



**Testimony Presented to
the House Appropriations Subcommittee on School Aid
SECTION 107 ADULT EDUCATION FUNDING**

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My name is Peter Ruark, and I am a Senior Policy Analyst at the Michigan League for Public Policy. We advocate for state policies that help low-income individuals and families in Michigan become economically self-sufficient. Improving educational opportunities for adults certainly plays a role in that mission, and I appreciate the opportunity to provide this testimony.

The governor and Legislature have both emphasized the importance of increasing the skill level of Michigan's workforce, and we agree. With the reduction in manufacturing jobs in the state, workers can no longer expect to get a well-paying manufacturing job with just a high school diploma, as more employers require some level of postsecondary occupational training and a credential. However, many workers lack certain basic skills (in reading, writing or mathematics) that are needed in order to participate in occupational training. This current dynamic leaves many Michigan workers in limbo. Adult education is an important transition program that addresses that, linking these workers to training, credentials and ultimately to skilled jobs.

The State of Michigan is not reaching nearly enough of the working age adults who need adult education:

- Over 221,500 Michigan adults age 25-44 lack a high school diploma or GED, yet fewer than 7% are enrolled in adult education.
- More than 225,000 Michigan adults speak English less than "very well," yet fewer than 5% enroll in English as a Second Language adult education programs.
- At least 60% of Michigan community college students per year need to take developmental (remedial) education classes at an additional cost due to not having mastered one or more skill areas needed for postsecondary education or training.

Attached to this testimony sheet I have provided some tables. Table 1 shows Michigan's large reduction in state funding for adult education over the past fifteen years. During budget years 1997 to 2001, the state funded adult education at \$80 million a year, but the Legislature cut

funding drastically after that, to as low as \$20 million annually. Adult education was funded at \$22 million/year for several years, and last year the Legislature bumped up the funding to \$25 million (actually \$23.7 million with the 5% administrative set-aside). As federal funding has also been reduced, total funding for adult education has dropped from \$96.3 million in 2001 to only \$37.3 million in 2016.

Table 2 shows how the funding reductions have resulted in fewer people enrolling in and completing adult education programs. The decrease in total funding since 2001 has been accompanied by a 51% decline in enrollment, a 36% decrease in students completing a level and a 64% decrease in students completing and then advancing a level.

With more funding, adult education will be able to reach more students and will be able to facilitate student success by expanding into places such as community colleges, workplaces and sites in which parents can bring their children (i.e., Head Start).

The governor's proposed budget funds adult education at \$25 million for Fiscal Year 2017—the same amount as last year. The Michigan League for Public Policy recommends that the adult education appropriation be increased by \$10 million. At an estimated cost of \$1,240 per student, Table 3 shows that this would enable 8,000 more students to be served.

The need for additional funding will be even greater if the governor's proposed boilerplate language expanding the population of eligible adult education students is put into place. The League agrees with the Michigan Association of Community and Adult Education that the language changes should be put on hold until after further discussion between the relevant state agencies and the adult education community.

Thank you again for the opportunity to address this important issue.

TABLE 1

| History of Funding for Michigan's Adult Education Programs | | | | | | | |
|--|--------------|-----------------|---------------------------------|--------------|----------------|---------------|--------------------------|
| Fiscal Year | Program Year | FEDERAL FUNDING | | | State Funding* | Total Funding | State Portion of Funding |
| | | Base Grant | English Literacy & Civics Grant | Total | | | |
| 1996 | 1995-96 | NA | NA | NA | \$185,000,000 | NA | NA |
| 1997 | 1996-97 | \$8,287,819 | * | \$8,287,819 | \$80,000,000 | \$88,287,819 | 90.6% |
| 1998 | 1997-98 | \$11,482,416 | * | \$11,482,416 | \$80,000,000 | \$91,482,416 | 87.4% |
| 1999 | 1998-99 | \$11,654,356 | * | \$11,654,356 | \$80,000,000 | \$91,654,356 | 87.3% |
| 2000 | 1999-00 | \$11,973,584 | * | \$11,973,584 | \$80,000,000 | \$91,973,584 | 87.0% |
| 2001 | 2000-01 | \$13,691,487 | \$437,129 | \$14,128,616 | \$80,000,000 | \$94,128,616 | 85.0% |
| 2002 | 2001-02 | \$15,159,503 | \$1,160,594 | \$16,320,097 | \$75,000,000 | \$91,320,097 | 82.1% |
| 2003 | 2002-03 | \$16,310,508 | \$1,251,632 | \$17,562,140 | \$74,569,800 | \$92,131,940 | 80.9% |
| 2004 | 2003-04 | \$14,679,457 | \$1,332,464 | \$16,011,921 | \$20,000,000 | \$36,011,921 | 55.5% |
| 2005 | 2004-05 | \$14,871,841 | \$1,355,222 | \$16,227,063 | \$20,000,000 | \$36,227,063 | 55.2% |
| 2006 | 2005-06 | \$14,755,635 | \$1,352,236 | \$16,107,871 | \$21,000,000 | \$37,107,871 | 56.6% |
| 2007 | 2006-07 | \$14,606,756 | \$1,352,688 | \$15,959,444 | \$24,000,000 | \$39,959,444 | 60.1% |
| 2008 | 2007-08 | \$14,606,750 | \$1,369,315 | \$15,976,065 | \$24,000,000 | \$39,976,065 | 60.0% |
| 2009 | 2008-09 | \$14,349,799 | \$1,295,444 | \$15,645,243 | \$24,000,000 | \$39,645,243 | 60.5% |
| 2010 | 2009-10 | \$12,914,820 | \$1,300,460 | \$14,215,280 | \$22,000,000 | \$36,215,280 | 60.7% |
| 2011 | 2010-11 | \$13,003,714 | \$1,376,349 | \$14,380,063 | \$22,000,000 | \$36,380,063 | 60.5% |
| 2012 | 2011-12 | \$13,419,141 | \$1,352,694 | \$14,771,835 | \$22,000,000 | \$36,771,835 | 59.8% |
| 2013 | 2012-13 | \$12,623,242 | \$1,341,874 | \$13,965,116 | \$22,000,000 | \$35,965,116 | 61.2% |
| 2014 | 2013-14 | \$11,935,152 | \$1,253,164 | \$13,188,316 | \$22,000,000 | \$35,188,316 | 62.5% |
| 2015 | 2014-15 | \$11,972,115 | \$1,253,159 | \$13,225,274 | \$20,900,000 | \$34,125,274 | 61.2% |
| 2016 | 2015-16 | \$12,373,128 | \$1,251,135 | \$13,624,263 | \$23,750,000 | \$37,374,263 | 63.5% |
| Change FY 2001>2016 | | -10% | 186% | -4% | -70% | -60% | — |

