

**Adult Education
Cooperating Eligible Entity (CEE)
Information and Guidelines Manual**



Connecticut State Department of Education
Academic Office
450 Columbus Boulevard
Hartford, CT 06103

Marcy Reed, Program Manager
marcy.reed@ct.gov
860-807-2130

TABLE OF CONTENTS

General Eligibility Information	1
Application Process for CEE Grant	3
Overview of the ED 244A Grant Application	5
The Excel Budget Template	6
Sample Summary of Financial Commitment	7
Application Process to Revise CEE Grant Budget	8
ED-245A Sample Summary Statement of Actual Payment(s) Received	9
Summary of Application Requirements	10
CEE Budget Calculation	11
Connecticut General Statutes Applicable to Cooperating Eligible Entities	12

AFFIRMATIVE ACTION STATEMENT

The Connecticut State Department of Education is committed to a policy of equal opportunity/affirmative action for all qualified persons. The Connecticut Department of Education does not discriminate in any employment practice, education program, or educational activity on the basis of race; color; religious creed; age; sex; pregnancy; sexual orientation; workplace hazards to reproductive systems; gender identity or expression; marital status; national origin; ancestry; retaliation for previously opposed discrimination or coercion, intellectual disability; genetic information; learning disability; physical disability (including, but not limited to, blindness); mental disability (past/present history thereof); military or veteran status; victims of domestic violence; or criminal record in state employment, unless there is a bona fide occupational qualification excluding persons in any of the aforementioned protected classes. Inquiries regarding the Connecticut State Department of Education's nondiscrimination policies should be directed to: Attorney Louis Todisco, Connecticut State Department of Education, by mail 450 Columbus Boulevard, Hartford, CT 06103-1841; or by telephone 860-713-6594; or by email louis.todisco@ct.gov

General Eligibility Information

Under Connecticut General Statutes, funding may be provided to a Cooperating Eligible Entity (CEE) through the Connecticut State Department of Education (CSDE) Adult Education State Grant funds.

Connecticut General Statutes Section 10-67 (4) “Cooperating eligible entity” means any corporation or other business entity, non-profit organization, private occupational school authorized pursuant to sections 10a-22a to 10a-22o, inclusive, institution of higher education licensed or accredited pursuant to the provisions of section 10a-34, regional vocational-technical school or library which provides classes or services specified under subparagraph (A) of subsection (a) of section 10-69, in conformance with the program standards applicable to boards of education through a written cooperative arrangement with a local or regional board of education or regional educational service center.

Connecticut General Statutes Section 10-71 State grants for adult education programs. (3) (b) Notwithstanding the provisions of subdivision (6) of section 10-67, a local or regional board of education or regional educational service center shall be eligible to receive an amount to be paid pursuant to the provisions of subsection (c) of this section. The amount shall equal the eligible expenditures from funds received from private sources by the local or regional board of education, regional educational service center or cooperating eligible entity multiplied by the appropriate percentage, as determined under subsection (a) of this section, provided such amount shall not exceed twenty percent of the amount received by the local or regional board of education or regional educational service center pursuant to subsection (a) of this section for the previous fiscal year.

Based on this legislation, the following conditions apply:

1. The CEE state grant shall equal the eligible expenditures from private source donations multiplied by the support percentage for the providing Local Education Agency (LEA) or Regional Educational Service Center (RESC).
2. An LEA shall be eligible to receive a CEE grant of up to twenty percent (20%) of its state adult education grant funds for the previous fiscal year. The **total** of the CEE State funds may not exceed twenty percent (20%) of the LEA’s State funds paid in the previous fiscal year.
3. The eligible expenditures of the district board or center from local sources in one fiscal year must not be less than seventy percent (70%) of the eligible expenditures from local sources for the previous fiscal year as verified by the audited Expenditure Report for the district.
4. The CEE submits its ED-244A Application for Supplemental Funding through the Adult Education State Grant to the LEA or RESC for approval and subsequent submission to the CSDE.
5. The ED-244A must include a written plan describing services to be provided by the CEE and assurances that both the local board and CEE will adhere to all programmatic and fiscal standards contained in the statement of assurances. This plan is included in the ED-244A Supplemental Application for Adult Education, due on April 15 annually.

