

## CAEP Carryover Compliance: Best Practices

(post webinars October 9 and 16, 2024)

### Overview AB 1491 (Carryover Legislation)

- 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.
- 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.
- CAEP Education Code [section 84901](#) and [section 84914](#) have been amended to reflect the definition of carryover, member carryover, and the consortium carryover
- [Timeline FY 2023-2025](#)

### Resources:

- [AB 1491 Guidance](#) (Memo)
- [FAQ](#)
- [Carryover Compliance Webinar I](#)
- Carryover Compliance Webinar II
- [Strategic Planning](#) Materials
- Technical Assistance
  - Send a Support Request <https://caladulted.org/TAP> or
  - Email at [tap@caladulted.org](mailto:tap@caladulted.org) (might be a good starting point if you are inquiring on behalf of a school district) or
  - Email at [CCCTap@NOCE.edu](mailto:CCCTap@NOCE.edu) (optimal starting point if you are inquiring on behalf of a college district)
  - Send a request for a 1:1 zoom session

## BEST PRACTICES

### Equity:

- Lead and design with equity in mind: How might your carryover expenditure plan directly impact students?
- Invest in onboarding strategies and programs for specific student cohorts.
- Consider implementing or expanding [Adult Education Dual Enrollment \(SB 554\)](#) programs with student support and services geared to adult learners.

### Policies:

- Review by-laws and other governance documents for inclusion of language that specifies how carryover funds are reported, monitored, and distributed.
  - [West End Corridor Chaffey Regional Adult Education Consortium Bylaws](#)
  - [South Bay Consortium for Adult Education Bylaws](#)
  - [State Center Adult Education Consortium Bylaws](#)
  - [San Diego Adult Education Regional Consortium Bylaws](#)
- Review how Member Effectiveness is addressed:
  - Los Angeles Regional Adult Education developed a Monitor-Review Report template for its members (under [LARAEC Policies and Procedures Documents](#))
  - San Diego Adult Education Regional Consortium ([SDAERC](#)) [Effectiveness Survey](#)
- Agree on clear definitions of what constitutes a majority and consider developing a tie-breaking procedure that focuses on student impact and CAEP programs.
  - Mt. Sac Regional Consortium published a [Report in Governance Compliance of Rules and Procedures \(Mt.SAC\)](#)
- Agree on a Progressive Permanent Reallocation process:
  - [Shasta Tehama Trinity Adult Education consortium](#) Bylaws (page 7)
- Make review of carryover funds a frequent agenda item at consortium leadership and executive meetings.
- Commit to site visits to consortium member meetings to see how bylaws are implemented at the member level.
- Make review of CAEP requirements and consortium policies and activities a frequent agenda item at district level.

## Plans

- Ensure that the Three-Year Strategic Plan and annual plans address consortium carryover policies.
- Collaborate with a consultant/subject matter expert who can support the development of the Three-Year Strategic Plan with evaluating consortium effectiveness, project management, and member-specific analysis of community needs, equity gaps, and program strengths
- Set up a member effectiveness committee that oversees the carryover, reviews innovations proposals submitted by consortium members, and makes recommendations for the reallocation of funds.
- Develop a Decision-Making Protocol
  - *North Orange County Regional Consortium for Adult Education (NOCRC) developed a Strategic Proposal Decision-Making process.*
    - *Strategic proposals are created by adult education providers, vetted by advisory groups and then submitted to the CAEP Director for review. The proposals are then presented as recommendations to the NOCRC Executive Committee (EC) for discussion and approval.*
    - *NOCRC advisory group members use the consensus-based decision-making model. If consensus cannot be reached, the decision is made by the majority of votes prior to being presented to EC. The only item that advisory groups are permitted to authorize are budget transfers under \$60,000, which must be presented as an informational item to EC. The NOCRC Executive Committee voting members have the authority to vote on activities, proposals, budgets, and other items required by the grant, the consortium's protocols and Decision-Making Guidelines.*
    - *The CAEP Director reviews the recommendations for compliance with the grant requirements and "good use of funding" and works with NOCRC advisory group leader(s) to address questions or concerns, if necessary.*
    - *CAEP Director seeks State approval as required for certain expenses, e.g., capital outlay.*
    - *Finally, the recommendations are presented to EC members for a vote.*
    - *Additional resources and be found at <https://www.nocrcae.org/resources/>*

## Fiscal Management:

- Follow local policy and guidance outlined in the [CAEP Fiscal Management Guide](#)

- Provide professional development for staff to gain clarity on allowable and unallowable expenses
- Community Colleges might also consult the [Chancellor's Office Budget and Accounting Manual](#) and the proposed [2024 revisions](#) for additional reference.
- Set up monthly meetings with fiscal department
- Provide consortium-specific due dates for expenditures reports on agenda meetings and website and send regular reminders via email
- Provide an expenditure summary at each public consortium meeting
- Conduct quarterly monitoring meetings with all members, at least two weeks before reports are due in NOVA

### **Program Development**

- Follow the [CAEP Program Guidance](#)
- Allocate funds to curriculum development and initial implementation
  - NOCE developed a noncredit parenting class as part of an early childhood education program, High enrollment numbers made possible further development of credit-level courses
- Analyze course enrollment, retention, and completion data for effectiveness and impact.
- Create an innovation fund for members to apply and receive funds when they do not have carryover.
- Set up enrollment and completion targets for the three-year plan and for each annual plan.
- Consider implementing or expanding [Adult Education Dual Enrollment \(SB 554\)](#) programs with student support and services geared to adult learners

### **Professional Development:**

- Offer presentations to district leadership.
- Participate in district-wide professional development events by offering CAEP-specific workshops.

### **Outreach**

- Review your consortium's website and online presence for impact. Consider four distinct user groups: students, districts, business partners, community partners
- Work with a contractor to create multi-media stories of student success.

### **Capital Outlay**

- Evaluate the need for and impact of one-time expenses such as
  - Campus facilities' upgrades
  - Equipment (such as a commercial truck)
- Funds for this type of expenditure can be allowable as long as the purchase/acquisition is used for students enrolled in the CAEP program areas and it is ensured that the district is following local procurement policies and procedures. (EC Section 84913, CAEP Program Guidance, p.13).
- Consortium members are responsible for allocation decisions. CAEP expenditure must be reasonable and justifiable. In this context, "reasonable" means that expenditures will be made prudently and with every effort to utilize funds efficiently, and "justifiable" means that expenditures are consistent with CAEP program goals and activities related to the seven program areas as identified in the CAEP Program budget language.
- As outlined in the CAEP Fiscal Management Guidance, all allowable costs must meet three primary criteria (p. 12):
  - Substantiate that the cost was necessary and reasonable for proper and effective administration of the allocations.
  - The cost must be allocable to the funding source activities.
  - The cost must not be a general expense required to carry out the consortia member's overall responsibilities (i.e. not supplanting).

### **Staffing**

- Work with HR department to make hiring of instructors, counselors, and onboarding and support staff for adult education a priority