EXECUTIVE SUMMARY ANALYSIS: 2024-2025 GOVERNANCE PLAN REVIEW

Prepared for California Community Colleges Chancellor's Office

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TABLE PAGE OF CONTENTS

Introduction	4
Key Findings	5
Report Purpose and Relationship to Consortium Governance Documents	5
Consortium Membership, Voting Mechanisms, and Accountability	5
Consortium Fiscal Management Practices	6
Voting Practices and Documentation Requirements	6
Consortium Practices for Engaging the Public and Mon-Member Stakeholder Organizations	7
Section 1: Membership and Member Representation	8
Qualifications for Membership	8
Member Representation Practices	8
Figure 1.1: Permissibility of Proxy/Alternate Use	9
Ensuring Equity and Fostering Member Engagement	9
Figure 1.2: Consortia Member Engagement Strategies	
Rules Governing Voting and Member Representation	
Member Effectiveness	12
Figure 1.3: Elements of Member Effectiveness	12
Figure 1.4: Common Topics Addressed in Bylaws Governing Member Effectiveness	13
Section 2: Funding Allocation Practices	14
General Principles and Strategic Planning Alignment	14
Direct Funding vs. Fiscal Agent Structures	14
Figure 2.1: Direct Funding vs. Fiscal Agent Funding Structures by Geography	15
Figure 2.2: Direct Funding vs. Fiscal Agent Funding Structures by Consortium Size	16
Fiscal Reporting, Distribution Schedules, and Changes to Funding Allocations	16
Figure 2.3: Frequency of Financial/Efficacy Reporting and Review of Consortium Members	17
Figure 2.4: Methodology and Practices for Financial and Efficacy Reporting and Review of Consortium Members	19
Monitoring and Administering Carryover Funds	
Figure 2.5: Maximum Carryover Funding	20
Figure 2.6: Interval for Assessing Carryover Funding	21
Figure 2.7: Practices When Carryover Funding Exists	22
Section 3: Decision-Making Practices	23
Voting Thresholds and Governance Model Histories	23

Voting Thresholds and Practices by Consortium Size25
Figure 3.1: Decision Approval Practices and Thresholds25
Figure 3.2: Voting Thresholds by Consortium Member Count26
Processes for Adding New Members or Terminating Memberships26
Figure 3.3: Processes for Voluntary Dismissal of Members27
Figure 3.4: Processes for Involuntary Dismissal of Members
Figure 3.5: Reasons for Involuntary Dismissal of Members28
Figure 3.6: Processes for Admitting New Members28
Section 4: Public Participation in Consortium Decision-Making
Methods for Soliciting and Facilitating Public Comment29
Figure 4.1: Reported Strategies and Practices for Ensuring Adequate Public Participation in Governance
Soliciting Stakeholder Organization Comments31
Figure 4.2: Processes for Soliciting Comments from Adult Education and Workforce Development Stakeholder Organizations
Section 5: Plans for the 2024-2025 Allocation Schedule34
Narrative responses to the 2023-2024 and 2024-2025 Consortium Funding Open-ended Question 34
Figure 5.1: Curricular and Constituent Areas of Focused Investment
Figure 5.2: Programmatic and Administrative Areas of Focused Investment
Appendix
Methodology

INTRODUCTION

In this report, Hanover Research analyzes the FY24-25 Consortium Fiscal Administration Declaration (CFAD) governance reports for the 71 consortia in the California Adult Education Program (CAEP). This document is structured to summarize the various governance structures around the state, identify trends, and provide a narrative summary of the twenty questions and four sub-questions that consortia must respond to as part of the annual governance deliverable. Hanover Research also analyzed CFAD reports for FY23-24, which has allowed for some comparisons to the previous year's analysis to be presented in this document.

The CFAD is completed through a questionnaire in which the bylaws and governance structure of a consortia are reported. This provides insight into the decision-making process within each consortium and how consortium governance practices evolve over time. The CFAD also captures the mechanisms by which member allocations are made within each consortium, as well as the consortium's chosen disbursement method. These figures are based on the CAEP preliminary allocations released by the CAEP Administration, annually each February, that are derived from the Governor's January Preliminary Budget. The CFAD is a one-time annual process due on May 2nd of each year. Consortia members are to hold public meetings to discuss CAEP allocations and the results of these discussions are formalized in the CFAD.

KEY FINDINGS

REPORT PURPOSE AND RELATIONSHIP TO CONSORTIUM GOVERNANCE DOCUMENTS

The data presented in this report provide an illustrative, but not exhaustive, overview of adult education consortium governance practices and their evolution in recent years. The CFAD responses analyzed in this report document the governance practices of each responding consortium, but 61 of 71 consortia outline their mission and governance in internal documents (e.g., bylaws, handbooks, strategic plans) that provide additional details beyond the data set analyzed herein.

The majority of the consortia (86 percent) report that they have a formal document detailing the work of the consortium outside of the CFAD governance review questionnaire. Of the 10 consortia that responded "No" regarding the existence of a formal document, one references a pending document, six reference bylaws or other documentation of meetings, and two indicate that there is no need for further formal documentation. All 61 of the consortia that responded "Yes" regarding a formal document provided some written response, with 45 providing one or more hyperlinks, eight solely providing descriptions, and eight providing both a description and one or more hyperlinks.

CONSORTIUM MEMBERSHIP, VOTING MECHANISMS, AND ACCOUNTABILITY

As in previous years, the consortia require member organizations to appoint a representative to the board and may seek to verify that representative's role within the participating organization. A range of practices are used to ensure that members can and do participate in governance, with most consortia allowing equal representation via a "1 member -1 vote" system of governance. Member organizations are held accountable for both their participation in consortium governance and effective delivery of services on behalf of the consortium.