6. Written commitment of funds from private sources to be utilized as the local share must be included as part of the ED-244A submission due on April 15. **Private contributions cannot be from any public source.** (This includes federal, state and town (municipal) funds.) Fair market value or in-kind contributions cannot be accepted. **Contributions must be cash, check or credit card only.**
7. The LEA shall provide a process for distribution of State grant funds to the CEE. A grant of more than \$1,500 shall pay 2/3 of the allocated State funds in August and the adjusted remainder in May of the fiscal year the program is offered. State grants of less than \$1,500 are paid in a single installment in May of the fiscal year the program is offered.
8. Evidence of actual private source funds received must be submitted to the Connecticut State Department of Education via the ED-245A Supplemental Application Revision for Adult Education State Funds. This evidence may be a copy of a bank statement or other fiscal documentation. Copies of checks and fund receipts must be kept on file by the CEE and available upon request.
9. The ED-245A must be submitted by March 15 of the fiscal year in which the program is offered.
10. All ED-244A and ED-245A budget templates must be provided to the cooperating district. The LEA will enter budgets and other requirements into the CSDE Electronic Grant Management System (eGMS) for authorization and approval.
11. The LEA shall submit a report of actual CEE revenue and expenditures through the eGMS Expenditure Report which is due to the CSDE on September 1. **The report must include expenditures of both State and Private Source funds.**
12. Any differential in expenditure of grant funds shall be adjusted during the following fiscal year through LEA's state grant distribution. Any positive Prior Year Adjustment (PYA) is the property of the CEE and should be refunded to the CEE by the district fiscal office.
13. **All private source dollars must be maintained in a separate bank account** dedicated solely to adult education services and activities.
14. Assessment for Literacy Volunteer Programs and other CEE entities is not optional. CASAS pre and post-tests are a requirement in order for any organization to receive Department of Education state or federal funds.
15. Programs funded under the Department of Education require that classroom instructors have appropriate certification. Because the Department recognizes some benefits to instruction involving more than one learner, official policy is to allow small group instruction (restricted to a maximum of four (4) learners) by LV tutors. Any LV tutor exceeding the maximum number of participants must meet State of Connecticut certification regulations required of all other adult education programs.

Application Process for CEE Grant

Introduction

A Cooperating Eligible Entity (CEE) grant provides mandated adult education services through a collaborative relationship between an eligible organization and the local educational agency (LEA) or regional educational service center (RESC) which provides adult education programs. Adult education services provided by a CEE for local residents must **supplement, not supplant**, existing adult education services. Examples of enhanced activities might include services to special populations, specific literacy education, additional support services or a unique academic curriculum.

Operating Guidelines

The provider LEA/RESC and the CEE must develop a formal agreement describing the services and responsibilities of their respective organizations, including recruitment, referral, assessment, instruction, payment schedule, audit activities, documentation and reporting. While the relationship between the provider LEA/RESC and the CEE is cooperative, the LEA/RESC is the agency that is ultimately responsible for the CEE grant. It is the recipient of state funds for the CEE and it must ensure that all grant requirements are met.

Although a provider LEA/RESC may have any number of CEEs (as determined by the amount of its state grant), an individual CEE should form a **single** partnership with its **nearest** and/or most appropriate provider. In a case where a CEE program is located in a town that is not an adult education provider, it should collaborate with the district that provides adult education services to that town.

Application

Under the terms of legislation, the eligible entity must complete an **ED-244A Supplemental Application for Adult Education**. In preparation, the provider LEA/RESC and the CEE must develop a written plan describing the collaborative venture and the utilization of the additional funds, including a program budget and budget narrative.

The ED-244A is prepared and signed by the CEE authorized agency head and submitted to the provider for review, approval and signature by the district superintendent. Through the ED-244A, the LEA/RESC and the CEE agree that they will adhere to all programmatic and fiscal standards contained in the statement of assurances.

The ED-244A application must be submitted to the State Department of Education by April 15. The application must contain written commitment of funds from private sources. (Connecticut General Statutes 10-69a and 10-71(3) (b) establish the legal framework for the operation of a Cooperating Eligible Entity.)

Private Source Matching Funds

A Cooperative Eligible Entity must have matching funds from **private source dollars** to qualify for the CEE Grant. Only cash contributions are acceptable; fair market value or in-kind contributions are not acceptable, and private funds provided by the CEE must be clearly directed to the educational programming. To assure that funds are auditable, **all private source funds must be maintained in a separate bank account**.

