



CAEP State Budget Update & Allocation Amendment Overview

July 30, 2024

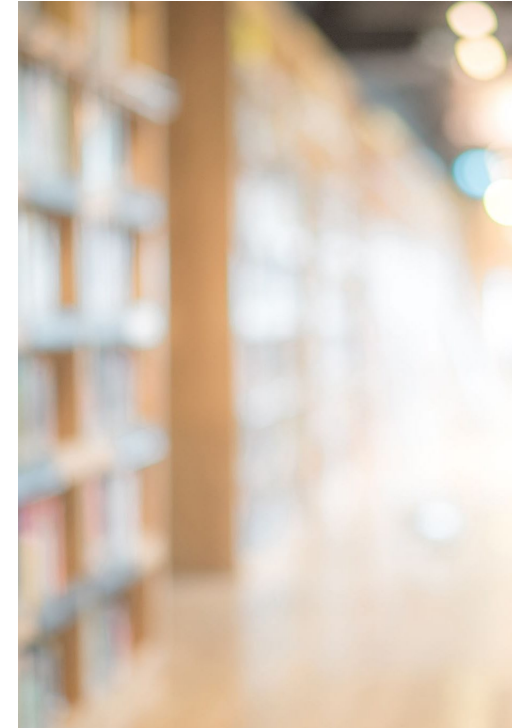


Presenters:

Mayra Diaz
Chancellor's Office

Neil Kelly
California Department of Education

Mandilee Gonzales
CAEP TAP



Agenda

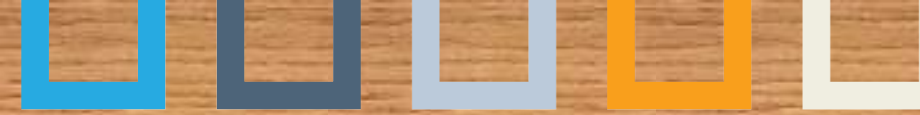
- State Budget for FY24-25
- CAEP Allocation Guidance Memo
- State Allocation Process
- Allocation Certification in NOVA
- Questions





CAEP Allocations for FY24-25

Fiscal Year	Allocations	COLA Increase
2023-24 (CAEP Base Funding)	\$646,222,000	
2024-25 Governor's Budget Proposal (January)	\$651,133,000	0.76%
2024-25 Enacted State Budget for CAEP (Summer)	\$653,137,000	1.07%



CAEP Annual Funding Allocations

Year	2017–18	2018–19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
\$	\$500M	\$521M	\$538M	\$538M	\$560M	\$597M	\$646M	\$653M



July 11, 2024

TO: Adult Education Consortium Directors, Leads, Co-Chairs, Members, and Fiscal Representatives

FROM: California Adult Education Program (CAEP) State Leadership

Gary Adams, Dean
California Community Colleges Chancellor's Office

Carolyn Zachry, Ed.D., Director
California Department of Education

CC: Anthony Cordova, Vice Chancellor,
California Community Colleges Chancellor's Office

Pete Callas, Division Director
California Department of Education

RE: **CAEP FY 2024-25 Final Consortium Allocations**

This memorandum is to advise local recipients and fiscal agents of adult education program funds on the release of the FY 2024-25 final CAEP allocations. You may access this [link](#) to view the final allocations schedule. The 2024-25 CAEP allocation increase from the May Revise is now available in NOVA as an allocation amendment. Consortium members will have until September 1, 2024, to submit and certify their amended allocation amounts in NOVA. The CAEP State Leadership and the Technical Assistance Provider (TAP) will offer a CAEP Allocation Amendment webinar on **Tuesday, July 30, 2024, from 11:00 a.m. to 12:00 p.m.** to review the final allocation amounts, provide members with an overview of the NOVA process, and answer any questions. You may register for this webinar through this [link](#).

CAEP FY24-25 Final Consortium Allocations Memo



CAEP Allocation Memo Cont'd.

Published Memo can be accessed on the CAEP website under:

- Administrators / Funding / Annual CAEP Allocation / 24-25

Memo was also emailed to all CAEP member representatives and published on the weekly CAEP newsletter (July 11, 2024).

