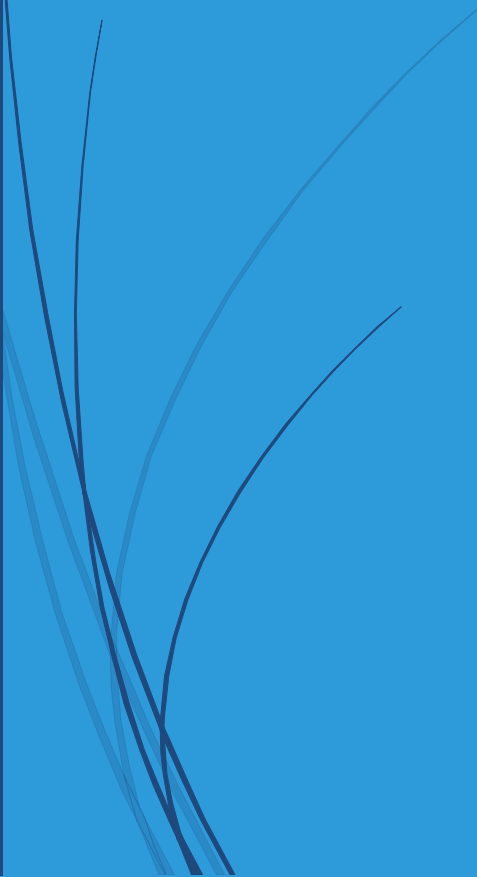




2015-16

Adult Education and Literacy Funding Source



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Background

Federal support for adult basic education dates back to the Adult Education Act of 1966, which formed part of the Johnson Administration's War on Poverty. The 1991 National Literacy Act expanded the scope and funding for federal adult education programs. Both laws were replaced in 1998 with passage of the Adult Education and Family Literacy Act (AEFLA), enacted in 1998 under Title II of the Workforce Investment Act (WIA). AEFLA is the primary federal funding source of adult education and finances states to provide adult basic education to individuals lacking high school credentials, or lacking the basic literacy and numeracy skills necessary for employment and self-sufficiency, including but not limited to proficiency in English. The inclusion of adult basic education funding in the Workforce Investment Act reflected a growing emphasis on linking literacy, education, and employment services.

Title II of the Workforce Investment Act

The United States has a larger population of low-skilled adults than most developed countries. Over 36 million Americans—one in six—have low literacy skills, and one in three has low numeracy skills. The National Commission on Adult Literacy found that an additional 60 million Americans lack the credentials and skills necessary to succeed in postsecondary education.

In 2012, there were more than 25 million Limited English Proficient (LEP) individuals ages 5 and older in the United States. Approximately 50% of the 40.6 million immigrants, ages 5 and up, were LEP. Estimates predict that by 2022 the United States will fall short by 11 million the necessary number of workers with postsecondary education, including 6.8 million workers with bachelor's degrees, and 4.3 million workers with a postsecondary vocation certificate, some college credits or an associate's degree. The WIOA helps address these gaps through education and training.

The federal government funds a number of adult education and literacy programs. These programs help individuals over the age of 16 who are not enrolled in school, lack a high school credential, and/or do not possess basic literacy, numeracy, or English language skills, to obtain those skills and related credentials. Evidence shows considerable unmet demand for adult education services.

Funding Formula

In 2013, Congress appropriated \$575 million for adult education. Funding totaled five percent lower than the \$606 million appropriated in 2012, due to across-the-board funding cuts (i.e. sequestration).

Federal funds for adult education are distributed as formula grants to states that, in turn, fund local program providers. The formula distributes funds based on the number of adults in each

state over age 16 not enrolled in school and who have not completed high school. States must distribute at least 82.5 percent of funds to local providers through a competitive process using their own criteria. Providers include local educational agencies, community colleges, community-based organizations and correctional institutions with the majority (78 percent) being local education agencies.

States must match federal funds by 25 percent (cash or in-kind) and satisfy a “maintenance of effort” provision requiring that a state spend at least 90 percent of what it spent in the prior year on adult education activities. The formula also includes a “hold harmless” provision specifying that states receive grants equal to at least 90 percent of the grant they received the previous year, provided the federal appropriation is sufficient.