Letters of Commitment

Documentation attesting to the commitment of private source donations must be included in the ED-244A. Acceptable evidence is a letter of financial commitment from the agency making the private source donation to the CEE (e.g. United Way). The letter must direct funds to the educational program which is funded by state grant dollars; include assurances that all payments will be made prior to the submission of the ED-245A; and provide assurances that the private source donations are not from federal, state, or municipal/town funds. If an agency contributes to a CEE on a monthly or quarterly basis, its letter of financial commitment must include a schedule of payments.

If the private source agency (e.g. United Way) has not approved their budget by April 15, the CEE can submit a letter from the private source agency which states that the budget has not been finalized, but that a specific level of funding is anticipated. A complete letter of commitment is still required and must be submitted to the State Department of Education as soon as possible. **Letters from the CEE executive director or board of directors are not acceptable evidence of financial commitment in and of themselves.**

In some instances, a private source donation cannot be confirmed before ED-244A submission. If the eligible entity holds a treasury note or savings account that will retain a specific amount of money until the private source dollars are confirmed, the eligible entity may use that account as collateral. In this instance, the eligible entity must submit a copy of the account statement with a letter from the Board of Directors which guarantees that these funds will remain in the account until the applicable private source donation is secured. When the private source donation is confirmed, the CEE shall submit the letter to the State Department of Education.

Future fundraising activities cannot be included in the ED-244A.

Evidence of the actual payment of all private source funds must be submitted with the ED-245A in March. This evidence must include deposit record and/or monthly bank statements. Cash deposited from fundraising activities that take place during the program year may be included in the ED-245A. **All funds dedicated to CEE adult education activities must be kept in a separate bank account.**

Payment of State Grant

State funds for the CEE grant go directly to the provider LEA/RESC, which disburses these funds to the CEE. The ED-244A must include a description of the provider's payment schedule to the CEE. Payments of state funds are made in August (2/3 of the CEE's grant), and the following May (the remaining 1/3). The May payment is made after ED-245A and ED-245 budget modifications are submitted and calculated by CSDE Fiscal.

LACES Data - (Literacy, Adult and Community Education System)

As a condition of funding, each CEE applying for state and/or federal funds must maintain its data in LACES. Data, including all testing, must be entered on a regular basis.

Overview of the ED-244A Supplemental Grant Application

Proposed Budget

The ED-244A requires CEEs to submit a proposed budget summary which includes anticipated revenues from private sources and computation of the state grant amount based on the adult education reimbursement percentage for the provider district. A sample is shown below:

Anticipated revenues from private sources	\$ 10,000.00
State Adult Education reimbursement percent for the district (0-65%)	0.65%
Anticipated state grant (A x B).	\$ 6,500.00
TOTAL project budget (A + C)	\$ 10,650.00

The CEE budget may only consist of eligible expenditures as defined in C.G.S 10-67 (7):

(7) “Eligible expenditure” means expenditures, or that portion thereof, directly attributable to programs and services required pursuant to subparagraph (A) of subsection (a) of section [10-69](#) and not otherwise eligible for reimbursement from any other state grant for: (A) Teachers, including teacher aides; (B) administration, including the director; (C) clerical assistance; (D) printing; (E) instructional materials and equipment, including computer equipment; (F) program supplies; (G) facility rental* other than for facilities provided by a local or regional board of education pursuant to section [10-70](#); (H) staff development; (I) counselors; (J) transportation; (K) security; and (L) child care services;

***A copy of the current lease which details the square footage cost basis is required in order to include lease/rental costs in the budget.**

Abstract and Program Quality Plan

The Abstract and Program Quality Plan described in the ED-244A require a detailed description of the following elements:

1. The projected number of students to be served and the anticipated cost per pupil based on the combined state and private source dollars.
2. A summary of the project design.
3. A description of the specific services provided by each agency – BOTH the CEE and the provider.
4. An explanation of how the services provided through the CEE grant will enhance and **supplement**, not **supplant**, services provided to the target population through the LEA/ RESC and the CEE agency.
5. An explanation of how the CEE and the LEA/RESC will evaluate the success of the services provided through the CEE grant and the effectiveness of the collaboration.
6. A description of the CEE’s plan for managing data in LACES.
7. The method and schedule that the LEA/RESC will use to distribute CEE grant dollars to the CEE.
8. Measurable objectives, activities and expected outcomes for each of the following areas:
 - Program Planning and Operation;
 - Student Recruitment and Retention;
 - Monitoring Learning Gains;
 - Curriculum and Instruction;
 - Transition and Support Services; and
 - Professional Development.