Memo provides a link to the 24-25 final allocation amounts displayed by consortia, fiscal agent, and for direct funded members.

Memo also provides NOVA instructions on how to process the final steps of your consortium's allocations, and separate instructions for direct funded members.



CAEP State Allocation Process



Education Code mandates that the Chancellor's Office and CDE provide allocation schedules to the Department of Finance no later than July 15th annually.



Legislature requires the State to disburse CAEP funds within 45 days of the budget enactment. The disbursement is released in 11 installments through June of the program year.

CAEP State Process (Cont'd.)

Allocation amounts for fiscal agents and direct funded members must be confirmed shortly after the State Budget is passed on July 1st.

If the state legislature provides a COLA adjustment via the May Revise and/or the Trailer Bill – CAEP consortia and direct funded members will be asked to complete an allocation amendment by September 1st.



REMINDER

The State has updated NOVA to reflect the amended amount **by consortium.**

Each consortium must enter and certify in NOVA the allocation amounts for their member agencies (by September 1st)

For direct funded members, amounts have already been determined (see link in the allocation memo). Must still be manually entered into NOVA.



CAEP Allocation Process

Step 1

Preliminary Allocations released by February 28th



Step 2

Consortia certification via the CFAD by May 2nd



Step 3

May Revise (mid-May) and/or Trailer bill (late June) adjustment



Step 4

State submits CAEP schedules to DOF (July 15th)



Step 5

State begins CAEP fund disbursement (August 15th)



Step 6

Consortium members certify amendments (September 1st)

Question?

How does the State CAEP Office confirm allocation amounts at the local district level while meeting the July 15th deadline imposed by the Department of Finance, if we don't need to certify our allocation amendment until September 1st?



Response:

If there are any technical adjustments via the May Revise or the Trailer bill to the State Budget bill – the State will use the same funding formula to allocate funds to each consortium. This action will satisfy the need to have allocation amounts for consortia with fiscal agents. But.....



Response (cont'd.):

...for direct funded members, the State will use the same proportional share that was approved via the CFAD on May 2nd to adjust the budget upward or downward (see example in the next few slides).



Direct Funded Example (1 of 3)

Consortium	CFAD Allocation - Certified	Percentage Share
Member A	\$100,000	10.00%
Member B	\$100,000	10.00%
Member C	\$100,000	10.00%
Member D	\$700,000	70.00%
Total	\$1,000,000	100.00%



Direct Funded Example (2 of 3)

Consortium	New Increase (May Revise)	Percentage Share
Member A	\$20,000	10.00%
Member B	\$20,000	10.00%
Member C	\$20,000	10.00%
Member D	\$140,000	70.00%
Total	\$200,000	100.00%



Direct Funded Example (3 of 3)

Consortium	Final Allocation	Percentage Share
Member A	\$120,000	10.00%
Member B	\$120,000	10.00%
Member C	\$120,000	10.00%
Member D	\$840,000	70.00%
Total	\$1,200,000	100.00%

Question?

If I'm a direct funded member, why is the State CAEP Office calculating this for me? My consortium wants to do other things with the increase?



Response:

Members receive no less than the prior year's amount (unless it meets one of the three causes for a funding reduction). [EC 84914]

COLA means a cost-of-living increase for all member districts (which means all members in good standing will receive the COLA).

Fiscal agent and direct funded member allocation schedules are due to DOF by July 15th.

CAEP funds must be disbursed 45 days after the State Budget is signed.

Question?

If I'm a direct funded agency, where do I find my predetermined amounts for the allocation amendment?



Response:

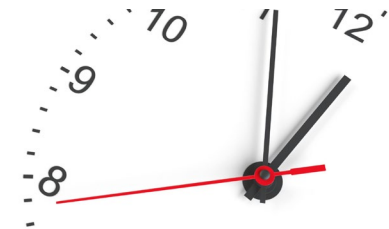
Direct funded members can find the link to the predetermined amounts in the CAEP allocation memo released July 11, 2024.

Note: If consortia wish to make changes with their 2024-25 allocations, they may do so via the allocation amendment process.


Please note, direct funded members must follow up locally to physically move/transfer funds among members.

