



# CAEP Preliminary Allocations & CFAD Overview

March 4, 2026

# Agenda

- Introductions
- State Budget Update
- CAEP Processes & Deliverables
  - Annual Allocation Process
  - CFAD Overview
  - Allocation Amendment Process
  - Carryover Compliance Monitoring
- CAEP Planning & Important Dates
- Questions / Discussion





# Presenters

## **Mayra Diaz**

California Community Colleges Chancellor's Office

## **Diana Batista**

California Department of Education

## **Mandilee Gonzales**

CAEP Technical Assistance Provider



# State Budget Update

- FY 2026-27 Preliminary CAEP Allocations announced February 20, 2026
- A COLA is included for CAEP in the [Preliminary State Budget](#)
- Key Dates to Look for:
  - State Revenue Updates in April
  - May Revise (mid-May)
  - June trailer bill
  - July memo for Final Allocations

Fiscal Year	Allocations	COLA Increase
<b>2024-25</b>	\$653M	0.88%
<b>2025-26</b>	\$669M	2.43%
<b>2026-27 (Governor's Proposed Budget)</b>	<b>\$684M</b>	<b>2.41%</b> (\$16M)

# 2026 CAEP Annual Processes\*

## Preliminary Allocations

- January – Feb
- State Memo
- Consortium Level

## CFAD

- Due May 2\*\*
- Member-level allocation planning
- Carryover Threshold Definition

## Final Allocations

- May – August
- Consortium & Member Level
- Allocation Amendments due Sep 1

## Annual Plan

- Due Aug 15
- Strategic Planning
- Consortium submits; all members participate

## Member Budget and Workplan

- Due Sept 30
- Member Level

## Program Area Report

- Consortia certification due Dec 1
- Member Level

\*Fiscal reports are due quarterly. See [www.caladulted.org/duedates](http://www.caladulted.org/duedates) for full schedule.

\*\*The CFAD is due on May 2<sup>nd</sup> each year, unless it falls on a weekend as in 2026, in which case it will be due the following Monday.

# CAEP Preliminary Allocations Memo Released



CALIFORNIA  
ADULT EDUCATION  
PROGRAM

**MEMO**

February 20, 2026

**TO:** Adult Education Consortium Members and Directors

**FROM:** The California Adult Education Program (CAEP) State Leadership Office

Gary Adams, Dean  
California Community Colleges Chancellor's Office

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

**SUBJECT:** CAEP 2026-27 Preliminary Allocations

---

This memorandum advises local recipients and fiscal agents of the Fiscal Year (FY) 2026-27 CAEP preliminary allocations. CAEP [Education Code](#) Section 84909 mandates the release of the annual preliminary consortium allocations once the proposed state budget for the upcoming fiscal year is released.

The Governor's proposed budget for 2026-27 includes a \$16.10M cost-of-living adjustment (COLA) increase for CAEP. The COLA re-benches the total annual statewide CAEP appropriation to \$684,262,000. To view the FY 2026-27 CAEP Preliminary Allocations schedule, [click here](#). The CAEP State Leadership and the Technical Assistance Provider (TAP) will offer a webinar on **Wednesday, March 4, 2026, from 10:00 to 11:00 a.m.**, to review the proposed FY 26-27 budget and preliminary allocations for CAEP. The session will also provide a detailed overview of the Consortium Fiscal Administration Declaration (CFAD) process and how to complete in NOVA. You may register for this webinar through this [link](#).

**Completing the CFAD**  
CAEP consortia and their members are required to submit the CFAD via the Chancellor's Office [NOVA](#) system no later than **5:00 PM on May 2, 2026**. The CFAD captures member allocations for each consortium as well as the consortium's chosen disbursement method. The CAEP State Office uses the information from the CFAD process to determine the payment schedules for the disbursement of CAEP funding. There will be no extensions granted for the May 2nd due date. Failure to submit the CFAD by the deadline will result in the State defaulting to the prior year's final allocation distribution.