- Consortia members continue to cite board approval as the process by which voting members of their consortium are elected. If a board member candidate's eligibility to represent their organization on a consortium board is called into question, the consortia require copies of the member organization's board meeting minutes to verify that the representative is qualified to vote on behalf of their organization.
- Strategies to ensure full and equitable member representation in consortium decision making fall into five categories:
 - Member engagement e.g., monthly meetings, one-on-one stakeholder meetings, attempts to make decisions by consensus
 - *Equitable scheduling* e.g., ensuring meetings are scheduled at mutually convenient times and permitting occasional Zoom attendance
 - Alternative or proxy voting and representation e.g., widespread (but not universal) use of proxies to vote on behalf of member organizations whose main board member representative is absent
 - Required participation e.g., bylaws state that meetings are mandatory, "ineffective member" designation for members who fail to participate

- Adherence to governing documents e.g., meeting minutes distributed and posted to the website, votes requiring a quorum, and adherence to three-year strategic plans in making decisions
- Consortia are most likely to use one of two main voting allocation strategies: 1 member/1 vote configuration (56 out of 71 consortia) or 1 institution/1 vote option (seven out of 71 consortia), with the remaining eight following an alternative allocating method.
- Definitions of "effective" members emphasize each member's participation in consortium governance and delivery of its appointed services on behalf of the consortium. Core membership activities include completion of the Annual Plan, active participation, fulfillment of stated objectives, ability and capacity to provide services, meeting deadlines, and timely financial and outcomes reporting.

CONSORTIUM FISCAL MANAGEMENT PRACTICES

While the 71 consortia are almost evenly split between Direct Funded (36 consortia) and Fiscal Agent (35) funding allocation methods, Direct Funded models predominate in Los Angeles and the Bay Area while Fiscal Agent strategies are slightly more prevalent among large consortia that may benefit from the higher degree of centralization the agent model affords. Funding methods and strategic objectives across the consortia are relatively stable year-to-year, with only 10 consortia reporting changes in 2024-2025. When a member fails to use all of its budget to provide its services on behalf of the consortium to which it belongs it triggers an automatic investigation and reallocation at most (but not all) consortia.

- There is a nearly even split in funding structure across consortia with 36 consortia reporting that their members are directly funded, and 35 reporting using a Fiscal Agent. Most consortia have not changed their funding model in the last two years.
- Approximately one-seventh of the consortia (10 out of 71) report making changes to their funding allocations and strategic objectives over the course of their planning and budgeting cycle. This is down from 14 during the 2023-2024 cycle.
- The most common practice among consortia that provide detailed accounts of their carryover funding strategies is to simply reallocate the excess funds to other members or spending priorities. However, there is substantial variation in when this reallocation occurs. In some cases, reallocation occurs once the carryover is confirmed, but in others the member is permitted to retain the carryover funds and seek to spend them down in the next fiscal year.
- Among consortia that specify a funding carryover limit, the most commonly-cited threshold for triggering additional investigation or reallocation was 20 percent, selected by 49 consortia. Previously, this threshold was most commonly set at 15 percent.

VOTING PRACTICES AND DOCUMENTATION REQUIREMENTS

Two out of every three consortia use a variety of majority vote mechanisms (simple majority or 50% plus one vote) to make decisions but nearly a quarter—many of which are smaller consortia with fewer members—require consensus. Votes undertaken to admit new member organizations or dismiss ineffective members require a vote and documentation supporting the decision.

• Two-thirds of the consortia make decisions based on a majority vote system – which can be defined as either 51 percent of the vote (used by 48 percent of overall respondents) or 50 percent

of the vote plus one vote (used by 21 percent of overall respondents). Meanwhile, another 24 percent of consortia report making decisions by consensus while the remaining use other methods. The consensus method is slightly less common among larger consortia (with eight or more members), though many consortia with majority-rule models strive for consensus.

- Policies for involuntary dismissal of members usually for failure to perform the duties of consortium members or to deliver high-quality adult education services – require a vote of the board as the formal mechanism of expulsion, but generally also mandate that the reasons for the vote be documented. Most consortia also attempt to help willing but failing members to improve their performance before pursuing involuntary dismissal.
- The admittance of new members to a consortium requires Consortium board approval, which is usually based on a formal written application submitted by the organization seeking to join the consortium.

CONSORTIUM PRACTICES FOR ENGAGING THE PUBLIC AND MON-MEMBER STAKEHOLDER ORGANIZATIONS

Consortia efforts to foster public participation in consortium decision making focus on transparency, frequent communication, and access, including practices such as announcing meetings to the public and posting minutes or relevant documents online for public review.

- Strategies for soliciting public comments and input are broadly similar across consortia. Most
 respondents that provided details about their processes reported that scheduled meeting are
 announced online, in the press, and via other outreach channels, with agendas and minutes
 subsequently posted online.
- Stakeholder organizations which can include workforce development boards, libraries, correctional facilities, social services offices, chambers of commerce, and other organizations are most commonly engaged via frequent communication and standing invitations to consortium meetings. Board members representing consortium member organizations on their consortia may also join the boards of related non-member organizations.

SECTION 1: MEMBERSHIP AND MEMBER REPRESENTATION

QUALIFICATIONS FOR MEMBERSHIP

Question 1 - Have all community college districts, school districts, county offices of education, or any joint powers authority, located within the boundaries of the adult education region been allowed to join the consortium as a member?

As in previous years, consortium membership is widely available to any organization providing adult education services within the consortium service region, and there have been very few instances (and none in the past year) when an organization applied for membership but was denied. Consortia were asked if every entity that applied for and met the qualifications to join the consortium as a member was permitted to do so. For 2024-2025, all 71 consortia responded "Yes" to this question. This is a slight increase from the prior year, when 70 of 71 respondent consortia responded "Yes" to this question.

Previously, the San Diego Adult Education Regional Consortium reported that some potentially relevant organizations had not been permitted to join as voting members. The main reason these organizations were affiliated, but not granted voting rights, was that they are not direct providers of adult education services. Previously affiliated members included the San Diego County Office of Education and San Diego Workforce Partnership, both of which were granted non-voting member status because they did not directly serve adult students. However, this year, there were no such denials for requests to join.

MEMBER REPRESENTATION PRACTICES

Question 4 - How will you assure that each member of the consortium is represented only by an official designated by the governing board of the member?

When asked how they will "assure that each member of the consortium is represented only by an official designated by the governing board of the member" and how that person will be elected, respondents universally cite board approval in accordance with the consortium's governing documents, as the means by which voting members are elected. Consortia require copies of the member organization's board meeting minutes to document the appointment and verify the representative's authority to vote on behalf of their organization.

- All 71 consortia indicate some version of the member-governing board appointment process, though the level of detail provided—for instance, whether they explicitly cite consortium governing documents as the source.
- Most consortia cite member organization board minutes as their standard for verification procedures.
- Roughly 10 percent of respondents specify that local school district superintendents and community college leaders (most often presidents) are voting members involved in the member governing board appointment.
- Responses from the 2024-2025 collection are nearly identical to those from the prior year.