The Excel Budget Template

ED-114

The budget is entered in detail in the Narrative of the Excel Budget Template. As the values are entered, the ED-114 populates the amounts in the State/Local Column and Total Column. When the amount allocated to each Budget Object Code is entered into the Private Source Column, that amount is subtracted from the State/Local value but the Total remains constant.

FISCAL YEAR: 2026

ED-114 BUDGET FORM

GRANTEE NAME:		TOWN CODE:		
GRANTEE TITLE: ADULT EDUC-COOPERATING ELIGIBLE ENTITY (CEE)				
PROJECT TITLE:				
FUND: 11000	SPID: 17030	YEAR: 2026	PROG: 84004	CF1: 170013
GRANT PERIOD: 07/01/2025 – 06/30/2026		AUTHORIZED AMOUNT: \$		
AUTHORIZED AMOUNT BY SOURCE:				
LOCAL:		PRIVATE SOURCE:		STATE:
CODES	DESCRIPTIONS	STATE/ LOCAL	PRIVATE SOURCE	TOTAL
111A	NON-INSTRUCTIONAL	\$0	\$0	\$0
111B	INSTRUCTIONAL	\$0	\$0	\$0
200	PERSONAL SERVICES-EMPLOYEE BENEFITS	\$0	\$0	\$0
322	IN SERVICE	\$0	\$0	\$0
330	EMPLOYEE TRAINING AND DEVELOPMENT SERVICES	\$0	\$0	\$0
400	PURCHASED PROPERTY SERVICES	\$0	\$0	\$0
500	OTHER PURCHASED SERVICES	\$0	\$0	\$0
600	SUPPLIES	\$0	\$0	\$0
700	PROPERTY	\$0	\$0	\$0
	TOTAL	\$0	\$0	\$0

_____ ORIGINAL
 REQUEST DATE _____
 _____ REVISED
 REQUEST DATE _____
 STATE DEPARTMENT OF
 EDUCATION PROGRAM MANAGER
 AUTHORIZATION

 DATE OF
 APPROVAL

SAMPLE SUMMARY OF FINANCIAL COMMITMENT
ED-244A Commitment of Private Source Funds

Do not list funds which will be generated through future fund-raising events or activities. Additional revenue generated through fund-raising activities during the program year may be included in the final budget modification (ED-245) submitted on March 15.

The following letters of commitment of private source funds for this current fiscal year for our cooperating eligible entity grant are enclosed:

Source of Private Funds*	Funds Committed
United Way of Greater Hartford	\$25,000
Liberty Bank	\$5,000
TOTAL PRIVATE SOURCE FUNDS (Must equal item A on page 1)	\$30,000

***Private contributions cannot be from any public source. This includes federal, state and town (municipal) funds.**

Application Process to Revise the CEE Grant Budget

ED-245A Supplemental Grant Revision

Recipients of CEE funds under the ED-244A must submit the ED-245A, Revision for Supplemental Application for Adult Education Grant Cooperating Eligible Entity (CEE). Through the ED-245A, CEEs may submit a revised budget which includes a revised estimate of private source donations and revised eligible costs for the current fiscal year.

Whether or not the CEE revises private source donations or eligible costs, submission of the ED-245A is required to verify final costs and collect evidence of private source funds. Evidence of the actual payment of all private source funds can include cancelled checks, deposit receipts and bank statements. **All funds** including those of cash deposited from fundraising activities that take place during the program year **must be kept in a separate bank account.** Although it is not required to submit copies of checks, deposit records or other concrete payment evidence, such documentation must be on file at the organization and available upon request by CSDE.

The May final allocation of state grant funds is based on the ED-245A submission. Any Prior Year Adjustment (PYA) (either positive or negative) will be applied to the final payment. Please note that the allocation as shown in eGMS will **not** reflect the PYA nor the actual payment. Actual payments may be viewed on the CSDE [Grant Payment Report](#) page.

Submission of the ED-245A

Complete the ED-245A Grant Revision application according to the instructions within the application. Submit an electronic copy via emailg (including the completed Excel Budget Template in Excel format) to the State Department of Education and to the LEA/RESC for review and superintendent signature.

