

**SOUTHWEST RIVERSIDE COUNTY ADULT EDUCATION REGIONAL CONSORTIUM
MEMORANDUM OF UNDERSTANDING
CALIFORNIA ADULT EDUCATION PROGRAM (CAEP)
MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT AND
PERRIS UNION HIGH SCHOOL DISTRICT**

This Agreement is entered into between Mt. San Jacinto Community College District hereinafter referred to as MSJCCD whose address is 1499 North State Street, San Jacinto, CA, 92583, and Perris Union High School District hereinafter referred to as Contractor whose address is 155 E. 4th Street, Perris, CA 92570.

This Agreement is based on California Adult Education Program (CAEP) funding received by MSJCCD as fiscal agent for the Southwest Riverside County Adult Education Regional Consortium (SRCAERC) herein referred to as "Consortium", from the California Community Colleges Chancellor's Office. MSJCCD is responsible for distributing funds to each Consortium member and/or partner within the region. The award agreement number is 19-328-035.

California Assembly Bill 104 which established the CAEP. This program is administered by the California Community Colleges Chancellor's Office and the State Superintendent of Public Instruction, who provide the allocation of grant awards to the regional consortia in support of the improvement and expansion of adult education services.

The SRCAERC will ensure that the implemented programs are being offered to students free of charge, and that personnel hired and purchases made by members meet the required criteria as defined by the CAEP terms and conditions. Each consortium member will submit fiscal reports as required by the California Community College Chancellor's Office.

MSJCCD as the designated fiscal agent and as a member of the SRCAERC is authorized by Section 53060 of the California Government Code to contract with and employ any persons for the furnishing of special services and advice in financial, economic, accounting, engineering, legal or administrative matters.

In consideration of the services required to meet CAEP requirements, and the Contractor can and will provide such services, the Parties agree as follows:

TERM. The term of this Agreement will be effective from July 1, 2019 and will end on December 31, 2021.

TERMINATION. Either party may terminate this Agreement, without cause, with thirty (30) days written notice to the other party.

AWARD ALLOCATION. The SRCAERC has agreed to award Contractor a portion of the Consortium funds in an amount not to exceed **\$201,680** as approved by the SRCAERC as a whole.

ADVANCE ALLOCATION. MSJCCD will advance 25% of the awarded funds to Contractor upon full execution of this Agreement.

DISTRIBUTION OF FUNDS. Following the initial advancement, funds will be disbursed on a quarterly basis in October, January, and April of the funding fiscal year.

ATTACHMENTS. The AB104 Program Guidance (Rev. 08/28/2017), AEP Fiscal Management Guide (Rev. 11/05/2018), Program Fees Policy (Rev. 12/11/2017) and FY 19-20 Allocation Schedule are attached to this Agreement as a reference.

EXHIBITS. Exhibit A (SRCAERC Three Year Plan 2019 – 2022, which will be forwarded upon completion in August); Exhibit B (Declaration of Funds – attached).

SERVICES. Contractor will not begin specified work without a fully executed Agreement in place. Contractor agrees that the funds will be used to support the following seven program areas of adult education:

1. Programs in elementary and secondary basic skills, including programs leading to a high school diploma or high school equivalency certificate.
2. Programs for Immigrants, eligible for educational services in citizenship, English as a second language, and workforce preparation.
3. Programs for adults, including, but not limited to, older adults, that are primarily related to entry or reentry into the workforce.
4. Programs for adults, including, but not limited to, older adults that are primarily designed to develop knowledge and skills to assist elementary and secondary school children.
5. Programs for adults with disabilities.
6. Programs in career technical education that are short term in nature and have high employment potential.
7. Programs offering pre-apprenticeship training activities conducted in coordination with one or more apprenticeship programs approved by the Division of Apprenticeship Standards for the occupation and geographic area and described in the 2019-20 Annual Plan (detailed in Exhibit A- not attached).

ADDITIONAL FUNDING. The SRCAERC has agreed to implement a mini grant process for members to apply for additional funding. Additional funding may be requested by submitting a Declaration of Funds proposal (Exhibit B - attached) to the SRCAERC. The member must justify and provide supporting documentation verifying that they have met or exceeded the seven objectives. Requests for additional funds must be approved by the Consortium.

PROGRESS REPORT. Contractor will report expenditures and activities occurring during the previous quarter as follows:

- Each quarter ending September 30 is due December 1.
 - Each quarter ending December 31 is due March 1.
 - Each quarter ending March 31 is due June 1.
 - Each quarter ending June 30 is due September 1.
1. Reporting will follow a format provided by the California Community Colleges Chancellor's Office and will be accompanied by auditable documentation to support the claimed expenditures. Each member will enter expenditures directly into the CAEP NOVA database and will forward a copy of their financial ledger summary for the period being reported to MSJCCD for review and certification.
 2. The accounting of funds shall indicate cumulative fiscal year to date totals for approved budget categories.
 3. Costs incurred under this agreement shall be in accordance with California Education Code (EC) §84913, §84914, and any future guidance provided by the California Community Colleges Chancellor's Office to comply with and achieve the legislative intent provided in AB104 of 2015 and as in effect during the period of this Agreement.
 4. A final accounting of funds must be submitted with the quarterly reports due January 15, 2021, and must be marked "Final" by Contractor for inclusion in MSJCCD's annual report of expenditures to the California Community College's Chancellor's Office.

OVERSIGHT REQUIREMENTS. Spending targets to increase by 15% each quarter. Failure to meet spending targets may result in a decrease of funding by the California Community Colleges Chancellor's Office. Budget changes that exceed 15% require member justification and consortium approval.

BUDGET CONCERNS. If the state or federal budget for the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall have no force and effect. In this event, MSJCCD shall have no liability to pay any funds whatsoever to Contractor or to furnish any consideration under this Agreement and Contractor shall not be obligated to perform any provision of this Agreement. Any work performed by Contractor prior to approval of the state or federal budget, as applicable, will be rendered on a voluntary basis, and shall not be compensated unless and until funding is authorized.

SUB-AGREEMENTS. Contractor may not make any sub-agreements with any third parties without advance prior written approval by MSJCCD and the California Community College Chancellor's Office.

RECORDS AND AUDIT. In accordance with the terms and conditions of the grant and state and federal requirements:

1. Contractor must maintain records regarding the use of grant funds and progress toward grant objectives. Contractor will maintain appropriate financial records in accordance with generally accepted accounting practices.
2. Contractor will make available to MSJCCD upon request, backup financial documentation that clearly describes the nature of each expense, as authorized in the approved budget.
3. Contractor agrees that MSJCCD shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment or until any audit findings have been resolved, unless a longer period for records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Contractor agrees to include a similar right to the California Community College Chancellor's Office, the Bureau of State Audits, or any other appropriate state or federal oversight agency or their designated representative(s) to audit records and interview staff.

PRODUCTS AND DELIVERABLES. Any document or written report prepared by Contractor shall contain the award agreement number and the dollar amount of this Agreement.

TRAVEL. For travel necessary to the performance of this Agreement, Contractor travel and other expense reimbursement claims shall be governed by the travel policy and procedures adopted by Contractor's Governing Board. Travel and other expenses shall be limited to those necessary for the performance of this Agreement.

STANDARDS OF CONDUCT. Contractor shall disclose any employment or contractual relationships it may have with other colleges being served under a statewide or regional grant. Such relationships are prohibited and shall be promptly terminated, unless after being fully informed of the circumstances, MSJCCD and the Project Monitor (California Community College Chancellor's Office) determines that the services being provided to the other college by Contractor are above and beyond or unrelated to those provided under this Agreement.

WORKERS' COMPENSATION. Contractor hereby warrants that it carries Workers Compensation Insurance for all of its employees who will be engaged in the performance of this Agreement or is self-Insured in accordance with the provisions of Labor Code section 3700 and agrees to furnish to MSJCCD satisfactory evidence thereof at any time the Project Director may request.

GOVERNING LAW. It is understood and agreed that this Agreement shall be governed by the laws of the State of California both as to its interpretation and performance.

PARTICIPATION IN FUNDED ACTIVITIES

1. During the performance of this Agreement, Contractor shall ensure that no person is excluded from, denied the benefits of, or otherwise subjected to discrimination with respect to participation in any program or activity funded under this Agreement on the basis of ethnic group identification, national origin, religion, age, sex, race, color, ancestry, sexual orientation, or physical or mental disability.
2. Programs funded by this Agreement should not be designed, administered, or advertised in a manner that discourages participation on any of the bases set forth above. Any informational, advertising, or promotional materials regarding such programs may not include any statements to the effect that a program is for, or designed for, students of a particular race, color, national origin, ethnicity or gender.
3. In the event that mentoring or counseling services are provided with funding provided by this Agreement, students may not be paired with mentors or counselors based solely upon the race, color, national origin, ethnicity or gender of the students, mentors, or counselors.

DISCRIMINATION CLAUSE. During the performance of this Agreement:

1. Contractor shall not unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment because of sex, race, color, ancestry, religion, creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer and genetic characteristics), age (over 40), marital status, denial of family care leave, sexual orientation, political affiliation, or position in a labor dispute. Contractor shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment.
2. Contractor shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code, §§ 12900 et seq.) and the applicable regulations promulgated thereunder (Cal. Code Reg. tit. 2, §§ 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission Implementing Government Code section 12990 (a-f) set forth in chapter 5 of division 4 of title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full.
3. Contractor shall also comply with the provisions of Government Code sections 11135-11139 .8, and the regulations promulgated thereunder by the Board of Governors of the California Community Colleges (Cal. Code Reg. Title. 5, §§ 59300 et seq.)
4. Contractor shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

ACCESSIBILITY FOR PERSONS WITH DISABILITIES

1. By signing this Agreement, Contractor assures MSJCCD that It complies with the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.
2. Contractor shall, upon request by any person, make any materials produced with funds under this Agreement available in Braille, large print, electronic text, or other appropriate alternate format. Contractor shall establish policies and procedures to respond to such requests in a timely manner.
3. All data processing, telecommunications, and/or electronic and information technology (including software, equipment, or other resources) developed, procured, or maintained by Contractor, whether purchased, leased or provided under some other arrangement for use in connection with this Agreement, shall comply with the regulations implementing Section 508 of the Rehabilitation Act of 1973, as amended, set forth at 36 Code of Federal Regulations, part 1194.

4. Design of computer or web-based Instructional materials shall conform to guidelines of the Web Access Initiative (see <http://www.w3.org/WAI/gu1d-tech.html>) or similar guidelines developed by the California Community College Chancellor's Office.
5. Contractor shall respond to and resolve any complaints regarding accessibility of its products and services as required by this section. If such complaints are not informally resolved, they shall be treated and processed as complaints of discrimination based on disability pursuant to California Code of Regulations, title 5, sections 59300 et seq.
6. Contractor shall indemnify, defend, and hold harmless the California Community College Chancellor's Office, its officers, agents, and employees, from any and all claims by any person resulting from the failure to comply with the requirements of this section - Accessibility for Persons with Disabilities.

HOLD HARMLESS & INDEMNIFICATION. Contractor agrees to indemnify, defend and hold harmless MSJCCD, its trustees, officers, agents and employees from any and all claims losses accruing or resulting to any and all employees, subcontractors, suppliers, laborers and any other person, firm or corporation furnishing or supplying work, services, materials or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.

INDEPENDENT CONTRACTOR STATUS. Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of MSJCCD.

AGREEMENT IS COMPLETE. No amendment, alteration or variation of the terms and conditions of this Agreement shall be valid unless made in writing, signed by both Parties, and fully approved as required. This Agreement supersedes all prior written and or oral agreements.

NOTICES. All notifications pertaining to this Agreement must be in writing and will be addressed as follows:

<p>College: Mt San Jacinto Community College District Business Services Department 1499 N. State Street San Jacinto, CA 92583</p>	<p>Contractor: Perris Union High School District 155 E. 4th Street Perris, CA 92570</p>
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EXECUTION OF AGREEMENT. This Agreement will not become effective or in force until all of the parties have fully executed this Agreement. Only the legally authorized representative of each Organization is allowed to sign this Agreement.

Contractor signature:

District signature:

Printed Name: _____
Title: _____
Date: _____

Beth Gomez
 Vice President of Business Services
 Mt. San Jacinto Community College
Date: _____

Southwest Riverside County Adult Education Regional Consortium
California Adult Education Program (CAEP) Consortium Member
FY 2019-20 Declaration of Funds for Contract #19-328-035

MEMBER NAME: _____

SECTION A: DECLARATION OF UNUSED FY 2019-20 CAEP FUNDS

This certifies that the above named school district has \$ _____ of unused 2019-20 California Adult Education Program funds. The above named district does not anticipate fully expending the current year allocation and hereby requests that the current year allocation be reduced by \$ _____.

SECTION B: REQUEST FOR ADDITIONAL 2019-20 CAEP FUNDS

This certifies that the above named school district requests reallocated CAEP funds. These funds are needed to support the program and services for the 2019-20 fiscal year (use additional pages if necessary). If funds are available, they will be reallocated to districts that have demonstrated a need for additional resources; however, the district's entire request is not guaranteed to be funded.

All funds allocated must be spent by December 31, 2021.

