.
	18,419,000	

This example assumes that amounts reserved for the Sex Equity Program and Programs for Criminal Offenders meet the “hold-harmless” requirement of section 102(c)(1) and (2) of the Act.

*Example 3:* A State’s one percent reserved from its FY 1992 grant for Programs for Criminal Offenders is \$200,000 and the amount reserved for that program under section 202(6) of the CDPVEA plus other amounts obligated for projects, services, and activities for criminal offenders in correctional institutions from its FY 1991 grant from the FY 1990 appropriations totals \$250,000. Therefore, the amount of FY 1992 funds reserved for that program is \$50,000 less than the amount reserved and obligated for that program in FY 1991. The State received a basic programs award of \$20,000,000 in FY

1992. The other programs under title II, part B meet the "hold-harmless" requirement of § 403.180(a)(1) and the amount reserved for State administration exceeds \$250,000. The State determines the amount of funds to be reserved for each program under title II, parts A, B, and C of the Act as follows:

(a) First, the State subtracts \$250,000 from the \$20,000,000 total basic programs award (\$20,000,000 - \$250,000 = \$19,750,000).

(b) Second, the State determines the amount that would have been reserved for each of the programs under parts A, B, and C of title II of the Act in the absence of a shortfall in the set-aside amount for the Programs for Criminal Offenders, as follows:

5.0% × 20,000,000 =	\$1,000,000	for administration.
3.5% × 20,000,000 =	700,000	for Sex Equity Programs.
7.0% × 20,000,000 =	1,400,000	for Programs for Single Parents, Displaced Homemakers, and Single Pregnant Women.
8.5% × 20,000,000 =	1,700,000	for State Programs and State Leadership Activities.
75.0% × 20,000,000 =	15,000,000	for part C of title II.
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	19,800,000	

(c) Third, the State converts each of these amounts into a percentage by dividing each amount by the sum of the amounts the programs would have earned in the absence of a shortfall (\$19,800,000) and multiplies the remaining basic programs award (\$19,750,000) by these percentages to determine the amount to reserve for each program under parts A, B, and C of title II of the Act, as follows:

(\$1,000,000/ \$19,800,000) × \$19,750,000 =	\$997,475	for administration.
(\$700,000/\$19,800,000) × \$19,750,000 =	\$698,232	for Sex Equity Programs.
(\$1,400,000/ \$19,800,000) × \$19,750,000 =	\$1,396,465	for Programs for Single Parents, Displaced Homemakers, and Single Pregnant Women.
(\$1,700,000/ \$19,800,000) × \$19,750,000 =	\$1,695,707	for State Programs and State Leadership Activities.
(\$15,000,000/ \$19,800,000) × \$19,750,000 =	\$14,962,121	for part C of title II.
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	\$19,750,000	

This example assumes that amounts reserved for the Sex Equity Program and for the Program for Single Parents, Displaced Homemakers, and Single Pregnant Women meet the "hold-harmless" requirement of sections 102(c) (1) and (2) of the Act.

(d) The procedure for meeting the ratable reduction provision in paragraph (a)(2) of this section is as follows:

(1) If a State's basic programs award under title II of the Act for FY 1992 or in future years is less than that State's basic grant amount in FY 1991, a State shall determine the percentage that the basic programs award is of the FY 1991 basic programs award.

(2) The State shall multiply the amounts reserved in FY 1991 for each of the three programs covered by the "hold-harmless" provisions in paragraph (a)(1) of this section by this percentage.

(3) The State shall compare the amounts that would be reserved for these programs in FY 1992 to determine if these amounts are less than the ratably reduced hold-harmless amounts, and if so, shall proceed with the calculation required by paragraph (c) of this section except using the ratably reduced "hold-harmless" amounts.

(Authority: 20 U.S.C. 2312)

**§ 403.181 What are the cost-sharing requirements applicable to the basic programs?**

(a) A State shall match, from non-Federal sources and on a dollar-for-dollar basis, the funds reserved for administration of the State plan under § 403.180(b)(4).

(b) The matching requirement under paragraph (a) of this section may be applied overall, rather than line-by-line, to State administrative expenditures.

(c) A State shall provide from non-Federal sources for State administration under the Act an amount that is not less than the amount provided by the State from non-Federal sources for State administrative costs for the preceding fiscal or program year.

*Example for paragraph (b):* From the five percent reserved for the administration of the State plan, a State must reserve \$60,000 to carry out the provisions in § 403.13. The \$60,000 must be matched, but the matching funds need not be used for the activities described in § 403.13.

(Authority: 20 U.S.C. 2312(b) and 2468d; H.R. Rep. No. 660, 101st Cong., 2nd Sess. 103-104 (1990))