



Testimony Presented to the House Appropriations Subcommittee on School Aid and Department of Education

SECTION 107 ADULT EDUCATION FUNDING

Peter Ruark, Senior Policy Analyst

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Thank you, Chairman Miller and members of the subcommittee, for letting me testify here today. 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 individuals and families with low incomes become economically self-sufficient. I am speaking to you about adult education today because increasing access to adult education plays an important role in that mission.

In the 21st century economy, a high school diploma is simply not enough. Entry-level job openings with a career track increasingly require a credential such as a degree, certificate or license. Unfortunately, many workers in Michigan lack certain basic skills needed to succeed in the occupational training leading to these credentials, either because they dropped out of high school or they passed classes without a complete mastering of the skills (a C- is still a passing grade!). Adult education is a crucial link that prepares these workers for training, credentials, and ultimately skilled jobs.

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

- Over 196,000 Michigan adults age 25-44 lack a high school diploma or GED, yet just over 8% of these individuals enroll in adult education.
- More than 231,000 Michigan adults speak English less than “very well,” yet only 4% enroll in English as a Second Language adult education programs.
- Between 56% and 63% of Michigan community college students each year need to take developmental (remedial) education classes due to not having mastered a needed skill area.

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 15 years. During budget years 1997 to 2001, the state funded adult education at \$80 million per year, but the Legislature cut funding drastically after that, to as low as \$20-22 million annually. Three years ago the Legislature bumped up the funding to \$25 million, and for this current year it is \$26 million (not including the

\$3 million for career and tech ed programs that serve a different population). However, the \$26 million is actually \$24.7 million going to adult education programs because 5% is set aside for administration. As federal funding has also been reduced, total funding for adult education has dropped from \$96.3 million in 2001 to only \$38.7 million in 2017.

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 45% decline in enrollment and a 34% decrease in students completing 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 continues to fund adult education at \$26 million for Fiscal Year 2019 (\$24.7 million to programs). The Michigan League for Public Policy recommends that the adult education appropriation be increased by \$5 million, to \$31 million per year. As shown in Table 3, at an estimated cost of \$1,252 per student (the average spent per student over the past five years), Table 3 shows that this would enable approximately 4,000 more students to be served.

Investing in adult education is not just about helping people with low skills get better jobs and earn higher wages. It is workforce development. In a tight labor market, low-skilled adults are an untapped source of workers that can fill the needs of employers, but a reasonable increase in adult education funding is needed to prepare them for more specific occupational skills training.

I have attached some of the League's Fiscal Year 2020 Budget Priorities for education. The adult education brief provides further detail.

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

Table 1: History of Funding for Michigan's Adult Education Programs

Program Year	Federal Funding			State Funding*	Total Funding	State Portion of Funding
	Base Grant	English Literacy & Civics Grant	Total			
1995-96	NA	NA	NA	\$185,000,000	NA	NA
1996-97	\$8,287,819	\$0	\$8,287,819	\$80,000,000	\$88,287,819	90.6%
1997-98	\$11,482,416	\$0	\$11,482,416	\$80,000,000	\$91,482,416	87.4%
1998-99	\$11,654,356	\$0	\$11,654,356	\$80,000,000	\$91,654,356	87.3%
1999-00	\$11,973,584	\$0	\$11,973,584	\$80,000,000	\$91,973,584	87.0%
2000-01	\$13,691,487	\$437,129	\$14,128,616	\$80,000,000	\$94,128,616	85.0%
2001-02	\$15,159,503	\$1,160,594	\$16,320,097	\$75,000,000	\$91,320,097	82.1%
2002-03	\$16,310,508	\$1,251,632	\$17,562,140	\$74,569,800	\$92,131,940	80.9%
2003-04	\$14,679,457	\$1,332,464	\$16,011,921	\$20,000,000	\$36,011,921	55.5%
2004-05	\$14,871,841	\$1,355,222	\$16,227,063	\$20,000,000	\$36,227,063	55.2%
2005-06	\$14,755,635	\$1,352,236	\$16,107,871	\$21,000,000	\$37,107,871	56.6%
2006-07	\$14,606,756	\$1,352,688	\$15,959,444	\$24,000,000	\$39,959,444	60.1%
2007-08	\$14,606,750	\$1,369,315	\$15,976,065	\$24,000,000	\$39,976,065	60.0%
2008-09	\$14,349,799	\$1,295,444	\$15,645,243	\$24,000,000	\$39,645,243	60.5%
2009-10	\$12,914,820	\$1,300,460	\$14,215,280	\$22,000,000	\$36,215,280	60.7%
2010-11	\$13,003,714	\$1,376,349	\$14,380,063	\$22,000,000	\$36,380,063	60.5%
2011-12	\$13,419,141	\$1,352,694	\$14,771,835	\$22,000,000	\$36,771,835	59.8%
2012-13	\$12,623,242	\$1,341,874	\$13,965,116	\$22,000,000	\$35,965,116	61.2%
2013-14	\$11,935,152	\$1,253,164	\$13,188,316	\$22,000,000	\$35,188,316	62.5%
2014-15	\$11,972,115	\$1,253,159	\$13,225,274	\$20,900,000	\$34,125,274	61.2%
2015-16	\$12,373,128	\$1,251,135	\$13,624,263	\$23,750,000	\$37,374,263	63.5%
2016-17	\$12,235,393	\$1,220,708	\$13,456,101	\$23,750,000	\$37,206,101	63.8%
2017-18	\$12,099,957	\$1,204,250	\$13,304,207	\$23,750,000	\$37,054,207	64.1%
2018-19	\$12,850,908	\$1,309,158	\$14,160,066	\$24,700,000	\$38,860,066	63.6%
Change FY 2001>2019	-6%	199%	0.2%	-69%	-59%	—