AMOUNT REQUESTED: \$

JUSTIFICATION AND PURPOSE OF REQUESTED ALLOCATION BY PROGRAM AREA/ OBJECTIVES
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(Please support with performance measures):

SECTION C: MEMBER CERTIFICATION

_____/_____
Consortium Member Representative (Typed Name/Signature) _____
Date

Contact Phone Number: _____ Email Address: _____

_____/_____
Chief Business Officer (Typed Name/Signature) _____
Date

_____/_____
President/Superintendent (Typed Name/Signature) _____
Date

CAEP Consortium	RV COLA 19-20	Original COLA for 19-20	Diff (subtracted in NOVA)	RV Base Funding 19/20 (rounded to the nearest whole dollar)
01 Allan Hancock Community College Consorti	\$53,464	\$56,743	\$3,279	\$1,693,446.00
02 Antelope Valley Regional Adult Education C	\$129,350	\$137,284	\$7,934	\$4,097,108.00
03 Barstow Area Consortium for Adult Educati	\$29,256	\$31,051	\$1,795	\$926,679.00
04 Butte-Glenn Adult Education Consortium	\$70,662	\$74,997	\$4,335	\$2,238,205.00
05 Greater Opportunity Through Adult Learnin	\$110,491	\$117,269	\$6,778	\$3,499,768.00
06 Partnership for Adult Academic and Career	\$472,832	\$501,836	\$29,004	\$14,976,784.00
07 Chabot-Las Positas/Mid-Alameda County C	\$298,026	\$316,308	\$18,281	\$9,439,867.00
08 West End Corridor/ Chaffey Regional AE Co	\$232,380	\$246,635	\$14,255	\$7,360,555.00
09 Citrus College Adult Education Consortium	\$139,332	\$147,879	\$8,547	\$4,413,282.00
10 Coast Adult Education Consortium	\$240,543	\$255,299	\$14,754	\$7,619,130.00
11 Tri City Adult Education Consortium	\$198,213	\$210,372	\$12,159	\$6,278,338.00
12 Contra Costa Adult Education Consortium	\$478,316	\$507,657	\$29,341	\$15,150,490.00
13 Morongo Basin AEBG Consortium (Copper	\$26,287	\$27,900	\$1,613	\$832,637.00
14 Desert Regional Consortium	\$104,171	\$110,561	\$6,390	\$3,299,583.00
15 South Bay Adult Education Consortium (El C	\$330,571	\$350,849	\$20,278	\$10,470,716.00
16 OnRamp to Employment, Plumas County A	\$26,287	\$27,900	\$1,613	\$832,637.00
17 Foothill De Anza/ NSCCSTC	\$275,399	\$292,292	\$16,894	\$8,723,152.00
18 Gavilan Regional Adult Career and Educatio	\$46,538	\$49,392	\$2,855	\$1,474,063.00
19 Glendale Community College District Regio	\$34,540	\$36,659	\$2,119	\$1,094,057.00
20 San Diego East Region Adult Education (Gro	\$267,514	\$283,924	\$16,410	\$8,473,413.00
21 Salinas Valley Adult Education Consortium	\$118,686	\$125,966	\$7,280	\$3,759,327.00
22 Imperial County Adult Education Consortiu	\$62,797	\$66,650	\$3,852	\$1,989,086.00
23 Kern AEBG Consortium	\$548,383	\$582,022	\$33,639	\$17,369,837.00
24 Lake Tahoe Adult Education Consortium	\$28,916	\$30,690	\$1,774	\$915,901.00
25 Lassen County AB86 Consortium	\$30,363	\$32,225	\$1,863	\$961,722.00
26 Long Beach Adult Education	\$77,213	\$81,949	\$4,736	\$2,445,684.00
27 Los Angeles Regional Adult Education Cons	\$4,144,411	\$4,398,638	\$254,227	\$131,272,761.00
28 Capital Adult Education Regional Consortiu	\$378,434	\$401,648	\$23,214	\$11,986,773.00
29 Marin County Adult Education Block Grant	\$47,517	\$50,432	\$2,915	\$1,505,093.00
30 Mendocino-Lake Consortium	\$49,571	\$52,612	\$3,041	\$1,570,149.00
31 Gateway Adult Education Network (Merced	\$106,682	\$113,226	\$6,544	\$3,379,105.00
32 Coastal North County Adult Education Cons	\$38,512	\$40,874	\$2,362	\$1,219,848.00
33 Monterey Peninsula Consortium	\$81,974	\$87,003	\$5,027	\$2,596,507.00
34 Mt. San Antonio Regional Consortium for A	\$1,127,632	\$1,196,804	\$69,171	\$35,717,349.00
35 Southwest Riverside County Adult Educatio	\$156,270	\$165,856	\$9,586	\$4,949,797.00
36 Napa Valley Adult Education Consortium	\$91,825	\$97,458	\$5,632	\$2,908,518.00
37 North Orange County Regional Consortium	\$124,255	\$131,877	\$7,621	\$3,935,722.00
38 Southern Alameda County Consortium (Oh	\$133,754	\$141,959	\$8,205	\$4,236,624.00
39 Palo Verde Consortium	\$26,287	\$27,900	\$1,613	\$832,637.00
40 Education to Career Network of North San	\$253,544	\$269,097	\$15,553	\$8,030,928.00
41 Pasadena Area Consortium	\$60,263	\$63,960	\$3,697	\$1,908,812.00
42 Northern Alameda Consortium for Adult Ed	\$258,940	\$274,824	\$15,884	\$8,201,825.00
43 Rancho Santiago Adult Education Consortiu	\$149,733	\$158,918	\$9,185	\$4,742,735.00



CALIFORNIA
ADULT EDUCATION
PROGRAM

Program Guidance

AB104 Adult Education Block Grant

Funding source: AB104, Section 39, Article 9

Released: August 28, 2017

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AB104 Adult Education Block Grant

A. Introduction

California has the opportunity to re-envision and redesign the adult educational system. The California Department of Education and the California Community College Chancellor's Office are working together to establish linkages for students across their systems that provide adults with the academic and career skills needed to enhance student success. To this end, the legislature and Governor have put in place unprecedented indicators of California's commitment to improve adult education in the state.

The legislature has committed funds to regional consortia composed of K-12 districts, community college districts, County Offices of Education (COE), and joint power authorities (JPAs) to collaborate regionally for the purpose of expanding and improving adult education services by creating linkages between the educational systems. Regional collaboration provides capacity for consortia members to find common ground and cross-geographical and cultural boundaries in order to provide seamless transitions for students. In some areas of the state, there is a rich history of collaboration and a range of partnerships in place that have a regional perspective on policies and programs. Regional collaboration will manifest itself differently in each consortium. In some cases, it may involve a few partners and in others, many partners.

B. Assembly Bill 104 (AB104) Overview

On June 24, 2015, Governor Jerry Brown signed AB104 into law; the major education trailer bill that accompanied the state's 2015-16 state budget. This measure includes a section that defines the state's expectations for the new Adult Education Block Grant program.

This document provides a roadmap for understanding both, the provisions of AB104 and the initial expectations for the three-year implementation plan. AB104 includes a segment on the enactment of the Adult Education Block Grant that represents the actualization of the planning that began with the passage of Assembly Bill 86 in 2013. AB86 provided \$25 million to 70 consortia statewide to support the development of regional adult education consortium plans that focus on expanding and improving opportunities for education and workforce services for adults.

From July 1, 2013 - July 1, 2015, AB86 consortia, consisting of k-12 school districts, community college districts, and other partners developed regional education and workforce service plans for adults. AB86 also included the commitment from the state legislature to dedicate funding to adult education at the conclusion of the planning period, June 30, 2015.

The 2015-16 year represents the transition period from the planning that took place with AB86 to the actualization of the Adult Education Block Grant program, addressed in AB104. The state of California has dedicated \$500 million in ongoing support for

this program, more than any other state in the nation.

Moving forward into the implementation phase of the AEBG funding, the Governor allocated \$500M (for each fiscal year) for 16-17, and 17-18. The language from the Governor’s 17-18 budget states, “the Adult Education Block Grant Program coordinates representatives from local educational agencies, community colleges, and other regional education, workforce, and industry partners to promote the educational opportunities offered to students and adult learners. Through this program, students and adult learners can access courses to complete their high school diplomas or general education equivalent, English as a Second Language courses, and pathways courses that lead to additional career opportunities. The Budget includes \$500 million ongoing Proposition 98 General Fund to support the Adult Education Block Grant Program”.

C. AB104 Adult Education Block Grant Funding

This document contains general instructions, procedures, formats, timelines, and reporting requirements for the AB104 Adult Education Block Grant (AEBG). AB104’s AEBG-related language is rather prescriptive. Hence, these guidelines offer mostly context, interpretation and clarification of the legislation’s directives, rather than new information. The regional consortia are made up of K-12 school districts, county offices of education (COE), community college districts, and joint power authorities (JPAs) encompassing all 58 California Counties to implement plans to better serve the educational needs of adults.

Title:	AB104, Section 39, Article 9, Adult Education Block Grant
Funding Source:	AB104, Section 39, Article 9
17/18 Funding Period:	July 1, 2017 through June 30, 2018 (11 installments)
Total Funds Available:	\$500,000,000 in regional consortia allocations
Spending Period:	AEBG 17/18 funds must be spent between July 1, 2017, and December 31, 2019. Final expenditure and progress reports are due by January 31, 2020, with a close out due by February 17, 2020.
Required Match:	No match required

Number of Awards:	71 (regional consortia funding allocations based upon formula – with two regions combining).
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AB104, the Adult Education Block Grant Program is established under the administration of the Chancellor of the California Community Colleges and the Superintendent of Public Instruction. The Chancellor and the Superintendent are the state officials responsible for identifying and understanding the educational needs of adults in the state.

D. AB104 Adult Education Block Grant Program Guidance

1. Adult Education Enrollment Age Requirements

The AB104 legislation specifically states that Adult Education Block Grant Program is to serve adults, and an adult is defined as “a person 18 years of age or older”. See section 84901 (a) of the AB104 legislation.

84901. For purposes of this article, the following definitions shall apply, unless otherwise specified: (a) “Adult” means a person 18 years of age or older.

AEBG funding can only be used to serve adults as described in the AB104 legislation. If a district / member would like to serve students under 18 years of age, they are permitted to do so if the district/member uses another fund source that allows minors under the age of 18 years to be served, and the district/member follows existing education code pertaining to serving minors.

2. State Level Governance

AB104 legislation Section 84900. 84902 (a), establishes that the chancellor and the Superintendent are the state officials responsible for identifying and understanding the educational needs of adults in the state. (b) The chancellor and the Superintendent shall use the powers provided by this article to support the effective provision of services that address the educational needs of adults in all regions of the state. (c) In performing duties under this article, the chancellor and the Superintendent shall seek advice from, and coordinate with, other state officials responsible for programs for adults.

3. State Level Requirements for Regional Consortia

Existing law establishes the Adult Education Block Grant Program, under the administration of the Chancellor of the California Community Colleges and the Superintendent of Public Instruction. Under this program, the chancellor and the Superintendent, with the advice of the Executive Director of the State Board of Education, are required to divide the state into adult education regions and approve one

adult education consortium in each adult education region, as specified. Existing law requires the chancellor and the Superintendent, with the advice of the executive director, to approve, for each consortium, rules and procedures that adhere to prescribed conditions. Existing law also requires, as a condition for the receipt of an apportionment of funds from this program for a fiscal year, that members of a consortium approve an adult education plan, as specified.

Determining factors for regional consortia:

- (1) Economic and demographic factors, including the locations of regional labor markets.
- (2) The boundaries of regions used to distribute funds for other state programs.
- (3) The presence of adult education providers that have demonstrated **effectiveness** in meeting the educational needs of adults.

4. State Level Requirements for Consortium Membership

The AB104 legislation states that any community college district, school district, or county office of education, or any joint powers authority consisting of community college districts, school districts, county offices of education, or a combination of these, located within the boundaries of the adult education region shall be a member of a consortium pursuant to this article if it receives funds from any of the following programs or allocations:

- (a) The Adults in Correctional Facilities program.
- (b) The federal Adult Education and Family Literacy Act (Title II of the federal Workforce Innovation and Opportunity Act).
- (c) The federal Carl D. Perkins Career and Technical Education Act (Public Law 109-270).
- (d) Local Control Funding Formula apportionments received for students who are 19 years of age or older.
- (e) Community college apportionments received for providing instruction in courses in the areas listed in subdivision (a) of Section 84913.
- (f) State funds for remedial education and job training services for participants in the CalWORKs program

Members in Multiple Consortia

If a school district, county offices of education, or any joint powers authority consisting of community college districts, school districts, county offices of education, or a combination of these, is located within the boundaries of *more than one* adult education regional consortium and it receives funds from any of the following programs or allocations (see above or 84916 (a-f)) than it can be a member of each consortium where the local district, county offices education, or joint powers authority is located. The member would have to follow each consortium’s governance plan, by-laws, and abide by AB104 legislative member requirements (84905, 84906, 84914, 84916, 84917, and

84920). Consortium membership alone does not guarantee funding.

Members offering classes in another district within the Regional Consortium

Whenever the governing board of a school district, county offices of education, joint powers authority, or community college district that maintains an adult education program (for adults) is unable to maintain the program, school or classes within the district because of the lack of facilities, or its inability to secure a teacher or teachers, the board may with the approval of its respective governing bodies (County Superintendent, College District President, and State Agencies) maintain the school or classes of the district elsewhere than within the district or contract with the governing board of another district for the instruction of students in such a school or classes. (For K-12 districts, the governing bodies would be the county superintendent of schools and the State Superintendent of Public Instruction. For community college districts, it would be governing boards from the affected districts.)

5. Regional Consortia and Member Requirements

A regional consortia member must follow their consortium's governance plan, by-laws, and abide by AB104 legislative member requirements (84905, 84906, 84917, and 84920). Consortium membership alone does not guarantee funding.