Reminders

- ❑ AB 1491 Carryover compliance tracking is underway (start of FY 23-24)
 - First year of tracking will close once Q4 expenses are certified by **September 30, 2024**
 - Start date includes the tracking of both **member carryover** and **consortium carryover**
 - AB 1491 authorizes the consortium to reduce a member's "excessive" carryover funding after two years of consecutive excessive carryover has been determined (EC 84914)
 - Member carryover impacts consortia carryover
 - Consortia exceeding 20% carryover annually will be monitored by the Chancellor's Office and CDE
 - NOVA Enhancements have been released ([Link to resources](#))
- ❑ CAEP Annual Plans are due August 15, 2024



State Policy Guidance Issued: *February 27, 2023*



MEMO

February 27, 2023

To: Adult Education Consortium Directors and Members

From: The California Adult Education Program (CAEP) State Leadership

Subject: **AB 1491 Carryover Guidance**

This memorandum provides guidance to California Adult Education Program (CAEP) consortia and their members on the requirements of **AB 1491** (carryover legislation). These requirements will go into effect during the **2023-2024** program year.

Carryover Legislation

A. MEMBER CARRYOVER

This bill authorizes a consortium to reduce a member's allocation by no more than the amount of the member's carryover, as defined, if the consortium makes a finding by a majority vote, based on the member having excessive carryover for **at least two consecutive fiscal years** beginning with the 2023-24 fiscal year, that the member has been consistently ineffective in providing services that address the needs identified in its adult education plan. There is no percentage threshold mandated in AB 1491 that is specific to member carryover, unless it is determined by the individual consortium.

B. CONSORTIUM CARRYOVER

The bill requires a consortium with carryover from **one or more prior fiscal years** exceeding 20% to submit a written expenditure plan, as specified, to the Chancellor and the Superintendent, and would require the Chancellor and the Superintendent to prescribe and assign technical assistance to that consortium to ensure effective use of funds as specified by existing policy, and that the consortium's annual carryover does not continue to exceed 20% to continue providing adequate adult education services to the region.

[AB 1491 Guidance](#)

AB1491 Timeline FY 2023-2025

Date	Activity Description	Timing
February 2023	<ul style="list-style-type: none"> Preliminary Allocations are released for FY 2023-24 AB1491 guidance is released 	
March-April 2023	<ul style="list-style-type: none"> Regional Consortia host public meetings to make financial & programmatic decisions FY 2022-23 Q2 expenditure reports are certified (March) AB1491 guidance webinar held 	
May 2023	<ul style="list-style-type: none"> CFAD is certified by the regional consortia <ul style="list-style-type: none"> Excessive member carryover will be defined by individual consortiums and included in the CFAD. CFAD will be revised to capture this information. May Revise 	
June 2023	<ul style="list-style-type: none"> State budget is approved & signed CAEP funds are scheduled for release FY 2022-23 Q3 expenditure reports are certified 	
August 2023	<ul style="list-style-type: none"> FY 2023-24 Annual Plan Due 	
September 2023	<ul style="list-style-type: none"> FY 2022-23 Q4 expenditure reports are certified FY 2023-24 Budget & work plans are submitted Carryover tracking begins as soon as FY 22-23 Q4 expenses are certified (starting for the 2023-2024 program year) Consortia will be required to determine and implement their definition of the excessive member carryover percentage beginning with the 2023-24 program year 	AB 1491 effectively begins Year 1 Member tracking begins Annual Consortia tracking begins
September 2024	<ul style="list-style-type: none"> FY 2022-23 Q4 expenditure reports are certified Any member that exceeds the consortia determined unique excessive carryover percentage for the FY 2023-24 will be documented and tracked in 2024-25 by the consortia towards meeting the "at least 2 consecutive fiscal years" criteria in the AB1491 legislation. Any consortia with more than 20% carryover starting with the 2023-24 program year must submit a written expenditure plan, as specified, to the Chancellor and the Superintendent, and will require the Chancellor and the Superintendent to prescribe and assign technical assistance to that consortium to ensure that adequate adult education services are provided to the region in proportion to the 	Year 1 Member tracking complete: • For those with carryover in FY 23-24, 2 nd year Member tracking begins with FY 24-25. • For those with no carryover in FY 23-24, then FY 24-25 begins a new 1 st year of tracking. Annual Consortia review and action

[AB 1491 Timeline](#)

AB1491 Frequently Asked Questions (FAQ)

1. What is carryover?

"Carryover" means the amount of unspent CAEP funds from the prior fiscal year, certified in NOVA on or before September 1 of the current fiscal year, expressed as a percentage of the prior fiscal year's allocation.

