

**FUNDING PHILOSOPHY**

The Education to Career Network of North San Diego County (ETCN) has adopted the following funding philosophy in an effort to provide guidance to the Leadership Council, member districts and partners now and in the future regarding the allocation of resources.

The members of the Education to Career Network of North San Diego County agree that:

1. It is required that the Adult Education Block Grant (AEBG) submit a balanced budget annually, and no Leadership Council member has the authority to obligate or encroach on their districts’ general funds.

2. When making funding decisions, the members will consider all funding sources available to each member to serve adult education students (which may include, but are not limited to, CalWORKs, Perkins, Workforce Innovation and Opportunities Act, Community College District Apportionment, and LCFF). As such, each member district is required to report all other sources of funding it receives to serve adult education students.

3. To the extent possible while maintaining a balanced budget, the Maintenance of Capacity funding for each member will be considered an agency’s base funding level in the future and will be protected. (A district’s Maintenance of Capacity funding will include both the member agency’s Maintenance of Effort funding in 2015-16 and any consortium funds allocated to the district to maintain and expand its current service levels.)

5. Our goal is to maintain the capacity to serve the adult education population within the ETCN service area.

6. Increased capacity, including expansion of services to students in underserved and remote areas, is a priority of our Plan.

7. The fiscal agent will charge in-direct on only the portion of the AEBG funds it directly expends, and member districts will charge in-direct on the portion of the AEBG funds expended by member districts. The in-direct rates for all member districts will be based on the state approved in-direct rates, unless otherwise specified by the AEBG guidelines.

8. The fiscal agent will distribute a Grant Award Notification (GAN) to each member district.  The fiscal agent will distribute funds to member districts within fifteen (15) business days of receiving funding.  A proportionate share of any accrued interest will also be distributed to member districts by the fiscal agent.

9. To the extent possible, member districts should receive notice of any anticipated funding cuts or adjustments for the subsequent year in time to comply with California State Education Code requirements for developing and approving annual budgets and noticing staff.  When information is not available to provide timely notice to members, to the extent that it is possible while maintaining a balanced budget, funding adjustments shall be delayed.

10. Our goal is to maintain a balanced approach across the region; in the event of funding reductions, reductions in service and cuts to funding will be made in a balanced, regional way.

11. Although identified as ongoing funding, currently the funding provided through the Adult Education Block Grant does not include growth or cost of living adjustments; member districts should be mindful of this limitation in negotiations with bargaining units.

12. Within the parameters established by the Adult Education Block Grant, in the event that a district does not fully expend the AEBG funds allocated, the district may carry-over funds; these funds may only be used as outlined in the ETCN’s AEBG annual plan and must be expended within the next fiscal year, unless otherwise approved by the Leadership Council.

13. Any surplus funds held at the consortium level will be allocated to member districts proportionate to each districts’ AEBG allocation, unless the Leadership Council has approved a plan for use of the surplus funds in the following fiscal year(s).

14. The Leadership Council may choose to allocate one-time or short-term funding to a member for special purchases or programs. It is understood that these funds are short-term in nature and there is no guarantee that ongoing funding for maintenance of purchases or continuance of programs will be available. Member districts must consider these implications prior to requesting one-time or short-term funding.

Revised and Adopted by the Education to Career Network of North San Diego County Leadership Council on April 28, 2017.