- Twenty consortia explicitly allow proxy representatives to vote.
- Two consortia—Feather River Adult Education Consortium and Los Angeles Regional—explicitly prohibit voting by proxy.

Figure 1.1 displays the permissibility of using a proxy or alternate to vote.

- Sixteen of the 24 consortia that specify their policies for members using alternates or proxies to vote (or 23 percent of the overall responses) permit the practice and outline methods by which proxy votes were to be accepted.
- Eight consortia (11 percent of the overall responses) specifically prohibit proxy voting. None of these eight cite any reason(s) for this prohibition.
- Two-thirds of the overall responses do not provide a clear answer as to whether or not these consortia permit proxy voting



Figure 1.1: Permissibility of Proxy/Alternate Use

(n = 71)

Consortia provide scant information as to the term length of board member appointments, although several respondents specify that changes in their board composition were primarily the result of retirements or of board members leaving organizations they had represented.

• West End Corridor/Chaffey Regional AE Consortium and Napa Valley Adult Education Consortium explicitly allow the appointing member organizations to specify the duration of their respective representative's appointment.

The Sierra Joint Consortium requires annual verification of multiple representatives' statuses, while still allowing members to serve for longer terms.

ENSURING EQUITY AND FOSTERING MEMBER ENGAGEMENT

Strategies to ensure full and equitable member representation in consortium decision-making are broadly similar across the 71 consortia and can be grouped under five headings:

- Ongoing member engagement;
- Equitable scheduling;
- Alternative/proxy voting and representation;
- Required participation;
- Adherence to governing documents.

Question 5 - How will you assure that each member of the consortium participates in any decision made by the consortium?

Individual strategies listed under each of these headings in the table below are used by at least one, and usually multiple, consortia. No single consortium reports using all of these strategies. Responses to this question from 2024-2025 were identical to the 2023-2024 responses.

Ongoing Member Engagement	Equitable Scheduling	Alternative or Proxy Voting and Representation	Required Participation	Adherence to Governing Documents
 One-on-one stakeholder meetings 	 Advanced notice of agenda items provided 	 Voting and deliberation by proxy 	 Mandatory meetings 	 Meeting minutes distributed and posted to website
 Members evaluate annual student and organizational performance Monthly working group meetings Efforts to build consensus (defined in one case as 80% majority voto) 	 Email reminders of meetings Scheduling to ensure all stakeholders can vote Zoom meeting attendance permitted in emergencies (nest 	 When both a member's representative and designated proxy are absent, a meeting is cancelled and rescheduled Voting by email, which requires an explanation of the second sec	 Members are all required to participate in planning, budgeting, and reporting efforts and sign each deliverable "Ineffective Member" 	 Voting cannot occur without a quorum Votes require a quorum, often 51% or 80% of members, or must result in consensus Votes must be proposed in the
majority vote) and/or unanimous decision making	emergencies (post- pandemic) Meetings arranged for mutually convenient times	member's position on the issue at ged hand	 designation or interventions for non-participants Members who fail to participate can be dismissed, either via bylaws procedure or a majority vote 	 proposed in the meeting <i>before</i> the vote is to occur Three-year plans govern priorities and must be accounted for in decisions

Figure 1.2: Consortia Member Engagement Strategies

RULES GOVERNING VOTING AND MEMBER REPRESENTATION

Question 6 - What will be the relative voting power of each member??

Consortia have two major options when allocating voting power to their member organizations: a one-vote-per-member configuration and a one-vote-per-institution structure in which a member organization composed of more than one institution (e.g., multiple community colleges or schools) votes once for each component institution. The voting power of larger members is higher under the one-vote-per-institution configuration.

Consortia that do not use a one member-one vote weighting system for decision making give a range of responses describing their decision-making practices and often these systems are tailored to their local needs and membership organization composition. For instance, Foothill De Anza/NSCCC reports system

that uses a "1 institution = 1 vote (thus giving districts with multiple institutions multiple votes)." The 12 Contra Costa Adult Education Consortium reports that "the voting power of each member will be one vote from each adult school institution, two votes per college, one vote for the Contra Costa Community College District and one vote for the Contra Costa County Office of Education." Sonoma County Adult Education Consortium distinguishes between service providers and non-service provider members when allocating voting power:

The Oversight Committee for the Sonoma County Adult Education Consortium agreed at their meeting on October 22, 2015 that each agency with current adult education services would get two votes and each non-service provider member agency would get one vote. The voting power is as follows: Two votes- Petaluma City Schools, Sonoma County Community College District & amp; Sonoma County Office of Education; One vote- Santa Rosa City Schools, Sonoma Valley Unified School District & amp; Windsor Unified School District.

While the one-vote-per-member systems were somewhat more common among institutions that use a fiscal agent in previous iterations of this study, this is no longer the case. It remains true, however, that funding systems are not a strong predictor of governance structures.

Of the 71 consortia:

- Fifty-six use a one-vote-per-member structure, down from 59 in 2023-2024.
 - Among the 56 consortia using a one-vote-per-member system, 29 (52 percent) are directly funded while 27 (48 percent) use a fiscal agent.
- Another seven (five of which use a fiscal agent model) use a one-vote-per-institution system.
- The remaining **eight** consortia, four of which are directly funded, **use alternative strategies** in which some members receive additional votes.
 - Seven of the eight respondents that selected an "other" voting representation structure provided further detail on their approaches.

Their responses are summarized below:

- Chabot-Las Positas/Mid-Alameda County Consortium There are 10 separate funding allocations and 12 voting members. Two of the member colleges operate as a single funding unit but retain individual voting rights, while the Eden ROP is a non-funded voting member.
- **Coastal North County Adult Education Consortium** Each member that is an adult school is permitted one vote, and each member that is a college is permitted two votes.
- Morongo Basin AEBG Consortium (Copper Mountain) Each member district is permitted three votes.
- Kern Adult Education Consortium The Board will include representatives from each member and make decisions by consensus, but if consensus cannot be reached then it reverts to a onevote-per-member structure. The Board's recommendations are sent to the Executive Committee for final approval. The Executive Committee is composed of representatives from the constituent sub-regions.

