

# Montana Carl D. Perkins Policy and Procedures Manual

**Subject:** Fiscal Program Responsibility  
**Policy:** Criteria to Award Reserve Funds  
**Effective:** July 1, 2007  
**Revised:** Not Applicable

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Eighty-five percent of the funds allocated to the state based on a federal formula must be distributed to local eligible recipients. The funds must be distributed to local high schools or two-year postsecondary colleges based on formulas detailed in the Perkins Law. The State may provide restrictions, maximum or minimum limits on local and/or reserve funds. The local eligible agency may implement restrictions or limitations within the parameters of the required and permissive uses.

Up to 10% of the local allocation funds may be reserved to focus on specific initiatives or local performance indicators. These funds may be distributed competitively or through a formula allocation. In either case, the awardees must be Perkins eligible institutions; a high school district, two-year postsecondary college or consortia of eligible institutions. Because the funds are local, they should not be used to accomplish state level responsibilities and should generally benefit the majority of eligible grantees.

The actual percentage to be allocated to the reserve, the split between secondary and postsecondary, the focus of the funds, and the method best suited for meeting the identified focus will be identified each year in the Annual Perkins Leadership Plan as outlined in the [State Plan Program Evaluation Policy](#). Reserve grants will be managed by the Office of the Commissioner of Higher Education (OCHE) except where designated in the Perkins Leadership Plan.

Remaining funds at the end of 12 months may be rolled into the local formula allocation for the next year. When doing so, the [Allocations, Awards and Redistribution](#) policy and procedures must be followed.