For example, if a member's allocation was \$500,000 each year, and they *carried over* \$250,000 into the current year giving them a total budget of \$750,000 then they would have a carryover of \$250,000 or 50% of their fiscal year's allocation. Another example would be if a member has carryover from multiple years: a member's allocation was \$500,000 each year, and they also had \$200,000 from the prior year, and \$50,000 from the year before that, then they would have a carryover of \$250,000 or 50% of their fiscal year's allocation.

Note: The carryover amount that may be reduced is a total amount covering multiple years, not a specific annual amount or percentage. The percentage is used only to determine if the carryover meets or exceeds the consortium determined excessive member carryover threshold.

2. Is member carryover the same as consortium carryover?

No. Consortium carryover is **one** or more prior fiscal years exceeding 20% and is assessed and acted upon annually. Consortium carryover includes the carryover of all its members.

For example, a consortium receives \$8M a year with four members each receiving \$2M a year for a total of \$8M. When Q4 was certified in NOVA, the consortium had \$2M in carryover or 25% (2M divided by 8M). The carryover was made up of each member having \$500K in carryover (500K X 4 = 2M). This would exceed the consortium 20% threshold as called out in AB1491 legislation.

3. What is excessive member carryover?

Excessive member carryover is not defined in the legislation. Therefore, each individual consortium may uniquely define "excessive member carryover" as a specific percentage of any unspent funds from the prior fiscal year. This percentage becomes that consortium's threshold for determining which members meet or exceed the excessive carryover.

[FAQ](#)





Allocation Amendment Live Demonstration in NOVA

CFAD Summary



01 Allan Hancock and Lompoc Unified Adult Education Consortium 

CONSORTIUM APPROVED

2024-25

Next

CFAD Summary

Fiscal Declaration - Consortium Approved

Consortium Name: 01 Allan Hancock and Lompoc Unified Adult Education Consortium

Funding Channel: Direct Funded

Narrative: Planned allocations are aligned to the Consortium's approved Three-Year and Annual Plans. Member agencies provide program and fiscal reports to the Consortium in accordance with CAEP requirements.

Changes: No Changes

Member Allocations

Member Name	(2024-25)	(2023-24)	(2022-23)
Allan Hancock Joint CCD	\$857,199	\$850,026	\$777,040
Lompoc Unified	\$1,190,205	\$1,180,246	\$1,078,906
Total Allocated to Members	\$2,047,404	\$2,030,272	\$1,855,946
Total CAEP Funds	\$2,053,707	\$2,031,963	\$1,877,627
Total Remaining	\$6,303	\$1,691	\$21,681



2023-24 COLA increase after CFAD certification.





Allocations

01 Allan Hancock and Lompoc Unified Adult Education Consortium 

Allocations

Member Agency	(2024-25)	(2023-24)	(2022-23)
Allan Hancock Joint CCD	\$857,199	\$850,734	\$798,715
Lompoc Unified	\$1,190,205	\$1,181,229	\$1,078,906
Total Allocated to Members	\$2,047,404	\$2,031,963	\$1,877,621
Total CAEP Funds	\$2,053,707	\$2,031,963	\$1,877,621
Total Remaining	\$6,303	\$0	\$0
	Start Amendment	Start Amendment	Start Amendment

[View Amendment History](#)

Click "Start Amendment" to start the process.

2024-25 COLA increase after CFAD certification and needs to be allocated to all funded members.