List of Consortia and Member Requirements (from AB104 Legislation):

1. A member shall commit to reporting any funds available to that member for the purposes of education and workforce services for adults and the uses of those funds. (84905 (b)).
2. A member of the consortium shall be represented only by an official designated by the governing board of the member (84905 (c)).
3. As a condition for the receipt of an apportionment of funds from this program for a fiscal year, that members of a consortium approve an adult education plan (*the AEBG 3 year plan*) (84906 (a)).
4. The members of a consortium shall approve an adult education plan (*the AEBG 3 year plan*) at least once every three years. The plan shall be updated at least once each year based on available data.
5. All members of the consortium shall participate in any decision made by the consortium (84905 (d) (1) (a)).
6. A proposed decision is considered at an open, properly noticed public meeting of the consortium at which members of the public may comment (84905 (d) (1) (b)).
7. The consortium has provided the public with adequate notice of a proposed decision and considered any comments submitted by members of the public, and any comments submitted by members of the public have been distributed publicly (84905 (d) (1) (c)).
8. The consortium has requested comments regarding a proposed decision from other entities located in the adult education region that provide education and workforce services for adults (84905 (d) (1) (d) (i)).

9. The consortium has considered and responded to any comments submitted by entities pursuant to clause (i) (84905 (d) (1) (d) (ii)) which includes entities that provide education and workforce services to adults include, but are not necessarily limited to, local public agencies, departments, and offices, particularly those with responsibility for local public safety and social services; workforce investment boards; libraries; and community-based organizations (84905 (d) (1) (d) (iii)).
10. The consortium has considered input provided by pupils, teachers employed by local educational agencies, community college faculty, principals, administrators, classified staff, and the local bargaining units of the school districts and community college districts before it makes a decision (84905 (d) (1) (e)).
11. A decision is final (84905 (d) (1) (f)) – meaning a consortium decision cannot be held up because an official member failed to attend the meeting.
12. The members of the consortium may decide to designate a member to serve as the fund administrator to receive and distribute funds from the program. (84905 (d) (2) (e)). The members of the consortium also have the option of selecting direct funding which would result in the consortium not having a fund administrator. In that case, the consortium would decide how funds are certified internally.
13. As a condition of receipt of an apportionment from the program, a consortium shall approve a distribution schedule (*CFAD*) that includes both of the following: (1) The amount of funds to be distributed to each member of the consortium for that fiscal year. (2) A narrative (*the AEBG annual plan*) justifying how the planned allocations are consistent with the adult education plan. (84914 (a) (1) and (2)).
14. The chancellor and the Superintendent may require a consortium, as a condition of receipt of an apportionment, to submit any reports or data necessary to produce the report described in subdivision (84917 (b) (1) (a)).
15. The chancellor and the Superintendent shall identify common measures for determining the effectiveness of members of each consortium in meeting the educational needs of adults. See list of required data elements and effectiveness measures required to be collected, tracked, and reported by each consortium and their members (Section 40, 84920, (c)).
16. Consortia and their members must agree to adhere to the general assurances listed as part of the annual planning process. For the purposes of evaluating Consortia and Consortium Member effectiveness, the California Department of Education and California Community College Chancellor's Office establish annual indicators of compliance. Failure to meet the requirements listed in the 2017-18 AEBG General Assurances Document may result in a determination of non-compliance and lead to partial or complete loss of Consortium and/or Member funding. (See annual plan general assurances).

6. Requirements for Reducing a Member's Funding (84914 (b))

For any fiscal year for which the chancellor and the Superintendent allocate an amount of funds to the consortium **greater than** the amount allocated in the prior fiscal year, the amount of funds to be distributed to a member of that consortium shall be equal to or greater than the amount distributed in the prior fiscal year, unless the consortium makes at least one of the following findings related to the member for which the distribution

would be reduced:

- (A) The member no longer wishes to provide services consistent with the adult education plan.
- (B) The member cannot provide services that address the needs identified in the adult education plan.
- (C) The member has been consistently ineffective in providing services that address the needs identified in the adult education plan and reasonable interventions have not resulted in improvements.

For any year for which the chancellor and the Superintendent allocate an amount of funds to the consortium **less than** the amount allocated in the prior year, the amount of funds to be distributed to a member of that consortium shall not be reduced by a percentage greater than the percentage by which the total amount of funds allocated to the consortium decreased, unless the consortium makes at least one of the following findings related to the member for which the distribution would be reduced further:

- (A) The member no longer wishes to provide services consistent with the adult education plan.
- (B) The member cannot provide services that address the needs identified in the adult education plan.
- (C) The member has been ineffective in providing services that address the needs identified in the adult education plan and reasonable interventions have not resulted in improvements.

For any fiscal year for which the chancellor and the Superintendent allocate an amount of funds to the consortium **that is the same** amount allocated in the prior fiscal year, the amount of funds to be distributed to a member of that consortium shall be equal to the amount distributed in the prior fiscal year, unless the consortium makes at least one of the following findings related to the member for which the distribution would be reduced:

- (A) The member no longer wishes to provide services consistent with the adult education plan.
- (B) The member cannot provide services that address the needs identified in the adult education plan.
- (C) The member has been consistently ineffective in providing services that address the needs identified in the adult education plan and reasonable interventions have not resulted in improvements.

Consortia can increase or decrease member allocations regardless of funding levels as long as there is unanimous agreement on the allocation change. If the consortium members cannot unanimously agree, then the consortium must follow AB104 legislation referenced in 84914 (b).

Members Leaving a Consortium

Consortia will follow their governance plan (#14 - How will members join, leave, or be dismissed from the consortium) and any additional language in their agreed upon by-laws regarding terminating membership. For new members, in addition to the governance plan, and by-laws, consortia will follow existing requirements in AB104 legislation (84905, 84906, 84914, 84916, 84917, and 84920).

7. Regional Consortia and Member Required Plans

Three-Year Plan (84906 (a) (b) (c) (d))

As a condition of receipt of an apportionment of funds from this program for a fiscal year, the members of a consortium shall have approved an adult education plan that addresses that fiscal year. The members of a consortium shall approve an adult education plan at least once every three years. The plan shall be updated at least once each year based on available data. For the 2015–16, 2016–17, and 2017–18 fiscal years, a regional plan (*AEBG 3-year plan*) developed shall satisfy the requirements of the legislation in 84906.

An adult education plan shall include all of the following:

- (1) An evaluation of the educational needs of adults in the region.
- (2) A list of the following:
 - (A) Entities that provide education and workforce services to adults in the region.
 - (B) Entities that are impacted by, or that have a fundamental interest in, the provision of those services.
- (3) A description of the services provided by entities listed pursuant to (#2).
- (4) An evaluation of current levels and types of education and workforce services for adults in the region.
- (5) An evaluation of the funds available to the members of the consortium and the entities listed pursuant to (#2), including funds other than those apportioned (see list of fund sources for members under Section 4 of this document).
- (6) Actions that the members of the consortium will take to address the educational needs identified pursuant to (#1).
- (7) Actions that the members of the consortium will take to improve the effectiveness of their services.
- (8) Actions that the members of the consortium, the entities listed pursuant to (#2), and other interested parties will take to improve integration of services and to improve transitions into postsecondary education and the workforce, including actions related to all of the following:
 - (A) Placement of adults seeking education and workforce services into adult education programs.
 - (B) Alignment of academic standards and curricula for programs across entities that provide education and workforce services to adults.

(C) Qualifications of instructors, including common standards across entities that provide education and workforce services to adults.

(D) Collection and availability of data.

(9) A description of the alignment of adult education services supported by this program with those described in other education and workforce plans guiding services in the region, including plans pertaining to the building of career pathways and the employment of workforce sector strategies and those required pursuant to the federal Workforce Innovation and Opportunity Act (Public Law 113-128).

(10) A description of the ways in which each of the entities identified in (#2) contributed to the development of the plan.

Consortium Fiscal Administrative Declaration (CFAD) (84914 (a) (1))

As a condition of receipt of an apportionment from the program, a consortium shall approve a distribution schedule known as the Consortium Fiscal Administrative Declaration (*CFAD*) that includes the amount of funds to be distributed to each member of the consortium for that fiscal year.

Annual Plan Report (84914 (a) (2))

As a condition of receipt of an apportionment from the program, a consortium shall approve a narrative (the AEBG Annual Plan) justifying how the planned allocations are consistent with the adult education plan. The AEBG Annual Plan asks Consortia to consider key accomplishments and challenges from the prior year, as well as outline goals and activities for following funding year. This requires a review of the 3-year plan and if necessary, an update of the 3-year planning data to reflect the most current information.

Governance Plan Template (84905 (a to d))

The State requires that all consortia download, complete, and submit the Governance Plan template in order to comply with the following rules and procedures for their governance compliance. The chancellor and the Superintendent, with the advice of the executive director, shall approve, for each consortium, rules and procedures (Governance Plan Template). Consortia may add additional requirements via by-laws, and may update their governance plan template (and by-laws) throughout the year. The following is a list of items from AB104 legislation that are covered in the governance plan and should be referenced in consortium by-laws.

- Consortium membership
- Reporting any funds available to that member for the purposes of education and workforce services for adults and the uses of those funds.
- A member of the consortium shall be represented only by an official designated by the governing board of the member.
- Decision-making procedures are specified that ensure that all of the following conditions are satisfied (see 84905 (d) (1) (a-f)).
- Any consortia and member requirements from section 5 of this document (Regional Consortia and Member Requirements).

- Any items listed in the Annual Plan General Assurances document for consortia and/or members.
- Reduction or loss of consortium funding by a member (84914 (b) (1) (a-c) and (b) (2) (a-c).
- Process for a consortium member to leave or terminate their membership.

Planning Amendment Submission Process

If a consortium wishes to amend any of the submitted documentation, you must take the following steps:

- Discuss at a properly noticed public meeting
- Obtain member input and public comment
- Involve all members in the final decision on the amendment
- Publish the minutes of the decision for public viewing
- Use the State system for updating/uploading amended documents

The window period for submitting amendments to the State is July 1 through May 15 of each program year.

Calendar of Required Plans Submittal

Year 1 **3-year plan** is submitted

Annual Processing (during the program year)

January	Governor’s Budget is submitted
February	AEBG preliminary allocations are released
March	CFAD is open for input of member allocations
May	CFAD is due
May	Amendments are due
July	Budget is enacted
July	AEBG final allocations are released
August	Annual Plan is due
August	AEBG funds are disbursed per the allocation schedule

8. AEBG Program Areas (84913)

For program reporting purposes, **starting in 2017-18**, adult education includes all people receiving support services from AEBG consortium members or enrolled in K12 adult education or **noncredit community college coursework** in the program areas listed in AB104 (see below): elementary and secondary basic skills, English as a second language, short-term career and technical education, entry/re-entry into the workforce, pre-apprenticeship, adults with disabilities, and adults training to support child school success. For information on how to report adult education students, please refer to the program guidance for reporting in Section 11 of this document.

Funds apportioned for the AEBG program shall be used only for support of the following:

- (1) Programs in elementary and secondary basic skills, including programs leading to a high school diploma or high school equivalency certificate.
- (2) Programs for immigrants eligible for educational services in citizenship, English as a second language, and workforce preparation.
- (3) Programs for adults, including, but not limited to, older adults, that are primarily related to entry or reentry into the workforce.
- (4) Programs for adults, including, but not limited to, older adults, that are primarily designed to develop knowledge and skills to assist elementary and secondary school children to succeed academically in school.
- (5) Programs for adults with disabilities.
- (6) Programs in career technical education that are short term in nature and have high employment potential.
- (7) Programs offering pre-apprenticeship training activities conducted in coordination with one or more apprenticeship programs approved by the Division of Apprenticeship Standards for the occupation and geographic area.

The program definitions have been further described by the State to be restricted to the following areas:

Program Definitions (as of 8/1/17)

AB104 defines program areas that are a mix of instructional programs and services to populations. For AEBG, the four primary programs include:

1. English as a Second Language (ESL): provides instruction in the English language to adult, non-native English speakers with varied academic, vocational, citizenship, and personal goals.
2. Adult Basic Education (ABE): provides instruction in foundational academic skills, such as reading, writing, and basic mathematics, as well as learning skills and study skills. These programs include courses that are below Low Adult Secondary Education/9th grade level.

Adult Secondary Education (ASE): provides instruction in foundational academic skills, such as reading, writing, and basic mathematics, as well as learning skills and study skills. These programs include courses that are at the Low Adult Secondary Education/9th grade level and above, and/or leading to a high school diploma, GED, or high school equivalency certificate.

3. Short Term Career and Technical Education (CTE): prepares adult learners to enter the workforce in approximately a year or less.

In addition to the four primary programs, AEBG will provide information on enrollments and/or outcomes for several additional program areas:

4. Adults with Disabilities (AWD): Because AWD can be flagged as either a population or a program, separate disaggregation will be provided for programs specifically designed to meet the needs of adults with disabilities, and for people with disabilities who are enrolled in other adult education program areas. To ensure that data is reported accurately, adults with disabilities should be identified as follows:

- TE: Use the AWD program flag only if the participant is enrolled in a specialized program designed specifically and exclusively for adults with disabilities. For AWD participants who are enrolling in other adult education programs, use the “disabled” barriers to employment flag in combination with the appropriate program flag.
- MIS: Flag courses in specialized AWD programs using CB22 code E for “courses for persons with substantial disabilities.” Use DSPS enrollment flags to identify AWD participants enrolled in other noncredit community college programs.

5. Workforce Entry/Re-Entry: AEBG defines this program area as populations with systemic barriers to economic success who enroll in CTE programs. AEBG will extract data using population flags that are aligned with the WIOA “barriers to employment” categories including:

- ✓ Displaced homemaker
- ✓ Ex-offender
- ✓ Foster care youth
- ✓ Homeless
- ✓ Low income-economically disadvantaged
- ✓ Long term unemployed
- ✓ Migrant farmworker
- ✓ Seasonal farmworker
- ✓ Single parent

- ✓ No TANF within 2 years

In addition, this program area will include participants who are 55 years or older, based on their date of birth.