# CAEP Annual Allocations Process

<p><b>January - February</b></p>	<ul style="list-style-type: none"> <li>➤ Governor Releases <a href="#">Preliminary State Budget</a>.</li> <li>➤ CAEP State Office reviews and calculates preliminary allocations; the <b>Chancellor’s Office enters the preliminary allocations into NOVA at the consortium level.</b> <ul style="list-style-type: none"> <li>○ The <b>Preliminary Allocation</b> is a projected allocation for CAEP Consortium and their members to utilize for the upcoming year’s planning. It is the starting point of what is eventually the final member allocation in NOVA.</li> </ul> </li> <li>➤ CAEP State Office releases <b>CAEP Preliminary Allocations memo.</b></li> </ul>
<p><b>March - April</b></p>	<ul style="list-style-type: none"> <li>➤ Consortium hold public meetings to discuss allocations.</li> <li>➤ Consortia determine member distribution based upon ed code and bylaw distribution. Members receive no less than the prior year’s allocation (EC 84914).</li> <li>➤ <b>Consortia input the preliminary member allocations into NOVA</b> when completing the CFAD workflow.</li> </ul>
<p><b>May - June</b></p>	<ul style="list-style-type: none"> <li>➤ <b>CFAD due in NOVA by May 2nd with Governance Certification.</b></li> <li>➤ May Revise Budget is announced (usually very close or equal to what will be the final/enacted budget in July)</li> <li>➤ CAEP Office reviews May budget, calculates the consortia and member distribution amounts.</li> </ul>
<p><b>July</b></p>	<ul style="list-style-type: none"> <li>➤ State Budget Signed by Governor; <b>CAEP Office finalizes allocations, inputs any changes into NOVA at the consortium level.</b></li> <li>➤ <b>CAEP Office releases the annual final allocations memo and detailed allocation schedule.</b> <ul style="list-style-type: none"> <li>○ <i>If anything changes between the preliminary budget and final budget, Consortia must update member allocations in NOVA via allocation amendment to match final allocations, <b>regardless of funding channel</b> (Fiscal agent/Direct funded).</i></li> </ul> </li> </ul>
<p><b>August</b></p>	<ul style="list-style-type: none"> <li>➤ Release of CAEP Funds begins per the approved disbursement schedule.</li> <li>➤ <b>Annual Plan</b> is due.</li> </ul>
<p><b>September</b></p>	<ul style="list-style-type: none"> <li>➤ <b>Member Workplan &amp; Budget</b> due.</li> </ul>
<p><b>October</b></p>	<ul style="list-style-type: none"> <li>➤ Consortium certifies Member Workplan &amp; Budget.</li> </ul>

# Consortium Fiscal Administrative Declaration (CFAD )



\*The CFAD is due on May 2<sup>nd</sup> each year, unless it falls on a weekend, as in 2026, in which case it will be due the following Monday.

- CFAD captures 1) projected member allocations for each consortium based upon the preliminary allocations, and 2) the consortium's chosen disbursement method.
- CFAD is available annually once the state releases the consortium's preliminary CAEP allocations in NOVA.
- Consists of five main components
  - Fiscal Declaration
  - Agencies & Certifiers
  - Member Allocations
  - Carryover Threshold
  - Governance
- CFAD is due May 2 of each year\*

