

# Michigan Continues to Underfund Adult Education, Hamper Workers and Economy

Michigan continues to underfund adult education even though changes in the state's economy make it impossible for workers to succeed without basic skills and a high school diploma. With the reduction in manufacturing jobs in Michigan, workers can no longer expect to get a well-paying manufacturing job with only a high school diploma. Laid-off workers and those trying to succeed in the job market often seek out postsecondary occupational training, as employers are increasingly requiring a postsecondary credential such as a degree or certificate. However, many workers lack certain basic skills in reading, writing or mathematics that are needed in order to participate in occupational training, leaving them in limbo. Adult education is an important transition program that addresses the need for basic skills and links workers to training, credentials and ultimately to skilled jobs.

## THE NEED FOR ADULT EDUCATION IS NOT BEING MET

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.

### Budget



### Briefs

- 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.

#### Recommendations for 2017 Budget

- ◆ **Increase adult education funding by \$10 million, to \$35 million.** At an estimated cost of \$1,240 per student, this would enable 8,000 more students to be served.
- ◆ **Eliminate the 5% administrative set-aside that is deducted from the adult education appropriation.** The entire appropriation should go toward providing services unless there is enough of an appropriations increase to cover local administrative costs AND serve a higher number of students.
- ◆ **Do not expand eligibility for adult education services unless sufficient funding is added.** Without additional funding, making adult education available to high school students and out-of-school youth will jeopardize its availability for the target population (adults over 20 years old).

## STATE AND FEDERAL FUNDING FOR ADULT EDUCATION HAS BEEN CUT



Michigan has greatly reduced its funding for adult education over the past 15 years. During budget years 1997 to 2001, state funding for adult education was 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. However, the amount is actually \$23.8 million because the money is given to Prosperity Regions rather than to providers directly, as has been done in the past. Each designated Prosperity Region deducts 5% as an administrative fee for allocating the money to providers within its jurisdiction.

	Annual Funding	Number of Students	Additional Students
Average Funding FY 2010—FY 2016 (State & Federal):	\$36,002,878	28,725	—
<b>If Increased by:</b>			
\$10 M	\$46,002,878	36,725	8,000
\$15 M	\$51,002,878	40,725	12,000
\$20 M	\$56,002,878	44,725	16,000
\$25 M	\$61,002,878	48,725	20,000
\$30 M	\$66,002,878	52,725	24,000

Sources: U.S. Department of Education; Michigan House Fiscal Agency; Michigan Workforce Development Agency

As federal funding has also been reduced, total funding for adult education in Michigan has dropped

from \$96.3 million in 2001 to only \$37.3 million in 2016. This has 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 grade level and a 64% decrease in students completing and then advancing a grade level.

Program Year	Total Funding	State Funding	Students Enrolled	Students Completing a Grade Level	Students Advancing a Grade Level
2000-01	\$94,128,616	\$80,000,000	56,001	15,471	7,760
2001-02	\$91,320,097	\$75,000,000	75,988	23,922	936
2002-03	\$92,131,940	\$74,569,800	70,893	17,496	7,038
2003-04	\$36,011,921	\$20,000,000	48,273	15,280	6,588
2004-05	\$36,227,063	\$20,000,000	34,768	11,210	3,536
2005-06	\$37,107,871	\$21,000,000	32,024	10,229	3,139
2006-07	\$39,959,444	\$24,000,000	32,856	12,293	4,256
2007-08	\$39,976,065	\$24,000,000	30,571	11,866	3,587
2008-09	\$39,645,243	\$24,000,000	28,243	11,265	3,470
2009-10	\$36,215,280	\$22,000,000	31,106	11,076	3,320
2010-11	\$36,380,063	\$22,000,000	25,745	10,289	3,115
2011-12	\$36,771,835	\$22,000,000	28,614	9,823	2,754
2012-13	\$35,965,116	\$22,000,000	29,533	10,779	3,071
2013-14	\$35,188,316	\$22,000,000	28,625	9,393	2,762
2014-15	\$35,225,274	\$20,900,000	27,443	9,951	2,771
2015-16	\$37,374,263	\$23,750,000	NA	NA	NA
% Change 2000-01 > 2014-15	<b>-63%</b>	<b>-74%</b>	<b>-51%</b>	<b>-36%</b>	<b>-64%</b>

\*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.

Sources: U.S. Department of Education; Michigan House Fiscal Agency; Michigan Workforce Development Agency

## THE 2017 STATE BUDGET

**Adult Education Eligibility:** Currently, adult education is available to adults age 20 and over. The governor has proposed boilerplate language expanding adult education eligibility to high school students and out-of-school youth under

age 18, which would intensify the need for more funding. If the language expanding the eligibility is included in the final budget signed by the governor, it is likely many adult education programs would be strapped for money to the degree that they cannot serve their priority population (individuals over 20 years of age) effectively. The Legislature should not expand eligibility until after further discussion with service providers and not without sufficient funding in place.

**Adult Education Funding:** The governor's proposed budget funds adult education at \$25 million (\$23.8 million after set-aside is deducted) for budget year 2017—the same amount as last year. The Michigan League for Public Policy recommends that the Legislature increase the adult education appropriation by a minimum of \$10 million for budget year 2017. At an estimated cost of \$1,240 per student, this would enable 8,000 more students to be served, and would enable adult education to serve the equivalent of 10% of students age 25-44 without a high school diploma.