To ensure that this program area can be populated, all adult education providers should pay special attention to capturing barriers to employment status and date of birth at intake or at the time of the participants' first course enrollment. MIS will be adding population flags for missing characteristics in the 2018-2019 program year, which will also be used to pull data on for-credit adult education students for the supplemental report.

6. Pre-Apprenticeship: AEBG has aligned this program with definitions used by the Department of Labor and the California Apprenticeship Initiative, which specify that pre-apprenticeship is a "program or set of strategies designed to prepare individuals to enter and succeed in a registered apprenticeship program and has a documented partnership with at least one, if not more, registered apprenticeship programs," and includes:
 - Approved training and curriculum based on industry standards and approved by a documented registered apprenticeship partner.
 - Recruitment, educational, and pre-vocational strategies that prepare under-represented, disadvantaged, or low-income individuals to meet the entry requirements of one or more registered apprenticeship programs.
 - Access to appropriate support services.
 - Meaningful hands-on training that does not displace existing paid employees.
 - Formal direct entry or articulation agreements with its registered apprenticeship partners.

Adult education providers should only use the pre-apprenticeship program flag in TE if participants are enrolled in programs that meet these criteria, including ensuring that that courses are offered in coordination with one or more apprenticeship programs approved by the Division of Apprenticeship Standards through an MOU or formal agreement. MIS will include a course flag for pre-apprenticeship courses that meet these criteria in 2018-2019.

7. Adults Training to Support Child School Success: AEBG defines this program as providing education and training to adults, typically parents and-or community members, to help school-aged children succeed in school. Use the "adults supporting K12 student success" program flag in TE or the CB22 "parenting" course flag in MIS to track this program area.

Other Adult Education Related Programs

Integrated Education and Training (IET): Under WIOA, integrated education and training (IET) means a service approach that provides adult education and literacy activities concurrently and contextually with workforce preparation activities and workforce training for a specific occupation or occupational cluster for educational and career advancement. IET programs are considered integrated if they:

- Balance instruction across the three components (foundational skills, workforce preparation, and workforce training).
- IET training activities occur simultaneously.
- They use occupationally relevant materials for basic skills as well as workforce training activities.

Participants in IET programs will be grouped under the CTE category for reporting to the state. Adult education providers should only use the IET program flag in TE if participants are enrolled in programs that meet these criteria. Starting in 2018-19, colleges should use the Career Advancement Academy (CAA) flag to indicate students who are participating in an IET program.

Use of Funds in non-AEBG Program Areas

Funds apportioned for the AEBG program shall be used only for support of AEBG program areas as described in this section. If a consortia or member would like to offer programs outside of the AEBG defined program areas, it may do so with another fund source (if it is allowed by that fund source). Existing education code list (see below) has many adult education program areas; however, using AEBG funds is restricted to the seven areas listed in this section.

9. Course Approval Process

All courses in the seven AEBG program areas must be approved using the existing state agency and local governing board course approval process. There are no exceptions, as all AEBG members must use their respective course approval process.

Please see the appropriate education code and regulations that govern your system's course approval process.

A course of study in each adult school is subject to the approval of the CDE (EC 51056). The State Superintendent of Public Instruction shall establish course approval criteria and procedures for securing course and program approvals (EC 52506). For course approval all adult schools are required annually to submit to the CDE a list of titles of classes to be offered in the authorized program areas. The CDE's approval of the list is required; authorized apportionment course titles are listed in the Adult Education Course Approval System (A-22).

The governing board of every school district shall prepare and keep on file for public inspection the courses of study prescribed for the schools under its jurisdiction (EC 51040). Any revised educational program shall conform to the legal requirements (EC 51041). The governing board of every school district shall evaluate its educational program and shall make revisions, as it deems necessary (EC 51041). Classes for adults shall conform to any course of study and graduation requirements otherwise imposed by law or under the authority of law (EC 52504). A course of study for each adult school shall be prepared under the direction of the governing board of the district maintaining the adult school and shall be subject to approval of the CDE (EC 51056).

Community Colleges

The local curriculum committee approves all noncredit courses and programs. The local curriculum committee conducting the review has been established by the mutual agreement of the college and/or district administration and the academic senate. The committee is either a committee of the academic senate or a committee that includes faculty and is otherwise comprised in a way that is mutually agreeable to the college and/or district administration and academic senate. All courses shall be submitted to the Chancellor's Office on forms provided by the Chancellor's Office. A clear description of the course must be published in the general catalog and/or addenda to the catalog and in the college's schedule.

Education code referenced: Title 5 55002(c)(1)&(2), 55002(a)(1), 55100, 58102, and 58104.

10. State Reporting Requirements

84917. (a) To inform actions taken by the Governor and the Legislature related to adult education, the chancellor and the Superintendent shall submit to the Director of Finance, to the State Board of Education, and, in conformity with Section 9795 of the Government Code, to the Legislature, by ~~September 30~~ **October 30** following any fiscal year for which funds are appropriated for the program, a report about the use of these funds and outcomes for adults statewide and in each adult education region. The report shall include at least all of the following:

- (1) A summary of the adult education plan operative for each consortium.
- (2) The distribution schedule for each consortium.
- (3) The types and levels of services provided by each consortium.
- (4) The effectiveness of each consortium in meeting the educational needs of adults in

its respective region.

(5) Any recommendations related to delivery of education and workforce services for adults, including recommendations related to improved alignment of state programs.

(b) (2) The chancellor and the Superintendent shall align the data used to produce the report described in subdivision (a) with data reported by local educational agencies for other purposes, such as data used for purposes of the federal Workforce Opportunity and Innovation Act (Public Law 113-128). (3) The Employment Development Department and the California Workforce Investment Board shall provide any assistance needed to align delivery of services across state and regional workforce, education, and job service programs.

The chancellor and the Superintendent shall provide preliminary reports on or before **October 30** following each fiscal year for which funds are appropriated for the program and final reports on or before **February 1** of the following year. Each report shall be based on all data available at the time of its submission.

11. Consortia and Member Data and Accountability Reporting Requirements

SEC. 40. Section 84920 (c) The chancellor and the Superintendent shall identify, no later than January 1, 2016, the measures for assessing the effectiveness of consortia that will be used in the report that, pursuant to Section 84917, is to be submitted by September 30, 2016. These measures shall include, but not necessarily be limited to, all of the following:

- (1) How many adults are served by members of the consortium.
- (2) How many adults served by members of the consortium have demonstrated the following:
 - (A) Improved literacy skills.
 - (B) Completion of high school diplomas or their recognized equivalents.
 - (C) Completion of postsecondary certificates, degrees, or training programs.
 - (D) Placement into jobs.
 - (E) Improved wages.
 - (F) Transition to Post-Secondary (added by the State)**

The chancellor and the Superintendent shall provide any guidance to the consortia necessary to support the sharing of data included in systems established by consortia pursuant to this section across consortia.

EC 78402 (b) The department and the chancellor's office, as a part of the report and recommendations required pursuant to paragraph (1) of subdivision (f) of Section 84830, shall jointly develop and issue policy recommendations to the Legislature regarding a comprehensive accountability system for adult education courses offered pursuant to

Section 84830 and paragraphs (2) to (6), inclusive, of subdivision (a) of Section 84757. The department and the chancellor's office shall develop recommendations for all adult education-funded providers for assessment, evaluation, and data collection to document participant outcomes and placement, and other performance measures they deem appropriate. Accountability measures may include receipt of a secondary school diploma or its recognized equivalent, placement in a postsecondary educational institution, training, and employment. All funded programs shall be required to annually submit demographic and other student-level outcome information to the department or the chancellor's office, as appropriate.

Note: For recent reporting changes for program year 17/18, please see the Adult Education Data and Accountability Report: Guidance to Reporting Systems, Populations, Programs, and Core Metrics.

AEBG Fiscal Guidance and Allowable Activities – see separate guidance document.



Adult Education Program Fiscal Management Guide

Allowable Uses of Adult Education Program Funds

Funding source: AB104, Section 39,
Article 9

Version 3 Release: August 1,
2017

Updated:

Indirect Cost Rate Section (#10) September 13, 2017

Allowable Uses Section (#3) September 18, 2017

Consortium Administrative Function (#9) November 29, 2017

NOVA Summary (#13) May 15, 2018

Out of State Travel (#6) November 5, 2018

Indirect Rate (#10) November 5, 2018

How to Use this Guide

The purpose of this guide is to specify the education code and processes used to spend California Adult Education Program (AEP) funding by regional consortia and their members. The outcomes from the expenditure process are student data reports for enrollment, demographics, and outcomes, as well as financial reports presenting allocation of funds to members, and the tracking of expenses connected to the seven AEP program areas. Additional outcomes include adherence to a consortium governance structure, the public meeting/ input process, and a long term planning cycle (3-year plan) along with an annual plan.

The AEP Fiscal Management Guide contains the policies and procedures for the administration of the AEP Program for the 18-19 program year. These policies and procedures are based on the AB104 legislation that created the AEP Program. However, the AB104 legislation does not supersede current K-12 adult education and community college education code and regulatory requirements. All current financial processes and systems in place at the various districts and county offices of education must comply with the variety of statutory and policy provisions already in place prior to AB104, that includes the State of California Statutory Codes, California Code of Regulations, State Accounting Code Structure, the Budget and Accounting Manual, and any administrative or management policy memoranda or bulletins.

For AEP program, reporting system documentation, and additional resources, please refer to the AEP website. <https://caladulted.org/>

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1. Responsibility and Roles Overview

Overview

The California Community College Chancellor's Office (CCCCO) and the California Department of Education (CDE) are working in partnership to implement the Adult Education Block Grant (AEP). Since 2015-16, the annual budget appropriation for the block grant has been \$500 million in addition to \$25 million for data and accountability funding as well as an additional \$5 million for AEP technical assistance, and in 18-19 a \$21.5M COLA. The AEP Office appropriates these funds through regional consortia consisting of community college districts, school districts and county offices of education to implement regional plans to better serve the needs of adults.

There are 71 regional consortia across the state that include members from community colleges, k-12 adult schools, county offices of education and a variety of community partners including, but not limited to local workforce investment boards, libraries, and community based organizations.

The California Community Colleges Chancellor's Office and the California Department of Education appointed joint leadership for the Adult Education Program Office. The AEP Office is led by:

Carolyn Zachry, Administrator, Adult Education Office, CDE
Javier Romero, Workforce Development Division Dean, CCCCCO

Role of the Board of Governors and the State Board of Education

The apportionment of AEP funding is provided by an interagency agreement with the Board of Governors of the California Community Colleges and the budget act, in support of the Adult Education Program. Once approved by the Board of Governors of the California Community Colleges, AEP funding for K-12 district and County Office of Education is transferred to the California Department of Education for disbursement. The remaining AEP funding for community colleges is disbursed by the Chancellor's Office.

Per AB104 legislation, the State Board of Education works with the Chancellor of the California Community Colleges and the Superintendent of Public Instruction in the following areas:

- Dividing the state into adult education regions and shall determine the physical boundaries of each region.
- Approving one adult education consortium in each adult education region.
- Approving, for each consortium, the following:
 - Rules and procedures that adhere to conditions related to consortia membership.
 - Member reporting of available funding.
 - Official member representation requirements.
 - Release of a preliminary allocation schedule and a final allocation schedule by the State.
 - Consortia level decision making procedures
 - Public meeting requirements.

Role of the AEP Office

The AEP Office plays a key role in this joint agency effort between the California Department of Education and the California Community Colleges Chancellor's Office. The focus of the AEP Office is to provide policy guidance to the regional consortia and their members, maintain fiscal accountability, collect & report student data and outcomes, and provide technical assistance.

For program guidance, the AEP Office must work with state agencies (CDE and the Chancellor's Office) to align AEP education code within existing statutory requirements and regulations. This would include updating guidance, releasing policy memos, coordinating with CDE/Chancellor's Office staff, and providing technical assistance and training.

For fiscal accountability, the AEP Office's main responsibility is to ensure that consortia and their members operate within budgeted levels, meet spending targets, and comply with any restrictions or limitations by the legislature. This would also include preparing and monitoring contracts, maintaining the state fiscal system for consortia and member reporting, and working with state level fiscal and accounting staff for appropriation of funds and payment.

For student data reporting, the AEP Office must ensure that all members are reporting student enrollment data, demographics, and outcomes through the designated system. This also includes working with contractors, developing data policy, coordinating with other state agencies to share data, drafting legislative required reports, and providing technical assistance and training to local members.

2. AEP Funding Process

MOE and Consortia Formula Allocation

Each AEP Regional Consortium receives the same allocation for the current year as they did in the prior year. The majority (67%) of the AEP allocation is made up of Maintenance of Effort (MOE) as certified by K-12 and County Offices of Education (COEs). The MOE certification process was based on 12/13 adult education related expenses in the ten adult education program areas as submitted by K-12 districts and COEs. This 12/13 certification was used to form the K-12/COE base for the MOE. The MOE funding amount does not change unless funding is reduced based on the criteria as specified in AB104 legislation (84914 (b)).

The remaining amount of AEP funding (33%) was allocated based on a regional allocation formula. According to the Adult Education Program language, the California Community College Chancellor and the State Superintendent of Public Instruction are charged with determining the statewide need for adult education and the funding allocation of each consortium. More specifically, sections 84911 and 84908 (2) (A)(ii), respectively, address these obligations.

Section 84911 states, "To determine the need for adult education, the chancellor and the Superintendent shall consider, at a minimum, measures related to adult population, employment, immigration, educational attainment, and adult literacy." Additionally, Section 84908 (2) (A)(ii) states that, "The chancellor and the Superintendent shall determine the amount to be allocated to each consortium pursuant to this paragraph based on that adult education region's share of the statewide need for adult education."