- San Francisco Adult Education Consortium City College of San Francisco is permitted two votes, while San Francisco Unified School District is permitted one vote.
- Sequoias Adult Education Consortium (SAEC) Only members in attendance may vote, and no proxies are permitted.
- **Sonoma County Adult Education Consortium** Each agency with current adult education services is permitted two votes and each non-service provider member agency is permitted one vote.

There is no clear relationship between the number of members a consortium has and whether it uses a direct funding or fiscal agent funding model. The 36 directly funded consortia have a median of 5.0 members and a mean of 5.1 members, while the 35 fiscal agent consortia have a median of 6.0 members and a mean of 6.4.

MEMBER EFFECTIVENESS

Question 18 – How does your consortium define member effectiveness?

Member effectiveness is largely a function of each member's ability to adhere to legal and policy documents, as well as strategic plans in order to deliver on their educational commitments. Timely and accurate submission of data and outcomes, program alignment and service delivery, active participation in consortium governance, and strong financial management and accountability are also important. Figure 1.3 (below) summarizes Hanover's open-ended coding of the 2024-2025 responses to this question.

Figure 1.3: Elements of Member Effectiveness

(n = 70; One respondent posted an irrelevant response; Some consortia cite more than one element resulting in percentages exceeding 100%)



Question 19 - What bylaws does your consortium have addressing member effectiveness?

This year, 13 consortia indicate that they do not have bylaws that address member effectiveness, which is improved from just under half (34) that indicated they did not in 2023-2024 and suggests that use of formal bylaws is increasing. Many of the consortia that report having no bylaws nonetheless reference compliance with state laws, CAEP/TAP guidance for member effectiveness, or efforts to produce bylaws in the coming years. The most common topics for bylaws, based on this year's responses, are charted below in Figure 1. and include:

- Provisions for evaluating member effectiveness;
- Procedures to remove ineffective members;
- Governance bylaws' adherence to state laws and regulations;
- Mandated member reporting and accountability strategies.

Figure 1.4: Common Topics Addressed in Bylaws Governing Member Effectiveness

(n = 71; All consortia included; Some consortia mention more than one topic resulting in percentages exceeding 100%)



Question 20 - Does the consortium have a formal document detailing its work beyond the questionnaire?

Ten of the 71 respondents say they do not have a formal document detailing their consortium's work beyond the questionnaire. The 61 consortia that do have such a document typically describe it either as bylaws, a handbook, or strategic planning documents. Many provide links to the document in question.

SECTION 2: FUNDING ALLOCATION PRACTICES

GENERAL PRINCIPLES AND STRATEGIC PLANNING ALIGNMENT

Question 2 - Have all members committed to reporting any funds available to that member for the purposes of education and workforce services for adults and the uses of those funds?

Last year, all 71 consortia committed to informing their members about any available funds eligible for use for adult education or workforce services for adults, as well as the uses of those funds. This result is unchanged as of 2024-2025. Since these reporting practices are mandatory, it is not surprising that they are widespread and, in many cases, well-developed.

In terms of CFAD alignment with each CAEP Three-Year Planning objectives, most of the analyzed CFAD reports discuss alignment between their planned resource allocations and goals identified in their annual and three-year plans.

- Some members simply acknowledge the existence of, or confirmed the approval of, planned allocations without explicitly mentioning the goals on which they would be spent.
- Around two-thirds of the plans include a recap of goals from their annual and Three-Year Plans.
- Nearly all reports mention that their current funding allocations align with their Three-Year Plans.
- Some indicate that adjustments to their Three-Year Plan are included in the most recent annual plan.

DIRECT FUNDING VS. FISCAL AGENT STRUCTURES

Question 14 - Has the consortium A) designated a member to serve as the fund administrator to receive and distribute funds from the program or B) chosen to have a funds flow directly to the member districts based upon the approved distribution schedule?

How each consortium funds its member adult education providers varies by region, with 36 consortia reporting that their members are directly funded (money is provided directly to the consortium members), while 35 consortia report using a fiscal agent (another organization acts on behalf of the consortium to perform financial duties) structure.

Funding type varies by region (see Figure 2.1):

- Direct Funding models predominate among Bay Area, Los Angeles, and South Central consortia;
- Fiscal Agent models are more common among Far North, Inland Empire, Central Valley, and San Diego regions.

Funding type also varies by consortia size, however, this relationship between consortium size and funding model is not especially strong (see Figure 2.2):

- Fiscal Agent funding models are slightly more common among consortia with nine or more members;
- Direct Funding models are somewhat more prevalent among consortia with between two and eight members.

One consortium, North Coast Adult Education Consortium, reports switching from a fiscal agent structure in 2023-24 to a direct funding structure in 2024-25. According to the justification: "The consortium unanimously voted to move to a direct funding method at the NCAEC Consortium Meeting on 2/29/24." This is the only change in distribution method year over year.

For the most part, consortia that identify as using the direct funding model indicate that funds flow directly to the member districts based upon the approved distribution schedule while those that identify as using the fund administrator model have a designated member that serves as the fund administrator to receive and distribute funds from the program. There are fewer inconsistencies in the model as compared to last year's responses, with those previously in conflict being corrected to match in the 2024-25 responses. However, in total, two consortia indicate responses that appear different from their designated model.

- Santa Clarita Valley Adult Education Consortium has a direct funding model but indicates in their responses that they have designated a member to serve as fund administrator
- West Kern Consortium has a fiscal agent model but indicates that they have elected to provide funds directly to their member districts



Figure 2.1: Direct Funding vs. Fiscal Agent Funding Structures by Geography (n = 71)



Figure 2.2: Direct Funding vs. Fiscal Agent Funding Structures by Consortium Size (n = 71)

FISCAL REPORTING, DISTRIBUTION SCHEDULES, AND CHANGES TO FUNDING ALLOCATIONS

Question 3 - How will the available funds be reported and evaluated?

