



State of Arizona
Department of Education

Adult Education Services Guidelines: Supplemental Student Fees September 19, 2007

Purpose:

1. To enable adult education providers that are funded by the Arizona Department of Education to expand the capacity of their adult education programs through revenue generated by supplemental student fees.
2. To ensure that any supplemental fees charged to adult education students by ADE-funded adult education providers are equitably administered and do not reach levels that have an adverse effect on participation by economically disadvantaged students.
3. To ensure that any supplemental fees charged to adult education students by ADE-funded adult education providers are maintained separately and used for the specific purpose of expanding adult education services to qualified adult education students.

Background:

The revenue generation of program income by an ADE-funded adult education provider through the implementation of supplemental student fees is governed by ARS 15-232, and ARS 15-234 and 34, CFR 80.25 and 34 CFR 76.534 which provide that the revenue generated by program income must be:

- 1) governed by the terms of the grant agreement between the state grantee (ADE) and the local sub-grantees to which the state provides federal (AEFLA) and state funds;
- 2) accounted for in program records; and
- 3) used only for costs allowable under ARS 15-232, 15-234 and AEFLA.

In addition, in accordance with the grant award notification for the federal (AEFLA) state grant beginning in program year 2006, states must establish policies for sub-grantees that result in fees that are reasonable and necessary, equitably administered, and do not reach levels that have an adverse effect on the participation of economically disadvantaged students.

State law parallels these requirements and requires that, if local adult education programs do elect to charge supplemental student fees, they must implement sliding fee scales dependent upon household income in order to ensure that the fees charged do not prohibit economically disadvantaged adults from participating in the program.

Local Adult Education Program Responsibilities:

1. An adult education provider that offers a course of study for adult education pursuant to ARS 15-232 and 15-234 may charge supplemental fees to adults who are eligible to participate in the adult education program.
2. Any supplemental fees charged by ADE-funded adult education programs must be approved by the Arizona Department of Education prior to both the posting and the imposition of the fees.
3. An adult education provider that elects to charge supplemental fees for participation in any ADE-funded program will submit to the ADE/AES for review and approval a program policy governing the collection, accounting, reporting and use of the program income generated by supplemental student fees. The policy will include the following, by program category (ABE, ASE, DL, ELAA, etc.):
 - a. A fee structure that represents an individual's ability to pay. The description will include the type of fee, a sliding fee scale* based on household income and the annual frequency of the charge.
 - b. A description and rationale for how the fees were determined so that they will not adversely affect the participation of economically-disadvantaged adults.
 - c. A justification for the necessity and reasonableness of the fee.
 - d. A plan for the accounting and reporting of revenue from supplemental fees and the uses of said fees.
 - e. A signed assurance that the revenue generated by the fees will only be used for AEFLA-allowable costs.
 - f. A signed assurance that the revenue generated by the fees will only be used according to the terms and agreements outlined in the adult education provider's contract with the ADE/AES.
 - g. A signed assurance that the revenue generated by the fees will not be used to meet any federal or state match or maintenance of effort requirements.
 - h. A description of how the fees will expand the capacity of the adult education instructional program.
 - i. A description of the steps that the adult education provider will follow to assure that the provisions of the fee policy is applied to all students equitably.
4. Adult education providers shall conspicuously post information on the supplemental fee structure.

5. Adult education providers shall provide advance written notice to all program participants of any changes to the approved fee structure at least ninety days prior to their taking effect.
6. Any supplemental fees collected shall only be used to support and expand the adult education instructional program.
7. Any supplemental fees collected shall not be used to supplant existing state and/or federal funding for adult education.
8. Adult education providers must expend revenue earned from fees during both the fiscal year in which it is earned and the following fiscal year.
9. Adult education providers must provide annual operating budgets to the ADE/AES that detail the planned use of the fees revenue in the fiscal year following the fiscal year in which it is earned.
10. Adult education providers must report annually to the Arizona Department of Education the actual revenue generated from supplemental fees charged during the reporting period.
11. The revenue generated from supplemental fees may not be co-mingled with state, federal or other funding.
12. The local program authorizing agent must acknowledge by signature on the program assurances section of the grant application that all fees collected and submitted for accounting purposes (with the exception of state-approved indirect costs) will be used solely and specifically in the adult education instructional program.
13. The Adult Education provider that elects to charge supplemental fees will maintain financial records of attendance, fees collected and revenue expended for review and audit by the ADE/AES.

*Note: A sliding fee scale is required by ARS 15-232 in order to ensure that economically-disadvantaged adults are not prevented from participating in the program. Federal regulation also requires that any supplemental fees charged to students do not reach levels that have an adverse effect on the participation of economically disadvantaged students.

State Agency Responsibilities:

1. The State Agency (ADE/AES) must develop and maintain state operational policies and procedures for the review, approval, accounting and reporting of supplemental student fees charged in ADE-funded Adult Education programs.
2. The State Agency (ADE/AES) shall review and will approve only those fee structures proposed by adult education providers that meet state (S) and federal (F) law and regulation:
 - a. The supplemental fees must be reasonable and necessary (F)

- b. The revenue generated by the supplemental fees must be used to expand the capacity of the adult education instructional program (S & F)
 - c. The use of the revenue generated by the supplemental fees is governed by the terms and agreements between the ADE and the adult education provider (S & F); and only for costs allowable under AEFLA (F)
 - d. The revenue that is generated by the supplemental fees, and its use, must be accounted for in local program records (S & F)
 - e. The revenue that is generated by supplemental fees may not be used to meet federal or state match or maintenance of effort requirements. (S & F)
 - f. The supplemental fees are equitably administered (S & F)
 - g. The supplemental fee structure considers an individual's ability to pay, includes a sliding fee scale, and is based on household income (S)
 - h. The supplemental fee structure does not reach levels that have an adverse effect on the participation of economically-disadvantaged adults (F)
3. The ADE/AES shall monitor adult education provider records to ensure that supplemental fee structures that may be implemented in local adult education programs meet all state and federal laws and regulations.
 4. The State Agency shall report annually to ED the revenue generated by supplemental student fees.
 5. The State Agency shall provide annual training and technical assistance to adult education providers concerning the development of supplemental fee structures and the collection, accounting and reporting and use of revenue generated by supplemental fees.

(S) = State Legislation: ARS 15-232, ARS 15-234
 (F) = Federal Regulation: 34 CFR 80.25 and CFR 76.534
 Federal Legislation: Workforce Investment Act of 1998, Title II