Given the above language, key state agencies (the California Department of Education, the State Board of Education, the California Community College Chancellor's Office, and the Department of Finance) met to develop a funding formula for adult education regional consortia. They used various combinations of variables, including minimum funding levels. After thorough analysis of the permutations, it was determined that the variables correlated very closely. Consequently, all variables were equally weighted. In addition, it was determined that the minimum grant award amount was appropriate and reasonable, in that it allows the smaller consortia (which in most instances are rural) to make a larger impact in their respective regions. The list below depicts the variables used to determine adult education consortia funding amounts.

- Educational Attainment (No High School Diploma)
- Employment (Unemployed Adults)
- Adult Population - 18 years and older
- Poverty (Household)
- Adult Literacy (7th Grade Education Level)
- ESL (the ability to speak English)

As mentioned above, each factor was equally weighted. The regional consortia received a percentage of the statewide total that was then translated into a dollar amount. Regional consortia that did not meet the minimum funding level, based on the variable amounts, were provided additional funds to raise them to that level. (See the allocation tables under additional resources section for grant amounts by regional consortia, as well as the list of variables by region.)

Additionally, a variety of census data variables related to adult education students in each region are posted on the AEP Website and are pre-populated into the Regional Consortia Member Allocation forms.

AEP Allocation Process

The AEP Fiscal Allocation process begins in January with the release of the proposed Governor's Budget. Based on the amount in the proposed budget, the AEP Office is required by law to release a preliminary budget by February 28th (Section 84909 (b)). Consortia then have until May 2nd to submit the Consortium Fiscal Administrative Declaration (CFAD), which declares the annual allocation for each member in their consortium.

Typically, the State Budget is enacted on July 1st (but can be delayed if not passed by the legislature). The chancellor and the Superintendent, with the advice of the executive director, shall approve, within 15 days of enactment of the annual Budget Act, a final schedule of allocations to each consortium of any funds appropriated by the Legislature for the program. (Section 84909 (c)).

The chancellor and the Superintendent shall determine the amount to be allocated to each consortium based on the following (Section 84909 (d)):

- (1) The amount of funds apportioned to the members of that consortium in the immediately preceding fiscal year.
- (2) That adult education region's share of the statewide need for adult education.
- (3) That consortium's effectiveness in meeting the educational needs of adults in the adult education region based on available data.

Soon after the enactment of the State Budget, the Board of Governors of the California Community Colleges must approve the annual AEP apportionment at a public meeting. Then, using the final schedule approved pursuant to subdivision (c), the chancellor and the Superintendent shall do one of the following for each consortium (Section 84909 (e)):

(1) Apportion funds to a fund administrator designated by the members of a consortium beginning no more than 30 days after approval of the final schedule of allocations.

(2) Apportion funds to members of a consortium beginning no more than 30 days after receipt of a final distribution schedule from that consortium.

Per California Education Code (EC) Section 84912, funds are apportioned in twelve equal payments to consortium fiscal agents (or if direct funded to each member) on a monthly basis. The first payment consists of the July and August payments. Subsequently, payment are apportioned at the end of each month for September through June 2017 for this same purpose.

Funding Cycle Calendar

January - Release of the proposed Governor's Budget

February – Preliminary Allocation Schedule is released (by 2/28)

May – CFAD is due from the consortia to the AEP Office (by 5/2)

July – Budget Act enactment

July – Release of a final schedule of allocations to each consortium (15 days after the budget enactment).

July - Board of Governors of the California Community Colleges approve the annual AEP apportionment at a public meeting.

August – Apportion funds to members of a consortium (30 days after final schedule of allocations).

September to June – Monthly payments are apportioned in 11 or 12 installments (the first payment usually cover 2 months).

3. Allowable Uses of Adult Education Block Grant Funds

AEP apportionment is a restricted fund source. AEP funds can only be used in the seven program areas as identified by the legislation. (Please note: The AB104 legislation specifically states that Adult Education Program is to serve adults, and an adult is defined as “a person 18 years of age or older”. See section

84901 (a) of the AB104 legislation).

Per *EC* Section 84913, use these funds on only the seven following areas:

1. Elementary and secondary basic skills, including classes required for a high school diploma or high school equivalency certificate;
2. Programs for immigrants eligible for educational services in citizenship, English as a second language, and workforce preparation;
3. Programs for adults, including older adults, for entry or reentry into the workforce;
4. Programs for adults, including older adults, to develop knowledge and skills to assist elementary and secondary school children to succeed academically;
5. Programs for adults with disabilities;
6. Short term career technical educational programs with high employment potential;
7. Programs offering pre-apprenticeship training, in coordination with apprenticeship program(s), as specified.

Note: Consortia may choose which AEP program areas to offer based on regional need, and local capacity.

In order to expend AB104 Adult Education Program funds the following criteria must be followed:

- The community college district, county office, JPA and K-12 district must be a member of a regional consortium.
- The member district must be located within the regional boundaries of the consortia as determined by the Chancellor and the Superintendent, with the advice of the executive director.
- Each regional consortium must have an approved adult education plan (the annual plan template) that addresses the fiscal year in which the funds will be expended.
- Funds may only be expended within the seven program areas as prescribed in the AEP education code (Section 84913).
- Each regional consortium must have an approved 3-year consortia plan that includes any amendments (submitted in Year 1 – 15/16).
- Expenditure of AEP Funds must align with the annual plan as approved by the regional consortium for that specific year.
- All members shall participate in expenditure decisions made by the consortium.
- Consortia and members must follow public meeting requirements as listed in the legislative requirements.

Reasonable & Justifiable

All AEP expenditures must be reasonable and justifiable. “Reasonable” means that expenditures will be made prudently and with every effort to utilize funds efficiently. “Justifiable” means that expenditures are consistent with AEP program goals and activities related to the seven program areas as identified in the AEP Program budget language.

Ultimate Responsibility

Ultimately, AEP regional consortia members (community college district, county office, JPAs and K-12 district) are responsible for allocation decisions. The responsibility cannot be delegated. Members may be audited by the California Department of Audits, the California Department of Education, the Chancellor's Office, or other government agencies with a lawful interest in the expenditure of funds. Expenditures deemed unreasonable and/or unjustifiable will be withheld in future funding distributions or allocations.

Primary Criteria

All allowable costs must meet three primary criteria:

- 1) Substantiate that the cost was necessary and reasonable for proper and effective administration of the allocations.
- 2) The cost must be allocable to the funding source activities.
- 3) The cost must not be a general expense required to carry out the consortia member's overall responsibilities (i.e. not supplanting).

However, even if the costs meet the prior three criteria, the costs must be approved within the 3-year consortia plan and the annual plan template of the regional consortia as agreed upon by its membership. Otherwise, they are not allowable within that year. In addition, the State has the discretion to impose special conditions beyond the funding source that would also determine allowability of cost.

Questions & Answers

While the proposed cost is allowable under the funding source is it also reasonable?

Reasonable is defined by the dictionary as: agreeable to sound judgment, not exceeding the limit prescribed by reason (not excessive), moderate in price, and a rational decision. Systems that can guide this definition are: necessary for the

performance of the consortium; following sound business practices (procurement processes, follow state and local laws, follow the terms of the grant); use of fair market prices; acting with prudence under the circumstances; and having no significant deviation from established prices.

Note: “reasonable” means that expenditures will be made prudently and with every effort to utilize funds efficiently.

What are the guidelines of Allocable?

Allocable is defined by the dictionary as: capable of being allocated or assigned. A cost is considered allocable to a particular funding source/program to the extent it actually benefits the objectives of that program. You can only charge in proportion to the value received by the funding source/program. An example would be that a project director works 80% on the funded program (only 80% of the salary and benefits can be charged to AEP funding). Above and beyond this definition allocable also means that the cost must be related to the 3-year consortia plan and the annual plan template of the regional consortia that have been approved by the AEP Office. Agencies must be able to document prorated allocated costs against the Adult Education Block Grant Program.

Can funds be used as matching funds for other grants?

If the grant for which AEP funds are being considered as matching funds is a continuing grant, meaning it was a grant the district had in the prior year then the AEP must not replace any funds previously used to meet the match requirement. This would be supplanting and not result in increased services. But if the AEP funds are used to increase the matching funds, possibly resulting in more grant funds, then it is an appropriate use of AEP funds. Keep in mind that AEP funds are restricted funds and must be spent in the seven program areas as identified by the AB104 budget language. Some matching grants prohibit the use of restricted funds.

4. Leveraging AEP Funds

Not a Grant

According to the 17-18 Proposed Governor’s Budget, AEP is described as follows: “This program coordinates representatives from local educational agencies, community colleges, and other regional education, workforce, and industry partners to promote the educational opportunities offered to students and adult learners. Through this program, students and adult learners can access courses to complete their high school diplomas or general education equivalent, English as a Second Language courses, and pathways courses that lead to additional career opportunities. The Budget includes \$500 million ongoing Proposition 98

General Fund to support the Adult Education Block Grant Program”.

By referencing “ongoing Proposition 98 General Fund to support the AEP Program”, it clarifies the confusion that AEP was not a permanent, ongoing fund source. AEP is state apportionment, it is ongoing, and can be used in future years to hire permanent staff, teachers and faculty.

In the 18-19 Budget Act, the Adult Education Block Grant Program was changed to reflect that these funds are apportionment, not a block grant. The new program name beginning July 1, 2019 is the Adult Education Program.

Legislative Support

In addition, AEP legislation encourages the leveraging and braiding of other state and federal funding sources as stated in education code Section 84905 (b).

84905. The chancellor and the Superintendent, with the advice of the executive director, shall approve, for each consortium, rules and procedures that adhere to all of the following conditions: (b) As a condition of joining a consortium, a member shall commit to reporting any funds available to that member for the purposes of education and workforce services for adults and the uses of those funds.

AEP legislation goes on further to list the state and federal fund sources that are required to being a member of a consortium Section 84916.

84916. In order to maximize the benefits derived from public funds provided for the purpose of addressing the educational needs of adults and to ensure the efficient and coordinated use of resources, it is the intent and expectation of the Legislature that any community college district, school district, or county office of education, or any joint powers authority consisting of community college districts, school districts, county offices of education, or a combination of these, located within the boundaries of the adult education region shall be a member of a consortium pursuant to this article if it receives funds from any of the following programs or allocations:

- (a) The Adults in Correctional Facilities program.
- (b) The federal Adult Education and Family Literacy Act (Title II of the federal Workforce Innovation and Opportunity Act).
- (c) The federal Carl D. Perkins Career and Technical Education Act (Public Law 109-270).
- (d) Local Control Funding Formula apportionments received for students who are 19 years of age or older.
- (e) Community college apportionments received for providing instruction in courses in the areas listed in subdivision (a) of Section 84913.
- (f) State funds for remedial education and job training services for participants in the CalWORKs program

Note: AEP funds cannot be used to create an 18-22 year old certificate program for Special education students since service of those students by LEAs has been expected for years and districts only had LCFF money.

No Longer “Touched by AEP”

For reporting purpose, AEP is tracking students by program area, rather than fund source. The practice of tracking students that were impacted by AEP funding was difficult to qualify. With new program definitions, students are now tracked by program area regardless of fund source, which encourages the leveraging and braiding of multiple fund sources. The new program definitions are as follows:

For reporting purposes, adult education includes all people receiving support services from AEP consortium members or enrolled in K12 adult education or **noncredit community college coursework** in the program areas listed in AB104: elementary and secondary basic skills, English as a second language, short-term career and technical education, entry/re-entry into the workforce, pre-apprenticeship, adults with disabilities, and adults training to support child school success.

5. Program Fees

Current fee policy for AEP is identified in CDE’s Management Bulletin Management Bulletin AEFLA-02-2013 (for K-12 district and County Office of Education), and the Community College Student Fee Handbook (for community college districts). In addition, community college community education fee based programs (community education and contract education) cannot be co-mingled, leveraged or braided with AEP funds. Title V regulations, and education code prevent community college fee based programs to be combined with any state apportioned program (like AEP). However, these programs can work with regional consortium for student referrals to meet regional needs.

Effective July 1, 2018, please reference the AEP fees policy on the AEP website. The policy states that no tuition may be charged or collected in the following AEP program areas by either community colleges or K12 adult schools (ABE, ASE, ESL, AWD, and K-12 Success). There is a K-12 Adult School exception for CTE – but please go to the website and review the policy.

6. Travel

Only travel necessary for the project is allowed. Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who

are in travel status on official business for the grant. Such costs will be based on the fiscal agent's per diem rates. These costs shall be considered reasonable and allowable only to the extent such costs do not exceed charges normally allowed by the institution in its regular operations as the result of the institution's written travel policy.

Out of State Travel: Effective July 1, 2018, it is no longer necessary to obtain the State AEP/AEP Office approval for out of state travel. Consortia are required to approve their members out of state travel requests. This can be accomplished through the submission and certification of the annual program budget and work plan in NOVA, or can be put on the agenda for approval at a public meeting. As a best practice for consortia, members should explain how the approved travelers and the consortium would disseminate the information to other member's administrators, staff, faculty, and teachers when they return.

Out of Country Travel: The AEP Office has determined that Out-of-Country travel will not be an allowed via this funding source.

Travel to Conferences – In State: AEP TAP will work with the adult education professional agencies: ACCE, ASCA, CCAE, CCCAOE, etc. to obtain a list of AEP attendees. This will allow AEP TAP to find out what professional development is taking place around the state, and follow up after the event on coordinated professional development offerings.