*Beginning with Program Year 2014-15, figures for state funding reflect the deduction of a 5% administrative set-aside from the total appropriations. Figures also do not include funding for career and technical education programs. The total appropriation for adult education from Section 107 of the School Aid budget was \$26 million for Program Year 2018-19, \$25 million for the previous three program years, and \$22 million for Program Year 2014-15.

Source: U.S. Department of Education and Michigan House Fiscal Agency.

Table 2: As Adult Education Funding Has Dropped, so Have Enrollments and Completions

Program Year	Total Funding	Amount Spent per Student	Students Enrolled	Students Completed Level	
				Number	Percent
2000-01	\$94,128,616	\$1,681	56,001	15,471	28%
2001-02	\$91,320,097	\$1,202	75,988	23,922	31%
2002-03	\$92,131,940	\$1,300	70,893	17,496	25%
2003-04	\$36,011,921	\$746	48,273	15,280	32%
2004-05	\$36,227,063	\$1,042	34,768	11,210	32%
2005-06	\$37,107,871	\$1,159	32,024	10,229	32%
2006-07	\$39,959,444	\$1,216	32,856	12,293	37%
2007-08	\$39,976,065	\$1,308	30,571	11,866	39%
2008-09	\$39,645,243	\$1,404	28,243	11,265	40%
2009-10	\$36,215,280	\$1,164	31,106	11,076	36%
2010-11	\$36,380,063	\$1,413	25,745	10,289	40%
2011-12	\$36,771,835	\$1,285	28,614	9,823	34%
2012-13	\$35,965,116	\$1,218	29,533	10,779	37%
2013-14	\$35,188,316	\$1,229	28,625	9,393	33%
2014-15	\$34,125,274	\$1,243	27,443	9,951	36%
2015-16	\$37,374,263	\$1,360	27,483	10,455	38%
2016-17	\$37,206,101	\$1,232	30,196	9,327	31%
2017-18	\$37,054,207	\$1,202	30,819	10,236	33%
Change 2000-01 > 2016-17	-61%	-28%	-45%	-34%	—

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

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Table 3: How Many More Low-Skilled Adults Could Be Served by Increasing Adult Education Funding?

	Annual Funding Level	Number of Students Served	Increase in Students Served	If Entire Increase Serves Adults Age 25-44 Without HS Diploma	
				# served	% served
Five-Year Average*	\$36,189,632	28,913	--	14,645	7%
If Increased by \$5 M	\$41,189,632	32,908	3,995	18,640	9%
If Increased by \$10 M	\$46,189,632	36,903	7,989	22,635	11%
If Increased by \$15 M	\$51,189,632	40,897	11,984	26,629	13%
If Increased by \$20 M	\$56,189,632	44,892	15,979	30,624	15%
If Increased by \$25 M	\$61,189,632	48,887	19,973	34,619	16%

*Five-year average is for Program Years 2013-14 through 2017-18.

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