Quarterly reviews of member finances, often facilitated via mandator NOVA reporting, are the most common means by which consortia monitor their finances. Ten of the 71 respondents report no changes in how their funds were to be reported and evaluated—their responses in 2024-2025 were identical to the prior year. As seen in Figure 2.3, most consortia conduct quarterly efficacy reviews that are synchronized with their required quarterly NOVA system financial reporting, but other intervals ranging from annual review to continual/ongoing review are also cited in the CFAD responses:

- Twenty-nine respondents explicitly cite using a quarterly review schedule
- Six consortia conduct their reviews monthly, usually as part of their board meetings and often on top of an additionally referenced quarterly review
- Twelve conduct reviews on an annual basis
- One consortium, Santa Monica Regional Consortium for Adult Education, reports that "at the end of each semester each Co-Director is responsible for providing the general meeting a presentation on the progress of activities and expenditures"
- Twenty-three remaining consortia either do not provide a timeline for when funding is reviewed or their responses indicate ongoing review throughout the year



Figure 2.3: Frequency of Financial/Efficacy Reporting and Review of Consortium Members (n = 71)

Salinas Valley Adult Education Consortium provides a detailed example of the quarterly review process, having developed a very robust reporting system:

"We have a robust system for reporting and evaluating funds. First, each of our members works with their respective business offices to maintain appropriate records and internal controls. Second, members report their expenditures in NOVA. Third, members provide their quarterly GL reports to the Director. The Director and his staff then reconcile what the members have reported in their GLs with what they have reported in NOVA. If there are any discrepancies, we ask the members to reconcile these. Finally, the Director reviews NOVA to ensure that members that need a corrective action plan have entered one. Additionally, on a quarterly basis, the Director reviews expenditures to ensure that members have engaged in healthy spending. Are the members meeting the State and consortium-specific spending levels?

Finally, bi-annually, our members are required to complete a Narrative Progress Report. This report helps the Director to get a much more detailed picture of how each members' activities are going."

Funding allocations and reporting and monitoring practices appear to be growing more stable compared to prior years. Nearly one-seventh of the consortia (ten out of 71) report making changes to their funding allocations and strategic objectives. Fewer consortia report changes in 2024-2025 as compared to 2023-2024 (14 changes reported).

- Four specify a change in their overall funding formula
- Two indicate a one-time payment, one reported a voluntary reduction in funding
- One mentions the addition of a goal to the consortium's list
- One notes the addition new voting members
- One notes the hiring of a new fiscal manager

Question 13 - How will you determine approval of a distribution schedule pursuant to Section 84913?

Responses to the question of how respondent consortia will "determine approval of a distribution schedule pursuant to Section 84913" are varied in terms of the level of detail provided but generally cite board approval and Section 84913 compliances as the considerations governing the distribution of funds for both Fiscal Agent and Direct Funded consortia. Voting thresholds for approval of a funding distribution schedule align with those shown in the governance discussion below, and the few responses that provide detail about their distribution processes cite strategic plan alignment as the main consideration. The Desert Regional Consortium is one such example:

"Maintenance of Effort (MOE) funding will flow directly to the relevant members as determined by the state. However, consortium allocations will be distributed in a manner determined by the Desert Regional Consortium on a year-to-year basis. Before the distribution of funds, the consortium's governance group will approve an expenditure plan and budget that is aligned with the three-year action plan."

A small number of responses for both types of consortia note that their bylaws stipulate the share of funds allowed toward administrative costs (as opposed to mission and operations) among their funded member organizations. For instance, the Marin Adult Education Program Consortium notes indirect costs for its Fiscal Agent, the Marin Community College District:

"On an annual basis, Marin Community College District (MCCD) provides each member with a monthly distribution schedule of CAEP funds. MCCD distributes CAEP funds in the amount of 1/12 of each member's total annual allocation less the indirect cost rate established by MCCD for the purpose of fund administration."

Along these lines, the directly-funded Southern Alameda County Consortium (Ohlone CCD) requires that each member "ensures that the indirect cost rate is no more than the 5 percent."

Finally, there is at least one example of a consortium that changed from a Fiscal Agent to a Direct Funded model in part as an attempt to reduce paperwork related to funding distribution:

"The Mt. San Antonio Regional Consortium for Adult Education has moved to a direct funding model and a distribution schedule is no longer needed."

As shown in Figure 2.4, which summarizes respondents' methodologies and practices for financial and efficacy reporting when provided, 48.8 percent of consortia mention using the NOVA reporting and certification platform for their reviews, and more than one-fifth (21.1 percent) explicitly state that their reviews require members with budget carryover or surplus to report it so that it can be reallocated if necessary. At least some of these consortia also describe mechanisms for reallocating such funds. The Coast Adult Education Consortium has a well-developed process for evaluating financial and operational efficiency and monitoring budgets for carryover funds:

"Each funded member reports its expenditures in NOVA on a quarterly basis. The Consortium Executive Committee reviews and discusses at least once a year the funds available. In an effort to provide students maximum services funded through the CAEP consortium, funded members

will make every effort to expend funds according to the agreed upon plan by the end of each fiscal year. In the case that funds remain for any fiscal year the following process will be followed: Members with unexpended funds will provide a narrative explaining the reason for the carryover and if applicable what part of their respective plan was not carried out. Member carryover funds will be considered in the development of the following year's plan. Members will have first opportunity to expend in the following year any funds they carryover as long as plans to expend such funds are in accordance with the approved plan for that year. If a member is not able to develop a plan for expenditure of carryover funds that is aligned with the approved plan then those funds will be made available for other consortium projects."

One of the 71 consortia, Long Beach Adult Education Council, creates financial dashboards for its members and reviews them periodically. They write that "funded activities and progress on metrics are reviewed at bimonthly public member meetings using data dashboards created for the LBAEC."

Figure 2.4: Methodology and Practices for Financial and Efficacy Reporting and Review of Consortium Members





MONITORING AND ADMINISTERING CARRYOVER FUNDS

Most consortia now indicate that they do not currently have written bylaws that explicitly address the use of carryover funds, although seven reference the planned development of bylaws related to carryover funds or claim they are unnecessary. The latter case usually applies to very small consortia with few members. For instance, the San Francisco Adult Education Consortium, which is directly funded and includes only two members, responded that:

"We do not currently have written bylaws, but we have established a shared understanding of our roles in providing Adult Education services to the region. Our unique situation, direct funding, and ongoing collaboration have made such a formal structure unnecessary."

Among those who do not have bylaws, they commonly reference adhering to the guidance for carryover funds from CAEP as outlined in the Fiscal Management Guide as well as the use of Memorandum of Understanding (MOU).

Question 16 - What is the consortium's defined "excessive" member carryover percentage threshold?