NOVA Workflow : Agencies and Certifiers

01 Allan Hancock and Lompoc Unified Adult Education Consortium DRAFT Next
 Allocation Amendment: 2024-25

Workflow

- Agencies & Certifiers **Completed**
- Member Allocations **Completed**
- Preview

Member Agencies & Certifiers

Allan Hancock Joint CCD District

Certifiers	Role	Phone Number
Sofia Ramirez Gelpi	Member Representative	(805) 922-6966 ext: 3325
Thomas Lamica	Member Representative	(616) 238-3990

Lompoc Unified Unified School District

Certifiers	Role	Phone Number
Elaine Webber	Member Representative	(805) 742-3100
Brian Jaramillo	Member Representative	(805) 742-3310
John Grelck	Member Representative	(805) 742-3192

[+ Add New Member Agency](#)

caep/consortia/4056/328/2025/cfad-amendment/certifiers



NOVA Workflow : Member Allocations

01 Allan Hancock and Lompoc Unified Adult Education Consortium DRAFT
Allocation Amendment: 2024-25

Next

1 error | Show

- Workflow
- Agencies & Certifiers
Completed
- Member Allocations
Incomplete
- Preview

Member Allocations for 2024-25

Type of allocation amendment *

- May revise
- Standard member transfer
- New member

NOVA enhancements now allow you to indicate WHY there is an allocation

Explanation for amendment *

Please provide a detailed explanation of the events that took place resulting in this allocation amendment.

Characters : 0/3000

Member Agency	Current Allocation	Proposed Allocation	Adjustment
Allan Hancock Joint CCD	\$857,199	\$857,199	
Lompoc Unified	\$1,190,205	\$1,190,205	
Total Allocated to Members	\$2,047,404	\$2,047,404	
Total CAEP Funds	\$2,047,404	\$2,047,404	
Total Remaining (Must be \$0)	\$0	\$0	

Ensure that \$0 is the total remaining

NOVA Workflow : Allocation Preview

01 Allan Hancock and Lompoc Unified Adult Education Consortium DRAFT

Allocation Amendment: 2024-25

[Share](#) [Cancel Amendment](#) [Submit](#)

Preview all changes and click “Cancel Amendment” or “Submit”

Workflow

- Agencies & Certifiers Completed
- Member Allocations Completed
- Preview

Allocation Amendment Summary

Fiscal Declaration

The Fiscal Declaration information in this section has been provided as a courtesy. It has not been changed since CFAD has been approved by the Member Representatives.

Consortium Name: 01 Allan Hancock and Lompoc Unified Adult Education Consortium

Funding Channel: Direct Funded

Justification: Not Complete

Narrative: Planned allocations are aligned to the Consortium's approved Three-Year and Annual Plans. Member agencies provide program and fiscal reports to the Consortium in accordance with CAEP requirements.

Changes: No Changes

Member Allocations for 2024-25

Type of allocation amendment *
May revise

Explanation for amendment *
Please provide a detailed explanation resulting in this allocation. For example, the May revise has Increased OR Decreased funds by \$\$.

Member Agency	Current Allocation	Proposed Allocation	Adjustment
Allan Hancock Joint CCD	\$857,199	\$857,199	
Lompoc Unified	\$1,190,205	\$1,190,205	
Total Allocated to Members	\$2,047,404	\$2,047,404	
Total CAEP Funds	\$2,047,404	\$2,047,404	
Total Remaining (Must be \$0)	\$0	\$0	

[u/caep/consortia/4056/328/2025/cfad-amendment/preview](https://caep/consortia/4056/328/2025/cfad-amendment/preview)

NOVA Workflow : Allocation Submit vs Cancel Amendment

Submit



Changes to Agencies & Certifiers or Member Allocations must be made before submitting this amendment.

Ok

Cancel Amendment



Are you sure you want to cancel this CFAD Amendment?

Any changes you have made will be lost.

Do Not Cancel

Cancel Amendment



Wrap Up and Questions





Request Support from CAEP TAP

Technical Assistance Project (TAP)

The Technical Assistance Project (TAP) is a support service for the AEP consortia members and associates who need assistance related to the Adult Education Block Grant. Members and associates can submit a support request to receive help on AEP funding, governance, planning, policy, reporting and professional development.

Log In required in order to submit a support request.

[Click here to login.](#)

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