# CFAD Overview

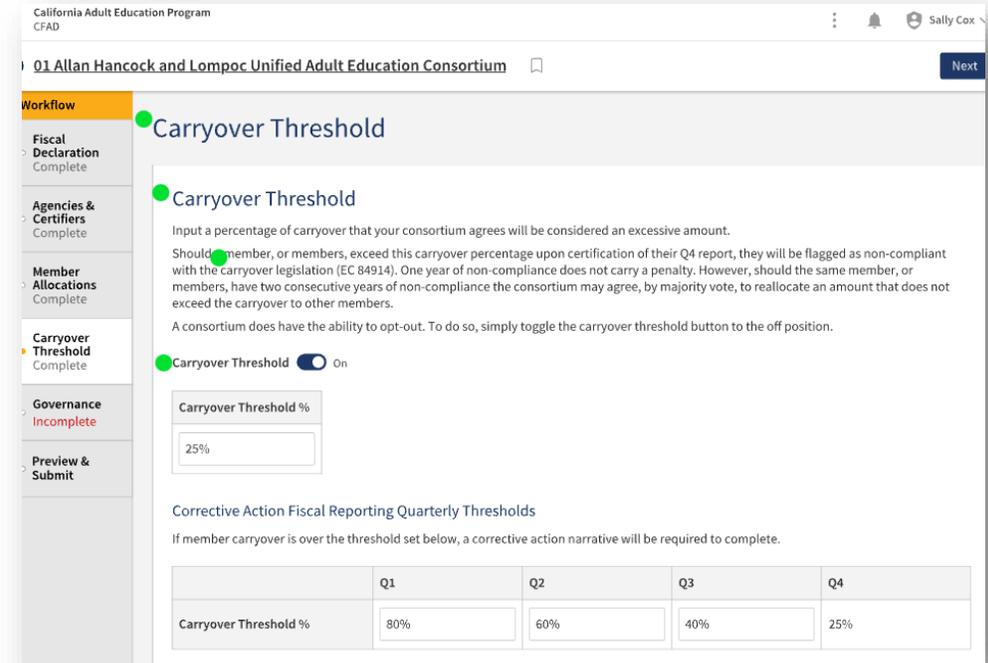


- All members must certify the consortium's CFAD.
- Members receive no less than the prior year's allocation (EC 84914).
- Consortia must input the preliminary allocations for the funded members, regardless of Direct or Fiscal Agent funding channel (self-calculate member distribution).
- CFAD Governance Section identifies governance structure for decision-making in accordance with EC 84905.
- Consortia Report on Governance Compliance of Rules and Procedures. Ensure sections are thoroughly filled out.
- Q#16 and Q#17 address carryover compliance tracking and ask consortia to define the member carryover percentage threshold and the process to monitor carryover.



# CFAD - Carryover Compliance Monitoring

- ✓ The CFAD workflow includes a section where each Consortium may opt-out or choose to establish an **internal Carryover Threshold** for consortia to monitor member carryover. This can be changed annually.
- ✓ Establishing an internal carryover compliance threshold enables a customized **Corrective Action Threshold** to be defined by quarter. This allows automatic monitoring of member expenditures throughout the year.
- ✓ If a member's carryover exceeds the Corrective Action Threshold set for each quarter, a corrective action narrative section will appear during quarterly expenditure reporting for that member to provide an explanation and corrective action plan.



California Adult Education Program  
CFAD

01 Allan Hancock and Lompoc Unified Adult Education Consortium

**Workflow**

- Fiscal Declaration Complete
- Agencies & Certifiers Complete
- Member Allocations Complete
- Carryover Threshold Complete**
- Governance Incomplete
- Preview & Submit

## Carryover Threshold

**Carryover Threshold**

Input a percentage of carryover that your consortium agrees will be considered an excessive amount.

Should member, or members, exceed this carryover percentage upon certification of their Q4 report, they will be flagged as non-compliant with the carryover legislation (EC 84914). One year of non-compliance does not carry a penalty. However, should the same member, or members, have two consecutive years of non-compliance the consortium may agree, by majority vote, to reallocate an amount that does not exceed the carryover to other members.

A consortium does have the ability to opt-out. To do so, simply toggle the carryover threshold button to the off position.

**Carryover Threshold**  On

Carryover Threshold %  
25%

**Corrective Action Fiscal Reporting Quarterly Thresholds**

If member carryover is over the threshold set below, a corrective action narrative will be required to complete.

	Q1	Q2	Q3	Q4
Carryover Threshold %	80%	60%	40%	25%



# CFAD Deadline Reminder!

The FY 2026-27 CFAD must be submitted and certified in NOVA no later than **5:00 PM on Monday May 4, 2026\***.

The CFAD captures member allocations and the consortium's chosen disbursement method. Late submissions have a great impact on this critical process.

