

Adult Basic Education Funding in Minnesota

How It Works

The Formula: In 1999-2000, a representative statewide group of ABE and Community Education staff met intensively for several months to develop a statewide funding formula. Facilitated by the Minnesota Department of Education, the group grappled with the issue of how to insure an accessible system of ABE services statewide. The focus was not on insuring funding for specific providers, but on insuring all Minnesotans had access to meaningful ABE services.

A major component of discussion involved the challenges facing Twin Cities vs. Greater Minnesota programs. In the Twin Cities, demand for classes was high (especially among English Language Learners), thus making it important to find a way to serve large numbers of students in classes. In Greater Minnesota, sparse population and great distances between population centers presented challenges in delivering services in a meaningful and accessible way, through one-on-one and small group instruction.

The recommendation from the group, adopted by the legislature during the next session, recognized public schools as the primary means of ABE delivery, as they existed throughout the state and already served as the primary ABE delivery conduit. There are four primary components to the formula:

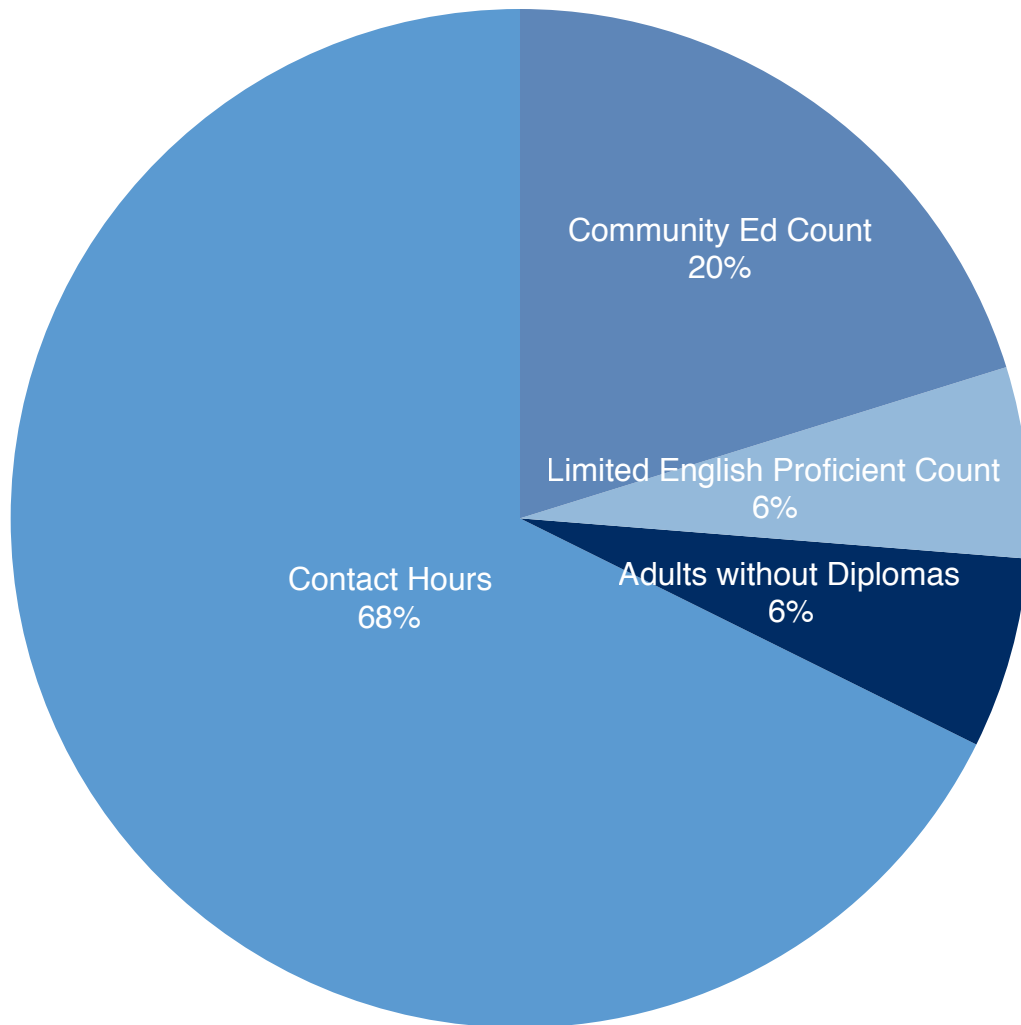
- Contact Hour Aid, based on the number of student contact hours in each consortia
- Total population in the service area of each school district consortia
- Number of Limited English Proficient (LEP) students in the service area of each school district consortia
- Number of adults 25 and older without a secondary credential in the service area of each school district consortia

The strategy of this approach was that all parts of the state would receive equitable funding. Greater Minnesota received proportionately more funding, recognizing the unique challenges posed by long distances and sparse population. While the effective rate of all four components combined has been \$7-8/per hour in the Twin Cities core, consortia in Greater Minnesota receive as much as \$22 per hour. There is also an annual cap on revenue hour growth of 11% per consortium.