7. Consortia/Member Effectiveness

Adult Education Block Grant (now Adult Education Program) Measures of Effectiveness responds to AB104, Section 84920. This section requires the Chancellor and the State Superintendent of Public Instruction identify, no later than January 1, 2016, the measures for assessing the effectiveness of consortia that will be used in the report that, pursuant to Section 84917, is to be submitted by September 30, 2016. These measures shall include, but are not necessarily limited to:

- (1) How many adults are served by members of the consortium
- (2) How many adults served by members of the consortium have demonstrated the following:
 - (A) Improved literacy skills
 - (B) Completion of high school diplomas or their recognized equivalents

- (C) Completion of postsecondary certificates, degrees, or training programs
- (D) Placement into jobs
- (E) Improved wages

Consortium Effectiveness

For the purposes of evaluating consortium effectiveness for AEP funding year, the CDE and CCCCO have established the following indicators of compliance:

Evaluation:

- Consortia have evaluated members to identify that the services provided meet the needs identified in the adult education plan.
- Consortia submitted an annual plan that includes program strategies for the upcoming program year based upon regional need, funding, and capacity.

Funding:

- AEP funds are expended within the seven AEP program areas, and are consistent with each consortia' adult education regional plan.
- Consortium expenditures must align with the objectives of the consortium's annual plan as approved by the regional consortium board.

Governance and Collaboration:

- Consortia have identified a governance structure for decision-making.
- Consortium governance plans, by-laws, and AEP requirements are followed for decision making and public meetings.

Membership:

- Consortia invited all eligible members in the region to participate in the AEP initiative.
- All members are located within the regional boundaries of designated consortium.

Planning:

- Consortia have submitted the required Annual Plan Template.
- Consortia have approved and submitted the 3-year plan that may include amendments.
- Consortium members have shared information on related programs that are offered and the resources being used to support these programs.
- Consortia participated in statewide leadership activities (AEP Summit, AEP Director's Conference).

Reporting:

- Consortia will report student level enrollment data and outcomes for quarterly and final reporting.
- Consortia will submit financial expenditure and progress reports.

Member Effectiveness

In addition to consortium effectiveness, the CDE and CCCCO have identified the following to indicate member effectiveness:

- Each member must participate in completing and updating the Annual Plan Template.
- AEP member funds must be expended within the seven program areas, and services provided must be consistent with the plan.
- Each member must participate in completing and updating the 3-year Consortia Plan, including any amendments.
- Member expenditures of AEP funds must align with the objectives of the consortium's annual plan as approved by the regional consortium board.
- Members participate in consortium/public meetings.
- Members participate in consortium final decisions.
- Members report student level enrollment data and outcomes for quarterly and final reporting.
- Members must share information on programs offered, and the resources being used to support the programs.
- Members provide services that address the needs identified in the adult education plan.
- Members file financial expenditure and progress reports with the regional consortium and input financial data in the state reporting system.

In addition to the consortia and member effectiveness above, please check Section 5 of the AEP Program Guidance for all the AEP member requirements.

Annual Plan General Assurances

Consortia and their members must agree to adhere to the general assurances listed as part of the annual planning process. For the purposes of evaluating Consortia and Consortium Member effectiveness, the California Department of Education and California Community College Chancellor's Office establish annual indicators of compliance. Failure to meet the requirements listed in the 2017-18 AEP General Assurances Document may result in a determination of non-compliance and lead to partial or complete loss of Consortium and/or Member funding. (See annual plan general assurances). Please note that all the items listed above for consortia and member effectiveness are also covered in the AEP General Assurances Document.

Reduction of Member's Funding

The amount of funds to be distributed to a member of that consortium shall be equal to or greater than the amount distributed in the prior fiscal year, unless the consortium makes at least one of the following findings related to the member for which the distribution would be reduced:

- (A) The member no longer wishes to provide services consistent with the adult education plan.
- (B) The member cannot provide services that address the needs identified in the adult education plan.
- (C) The member has been consistently ineffective in providing services that address the needs identified in the adult education plan and reasonable interventions have not resulted in improvements.

(a-b) If a member no longer wishes to provide services or cannot provide services, if possible, reallocate their funds to other members in the consortium. The consortium membership should amend planning documentation to ensure services are being covered in the region (as a result of a member that no longer wishes to provide services or cannot provide services). The consortium must also notify the AEP Office and update the CFAD allocation schedule for the upcoming program year.

(c) If a consortium decides that a member has been consistently ineffective in providing services that address the needs identified in the adult education plan, and is not following the member requirements as listed in the AEP Program Guidance Section 5, and the Annual Plan General Assurances, the consortium must take the following steps:

- 1, Document the member's ineffectiveness (what requirements are they not meeting, etc.)
2. Notify the member that they are being monitored for effectiveness and their funds could be reduced as a result.
3. Notify AEP TAP for technical assistance for the member.
4. Provide the information in #1-#3 to the AEP Office.
5. Work with AEP TAP and the AEP Office to determine if reasonable interventions have not resulted in improvements.
6. If no improvements after steps #1-4, reduce the member's funding and update the CFAD allocation schedule for 17-18. Copy the AEP Office on all correspondence related to member funding reduction.

8. Capital Outlay

Any capital outlay (including building improvements, rental space, leases, construction, etc.) will also be closely scrutinized. It will require that you notify the AEP Office of your consortium's (including any member in that consortium) intent. This is an informational e-mail only. The AEP Office reserves the right to ask questions regarding any purchase and can prohibit any activity that it deems not meeting the reasonable and justifiable criteria.

The member must follow all state & local policies and procedures related to capital outlay. This would include district facilities approval, following procurement processes, and notification of state agency facility departments.

9. Consortium Administration Function

Fiscal Agent or Direct Funding

Consortia have multiple options (direct funding or fund administrator) when choosing who will be responsible for receiving AEP funding from the State. If a member is chosen to be the fund administrator, the member shall commit to developing a process to apportion funds to each member of the consortium pursuant to the consortium's adult education plan within 45 days of receiving funds appropriated for the program. This process shall not require a consortium member to be funded on a reimbursement basis. The pass through mandate follows the instructions from the State's Fiscal Services Division (CDE and CCCCCO). See sections #11 and #12 of this guidance document for more detailed instructions on how the pass through is recorded, and not treated as revenue.

Regardless of whether you choose a fiscal agent or a direct funded structure, consortium must use their administrative funding to ensure that member fiscal information (budget, expenses, etc.) is valid, and tied to the effectiveness of the consortium plans (3 year & annual).

Consortium Administrative Oversight

Consortium Oversight consists of an assessment of each member.

1. Assessment of the member's ability to meet the AEP requirements.
2. Review general assurances (basic member requirements) signed off by each member as part of the annual plan process.
3. Review bylaws, charters, and governance for additional member requirements.

Consortium Oversight consists of an evaluation of each member.

Using the 3-year plan, annual plan, AEP student data, and other resources available— evaluate the following:

1. Evaluation of program needs as identified to meet the needs of the community (needs based)
2. Evaluation of current levels & types of services (enrollment, outcomes)
3. Evaluation of funds provided to members (cost effective)
4. Evaluation of member effectiveness (overall effectiveness)

Each consortium must determine what structure they will use to manage their AEP funding and program activities. Using the State's program guidance, consortia can use multiple leads (co-chairs), a coordinate, point person, lead, and/or director. This decision is made by the consortia membership. Advice on how to reimburse for the consortium related activities for this position can be in consultation with the consortium fund administrator and/or district accounting representatives. Consortium level budgets and expenses must be agreed to by the consortium membership.

Section 84913 limits a consortium on how much they can spend on the administration of the AEP program.

Section 84913 (b) A consortium may use no more than 5 percent of funds allocated in a given fiscal year for the sum of the following:

- (1) The costs of administration of these programs.
- (2) The costs of the consortium.

The administrative limit of 5 percent is calculate on the consortia total allocation for the program year. If agreed upon by members, it can be lower than 5 percent, but not above. Administrative activities are defined as fiscal in nature, and should not include programmatic activities. In some cases, a consortium budget may contain funds for program related activities, and funds for fiscal or administrative activities.

Note: Project leads/co-chairs voting privileges for consortia decisions are not

guaranteed and are to be determined by consortia membership.

Listed below are example of programmatic and fiscal related activities.

Examples of consortium project lead/co-chairs activities

Programmatic Activities

- Provide coordination leadership in consortia.
- Formalize the open meeting requirement to make sure decisions are approved using the agreed upon governance rules.
- Draft and merge planning narrative/information from members.
- Submit planning and student level data deliverables to the State demonstrating consortium agreement (member sign off).
- Set up, organize, manage, and facilitate consortia related meetings (at various levels). Include travel, events, agendas, and preparation of reports/minutes.
- Submit program related information, best practices, and program progress reports to the State. Including developing marketing material for regional or State use.
- Facilitate relationships with members and partners.
- Assist in the implementation of planning strategies.
- Develop milestones and timelines: tracking goals, outcomes, and other deliverables.
- Respond to State inquires and requests (acting as the region's liaison to the State).

Fiscal or Administrative Activities

- Develop consortium and member budgets based on AEP planning.
- Documenting member and consortium activities as it relates to AEP funding.
- Reviewing each member's budget & expenditures for State reporting.
- Administering a review process of financial budget & expenses to AEP planning (3-year plans & annual plans).
- Preparing and setting up fiscal / administrative oversight related meetings.
- Working with members to submit budget & expenditures reports.
- Coordinating the completion of the CFAD documentation.
- Coordination and tracking of consortium & member spending.
- Hiring of consortium level staffing.
- Preparing the payroll for consortium level staffing.
- Purchasing any consortium level items.
- Coordinating budgets in collaboration with consortium members, district administrators, and accounting staff.

10. Indirect Rate for Members

Effective July 1, 2018, Section 84913 of the Education Code is amended to read: For purposes of this paragraph. "indirect costs" means either of the following: (i) For consortium members that are school districts and county offices of education, the lesser of the member's prior year indirect cost rate, as approved by the department, or no more than five percent of the total funding received from the program. (ii) For community college consortium members. the lesser of the member's prior year negotiated indirect cost rate or no more than five percent of the total funding received from the program.

Per the legislative trailer amended under EC 84913, K-12 districts and COEs may use their CDE approved indirect cost rate for any AEP/AEP apportioned funding or 5% whichever is less. The CDE approved indirect cost rate varies by district and is not a set amount. Please check the CDE Indirect Rate website for each school year, at the link shown below.

<http://www.cde.ca.gov/fg/ac/ic/>

Community College Districts (CCDs) may use up to either their approved indirect cost rate as directed in Code of Federal Regulations (CFR) 200.414 up to the development *minimus* amount as allowed in the CFR or 5% whichever is less.

<https://www.gpo.gov/fdsys/granule/CFR-2014-title2-vol1/CFR-2014-title2-vol1-sec200-414>

11. Forty-Five Day Trailer Bill Rule / Pass Through

45 Day Trailer Bill

The members of the consortium may decide to designate a member to serve as the fund administrator to receive and distribute funds from the program. If a member is chosen to be the fund administrator, the member shall commit to developing a process to apportion funds to each member of the consortium pursuant to the consortium's adult education plan within 45 days of receiving funds appropriated for the program. This process shall not require a consortium member to be funded on a reimbursement basis.

Passing Funds Through to Members

As consortia and their members have implemented the 45-day receipt of funds requirement, tracking the pass through of funds to members in the AEP financial system has been difficult. Beginning in program year 17-18, consortium will no longer track the pass through of AEP funds disbursed in 16-17 and 17-18 in the existing AEP financial system. In the fall of 2017, a new AEP fiscal reporting system was rolled out (NOVA) requiring all members to report their allocations, budgets, and expenditures.

The pass through of funds is not required to be reported in this system.

12. Recording of AEP funds in financial systems

To record AEP funds, please follow your state & local financial system guidelines. This would be in addition to any local district policies and procedures that are in place.

As noted in recent trailer bill language introduced for program year 17/18, AEP Program funds received by a participating school district are to be deposited in a separate fund of the school district to be known as the Adult Education Fund and would require moneys in the Adult Education Fund to be expended only for adult education purposes.

K-12 and COEs must adhere to the following reporting requirements:

- All Adult Education Program revenue should be recorded in Fund 11, Adult Education Fund, using Resource 6391, Adult Education Program. Fund 11 is the only fund valid in combination with Resource 6391.
- LEAs that continue to formally commit LCFF revenue to the purposes of adult education should use Object 8091, LCFF Revenue Transfers, to transfer the committed LCFF revenue from their general fund to Fund 11.
- There are no statutory provisions preventing an LEA from carrying over funds, however, a consortium may change the amount of adult education funds available in future years based on actual prior fiscal year spending (see Reduction in Funding / Member Ineffectiveness).
- LEAs will use the same resource code for MOE and non-MOE funding.

K-12 and COE Consortia Fund Administrators

LEAs who are the fund administrator for an adult education consortium and receive Adult Education Program revenue on behalf of their member LEAs should use:

- § **Resource 6391**, Adult Education Program and,
- § Either **Object 8587**, Pass-Through Revenues from State Sources (for the pass-through grant model), or **Object 8590**, All Other State Revenue (for the

subagreement for services model), to account for the revenue that will be provided to their member LEAs.

K-12 and COE Consortia Members (Subrecipients)

LEAs who are the members in an adult education consortium and receive Adult Education Program revenue from their consortia’s fund administrator (not directly from the state) should use:

- § **Resource 6391**, Adult Education Block Grant Program and,
- § Either **Object 8590**, All Other State Revenue (for the pass-through grant model), or **Object 8677**, Interagency Services Between LEAs (for the subagreement for services model), to account for the AEP revenue.

K-12 and COE (LEAs) that receive AEP directly from the state

Use Resource 6391, Adult Education Program, and Object 8590, All Other State Revenue.