The revision must have the original authorized signatures of both the LEA/RESC and the agency head of the CEE. The ED-245A must be received by the State Department of Education **on or before March 15.** Revisions received after that date will not be accepted. Any increase in the total budget is limited to no more than 10% of the budget submitted with the ED-244A, requires justification and is subject to CSDE approval.

Evidence of Private Source Dollars

Evidence of Actual Cash Payment of Private Source Money to the Cooperating Eligible Entity (CEE) in the form of copies of documents with accompanying receipts of deposit and/or bank statements **must be on file at the CEE** and available for review if required as part of an audit process. List Private Source payments resulting from charitable entities on the Summary Form and provide a copy of the bank statement from the separate CEE-dedicated bank account demonstrating adequate funding. (See the following page.)

ED-245A Summary Statement of Actual Cash Payment of Private Source Money

For Private Source donations paid on an installment basis, list only those payments received to date in Table A below. See Table B to record funds **committed** but not yet **received**.

TABLE A

Private Source	Total Funds Committed	Payment Received		*Evidence Check (✓) all that apply		
		Date	Amount	Copy of Check	Deposit Receipt	CEE Bank Statement
Example 1: J. Doe	\$ 100.00	9/18/2016	\$ 100.00	✓	✓	✓
Example 2: United Way	\$5000.00	2/15/2017	\$2500.00			✓
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						
13.						
TOTAL						
Totals carried forward from additional pages						
GRAND TOTAL						

In **Table B**, record the number of payments **remaining**. Include amounts and anticipated payment dates. The donator’s letter of commitment submitted with the ED 244A should support this payment amount and schedule. If additional Private Source commitment letters were received subsequent to the ED-244A submission, **provide copies with the grant documents**.

TABLE B
Summary Statement of Remaining Cash Payment(s) of Private Source Money

Private Source	Total Funds Committed	Number of Payments Remaining	Date(s) of Remaining Installments**	Amount to be Received**
Example: United Way	\$5,000**	2	4/5/25 and 6/5/25	\$2500
1.				
2.				
3.				
4.				
TOTAL				\$2500

Summary of Application Requirements

ED-244A supplemental grant application: The ED-244A must include a program quality plan, a projected budget with narrative explanations, all requested LACES information and tables and a letter of commitment from each private source contributor. Future fundraising activities cannot be included in the ED 244A (ED-114) budget. All documents are submitted to the LEA/RESOC for superintendent’s signature and due to CSDE no later than **April 15th**. The CEE must also submit all ED-244A documentation via e-mail to the Program Manger at the CSDE.

ED-245A supplemental grant revision: The ED-245A must a final budget and proof of all private source contributions that were included in the ED-244A budget. Dollars from completed fundraising activities may be included in this submission as long as they are documented through bank records and copies maintained by the CEE as evidence of solvency. The ED-245A revision is submitted to the LEA/RESOC for superintendent’s signature and is due to CSDE no later than **March 15th**.

Program Profile: The Program Profile details the enrollment figures for the program year and shows evidence of matched pairs, gains etc. This document is submitted to the CSDE with both the ED-244A and the ED-245A along with any other requested LACES Tables or information.

Expenditure Report: The end-of-year Expenditure Report provides information regarding expenditures for state and private source dollars. This report must be submitted to the LEA/RESOC for entry into the State’s eGMS Grant System by the LEA/RESOC business office prior to the due date of **September 1**.

If the Expenditure Report shows that all allocated funds (State and Private Source) were not expended, an adjustment will be made in the subsequent year’s May payment to the LEA/RESOC.

CEE Budget Calculation

In the grant application (ED-244) for a regular state grant, an LEA/RESC develops a budget for its mandated adult education program. The local funds, which support the adult education program, are reimbursed by the state through a formula based on the grand list. The reimbursement rate ranges from 0-65%, based on the relative wealth of the town.

The LEA/RESC may apply for and receive grant funds on behalf of a CEE for up to **20% of its previous year's state reimbursement** (grant). This assumes that the **LEA's Local Dollars for the subsequent fiscal year are no less than 70% of the Local Dollars for the previous fiscal year**.

If an LEA proposes to apply for funding on behalf of more than one CEE, the **sum** of all CEEs' state dollars **may not exceed 20% of the LEA/RESC's** previous year's grant. The LEA/RESCs current fiscal year's budgeted local dollars may not be less than 70% of the previous year's budgeted local dollars.