In addition to school districts, non-profit community based organizations were allowed to access contact hour funding only, whether they belonged to larger district consortia or existed independently. School districts may choose to share their base with CBO members, but are not required to, and none appear to do so.

The formula has proven highly effective in developing and maintaining an ABE delivery system that serves the entire state, and has resulted in a system admired nationally for innovation and effectiveness.

Formula Distribution of ABE Funding



¹ In addition, 2% of all funds (later changed to 3%) was reserved for statewide professional development via Supplemental Service grants awarded on a competitive basis.

2018 Legislative Platform

The LAN Board has adopted a 2018 legislative platform designed to stabilize financial resources to ABE programs in Minnesota. The platform was developed over several months of thought and feedback from the LAN Membership.

LAN INITIATIVE

Since 2001, the contact hour rate has remained virtually unchanged **\$5.72 in 2001 vs. \$6.05 in 2016-2017.**

The inflation rate during this time period has been more than **37%**. The overall impact has been a significant decrease in funding to support needed ABE services.

The proposed platform addresses this shortfall by increasing resources for all consortia.

There are **two planks** in the platform:

- Change the 3% ABE growth factor to a 3% annual inflationary increase
- Support the ABE funding formula as it stands, opposing any funding requests intended to help meet the general operating costs of individual providers which does not benefit all programs statewide



LAN SUPPORTS

LAN favors continued funding to help defray the cost of secondary credential testing.



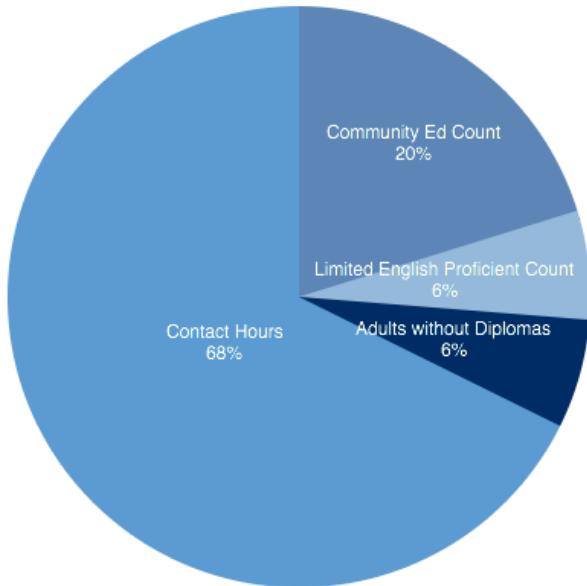
LAN Supports the Northstar Digital Literacy Assessment capital request of \$150,000 to upgrade this statewide digital literacy assessment to reflect evolution in HTML5 standards.



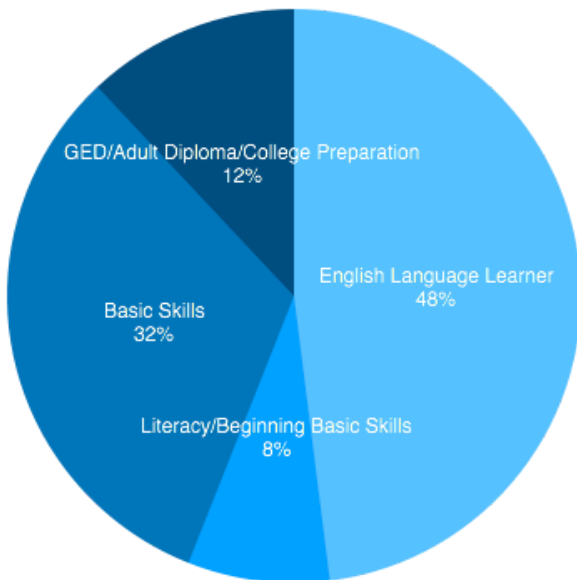
Background: There are four primary components to the ABE formula:

- Contact Hour Aid, based on the number of student contact hours in each consortia
- Total population in the service area of each school district consortia
- Number of Limited English Proficient (LEP) students in the service area of each school district consortia
- Number of adults 25 and older without a secondary credential in the service area of each school district