A revised Question 16 in the 2023-2024 version of the survey asked respondents to specify their consortium's definition of "excessive" carryover funding as a percentage threshold, but for that year respondents overwhelmingly left their responses from the prior year unchanged without specifically addressing the new question. The 2024-2025 responses, graphed below in Figure 2.5, make it clear that up to 20 percent is the most widely used carryover threshold. Of the 53 respondents who cite a number between 11 and 20 percent, 49 listed 20 percent (or 19.9 percent) precisely, making it the most widely used value by a large margin. Eleven of the respondents did not specify a number but many note that they seek to minimize or spend down carryover as a standard practice.





Question 17 - Please explain how the consortium will monitor and administer carryover funds. What is the consortium's technical assistance and reasonable intervention process? What additional bylaws do you have that govern carryover?

Most consortia that provide a detailed overview of their carryover monitoring practices report tracking it on a quarterly basis (see figure 2.6). Annual and monthly reporting practices also exist but are less common. Three consortia do not have formal plans for addressing carryover funding.







As shown in Figure 2.7, policies by which members are required to account for and plan to spend down carryover funds are in widespread use and usually form the first step of the carryover review process. The most common carryover funding outcome among consortia that provide detailed accounts of their carryover funding strategies is to simply reallocate the excess funds to other consortium members or spending priorities. Whether this occurs immediately or after one or two fiscal years depends on consortium policies and the level of autonomy that they grant to their members. The process is complex and iterative, with different steps applied as the situation progresses. The Chabot-Las Positas/Mid-Alameda County Consortium response is a good illustration of this:

"In the case that funds remain for any fiscal year, the following process will be followed: 1. Members with unexpended funds will provide a narrative explaining the reason for the carryover and, if applicable, what part of their respective plan was not carried out. 2. Member carryover funds will be considered in the development of the following year's plan. 3. Members will expend the carryover funds in the following year in accordance with the approved plan for that year. If a member is not able to develop a plan for expenditures of carryover funds that is aligned with AB1491 and their approved plan, then those funds will be made available for other consortium projects or member agency funding request."

In many cases, consortium policies allow members to rollover carryover funds for use in the next year's budget, at least before it becomes evident that a member has recurring carryover (also assuming that nothing about the member's financial management or service provision has raised concerns about ineffective services or misuse of funds), assuming this is in alignment with the state education code policy. Several consortia note that their policy is to investigate members with carryover funds of more than 15 percent of their annual budget, and in some cases technical assistance is rendered or the member experiences a reduction in their future allocations or risks being deemed ineffective.

Figure 2.7: Practices When Carryover Funding Exists





SECTION 3: DECISION-MAKING PRACTICES

VOTING THRESHOLDS AND GOVERNANCE MODEL HISTORIES

Question 7 - How will decisions be approved?

Two-thirds (66 percent) of consortia make decisions based on a majority vote system, which can be defined as 51 percent of the vote (used by 48 percent of the 71 consortia) or 50 percent of the vote plus one vote (used by 21 percent, see Figure 3.1). Another 24 percent of consortia report making decisions by consensus.

Among the five consortia that describe their practices under an "other" heading:

- Capital Adult Education Regional Consortium defines a majority as two-thirds of the votes and operates by that standard;
- Capital Adult Education Regional Consortium and Los Angeles Regional Adult Education Consortium specify who must be present for a vote to be conducted (all present and quorum, respectively) in order to reach majority;
- South Bay Adult Education Consortium (El Camino), South Bay Consortium for Adult Education, and Victor Valley Adult Education Regional Consortium indicate that decisions would be approved by a 66 percent majority, though each response also notes that the consortia favor a consensus model if possible.

Question 8 – How did you arrive at that decision-making model?

When asked how they arrived at their chosen decision-making model, respondent consortia generally cite some combination of deference to longstanding operating procedures, founding documents or bylaws, and the necessity of selecting their chosen system of governance based on their membership numbers and composition.

Responses tend to highlight the collaborative process by which each consortium arrived at its current governance model, as well as the consensus-building approach to governance that said governance model enables, even in cases where decisions are formally based on majority vote rather than consensus. For instance:

- Salinas Valley Adult Education Consortium noted in their 2024-2025 response, as well as in prior years, that: "The decision-making model was discussed, agreed to, and formalized in our Bylaws" before describing their processes in detail.
- Similarly, Imperial County Adult Education Consortium states that: "This model was established by district members and approved in our bylaws."
- Glendale Community College District Regional Consortium explains that: "The majority vote was also approved as the minimum required for decisions to be upheld; however, every issue is discussed with the goal of reaching consensus. As a small board, consensus is important to ensure

that all members support the decision made. The majority vote decision is also guided by the Brown Act requirements. To date, no vote has taken place there was not a unanimous vote."

Gavilan Regional Adult Career and Education Services outlined how they recently updated their governance model:

"During summer and fall of 2023, consortium members deliberated on the best decision-making model. Members presented various options and discussed them until there was a majority consensus. It took about six months to come to a decision and is included in the bylaws." [response lightly edited for spelling]

The Marin Adult Education Program Consortium has also made changes in recent years:

"The MAEP Governance Committee arrived at the decision-making model by discussion and vote during the drafting of the approved MAEP Consortium Bylaws in 2022."

As has the Monterey Peninsula CCD:

"The MPAEC spent several monthly meetings discussing and revising its Bylaws in the 23-24 Program Year. The new Bylaws were voted on and unanimously approved by all Members on December 11, 2023."

Finally, the Mt. San Antonio Regional Consortium for Adult Education discussed their rationale for changing their governance model in this year's response:

"The decision-making model was determined initially at the inception of the consortium, with input from all member institution representatives voting on the model. Over the past several years, as the consortium developed and grew in depth and scope for activities, the decision-making model changed to meet the students' changing needs. Some of the decision-making changes that have been made in the governance plan include a two-meeting voting process and limiting chairs to a three-year term. Steering committee member representatives have determined the current decision-making model changes through consensus and a majority vote."

These types of governance-related conversations are likely to be ongoing throughout the respondent consortia, especially given the fact that several of them have changed their governance models and voting thresholds since this survey was first fielded. However, several consortia also note that they have not seen a need to update their governance practices since they were first founded. Examples include North Central Adult Education Consortium (Yuba) and Adult Education Pathways.