Therefore, extensions will **NOT** be granted for the May 4th due date. **Failure to submit the CFAD by the deadline will result in the State defaulting to the prior year's final allocation distribution.**

*\*The CFAD is due on May 2<sup>nd</sup> each year. If it falls on a weekend, it is due the following business day.*



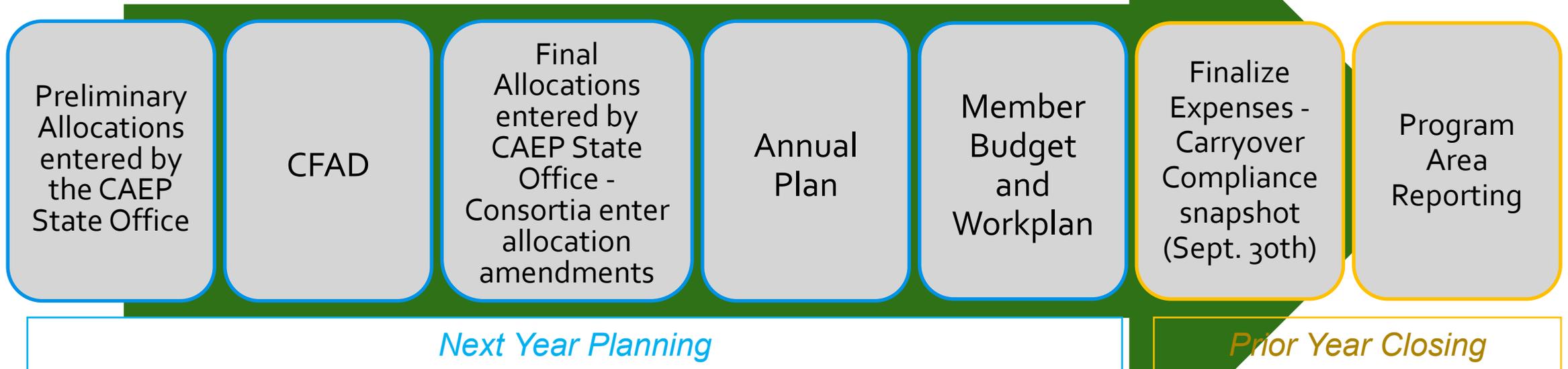


# NOVA Sequence of CAEP Deliverable Submission

- Once the CFAD is certified in NOVA, the **Annual Plan** will become available.
  - Note: Ability to access the Annual Plan will not be impacted by any required pending allocation amendments that may be outstanding in NOVA.
  - If an **allocation amendment** is needed due to the final allocation State budget revisions, CAEP regional consortia will need to **certify the allocation amendment(s)**, thus posting the new allocation amounts in NOVA by **September 1**.
- **Member Budget & Workplan** will be accessible once the **Annual Plan** is certified.
  - **Note:** Members affected by a **pending allocation amendment** will be unable to access the Member Budget & Workplan until the allocation amendment is completed.
  - Once the allocation amendment is certified, those impacted by the movement of funds will need to adjust their **Budgets**. NOVA will automatically place the Member Budget and Workplan into Draft status if not already there.



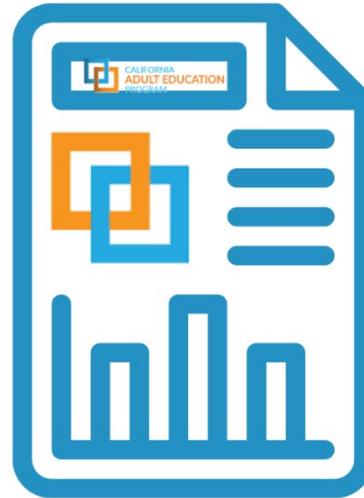
# NOVA Deliverable Sequence



- This sequence represents CAEP deliverable activities for consortia and members to perform in NOVA.
- Quarterly reporting for the current fiscal year occurs throughout.



# CFAD Completion Live NOVA Demo





# Allocation Amendment Process

- **After the final state budget is released, IF/WHEN** there is a change to the January CAEP preliminary allocations, the State is required to revise the initial preliminary CAEP allocations that are currently reflected in NOVA.
- The State will conduct an allocation amendment in NOVA for each CAEP regional **consortium**.
- The CAEP State Office will release the final CAEP allocations memo and schedule in July, capturing the final allocations.
- The updated CAEP allocation schedule will include detailed amounts by direct funded **member** and fiscal agents.
  - Note: Ed Code states no less than the prior year or same % split.
  - This is a key reason why it's important to break out preliminary member allocations in the CFAD.
- Consortia must then update their Member Allocations in alignment with the final allocation schedule. This requires an adjustment to the member allocations from the preliminary amounts (due Sept 1).