Formula Distribution of ABE Funding

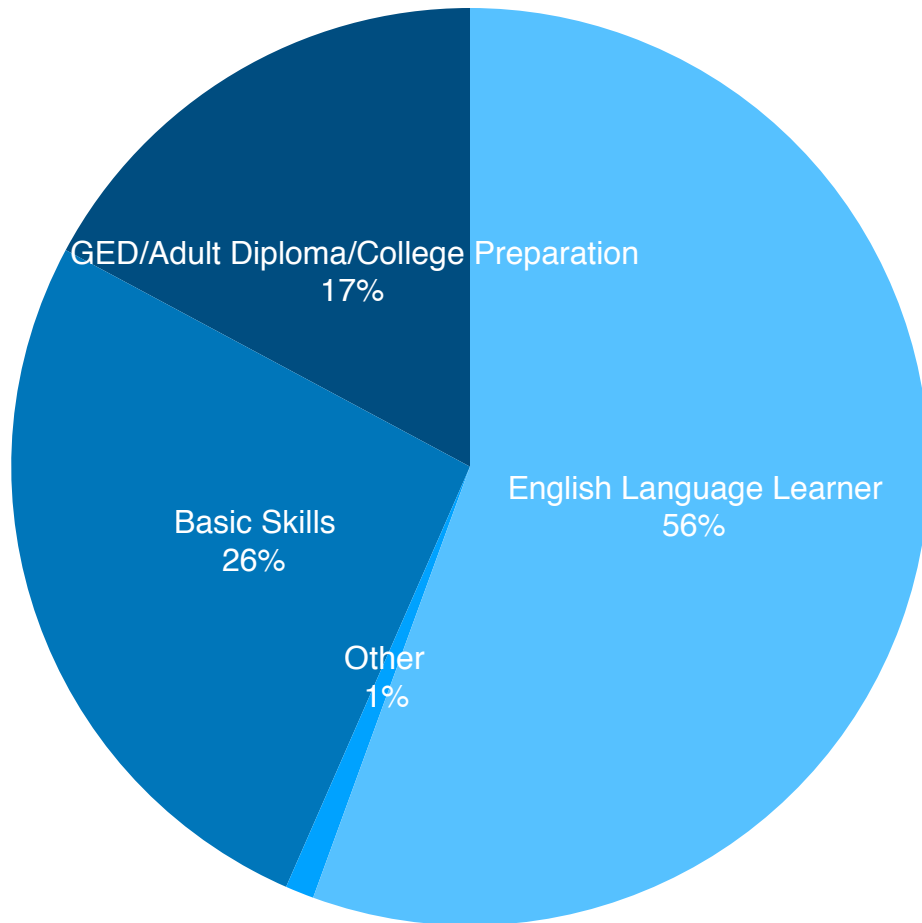


2017: Total students served: - 66,314; Participants (12+ hours) - 40,942
Total contact hours - 5,497,385; portion of contact hours provided by 20 CBOs: 40%



Summary of Minnesota ABE: 2017

Total students served: 64,878
Total contact hours: 5,302,063





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February 28, 2018

Dear Legislators:

Each year over 65,000 adult Minnesotans seek basic skills improvement to attain or advance in their jobs, enter higher education or to obtain US citizenship. Adult Basic Education (ABE) programs provide these skills through English language learning, basic skills, GED/Adult Diploma and career pathway classes. Last year ABE programs provided over 5,302,000 contact hours of education. We are writing to you on behalf of the ABE consortia that provide these services in Minnesota.

Since 2001, ABE has operated under a highly effective funding formula adopted by a bipartisan legislature. The ABE funding formula ensures that equitable service is delivered throughout the state and this formula establishes a balance between rural, suburban and urban programs. The formula is derived by counts of contact hours, population, English Language learners and adults 25 and older who lack a secondary credential. This formula structure continues to serve Minnesota well, including those attending community-based organizations.

Organizations have financial pressures when expenses to deliver services exceed allocations. Because of this, ABE programs must often seek grants to augment the state fund appropriation. Since the early 2000s, the contact-hour rate (the rate which hourly educational services are determined and one component of the funding formula) has changed very little. According to the Bureau of Labor Statistics consumer price index, the dollar experienced an average inflation rate of 2.03% per year between 2001 and 2017. Prices in 2017 are 38.0% higher than prices in 2001. In other words, \$1 in the year 2001 is equivalent in purchasing power to \$1.38 in 2017, a difference of \$0.38 over 16 years. When funding remains flat, it falls on the programs to fund the shortfall with no increase in revenue, or make the difficult choice to reduce programming.

Now that Minnesota has begun experiencing record labor shortages that will worsen over time, the demand for Career Pathway and job-preparation services has intensified. These necessary services are resource intensive and expensive to deliver. Due to this demand and inflation, we are asking that you consider changing the annual 3% growth factor to a 3% annual increase in funding to cover costs necessitated by this evolution.