VOTING THRESHOLDS AND PRACTICES BY CONSORTIUM SIZE

Consensus governance is less common among consortia with eight or more members, though there are still examples of large consortia that operate by consensus (Figure 3.2). For the purpose of this analysis, consortia were divided approximately in thirds and defined as small (three or fewer members), medium (four to seven members), or large (eight or more members). Larger consortia such as Chabot-Las Positas/Mid-Alameda County Consortium, which has ten members, also operate by consensus, so the model is not unique to smaller organizations. Nevertheless, many larger consortia have majority-based voting systems in place, even if their primary policy is to strive for consensus.



Figure 3.1: Decision Approval Practices and Thresholds

(n = 71)



 Victor Valley Adult Education Regional Consortium - By consensus, then by 2/3 vote if consensus is not reached.





PROCESSES FOR ADDING NEW MEMBERS OR TERMINATING MEMBERSHIPS



When asked about their processes for allowing members to join, leave, or be dismissed from the consortium, respondents provide varying levels of detail and specificity. The findings below are presented as percentages of the total number of respondents although in some cases consortia did not mention a detailed policy (such as processes for voluntary and involuntary dismissal and for admitting new members), while in others a single consortium provided multiple responses (reasons for involuntary dismissal). The percentages are likely illustrative of the prevalence of policies and reasons for dismissal among the responding consortia, but because many consortia provide more complete information about one aspect of this question than the others or provided information that was so general as to be unclassifiable, the exact number of consortia adopting a particular policy cannot be determined.

As shown in Figure 3.3, most consortia with clearly outlined policies mandate that any member who wishes to leave the consortium submit a written request to do so, usually at least 15 days in advance of their planned departure. In most cases for which subsequent processes could be determined, this submission then triggers a review of activities and funding to be recouped from the departing member so that the board can reallocate it to other members as needed. Formal board approval for a member's departure is needed in at least one fifth of cases (22.5 percent of responses), though more than a quarter of responses (28.2 percent) do not outline formal procedures for voluntary dismissal of members and 2.8 percent indicated that they have no such policy in place.

Figure 3.3: Processes for Voluntary Dismissal of Members





Policies for involuntary dismissal of members – usually for failure to perform the duties of consortium members or deliver quality adult education services – require a vote of the board as the formal mechanism of expulsion, and generally also mandate that the reasons for the vote be documented. About one-third of respondents note that their policy includes attempted remediation of member deficiencies or mediation of disputes prior to initiating dismissal processes (Figure 3.4).

Failure of a member organization to deliver effective adult education even after remediation and performance improvement efforts (which is cited by 54.9 percent of surveyed consortia as grounds for dismissal), is the primary reason for a dismissal vote. Changes in organizational goals and capabilities that render a member incompatible with the consortium's goals and funding requirements may also trigger dismissal even in the absence of clear performance deficiencies. Failures of governance, such as lapsed board meeting attendance or failure to submit financial or program reporting documentation as required by law, are also commonly cited as grounds for involuntary dismissal but less frequently than non-performance of the entity's core mission or changes in that mission that cause the member to be incompatible.

Figure 3.4: Processes for Involuntary Dismissal of Members

(n = 71; All consortia included; Some consortia report multiple policies for involuntary dismissal resulting in percentages exceeding 100%)



Figure 3.5: Reasons for Involuntary Dismissal of Members





Admitting new members requires board approval, which is usually based on a formal written application prepared by the organization seeking to join the consortium. In one instance, new members can only join if they also had a clearly defined plan for exiting the consortium as well.

Figure 3.6: Processes for Admitting New Members

(n = 71; All consortia included; Some consortia report multiple detailed policies for admitting new members resulting in percentages exceeding 100%)



SECTION 4: PUBLIC PARTICIPATION IN CONSORTIUM DECISION-MAKING

METHODS FOR SOLICITING AND FACILITATING PUBLIC COMMENT

Question 9 – How will proposed decisions be considered in open, properly noticed public meetings of the consortium at which members of the public may comment?

Consortia strategies for soliciting public comments and input are broadly similar, with most respondents that explained their processes noting that meetings are announced online, in the press, and via other outreach channels, with agendas and minutes posted online. Meetings typically have time reserved for public comments, and smaller numbers of consortia also noted that their meetings support comments and participation over Zoom. Among a small number of consortia, written comments are also solicited for board consideration.

Note that well over half of respondents (62.0 percent) cite compliance with the provisions of the Ralph M. Brown Act as the main consideration when planning meetings and ensuring that the public has a right to participate. Fifteen respondents provide short answers stating that they adhere to the Brown Act in scheduling and administering their meetings and offering few, if any additional details about what their specific policies and processes were. Ventura County Adult Education Consortium cited Brown Act compliance in 2022-2023, but merely note that "all meetings are listed on the Consortium Website" in 2023-2024. With this in mind, the total share of consortia engaging in various strategies, such as ample public announcements of meetings and dissemination of minutes and agendas, as well as offering remote or in-person public comment opportunities, is likely to be higher than the percentages shown.

The Coastal North County Adult Education Consortium is unique in providing a "process observer" who ensures that meetings comply with Robert's Rules of Order:

To ensure compliance and ongoing improvement, each meeting includes a report out from a "Process Observer" who evaluates and provides feedback on adherence to established meeting procedures. [2024-2025 response is very similar to the 2023-2024 response]

Question 10 – Describe how you will provide the public with adequate notice of a proposed decision and consider any comments submitted by members of the public.

Responses to the request that consortia elaborate on how they will "provide the public with adequate notice of a proposed decision and consider any comments submitted by members of the public" largely cite the concerns from the previous question and reiterate the themes shown in Figure 4.1. For instance, 41 respondents explicitly cite the Brown Act's requirement that the agenda and meeting packet for a board meeting be publicized before the meeting takes place. Another seven (in addition to the 41 that explicitly cite the Brown Act) cite the specific Brown Act requirement that this information be published at least 72 hours before the meeting occurs. The Partnership for Adult Academic and Career Education's response is typical for its content, and quoted in full below as one of the more concise descriptions of a consortium's Brown Act compliance:

"A PAACE meeting calendar for the academic year will be posted on the website every July of the preceding year. Consortium meeting locations, time, minutes and agendas will be emailed directly to each consortium member, partners, participants and community organization. The PAACE Consortium members will review the meeting calendar, at every June and September meeting. The PAACE consortium website will post all meeting schedules, minutes, and other relevant information. Multiple communication delivery systems will be utilized. The PAACE website also provides an avenue for public review and comments of all consortium activities."