*The FY 2015 and 2016 figures for state funding take into account a new 5% administrative set-aside deducted from the \$22 million and \$25 million appropriations, respectively.
Source: U.S. Department of Education and Michigan House Fiscal Agency

TABLE 2

| Enrollments, Completions Drop With Funding Cuts | | | | | | | |
|---|---------------|--------------------------|-------------------|--------------------------|---------|--|---------|
| Program Year | Total Funding | Amount Spent per Student | Students Enrolled | Students Completed Level | | Students Completed Level and Advanced One or More levels | |
| | | | | Number | Percent | Number | Percent |
| 2000-01 | \$94,128,616 | \$1,681 | 56,001 | 15,471 | 28% | 7,760 | 14% |
| 2001-02 | \$91,320,097 | \$1,202 | 75,988 | 23,922 | 31% | 936 | 1% |
| 2002-03 | \$92,131,940 | \$1,300 | 70,893 | 17,496 | 25% | 7,038 | 10% |
| 2003-04 | \$36,011,921 | \$746 | 48,273 | 15,280 | 32% | 6,588 | 14% |
| 2004-05 | \$36,227,063 | \$1,042 | 34,768 | 11,210 | 32% | 3,536 | 10% |
| 2005-06 | \$37,107,871 | \$1,159 | 32,024 | 10,229 | 32% | 3,139 | 10% |
| 2006-07 | \$39,959,444 | \$1,216 | 32,856 | 12,293 | 37% | 4,256 | 13% |
| 2007-08 | \$39,976,065 | \$1,308 | 30,571 | 11,866 | 39% | 3,587 | 12% |
| 2008-09 | \$39,645,243 | \$1,404 | 28,243 | 11,265 | 40% | 3,470 | 12% |
| 2009-10 | \$36,215,280 | \$1,164 | 31,106 | 11,076 | 36% | 3,320 | 11% |
| 2010-11 | \$36,380,063 | \$1,413 | 25,745 | 10,289 | 40% | 3,115 | 12% |
| 2011-12 | \$36,771,835 | \$1,285 | 28,614 | 9,823 | 34% | 2,754 | 10% |
| 2012-13 | \$35,965,116 | \$1,218 | 29,533 | 10,779 | 37% | 3,071 | 10% |
| 2013-14 | \$35,188,316 | \$1,229 | 28,625 | 9,393 | 33% | 2,762 | 10% |
| 2014-15 | \$35,225,274 | \$1,284 | 27,443 | 9,951 | 36% | 2,771 | 10% |
| Change 2000-01 > 2013-14 | -63% | — | -51% | -36% | — | -64% | — |

Sources: U.S. Department of Education and Michigan House Fiscal Agency (Funding); Michigan Workforce Development Agency (Adult education participation)

TABLE 3

| How Many More Low-Skilled Adults Could Be Served by Increasing Adult Education Funding? | | | | | |
|---|----------------------|---------------------------|---|---|--------------------------|
| | Annual Funding Level | Number of Students Served | Additional Students Compared to (FY 2010—FY 2014) | If Entire Increase Serves Adults Age 25-44 Without HS diploma | |
| | | | | # Served | % Served |
| Average Funding: FY 2010 – FY 2014 | \$36,104,122 | 28,725 | — | 14,100 <i>(current)</i> | 6.4% <i>(current)</i> |
| If Increased by \$10 M | \$46,104,122 | 36,725 | 8,000 | 22,100 | 10.0% |
| If Increased by \$15 M | \$51,104,122 | 40,725 | 12,000 | 26,100 | 11.8% |
| If Increased by \$20 M | \$56,104,122 | 44,725 | 16,000 | 30,100 | 13.6% |
| If Increased by \$25 M | \$61,104,122 | 48,725 | 20,000 | 34,100 | 15.4% |
| If Increased by \$30 M | \$66,104,122 | 52,725 | 24,000 | 38,100 | 17.2% |

Source: Michigan League for Public Policy