

## **JOHNSON-O'MALLEY – CARRYOVER OF FUNDS POLICY**

### **INTRODUCTION**

#### **Johnson-O'Malley (25 Code of Federal Regulations, Part 273)**

It is the obligation of the Office of Indian Education (OIE) at the Arizona Department of Education (ADE) to review and approve applications, reimbursement requests, and completion reports for Johnson-O'Malley (JOM) funds for JOM recipients via ADE's Grants Management Enterprise (GME) system. This includes 23 local educational agencies (LEAs) and one tribe.

### **HISTORY**

In years preceding fiscal year 2016-2017, it was the practice of the OIE not to allow carryover of unused JOM funds from the prior year into the current year. Since then, it has been determined that no restriction exists in the statute with regards to carryover of funds, that these funds are non-reverting and, as such, shall be allowed to be carried forward in support of meeting the purpose of a JOM program.

According to the National Johnson-O'Malley Association and based on the 2010 Census, there are at least 798,000 Indian and Alaska Native students attending public schools today and JOM's student count has been frozen at 278,000 since 1994. Funding for the program has never received above \$24 million nationwide.

### **PURPOSE**

The purpose of JOM funds is to meet the specialized and unique educational needs of eligible Indian students, including programs supplemental to the regular school program. Due to the very low JOM allocations, ADE has determined that all available funds, including carryover, will be applied to JOM programs and support under its purview.

### **TECHNICAL ASSISTANCE**

The Director of Indian Education will provide technical assistance each fiscal year to LEAs regarding the use of JOM funds. Technical assistance may also include meeting with JOM Indian Education Committees to help them determine the best use of their annual JOM allocation.

### **CARRYOVER PROCEDURES**

- At the end of each project year (June 30 – September 30), each entity receiving JOM funds for the fiscal year just ended will submit a completion report.
- The completion report will show the amount of funds, if any, that were not expended in that fiscal year.
- An approved completion report will allow any carryover (unused funds) to be added to the allocation for the new fiscal year (July 1 – June 30).

- The GME system will automatically include the carryover in the current year's available budget.
- Eligible entities will submit budgets (applications) including carryover and current year allocation for approval.
- As approved budgets are expended, prior year carryover will be applied until gone. At that point, current year funds will be expended.

**LIMITATIONS ON CARRYOVER**

- Carryover of 100% of prior year unused funds will be allowed unless it has been determined that an eligible entity has consistently been unable to use 50% or more of its current year funding.

**Beginning with fiscal year 2016-2017 . . .**

- After two consecutive years of carrying over more than 50% of its prior year funds, applicable entities will be provided additional technical assistance to identify ways to ensure the use of a majority of JOM funds allocated each fiscal year.
- If, by the end of the third year, an eligible entity is still unable to use 50% or more of its JOM funds, carryover will be limited to 50% of unused funds. The remaining funds will be available for redistribution to other JOM-eligible entities.
- If, by the end of the fourth year, an eligible entity has not used all of its current year allocation, unused funds will not be carried over to the next fiscal year and unused funds will be available for redistribution to other JOM-eligible entities.