# NOVA Allocation Amendment Live Demo





# Reminder! Carryover Compliance Ongoing Tracking

*Legislation enacted in 2022 authorizes the consortium to reduce a member's "excessive" carryover funding by majority vote; member must have excessive carryover for **at least two consecutive fiscal years**.*

- Tracking began at the start of FY 2023-24 (1-year tracking for Consortia, 2-year tracking for members).
- Carryover compliance calculated in Nova on **September 30 at 11:59 p.m.**
- Consortia with carryover greater than 20% are flagged in Nova. CC | 1 year
- Consortium must complete a **Written Expenditure Plan** if flagged.



# AB 1491 Carryover Compliance

Two parts that impact members and consortia differently:

- ✓ **Members** vote to set a carryover % threshold within their consortium during **annual** CFAD update.
- ✓ **Member** funding for **one year** may be impacted **after two years are assessed**.
- ✓ **Consortia** exceeding 20% carryover **annually** are monitored by the Chancellor's Office and CDE.
- ✓ **Consortia** exceeding 20% carryover **annually** are required to submit a **written expenditure plan** and assigned **technical assistance** by the Chancellor's Office and CDE.

# Two Levels of Carryover

## Consortium

### Actions that *Must* be Taken

- Consortia exceeding 20% carryover annually will be monitored by the Chancellor's Office and CDE.
- Consortia exceeding 20% carryover annually will be required to submit a written expenditure plan.
- Consortia exceeding 20% carryover will be assigned technical assistance by the Chancellor's Office and CDE to help prevent future carryover.