Adult Education Program (AEP) SACS Coding Examples

Pass-through grant model accounting examples:

Original Recipient	Subrecipient
<i>Receipt of AEP revenue to be passed through: 11-6391-0-0000-0000-8587</i>	N/A
<i>Pass-through of state revenue: 11-6391-0-0000-9200-7211, 2, 3</i>	<i>Receipt of passed-through AEP revenue: 11-6391-0-0000-0000-8590</i>
N/A	<i>Expenditure of AEP funds: 11-6391-0-XXXX-XXXX-XXXX</i>

Subagreements for services model accounting examples:

Original Recipient	Subrecipient
<i>Receipt of AEP revenue: 11-6391-0-0000-0000-8590</i>	N/A
<i>Payment to subrecipient for subagreement services: 11-6391-0-4XXX-XXXX-5100</i>	<i>Receipt of payment for subagreement services: 11-6391-0-7110-0000-8677</i>
N/A	<i>Expenditures for subagreement services: 11-6391-0-7110-XXXX-XXXX</i>

For further information on whether to use the pass-through grant model or the subagreement for services model when accounting for this grant, LEAs should consult the *California School Accounting Manual (CSAM) Procedure 750*. Additional guidance can be found in *CSAM Procedure 330* under the definition for Object Code 5100, Subagreements for Services.

Community College Districts must adhere to the following reporting requirements:

The following requirements addresses the appropriate accounting for community college districts receiving AEP funds either as a fiscal agent, as a participant/provider, or both. The treatment of funds received as the fiscal agent for disbursement to other participants is different than for funds received by the district for the direct costs of providing adult education services.

Fiscal Agent

Fiscal Agent Funds received from the State under a fiscal agent agreement that are then disbursed within 45 days to other adult education providers should be recorded in the restricted General Fund as 8900 "Other Financing Sources" using revenue object code 8970 "Fiscal Agent Pass Through". Disbursements should be coded to "Other Outgo-Other Transfers" using expenditure object code 7400 "Other Transfers", excluding indirect cost recovery. Under AEP, districts have no fiduciary requirement regarding the use of the funds by the other participants. The only obligation of the fiscal agent is to disburse within 45 days.

Participant/Provider

If a portion of the funds received as a fiscal agent are for the district's own adult education program, then those funds should be recorded initially as described above. A transfer (other outgo) will be recorded to the fiscal agent funds for the district's share. The district will recognize its share of the funds in the restricted General Fund using revenue object code 8620 "General Categorical Programs". Expenditures should be recorded in expenditure object codes 1000-6000 as appropriate. Likewise, if the district is not the fiscal agent and is receiving AEP funds, those funds should be recorded to the restricted General Fund using revenue object code 8620 "General Categorical Programs" and expenditure object codes 1000- 6000 as appropriate.

13. Fiscal Reporting – AEP funds to the State

NOVA for AEP Summary

1. CFAD

The Consortium Fiscal Administrative Declaration (CFAD) is based on the AEP preliminary allocations released by February 28th of each year. The preliminary allocations are derived from the Governor's Budget, which is usually released during the first week of January. The CFAD captures member allocations for each consortium as well as the consortium's chosen disbursement method. The consortium primary contact submits the CFAD into NOVA. Once the CFAD is submitted, the member representative for each member agency is required to review and approve, upon which the CFAD's status is displayed as Consortium Approved. The CFAD must be Consortium Approved by May 2 of each year.

The CFAD consists of four main components, which include the Fiscal Declaration, Agencies & Certifiers, Member Allocations, and the Preview sections.

The Fiscal Declaration section requires that your consortium select a disbursement method for that year (e.g., direct funded or fiscal agent). In addition, this section includes a requirement to explain the rationale behind any changes that occurred such as disbursement method or allocation changes.

2. Annual Plan

The annual plan is based on the 3-year plan. The annual plan is due by August 15th of each year. The annual plan includes an executive summary and AEP objectives along with specific strategies that members will be following for the upcoming fiscal year (July 1st to June 30th). Consortia leads will complete the annual plan in NOVA with online approvals by member agencies.

3. AEP Member Workplan & Budget

Based on the annual plan strategies (submitted by August 15th) and the CFAD (submitted by May 2nd), each member creates a budget for the new fiscal year (July 1 to June 30) showing by object code how they plan to spend all active funding in that 12 month period. Active funding includes all carry-over and new funding combined into one budget. Along with the budget, a work plan is also required. The member work plan aligns with the strategies of the annual plan. Members will check off which strategies from the annual plan they are covering with their 12-month budget. The member agency submits/approves the budget & work plan in NOVA, followed by a

consortium level certification.

Period	Process
January	Governor Releases Budget
February	AEP Preliminary Allocations Released
May	CFAD is due
August	Annual Plan is due
September	Member Work Plans & Budgets are due
October	Consortium certifies member budget & work plans

4. Allocation Amendment

The AEP allocation amendment process allows consortia and members to change allocations outside of the CFAD process. Allocation amendments can occur throughout the year, but should be recorded in NOVA prior to the submission of the following expenditure report. Allocation amendments must approval from all of the member agencies, even those agencies not directly affected by the changes. Consortia that utilize the direct funded disbursement method will need to work at the local level to transfer funds between member agencies.

5. Budget Changes

Budget modifications must be submitted in NOVA prior to the submission of the quarterly expenditure report. In order to submit a budget revision, the consortium primary contact must un-certify the budget in order to allow changes to be made. The member representative enters their changes and re-submits the budget, upon which the consortium primary contact will need to certify.

6. Expense Reporting

Expenditures cannot be reported with a negative balance in any of the object codes.

7. Target Spending

Targets are based on the current active funding for the 12-month period (July 1st to June 30th), which includes all active carry-over funds and any new funds. The member fiscal year or 12-month budget in NOVA reflects all active funding. Failure to meet targets will result in a corrective action plan. The State AEP Office will review all corrective action plans and schedule targeted technical assistance as necessary via AEP TAP.

8. Reporting Deadlines

If the above reporting due date falls on a weekend or a holiday, the report shall be due by close of business on the last working day prior to the reporting deadline.

Members or consortia that fail to meet due dates or submits incomplete reports will be scheduled for targeted technical assistance through AEP TAP.

AEP Quarterly Reporting Deadlines and Rules

Quarter Ending	Expense and Progress Report Due Dates	Spending Targets
First Quarter September 30	Member Due Date: December 1st Consortia Due Date: December 31	15%
Second Quarter December 31	Member Due Date: March 1 Consortium Due Date: March 31	30%
Third Quarter March 31	Member Due Date: June 1 Consortium Due Date: June 30	45%
Fourth Quarter June 30	Member Due Date: September 1 Consortium Due Date: September 30	60%

14. Examples of Expenses Allowed

Example of Allowed Expenditures Listed by Objective

Sample expenditures listed by objective include, but are not limited to the following:

Objective #3: Activities for consortium members and partners to integrate existing programs and create seamless transitions into postsecondary education or the workforce.

The consortium will align and connect existing and future adult education programs

to postsecondary academic pathways and/or career pathways leading to employment. Consortia should address alignment of placement tools, curriculum, assessment tools and rubrics, and student performance outcomes across delivery systems to ensure that student transition paths, both between providers and into postsecondary credit programs, are understood and supported across all systems.

Examples of allowable expenditures:

- * Program coordination and staff/instructor time
- * Staff/instructor stipends
- * Program and curriculum planning and development
- * Student assessment
- * Articulation
- * Instructional materials and equipment
- * Supplemental instruction and tutoring
- * Counseling, Advising, and other student education planning services
- * Publication and Outreach Material
- * Office supplies
- * Meeting supplies
- * In State Travel
- * Computer Hardware or Software Equipment
- * Assessment for Placement Services
- * Follow-up and Orientation Services
- * Research and contractual services

Objective #4: Activities to address the gaps identified pursuant to the evaluation of regional needs and the evaluation of current levels and types of adult education programs.

Describes the consortium response to the gaps identified in the region. These might include, but are not limited to, working with other partners in the service area, developing or expanding programs and plans to assess the effectiveness of these expanded efforts.

Activities identify programming and service gaps including lack of providers, services, access, attainment, and/or performance. Activities also include strategies to incrementally increase capacity in identified gap areas (e.g., using distance learning to reach adult populations in a consortium's region who are currently underserved).

The AB86 approved 3 year consortia plan includes the resources needed to carry out those strategies, the costs involved, the consortium participants responsible for implementing the identified strategies, the methods for assessing the progress made toward implementing the identified strategies, and a timeline for accomplishing the various implementation steps.

Examples of allowable expenditures:

- * Staff/instructor time for developing new classes/programs
- * Program coordination and staff/instructor time
- * Staff/instructor stipends
- * Space Use Agreements
- * Classroom reconfiguration
- * Classroom furniture
- * New program and curriculum planning and development
- * Instructional materials and equipment
- * Supplemental instruction and tutoring
- * Counseling, Advising, and other student education planning services
- * Publication and Outreach Material
- * Office supplies
- * Meeting supplies
- * In State Travel
- * Computer Hardware or Software Equipment
- * Follow-up and Orientation Services
- * Research and contractual services

Objective #5: Activities to employ approaches proven to accelerate a student's progress toward his or her academic or career goals, such as contextualized basic skills and career technical education, and other joint programming strategies between adult education and career technical education.

Examples of allowable expenditures:

- * Program coordination and staff/instructor time
- * Staff/instructor stipends
- * Program and curriculum planning and development
- * Articulation
- * Instructional materials and equipment
- * Supplemental instruction and tutoring
- * Counseling, Advising, and other student education planning services
- * Publication and Outreach Material
- * Office supplies
- * Meeting supplies
- * In State Travel
- * Computer Hardware or Software Equipment
- * Follow-up and Orientation Services
- * Research and contractual services

Objective #6: Activities to collaborate in the provision of ongoing professional development opportunities for faculty and other staff to help them achieve greater program integration and improve student outcomes.

Examples of allowable expenditures:

- * Program coordination and staff/instructor time

- * Staff/instructor stipends
- * Professional Development
- * Publication and Outreach Material
- * Office supplies
- * Meeting supplies
- * In State Travel and Out of State Travel
- * Research and contractual services

Objective #7: Activities to leverage existing regional structures, including, but not limited to, local workforce investment areas.

Describes how the consortium will leverage existing assets or structures to benefit the adult learners in the region. These assets or structures might include, for example, contributions from or collaborations with existing members, Local Workforce Investment Boards (WIBs), industry employer groups, chambers of commerce, and county libraries.

Examples of allowable expenditures:

- * Program coordination and staff/instructor time
- * Staff/instructor stipends
- * Space Use Agreements
- * Meeting supplies
- * In State Travel
- * Research and contractual services

Examples of Allowable Expenditures by AB104 Objective of Expenditure Reporting Categories

1000: Instructional Salaries, Supervisor's Salaries, Counselor's Salaries, and Project Coordinator / Director's

Salaries. Examples:

Program Director/Coordinator, Instructors, Teachers, Faculty, and Staff - AEP director/coordinator who has direct responsibility for coordinating the program services, developing and monitoring the program plan and budget, reviewing data submissions to ensure accuracy and completing required program reports. Staff who work directly in the program, all positions -- classified, faculty or administrative -- must directly support program services, as reflected in job descriptions and included in the AEP 3 year Consortium Plan and Annual Plan. The member/consortium must be able to document staff time charged to the program. Costs may include salaries or wages and employee benefits.

Costs must be prorated for employees who are assigned to AEP on a part-time basis.

2000: Non Instructional Salaries: Classified Staff (non-instructional) Salaries, and Instructional Aides Salaries.

Examples:

Counseling, Advising, and Other Student Education Planning Services – AEP members may use funds to pay for counseling, advising, and other education planning services provided to students. This may include salary and benefit costs of staff who provide these services, costs related to the provision of workshops, group counseling or advising sessions, online advising, etc.

Orientation Services - Development and delivery of orientation services: this may include staff and materials costs to deliver group orientations, workshops, development of online orientation resources, etc.

3000: Employee Benefits.

4000: Supplies & Material - books, supplies for the adult education program (office), outreach, and recruitment materials.

Examples:

Publications and Outreach Materials - Reasonable costs to develop and produce materials to promote AEP services and activities. Examples include materials for orientation and assessment workshops, guides for creating an education plan, brochures about supportive services, etc.

Food and Beverages - funds can be used to provide food or non-alcoholic beverages for students or staff, provided that there is no local board policy prohibiting these costs. Food and beverage costs must be for activities or functions consistent with the objectives of the AEP 3 year Consortia Plan and the Annual Plan. Funds cannot be used to pay for general activities such as open houses or other events not directly related to AEP.

5000: Other Operating Expenses and Services – AEP related conferences and travel expenses, meeting supplies for AEP related activities, consultants, subcontractors, speaker fees at AEP workshops, and leases for AEP related space and equipment.

6000: Capital Outlay & Equipment - computer hardware/software/printer, space use agreements.

Examples:

Computer Hardware and Software and Equipment - Members may use program funds to purchase computer hardware, software, and equipment to assist in the delivery of AEP services if the purchases are included in the AEP Annual Plan.

These could include education planning software. Equipment purchased by the program that is no longer needed or is being replaced cannot be donated to another non-AEP program. District policies regarding the use and disposal of surplus equipment must be followed.

Follow-Up Services – AEP members may use program funds to pay for communication or early alert systems designed to notify students of their academic standing or intervention services that may include related workshops targeting students on probation or facing dismissal.

Assessment for Placement Services - Purchase of assessment tests and the implementation of multiple measures used for course placement, career assessments, assessment center staff, test proctors, communication to students, practice tests, etc. This may include evaluators or other staff who collect and review of multiple measures data, such as transcripts from other schools, military service and work experience, and specialized certificates and licenses.

Examples of Allowable Expenses by AEP Types of Activities

Program and curriculum planning and development: Development of an AEP tutoring program. Development of an AEP curriculum planning guide. Development of an AEP drop in peer help center. Development of online distance education courses for AEP students. Curriculum development for AEP courses, including new courses.