The CEE would need to contribute \$20,000 from private sources to receive the maximum amount of state funds available to a CEE. This calculation, as stated, describes maximum amounts. A budget for less than the 20% available can be submitted; there is no requirement that all of the available funds be used. Additionally, more than one CEE can exist as long as the 20% maximum is not exceeded.

Connecticut General Statutes Pertaining to Adult Education “Cooperating Eligible Entity”

Statutes related to adult education and specific to Cooperating Eligible Entities are contained in Connecticut General Statutes (C.G.S.) Chapter 164, Educational Opportunities Section 10-67 through Section 10-71.

Sec. 10-67. Definitions. (4) “Cooperating eligible entity” means any corporation or other business entity, nonprofit organization, private occupational school authorized pursuant to sections 10a-22a to 10a-22o, inclusive, institution of higher education licensed or accredited pursuant to the provisions of section 10a-34, regional vocational-technical school or library which provides classes or services specified under subdivision (1) of subsection (a) of section 10-69, in conformance with the program standards applicable to boards of education through a written cooperative arrangement with a local or regional board of education or regional educational service center;

Sec. 10-69. Adult education instruction: (1) Shall be provided in Americanization and United States citizenship, English for adults with limited English proficiency and elementary and secondary school completion programs or classes; and (2) may be provided in (A) any subject provided by the elementary and secondary schools of such school district, including vocational education; (B); adult literacy, (C) parenting skills, and (D) any other subject or activity.

Sec. 10-71. State grants for adult education programs. (3) (b) Notwithstanding the provisions of subdivision (6) of section 10-67, a local or regional board of education or regional educational service center shall be eligible to receive an amount to be paid pursuant to the provisions of subsection (c) of this section. The amount shall equal the eligible expenditures from funds received from private sources by the local or regional board of education, regional educational service center or cooperating eligible entity multiplied by the appropriate percentage, as determined under subsection (a) of this section, provided such amount shall not exceed twenty percent of the amount received by the local or regional board of education or regional educational service center pursuant to subsection (a) of this section for the previous fiscal year. For payments from private sources to be eligible for reimbursement pursuant to this subsection, (1) based upon estimated eligible costs approved by the Department of Education, the eligible expenditures from local taxes in a fiscal year shall not be less than seventy percent of the eligible expenditures from local taxes for the previous fiscal year, and (2) the local or regional board of education, regional educational service center or cooperating eligible entity shall provide, not later than a date to be determined by the Commissioner of Education, evidence satisfactory to the commissioner of a written commitment of a payment from a private source. Evidence of actual payment shall be submitted to the commissioner not later than a date established by the commissioner. Upon receipt by a board of education or regional educational service center of state funds pursuant to this subsection attributable to expenditures of a cooperating eligible entity, the board or center shall provide for the distribution of such funds to the cooperating eligible entity for the provision of adult education programs and services pursuant to subdivision (1) of subsection (a) of section 10-69.

Payments pursuant to this section for each estimated total grant of fifteen hundred dollars or more shall be made during the fiscal year in which such programs are offered as follows: Two-thirds of the grant

entitlement based on estimated eligible costs of adult education, included in the approved proposal, in August and the adjusted balance, based on a revised estimate of such eligible costs to be filed with the Commissioner of Education at such time as the commissioner prescribes, in May. Payments pursuant to this section for each estimated total grant of less than fifteen hundred dollars shall be made in a single installment in May of the fiscal year in which such programs are offered, based on a revised estimate of the eligible costs of adult education filed with the Commissioner of Education at such time as the commissioner prescribes. Each recipient of a grant pursuant to this section shall submit a report of actual revenue and expenditures to the Commissioner of Education in such manner and on such forms as the commissioner prescribes on or before the September first immediately following the end of the grant year. Based on the report data, the commissioner shall calculate any underpayment or overpayment of the grant paid pursuant to this section and shall adjust the grant for the fiscal year following the fiscal year in which such underpayment or overpayment occurred or any subsequent fiscal year.

(c) Notwithstanding the provision of this section, for the fiscal years ending June 30, 2004, to June 30 2009, inclusive, the amount of the grants payable to towns, regional boards of education or regional educational service centers in accordance with this section shall be reduced proportionately if the total of such grants in such year exceeds the amount appropriated for the purposes of this section for such year.