## Members

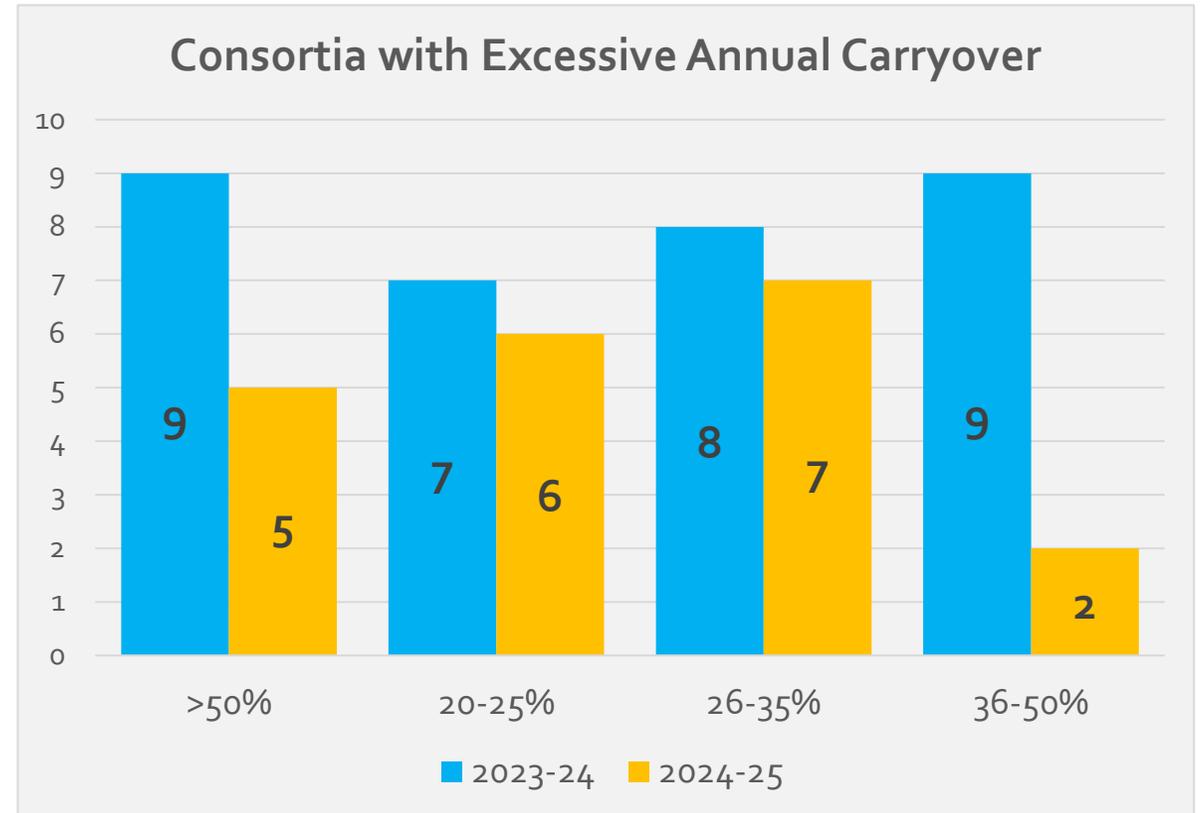
### Actions that *May* be Taken

- Members may vote to set a carryover % threshold within their consortium (and what the % will be).
- After two consecutive years of exceeding the internal consortium threshold, a member's carryover amount may be reallocated after majority vote.
- Only the carryover amount may be reallocated. Does not impact future allocation (member annual allocation cannot be reduced).

# Consortium Carryover Compliance Tracking

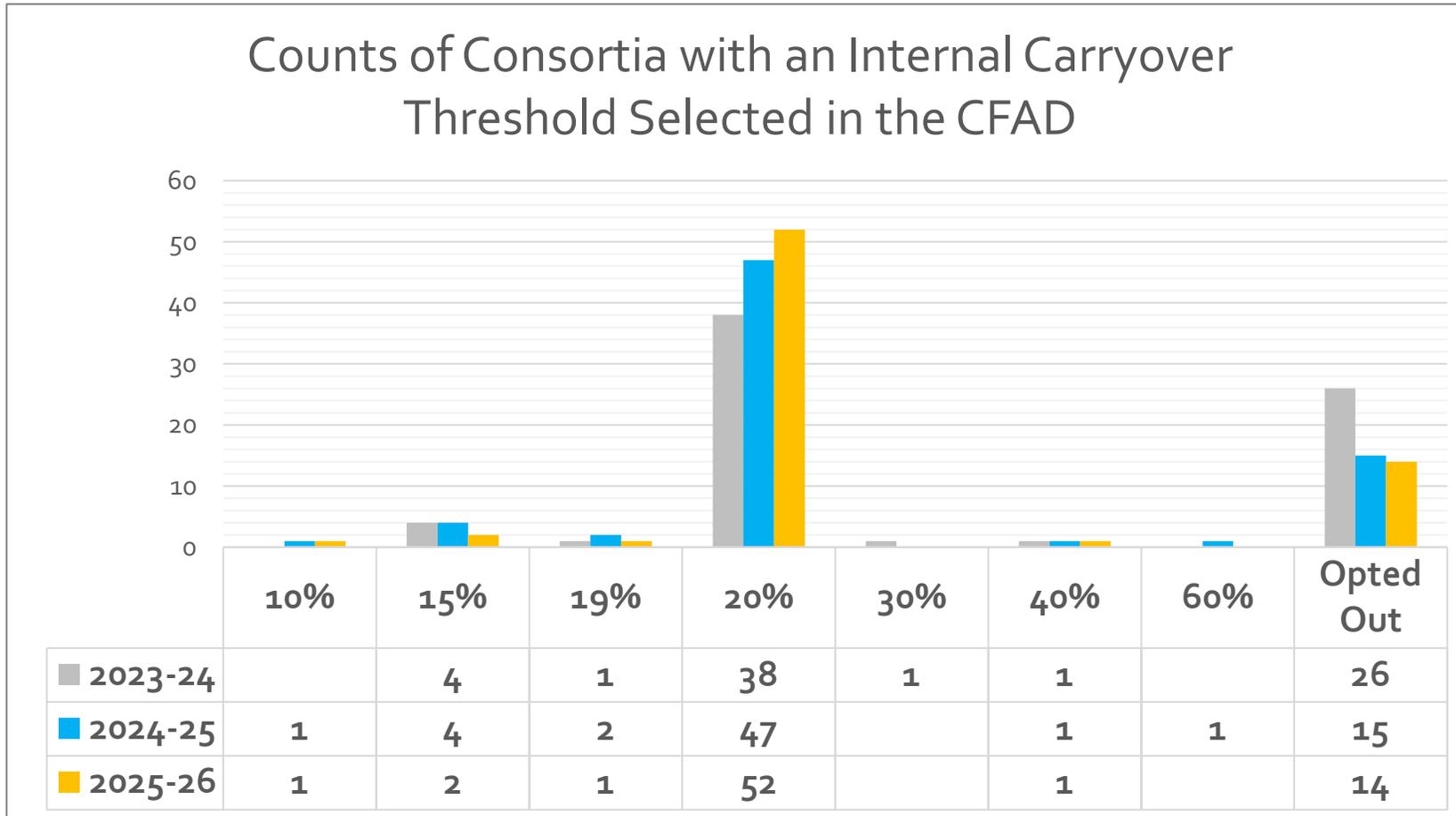
Significant (39%)  
improvement in Consortium  
Excess Carryover between  
2023-24 and 2024-25.