Student assessment: Purchase of computers and equipment such as scanners, to assess AEP student abilities. Purchase of software and licenses for assessment. Salary of non-instructor hired to administer AEP assessment tests. Development and implementation of assessment intervention programs. Research and development methods for assessment preparation.

Advisement and counseling services: Salary of AEP advisor or counselor. Salary of AEP mentor. Purchase of supplies to create AEP announcements. Creation and maintenance of a website devoted solely to AEP. Cost of an AEP email list that delivers adult education information to adult education students. Direct advising and counseling services for adult education students. Embedded

counseling in adult education courses. Counseling and advising in support of adult education courses.

Supplemental instruction and tutoring: Purchase of a web-based interactive program of supplemental instruction for AEP. Purchase of training videos, or online training videos, or similar that supplement AEP instruction. Direct tutoring to adult education students in AEP areas. Supplemental instruction for AEP students. Salary of teaching assistants assisting AEP instructors.

Articulation: Cost of studies that evaluate applicable English and mathematics courses, to identify important points of instruction to include in AEP course curriculum. Support for AEP faculty/teachers to attend or host meetings and discussions on course alignments and student preparation as these pertain to AEP courses. Stipends for meetings, portfolio sharing, and discussions on course alignment and curriculum.

Instructional materials and equipment: Purchase of learning materials and equipment that support AEP students. The costs for safe storage of AEP supplies, equipment, instructional materials, and similar. Purchase of textbooks and learning materials used in AEP courses. Purchase of AEP instructional software. All learning materials and equipment that support AEP courses and students. Purchase of computers to assess AEP abilities. Purchase of supplies to create AEP announcements. Creation and maintenance of a website devoted solely to AEP. Cost of materials distribution across a variety of media, to AEP students. Purchase of a web-based interactive program of supplemental instruction for AEP courses. Purchase of training videos that supplement AEP instruction.

Coordination: Salary of AEP coordinator, or assistants, or project leads for hours of service provided, not to supplant a teaching salary. Cost of seminars to raise AEP awareness among faculty. Cost of a consultant providing services to create, coordinate, and implement AEP programs.

Research: Purchase of electronic support equipment, hardware and/or software for in-class use by AEP students, used to capture data. Salary of qualified researcher hired to quantitatively assess AEP student data against outcomes of success. Cost of creating a safe storage process for AEP research data. Expanded bandwidth of research capabilities and services related to AEP data systems and queries.

Professional development: Travel to events whose training will directly benefit AEP students, will enhance AEP instructor capabilities, or both. Replication of AEP related training, provided by attendees who return to their schools to share this knowledge with their peers. Cost of seminars to raise AEP awareness among

faculty/teachers. Cost of an AEP professionals/consultants providing services to create, coordinate, implement, and improve AEP programs. Workshop, conferences, and seminars attendance directly related to AEP programs and students. Support for learning communities for professional development for faculty/teachers to learn AEP best practices.

15. Examples of Expenses Not Allowed

Example of Expenses Not Allowed or that Need Prior Approval (specific to AEP) include, but are not limited to:

1. Other Staff Salaries and Benefits

Program funds cannot be used to pay for any staff that does not directly support the AEP services described in the consortium's approved plan.

2. Political or Professional Dues, Memberships, or Contributions

Funds cannot be used for these activities, unless professional membership is an institutional requirement. Business, technical and professional organization or periodical memberships are allowed. Civic or community, or country club or social or dining club memberships are not allowed.

3. Unrelated Travel Costs

Program funds may not be used for the cost of travel not directly related to program activities or functions.

4. Vehicles

Any funds used to purchase vehicles needs to have prior approval by the AEP Office.

5. Clothing

Program funds may not be used to purchase clothing for individual students such as jackets, sweatshirts, or tee shirts (gift of funds). However, clothing for a classroom is permissible – i.e. aprons for a culinary class, welding helmets, etc.

6. Entertainment Costs

Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports

events, meals, lodging, rentals, transportation, and gratuities) are unallowable.

7. Fines and Penalties

Costs resulting from violations of, or failure of the institution to comply with, Federal, State, and local or foreign laws and regulations are unallowable, except when incurred as a result of compliance with specific provisions of the sponsored agreement, or instructions in writing from the authorized official of the sponsoring agency authorizing in advance such payments.



December 11, 2017

To: Adult Education Block Grant (AEBG) Consortium Directors and Members

From: Adult Education Block Grant Office

Subject: Fiscal Year 2018–19 AEBG Program Fees Policy

This memorandum is to advise local recipients of the Adult Education Block Grant (AEBG) program fees policy that take effect July 1, 2018.

AEBG Fees Policy

No tuition may be charged or collected in the following AEBG program areas by either community colleges or K12 adult schools:

- Adult Elementary and Secondary Basic Skills, including programs leading to a high school diploma or its equivalent,
- Programs for immigrants eligible for educational services in citizenship, ESL and workforce preparation,
- Adults, including but not limited to older adults, designed to develop knowledge and skills to help elementary and secondary school children succeed academically in school
- Programs for adults with disabilities

CTE Programs: For the purposes of this portion of the policy, career and technical education (CTE) programs include the following: 1) Short term CTE with high employment potential; 2) Adults, including but limited to older adults, entering or re-entering the workforce; and 3) Pre-apprenticeship conducted in coordination with one or more DAS approved apprenticeship programs.

- **Community college noncredit CTE programs:** No tuition may be charged or collected by for career and technical education programs as prohibited by statute in California Education Code. (This include Short Term CTE, Workforce Entry/Reentry, and Pre-Apprenticeship).
- **K12 adult schools:** Career and technical education programs offered by K12 adult schools are considered part of the AEBG program, but K12 adult school providers are allowed to charge fees for these programs. K12 adult CTE programs are subject to all state requirements under AEBG including course approval, credentialing, and student

data reporting. The K12 adult CTE student fee structure must be included in the consortia annual plan.

Policy Reminders:

Note 1: This recommendation in no way infringes on K-12 adult school or community college community services that is governed by existing state regulations and education code.

Note 2: The State will encourage the blending and leveraging of other fund sources with AEBG – such as on the K-12 side (LCFF apportionment), and on the college side (Community College apportionment) in addition to the many other adult education member & partner resources (like WIOA Title I Individual Training Accounts (ITAs)). With the exception of K-12 adult school CTE (workforce entry/reentry and pre-apprenticeship) course offerings, no other AEBG program areas may charge fees, or leverage/braid fees.

For questions related to AEBG Program Fees Policy and/or technical assistance on professional development topics, please contact the AEBG Technical Assistance Project (AEBG TAP) by phone at 1-888-827-2324 or by e-mail at tap@aebg.org.

Sincerely,

Carolyn Zachry, Ed.D
California Department of Education
Adult Education Block Grant Office

Javier Romero
California Community Colleges Chancellor's Office
Adult Education Block Grant Office



Enclosure: Resources Related to the AEBG Program Fees Policy



RESOURCES RELATED TO THE AEBG PROGRAM FEES POLICY

1. SB-173 Education funding: adult education (Liu)
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201320140SB173
2. CDE Management Bulletin: Workforce Innovation and Opportunity Act, Title II: Adult Education and Family Literacy Act Grant Funding
<http://www.cde.ca.gov/sp/ae/ir/mb1601.asp>
3. Community Colleges Student Fee Handbook
http://extranet.cccco.edu/Portals/1/Legal/Ops/12-09_StudentFeeHandbook2012.pdf

AEBG Program Fees Background

Aligning fees in AEBG is problematic because of the inconsistency in the policies guiding the two systems and the need to properly evaluate adult education related expenses. The fee structures of the CDE and the Chancellor's Office are mandated by separate education code and policy regulations. Currently, community colleges charge fees for credit courses, but community colleges do not charge for noncredit adult education courses (though in some cases, noncredit students are responsible for other costs, such as books and supplies). K12 adult schools cannot charge fees for English as a Second Language (ESL), Adult Basic Education (ABE), and Adult Secondary Education (ASE), but it is not clear in the other AEBG program areas whether education code is in effect or not. The new AEBG Program Fees Policy will align existing education code between the K12 adult education system, and the community college noncredit system.

AB86 Workgroup Review of Fees Policy

In 2015, the AB 86 Cabinet and Work Group examined the issues involved in developing a uniform policy for the AB 86 program areas. The two principal options identified were, first, fees could be eliminated for all AB 86 adult education courses, ensuring formal consistency across all programs, reducing confusion and financial barriers to access. The major concern raised to this option is that some programs would then have insufficient funding to continue. Alternatively, programs could continue to have the option to charge fees, but fee levels would be made consistent across the state and/or other criteria established for fee levels, ensuring that they are fair and reasonable. The fees would leverage state funding and might ensure that students are less likely to drop a course. This option raises the concern that adult education courses might become inaccessible to the lowest-income students.

Given the complexity of the issues, the CDE and Chancellor's Office recommended that the Legislature consider the trade-offs and make the determination whether to eliminate fees or

establish guidelines for charging fees, which ensures that there are no financial barriers to students being able to access adult education services; there is consistency across programs, courses, and providers; and there is adequate reimbursement for program costs.

AB104 Maintenance of Effort Certification Process

For the initial implementation of AB104, and the Adult Education Block Grant (AEBG), the CDE and the Chancellor's Office established base funding for K-12 adult schools, known as Maintenance of Effort (MOE). The majority (67%) of the AEBG base allocation is made up of Maintenance of Effort (MOE) as certified by K-12 and County Offices of Education (COEs). The MOE certification process was based on the certification of 2012-2013 adult education related expenses in the ten adult education program areas as submitted by K-12 districts and COEs. This 12/13 certification was used to form the K-12/COE base for the MOE. The MOE funding amount does not change unless funding is reduced based on the criteria as specified in AB104 legislation (84914 (b)). However, this MOE Certification Process did not allow K-12 Districts to report program fees collected during 2012-2013 program year. The result was that millions of dollars of adult education related expenses were not certified, and many K-12 adult schools received significantly less than their actual adult education related expenses. Because the 12/13 certification established base funding for K-12 adult schools, the ones that survived on program fees were given a lower base funding amount.

AEBG Data and Accountability Ad-hoc team Recommendation on Fees Policy

In the summer of 2017, the AEBG leadership convened a series of field teams to address the complexities of establishing consistent, statewide data on populations that had previously not been fully included in agency accountability systems. A subgroup of these field teams became the AEBG Fees Ad-Hoc Team. The team recommended policy was approved by AEBG Leadership, and will be enacted at the beginning of the 2018-2019 program year. The AEBG Office will publish the AEBG fees policy during the current program year (17-18) so that AEBG members can prepare for implementation in 2018-2019. In addition, starting in 2018-19, the State's AEBG Financial System NOVA,, will begin tracking program fees collected as well as those fund sources leveraged for AEBG purposes. The data collected will be analyzed to examine the connection between student persistence and fees as well as other related topics.

California Adult Education Program (CAEP)
 FY 19-20 Schedule of Consortium Allocations (Reduced COLA Allocation)
 Award #19-328-035

District Name	FY 18-19 CAEP Budget	FY 19-20 COLA 3.26%	FY 19-20 CAEP Budget	July 2019 Advancement per MOU 25%	October 2019 Quarterly Payment 25%	January 2020 Quarterly Payment 25%	April 2020 Quarterly Payment 25%	Total Allocations
Banning Unified	\$ 125,586.00	4,094.00	129,680.00	\$ 32,420.00	\$ 32,420.00	\$ 32,420.00	\$ 32,420.00	\$ 129,680.00
Beaumont Unified	\$ 607,597.00	19,808.00	627,405.00	\$ 156,851.25	\$ 156,851.25	\$ 156,851.25	\$ 156,851.25	\$ 627,405.00
Hemet Unified	\$ 696,133.00	22,694.00	718,827.00	\$ 179,706.75	\$ 179,706.75	\$ 179,706.75	\$ 179,706.75	\$ 718,827.00
Lake Elsinore Unified	\$ 638,261.00	20,807.00	659,068.00	\$ 164,767.00	\$ 164,767.00	\$ 164,767.00	\$ 164,767.00	\$ 659,068.00
Mt. San Jacinto CCD - Adult Ed Program	\$ 765,860.00	24,967.00	790,827.00					\$ 790,827.00
Mt. San Jacinto CCD - Fiscal Lead 5% Admin	\$ 152,210.00	83,495.00	235,705.00					\$ 235,705.00
Murrieta Valley Unified	\$ 271,111.00	8,838.00	279,949.00	\$ 69,987.25	\$ 69,987.25	\$ 69,987.25	\$ 69,987.25	\$ 279,949.00
Perris Union High	\$ 195,313.00	6,367.00	201,680.00	\$ 50,420.00	\$ 50,420.00	\$ 50,420.00	\$ 50,420.00	\$ 201,680.00
Riverside County Office of Education	\$ 552,715.00	18,019.00	570,734.00	\$ 142,683.50	\$ 142,683.50	\$ 142,683.50	\$ 142,683.50	\$ 570,734.00
San Jacinto Unified	\$ 392,287.00	12,789.00	405,076.00	\$ 101,269.00	\$ 101,269.00	\$ 101,269.00	\$ 101,269.00	\$ 405,076.00
Temecula Valley Unified	\$ 192,230.00	6,267.00	198,497.00	\$ 49,624.25	\$ 49,624.25	\$ 49,624.25	\$ 49,624.25	\$ 198,497.00
Funds Available for Distribution	\$ 204,224.00	\$ (71,875.00)	\$ 132,349.00					\$ 132,349.00
Total Consortium Dollars	\$ 4,793,527.00	\$ 156,270.00	\$ 4,949,797.00	\$ 947,729.00	\$ 947,729.00	\$ 947,729.00	\$ 947,729.00	\$ 4,949,797.00