Figure 4.1: Reported Strategies and Practices for Ensuring Adequate Public Participation in Governance

(n = 71; All consortia included; Some consortia report multiple strategies for ensuring participation resulting in percentages exceeding 100%)



Question 11 – Describe how comments submitted by members of the public will be distributed publicly.

Answers to the survey's request to "Describe how comments submitted by members of the public will be distributed publicly" overwhelmingly state that public comments are included in the meeting minutes, which are then published to the consortium website or otherwise publicized. As previously mentioned, numerous respondents cite Brown Act compliance as their overarching objective when it comes to managing public comments. Among 71 responses to this question there are 99 references to meeting minutes. No other strategies for disseminating meeting minutes were mentioned.

SOLICITING STAKEHOLDER ORGANIZATION COMMENTS

Question 12 – Describe the process by which the consortium will solicit and consider comments and input regarding a proposed decision from other entities located in the adult education region that provide education and workforce services for adults.

When asked how relevant stakeholder groups in their service regions are consulted on consortium decisions, most consortia outlined a more extensive process for soliciting comments and feedback than what they use to engage the general public. As shown in Figure 4.2, these stakeholder organizations – which can include workforce development boards, libraries, correctional facilities, social service offices, chambers of commerce, and other organizations – are most commonly engaged via targeted communication and standing invitations to participate in consortium meetings. These practices are consistent with previous years' results.

Figure 4.2: Processes for Soliciting Comments from Adult Education and Workforce Development Stakeholder Organizations

(n = 71, Note that only activities confirmed to take place by the responses are included, so these figures are likely to be an undercount; Some consortia report multiple processes for soliciting comments resulting in percentages exceeding 100%)



A typical account of this type of approach comes from Education to Career Network of North San Diego County (Palomar/Vista):

"The Education to Career Network hosts a community and business forum annually with the intent of soliciting feedback regarding gaps and needs in our region's adult education pipeline from other entities that provide education and workforce services to adults. In addition, one of the ETCN shared positions is a Partnership Coordinator and that person regularly attends meetings from other education and workforce service providers in the region. Finally, at the monthly Leadership Council meetings, a regular agenda item is updates from other regional meetings and we frequently invite guests from other providers to address the group."

Examples of consortia working closely with other organizations such as public libraries and workforce development boards are common. For instance, The Salinas Valley Adult Education Consortium partners with local organizations to launch an apprenticeship program:

"Finally, perhaps one of the most productive ways that we are soliciting input from our partners is through our new apprenticeship initiative. This initiative involves the participation of countless partners and involves multiple decision points that engage all the stakeholders. The development of our pre-apprenticeship involved input from the SVAEC, Hartnell College, and local community partners. Some of our key partners include ECE providers and organizations such as Bright Beginnings, the Monterey County Office of Education, Early Development Services, First Five, and CAPSLO. Similarly, our dual enrollment program for adult students, immigrant integration project focusing on financial literacy, and ELL healthcare pathways project focusing on the CNA and HHA career paths are additional examples of projects that required the expertise and collaboration of different community partners."

Larger consortia maintain high levels of connectivity with their relevant partner organizations by several types of communication beyond standing invitations to participate in monthly/quarterly meetings and access to resources such as meeting minutes. These include:

- Targeted invitations to discuss relevant concerns: Rather than rely on recurring or blanket invitations to stakeholders, consortia will reach out directly to relevant entities for comments or input on matters that directly concern them or when the consortium would benefit from their perspective and expertise. Examples include invitations to speak at length at meetings and join board retreats.
- Consortium member ties to other groups/organizations: Consortium board members often join other adult education-related organizations as advisors or board members or simply attend public meetings of those organizations. These relationships allow the consortium board to remain wellinformed of needs, concerns, and areas of potential partnership among other local adult education providers and workforce development agencies.
- **Three-year strategic planning involvement:** Stakeholder organizations that are not already members of the consortium, but which have a collaborative relationship with it are invited to join strategic planning sessions and offer input on future priorities of the consortium.

- Annual stakeholder forums: These often take the form of meetings wherein other organizations can weigh in on the consortium's priorities and activities for the coming year. They tend to occur more often than three-year strategic planning input sessions.
- **Consortium newsletters:** Monthly or quarterly newsletters outlining the consortium's activities and priorities are sent to relevant stakeholder organizations to help keep them informed of developments.
- **Stakeholder surveys:** Direct surveys of stakeholder organizations or groups (e.g., educators) are used to inform consortium priorities, activities, and planning efforts.

SECTION 5: PLANS FOR THE 2024-2025 ALLOCATION SCHEDULE

NARRATIVE RESPONSES TO THE 2023-2024 AND 2024-2025 CONSORTIUM FUNDING OPEN-ENDED QUESTION

Funding Narrative – Answers to this open-ended item in the 2024-2025 Consortium Funding survey included overviews of current and future priorities, planned changes to governance or practices, and strategic planning efforts.

All 71 of the responding organizations provide specific information about their strategic priorities and spending plans for the next several years, though the quality and level of detail varied significantly. The figures below (Figures 5.1 and 5.2) show the number of times each individual area of concern was mentioned by the respondent group, with priorities ranked from most-to-least mentioned. Reponses were coded by Hanover and in some cases are highly variable and detailed. While the information below captures the broad priorities of the consortia and their relative importance, it is not a systematic analysis due to the need to code variable responses and because about one third of the responding institutions did not address spending priorities.





Figure 5.2: Programmatic and Administrative Areas of Focused Investment (n = 42; Numbers in the chart reflect Hanover's estimate of how many respondents specifically mentioned each concern in their response to the Funding Narrative question)



APPENDIX

METHODOLOGY

- **Coding:** For questions with an open-ended narrative response, the plan was analyzed for themes and assigned to categories that best summarized the response. This was a manual categorization process because of variability in how consortium members adhered to the planning guidance.
- **Presentation:** The majority of the charts included in this report present the coded responses by the percentage or count of consortia (n=71) that recorded a response related to that category. In certain cases where not all consortia included a relevant response or a consortium indicated more than one response, the n count is indicated and explained within the figure.
- Consortium Size: Consortium size is defined by the number of members indicated. For analysis, the groups were divided approximately in thirds and defined as small (three or fewer members) n=23, medium (four to seven members) n=27, and large (eight or more members) n=21.