- FY2024-25: **20**
- FY2023-24: **33**





# Internal Member Carryover Thresholds set in CFAD as a Consortium



- Over time, more consortium members have chosen to opt-in to setting an internal member carryover threshold to monitor member carryover.
- 20% is the most commonly adopted internal member threshold.



# Carryover Compliance Summary Overview

- FY 24-25 – 20 Consortium were flagged for having exceeded the 20% consortium excessive carryover threshold. CAEP State Office and TAP have worked with these consortium to implement Written Expenditure Plans.
- FY 25-26 – Reminder for Consortium **and** members to review current expenditure progress and address remaining carryover balances.
- Consecutive member level carryover continues to be tracked in NOVA.
- Technical support services & resources are available via CAEP TAP. **Inquire today!**

# CAEP Fiscal Reporting: Important Dates!

## March 2026

- **Mar 1:** Member expense report is due in NOVA. (Q2)
- **Mar 31:** End of Q3
- **Mar 31:** Member Expense Report certified by Consortia in NOVA (Q2)

## June 2026

- **Jun 1:** Member Expense Report due in NOVA (Q3)
- **Jun 30:** Member Expense Report certified by Consortia in NOVA (Q3)
- **Jun 30:** End of Q4

## September 2026

- **Sep 1:** Member Expense Report due in NOVA (Q4)
- **Sep 30:** Member Expense Report certified by Consortia in NOVA (Q4)
- **Sep 30 @ 11:59 pm:** Carryover compliance calculated in Nova

# CAEP Planning

## Three-Year Plan

- Creates opportunity for consortia members to join in student-centered strategic planning for regional needs.
- Allows assessments of impacts of services, identification of educational needs in region, and defines strategies.

Three-Year Plan last submitted in **June 2025**.

Next Three-Year Plan due **June 2028**.

## Annual Plan

- Identifies key accomplishments and challenges from prior year and actions to take in upcoming year.
- A condition of receiving CAEP apportionment funds.
- A justification demonstrating how planned allocations are consistent with Adult Education Plan.
- Annual Plan updates Three-Year Plan.

Three-Year and Annual Plans are also an opportunity to address carryover and plan towards future spenddown of funds that align with the needs of the region.

# CAEP Three-Year Plan & Annual Plan Alignment

- Per Education Code 84906, the Annual Plan is considered the annual update of the Three-Year Plan.
- It is a subset of the Three-Year Plan in that the upcoming year is the focus.
- The Annual Plan includes updating your activities and metrics.
- The Annual Plan must be certified by all consortium members by August 15, 2026.
- The 2026-27 Annual Plan will be tied to the 2025-28 Three-Year Plan.