The federal government sets aside 1.5 percent of funding for national leadership activities such as technical assistance, research, and demonstration projects, and 1.7 percent for incentive grants of up to \$3 million to states that surpass their negotiated performance targets in both Title I and Title II of WIA. Although incentive awards appear in the AEFLA budget, they are administered by the U.S. Department of Labor (DOL). States may set aside up to 12.5 percent of federal funds for their own leadership activities and up to 5 percent for administrative costs. National and state leadership funds and incentive grants have formed the basis of important innovations in the design and delivery of adult education programs.

While AEFLA is the primary source of federal funding for adult education, it makes up a relatively small proportion of total (federal, state, local and other) spending on adult education programs. In fiscal year 2010, for example, federal funding accounted for just over a third of the \$2.2 billion in combined state and federal funding for adult education that year. Over the past decade, federal (inflation-adjusted) funding for adult education has declined by more than 20 percent, and state spending by nearly 8 percent. That is in contrast to funding for PreK-12 and higher education, in which federal and state funding has generally increased (though not necessarily on a per-student basis).

Program Activities

Educational services that states provide with AEFLA funds are divided into three distinct programs:

1. Adult Basic Education (ABE) that target adults at very low literacy levels;
2. Adult Secondary Education (ASE) for adults whose literacy skills are at the high school level and/or are seeking a high school credential; and
3. English Language Acquisition (ELA) classes for adults who lack proficiency in English.

Program participants must be at least 16 years old, cannot be enrolled in secondary school, and must lack basic educational skills necessary to function effectively in society or a high school diploma or its equivalent, or be unable to speak, read, or write English.

In program year 2011-12, AEFLA programs enrolled 1,818,806 individuals, with 47 percent in ABE programs, 40 percent in ELA programs and 13 percent in ASE. The characteristics of program participants vary by the type of program, with ASE programs serving younger (under age 25) students while participants in ELA programs tend to be older.

Performance and Accountability

The Adult Education and Family Literacy Act includes an accountability system that requires states to track program participation and the following three core indicators:

1. Improvement in literacy skill levels in reading, writing, and speaking the English language; numeracy, and problem solving; English language acquisition; and other literacy skills;
2. Placement or retention in, or completion of, postsecondary education, training, employment, or career advancement; and
3. Receipt of a secondary school diploma or the equivalent.

States negotiate performance levels with the Office of Vocational and Adult Education at the U.S. Department of Education, which is responsible for administering the state grants, designing and implementing national leadership activities, and reporting to Congress on the program. States report their performance data via a publicly accessible [National Reporting System](#).

The quality and breadth of the data vary considerably, both among reported outcomes and between states. Data on educational gains are available for all participants and are based on pre- and post-assessments that measure progress for each of the programs (ABE, ASE, EL Civics). Testing procedures are not uniform across states, making cross-state comparisons problematic. States are also required to track transitions to postsecondary education or training, employment, and retention, but often lack access to reliable education and labor market data to effectively track participants. Moreover, until 2012, states were only required to track employment outcomes and postsecondary transitions of participants who self-reported these as goals of their participation in the program, which likely resulted in significant under-reporting of employment and educational outcomes. Beginning in program year 2011-12, states are required to report educational, employment, and retention outcomes for all program participants, effectively setting a new baseline for these data.

2014 Reauthorization

The House and Senate passed the Workforce Innovation and Opportunity Act (WIOA) in March 2013. WIOA is a bipartisan legislation that makes key improvements to the nation's workforce development system, and was signed into action by President Obama on July 22, 2014. The Act is designed to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy. Currently, the program reaches 1.7 million adults and out-of-school youth per year.

Workforce Innovation and Opportunity Act (WIOA):

WIOA provides for a stronger workforce development system by:

- Creating smaller, and more strategic state and local workforce development boards. These boards help create more job opportunities in their respective areas.
- Eliminating untimely procedures in local development boards, allowing them to focus on individuals' unique needs.
- Accommodating intake, case management and reporting systems while strengthening evaluations.
- Establishing methods for creating obtainable goals for every federal workforce program constructed under this Act.
- Ensuring that workers with disabilities acquire the skills necessary to acquire competitive, integrated employment.

WIOA provides better access to education by:

- Supporting workforce development programs with economic development and education initiatives.
- Allowing businesses to identify in-demand skills by connecting workers with opportunities to enhance those skills.
- Providing youth program services for high school dropout recovery efforts and attainment of relevant postsecondary credentials.
- Enacting the Adult Education and Family Literacy Act under Title II, which increases focus on English literacy programs for all students and aims to transition students to postsecondary education and training.