



TESTIMONY ON SECTION 107 ADULT EDUCATION FUNDING
Senate Appropriations Subcommittee on School Aid

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Good morning, Chairman Hansen and members of the Senate Appropriations Subcommittee on School Aid. 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. I am here with Bob Steeh from the Michigan Association for Community and Adult Education. Thank you for providing us the opportunity to speak here today.

The governor and Legislature have both emphasized the importance of increasing the skill level of Michigan's workforce, and we agree. Unlike when there were a lot of 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. Adult education is an important transition program that links these workers to training, credentials, and ultimately to skilled jobs.

I have distributed a new League report to each of you that shows the need for more investment in adult education. For your convenience, I have reproduced some of the tables on a sheet attached to your testimony sheet. Table 1 shows, Michigan has seen a large reduction in state funding for adult education during the past decade. During Fiscal Years 1997 to 2001, the state funded adult education at \$80 million, but for the past several years has funded it at \$22 million (actually \$20.9 million after the new 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 \$34.1 million in 2015.

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 -49% decline in enrollment, a -39% decrease in students completing a level and a -64% decrease in students completing and then advancing a level.

The State of Michigan is not reaching anywhere near 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.
- Around 60% of Michigan community college students per year need to take developmental (remedial) education classes at a cost, due to having not mastered one or more skill areas needed for postsecondary education or training.

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 \$22 million for Fiscal Year 2016—the same amount that has been appropriated for the past several years. The Michigan League for Public Policy recommends that the adult education appropriation be increased by \$10-30 million. At an estimated cost of \$1,240 per student, Table 3 shows how many more adult education students could be served at various levels of funding increases.

Funding alone will not by itself enhance student success in adult education. The League also recommends encouraging and facilitating cooperative agreements between community colleges and school districts that enable students to fulfill developmental education requirements through adult education courses offered on college campuses. Other recommendations for improving and expanding delivery of adult education are in the report.

In closing, I would like to praise the governor and this Legislature for emphasizing skill building of Michigan’s workforce, but I urge you not to overlook this very important pool of Michigan workers.

Thank you again for letting me speak here today. I will be happy to answer any questions.

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%
Change FY 2001>2015		-13%	187%	-6%	-74%	-64%	—

*The FY 2015 figure for state funding takes into account a new 5% administrative set-aside deducted from the \$22 million appropriation.
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	—	NA	NA	NA	NA	NA
Change 2000-01 > 2013-14	-63%	—	-49%	-39%	—	-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 (current)	6.4% (current)
If Increased by \$10 M	\$46,104,122	36,725	8,000	22,100	10.0%
If Increased by \$15 M	\$51,104,122	44,725	16,000	30,100	13.6%
If Increased by \$20 M	\$56,104,122	52,725	24,000	38,100	17.2%
If Increased by \$25 M	\$61,104,122	60,725	32,000	46,100	20.8%
If Increased by \$30 M	\$66,104,122	68,725	40,000	54,100	24.4%

Source: Michigan League for Public Policy