

TO: Chief Executive Officers
Chief Instructional Officers
Chief Business Officers
Career Education Deans
Regional Consortia Chairs
Centers of Excellence

FROM: Chèri Fortin, Dean
Workforce and Economic Development Division

RE: Policy Update: Perkins V Participant Support Costs and Out-of-Pocket Expenses for Special Populations

The purpose of this guidance memo is to provide policy updates on participant support costs under 2 CFR 200.456 and out-of-pocket expenses for special populations under section 135(b)(5)(S).

Background

Following a recent training for the California Community Colleges Chancellor's Office (Chancellor's Office), there were questions regarding guidance to colleges on participant support costs under 2 CFR 200.456 and out-of-pocket expenses for special populations under section 135(b)(5)(S) of the Strengthening Career and Technical Education for the 21st Century Act (Perkins V).

Policy Update

The Uniform Grant Guidance (UGG) in 2 CFR 200.1 defines participant support costs as direct costs that support participants and their involvement in a federal award, such as stipends, subsistence allowances, travel allowances, registration fees, temporary dependent care, and per diem paid directly to or on behalf of participants. The UGG, also in 2 CFR 200.1, specifically defines a participant as an individual participating in or attending program activities under a federal award, such as trainings or conferences, but who is not responsible for implementation of the federal award. This would not apply to individuals committing effort to the development or delivery of program activities under a federal award, such as consultants, project personnel, or staff members of a recipient or subrecipient.

As defined by 2 CFR 200.456, participant support costs are allowable, but the classification of items as participant support costs must be documented in the recipient's or subrecipient's written policies and procedures and be treated consistently across all federal awards. This is a recent change to the UGG, applicable to all Perkins awards and subawards beginning July 1, 2025.

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Previous versions of the rule only allowed for such costs with prior written approval of the federal agency or pass-through entity. As with all use of federal funds, these costs would also need to be necessary, reasonable, allocable, and meet all other requirements in 2 CFR 200.403.

Within Sec. 135(b)(5)(S) of Perkins V, local eligible recipients are allowed to use Perkins funds to plan and carry out elements that support the implementation of career and technical education (CTE) programs and programs of study, and that result in increasing student achievement of the local levels of performance. Such activities may include support to reduce or eliminate out-of-pocket expenses for special populations participating in CTE, including those participating in dual or concurrent enrollment programs or early college high school programs, and support for the costs associated with fees, transportation, childcare, or mobility challenges for those special populations.

When comparing the definitions of participant support costs and out-of-pocket expenses for special populations, any use of Perkins funds for “registration fees, dependent care, or transportation” would fall under the category of participant support costs and must be used in alignment with a college’s written procedures on how participant support costs are charged to federal awards.

Unlike the rules for general participant support costs, the use of Perkins funds on these costs are limited to CTE students that are members of a special population, as defined in Sec. 3(48) of Perkins V. In addition, as with all other allowable use of funds under Perkins, such costs must meet the needs identified in the comprehensive needs assessment of the local eligible recipient (see Sec. 135(a) of Perkins V). Additionally, there are other allowable uses of federal Perkins funds that might also fall under the definition of participant support costs, such as travel and other associated costs for members of career and technical student organizations participating in technical skills competitions aligned with CTE program standards and curricula under section 135(b)(5)(O) of Perkins V.

While most out-of-pocket costs for special populations must meet the requirements of both 2 CFR 200.456 and Sec. 135(b)(5)(S) of Perkins V, there are other participant support costs that must meet the requirements of other relevant sections of Perkins V. Regardless, any use of Perkins funds for participant support costs must be in alignment with each local subrecipient’s written policies and procedures on using federal funds for such costs.

Contacts

For questions regarding this memo, please email PerkinsSupport@CCCCO.edu.

Resources

The following resources may be referred to when preparing for the FY 2025-26 Perkins local application:

- [Perkins V Act](#)
- [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal](#)

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Awards

- [The Administrator's Handbook on EDGAR: 5th Edition by Brustein & Manasevit, PLLC, Attorneys at Law](#)
- [Core Indicator Reports](#)
- [Student Vocational and Technical Education Act \(VTEA\) Data Elements](#)

cc: Anthony Cordova, Vice Chancellor
Workforce and Economic Development Division

Chris Ferguson, Executive Vice Chancellor
Finance and Strategic Initiatives