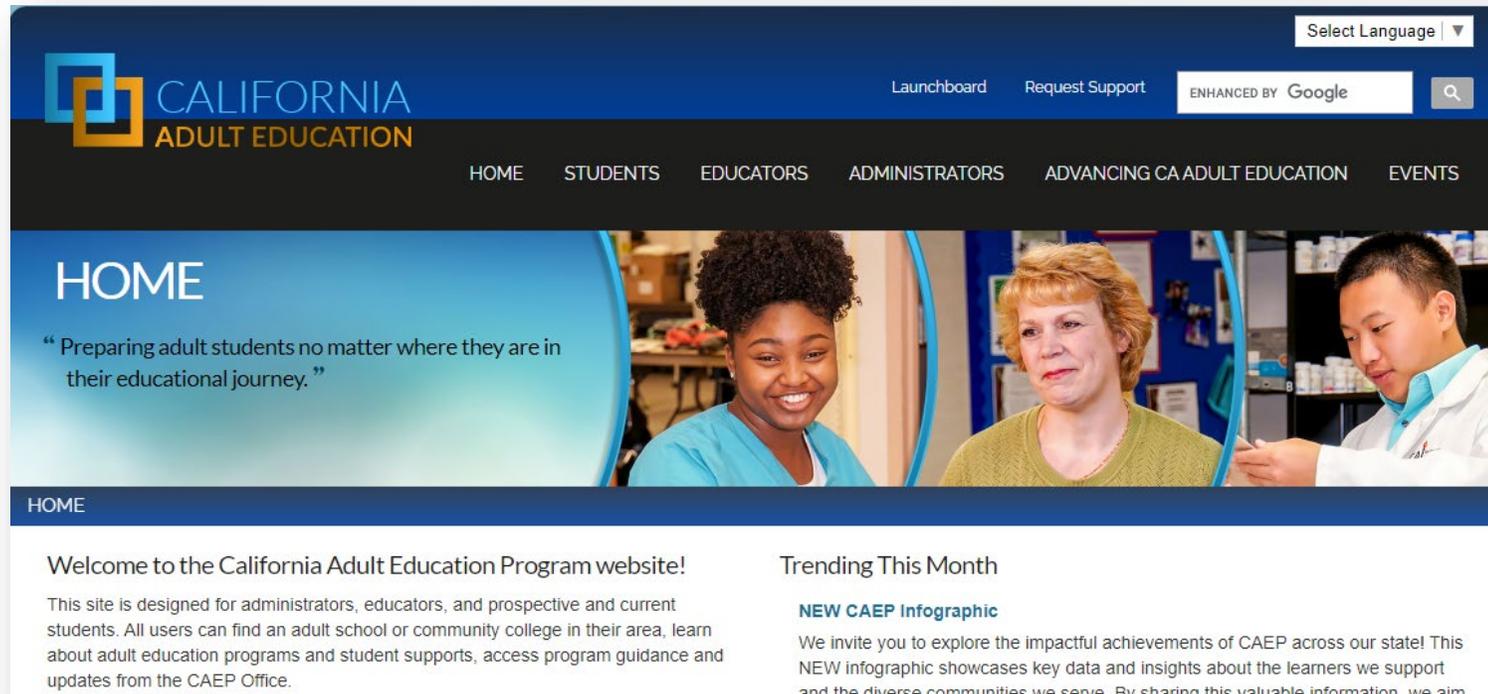
# Reminder: Timeline/Deadlines

Deadlines:	FY 2026-27 Deliverables
<b>May 4, 2026</b>	CFAD Certification due in NOVA (Due annually on May 2 <sup>nd</sup> unless it falls on a weekend, in which case it's due the following business day)
<b>August 15, 2026</b>	Annual Plan ❖ Must be submitted and approved by all members in NOVA
<b>September 1, 2026</b>	Certification of Allocation Amendments due in NOVA
<b>September 30, 2026</b>	<ul style="list-style-type: none"> <li>• Member Workplan &amp; Budget submission</li> <li>• Carryover Compliance Year 2 snapshot assessment</li> </ul>
<b>October 30, 2026</b>	Consortium certification of all Member Workplan & Budgets
<b>December 1, 2026</b>	<ul style="list-style-type: none"> <li>• Member Q1 Expenditure Report</li> <li>• Program Area Reporting Due (FY 25-26)</li> </ul>



# Additional Resources

Available on the [www.caladulted.org](http://www.caladulted.org) Website:





# 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.](#)

[Register as a new user](#)



[Submit a Support Request](#)



[View My Support Requests](#)

[Contact Us](#) [Terms of Use](#) [Privacy](#) [Accessibility](#) [Sitemap](#)



California Adult Education Program  
Funded by the California Department of Education  
and Chancellor's Office of the California Community Colleges (CCCCO)  
© 2021 California Community Colleges





# Wrap Up and Questions

