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The 2015-16 Budget: Adult Education Block Grant

LEGISLATIVE ANALYST'S OFFICE

Presented to:
Assembly Budget Subcommittee No. 2 on Education Finance
Hon. Kevin McCarty, Chair





Governor's Proposal



Proposes \$500 Million in Dedicated Funding for Adult Education

- Would fund 70 regional consortia of school districts, county offices of education, and community college districts to support instruction in five core areas.
- For 2015-16 only, would guarantee existing adult schools receive at least their 2012-13 funding level.
- Remaining funds (and all funding in subsequent years) would be allocated based on three factors:
 - Amount allocated to the consortium in the prior year,
 - Region's needs for adult education, and
 - Consortium's effectiveness in meeting those needs.
- Each consortium would form a seven-member allocation committee to distribute the funding to adult education providers within the region based on the consortium's service plan.



Governor's Proposal

(continued)

- Creates Decision-Making Triad**
 - Authorizes Superintendent of Public Instruction and California Community Colleges (CCC) Chancellor, with concurrence of State Board of Education Executive Director (a Governor's appointee), to oversee consortia process.

- Triad Responsible for:**
 - Determining regions.
 - Approving one consortium in each region.
 - Approving each consortium's governance structure.
 - Certifying 2015-16 maintenance-of-effort funding level.
 - Apportioning remaining funds to consortia based on three statutory factors.
 - Requiring annual reports from consortia and specifying data requirements.
 - Providing an annual report to the Department of Finance, the State Board of Education, and the Legislature summarizing consortia plans, allocations, and service levels.



LAO Assessment: Strengths of Governor's Proposal



In Concept, Adult Education Proposal Consistent With Goal of Better Coordination Among Adult Education Providers

- Involves a broad group of adult education stakeholders.
- Could foster better communication and coordination among adult education providers.
- Provides flexibility in how best to meet local needs.
- Sets forth expectations that consortia report types and levels of service, effectiveness in meeting need, and expenditure data to the state.
- Links at least a portion of annual funding to performance and need.



LAO Assessment: Shortcomings of Governor's Proposal

- Proposed Block Grant Does Not Include All Adult Education Funding**
 - Share of CCC apportionment funding that supports adult education courses.
 - Various related CCC categorical programs, including CCC Economic Development and Apprenticeship programs.
 - Federal Workforce Investment Act adult education funds allocated by California Department of Education (CDE).
 - Federal Perkins career technical education (CTE) funds.

- State Allocation Proposal Lacks Significant Details**
 - Leaves definitions of need and performance—and relative weights of three factors—up to triad.

- Concerns Regarding Allocation Boards**
 - Board members—most of whom are not consortia members—would lack formal authority and accountability for directing the flow of state dollars.
 - Unclear whether providers, regional consortia, or local allocation boards would be responsible for outcomes.



LAO Assessment: Shortcomings of Governor's Proposal

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Lack of Clear Goals and Accountability

- Unclear how many individuals the new program is intended to serve.
- No rules specifying maximum amount consortia can spend on a student.
- No specific performance goals for consortia.
- Lack of specificity in data reporting requirements.



Proposed Allocation of Adult Education Block Grant Not Necessarily Proportional to Regional Need

- Including prior-year funding in statewide allocation formula perpetuates historical funding patterns at adult schools.



Recommend Funding Adult Education Block Grant With Several Modifications

- Incorporate or Better Coordinate Other Sources of Adult Education Funding Into Block Grant**
 - Examples include:
 - Allocate federal adult education funds to providers through consortia.
 - Allocate adult portion of federal Perkins CTE funding through consortia.
 - Allocate state apprenticeship funds to consortia.
 - Shift CCC noncredit adult education funding to block grant or require colleges participating in consortia to use a share of their apportionment funds consistent with consortia plans.

- Approve One-Time Funding Guarantee but Gradually Shift Statewide Funding Allocation to Reflect Need and Performance**

- Require CDE and CCC to Provide Legislature With Statewide Allocation Formula by Spring 2015**

- Clarify How Funding Within a Consortium Will Be Allocated**
 - Require entities participating in funding allocation to organize through a memorandum of understanding, joint powers authority, or other formal legal structure.
 - Alternatively, change the role of the local allocation board to an advisory one with a strong presumption that the consortium follow the board's recommendations.
 - Consider formalizing stakeholder consultation process in statute.



Recommend Funding Adult Education Block Grant With Several Modifications

(continued)



Set Clear Performance Targets

- Set expectations for how to allocate funds between enhancing and expanding services.



Set Data Reporting Requirements for Consortia

- Define what input and outcome data to collect and require consortia to collect it.



Adopt Consistent Adult Education Policies (Already Required by Statute)

- Require that CDE and CCC, in collaboration with the California Workforce Investment Board, by July 1, 2016, as a condition of funding:
 - Approve allowable student assessments, develop ways to compare results across different assessments, and require providers to share test results as students transfer.
 - Develop and begin using common student identifiers that permit tracking of all students across workforce education, training, and employment services programs.
 - Incorporate adult education measures into workforce metrics dashboard (created by Chapter 385, Statutes of 2014 [AB 2148, Mullin]) and ensure that providers contribute data.