Resolution of this issue is critical. We strongly urge the Minnesota Legislature to address this crisis to meet the need of Minnesota adult learners and businesses to keep our economy strong.

Sincerely,



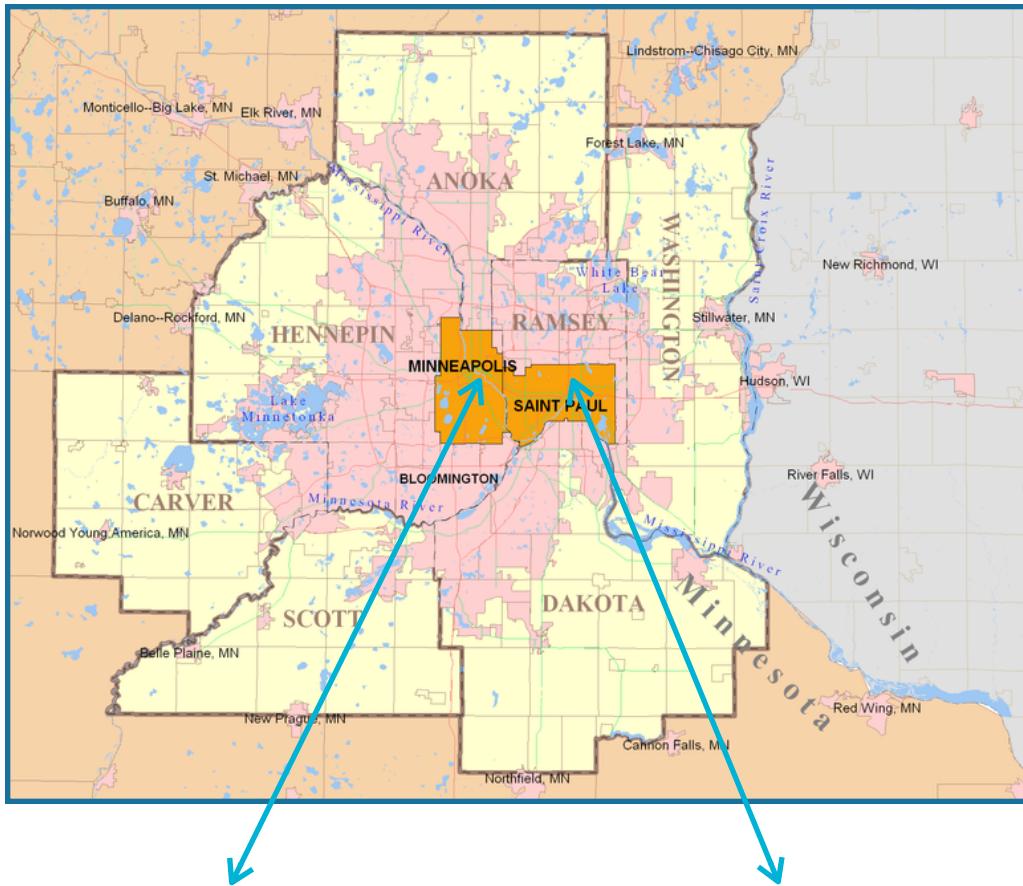
Karen Wolters, Legislative Chair, Literacy Action Network and Mankato Area ABE
Chelsea C. Ritland, Adult Options in Education
Patrice Adams, Metro North ABE
Laura Malott, Cass Lake-Bena Walker ABE
Darcy Kleven, Martha Olson & Pat Thomas, Southwest ABE
Dave Close, Oshkiimaajitahdah, Red Lake Nation
Aaron Gutzke, ThinkSelf Deaf ABE
Patricia Fleege, Duluth Adult Education
Scott Helland, Metro East Consortium, Harmony ABE
Sue Vogelsang, Faribault County ABE
Kellie McGowan, Metro South ABE
Ann Trochlil, Glacial Lakes ABE Consortium
Nadine Holthaus, Rochester ABE
Jill Rivard, Hiawatha Valley Adult Education
Becki Hawkins, Area Adult Learning Cooperative
Tracy Chase- AEOA Adult Education
Susie Evans, South Washington County ABE
Amy Fish, Detroit Lakes ABE
Scott Hall, St. Paul Community Literacy Consortium (SPCLC)
Jill Jensen, WEST ABE
Carlye Peterson, Minneapolis Adult Education Consortium
Jason Sellars, ISD ONE91 School for Adults
Deb McDermott-Johnson, SE ABE
Tammy Schatz, Moorhead ABE
Dr. Tracie Kreighbaum, Lakeville and Dakota Prairie consortia
Kirsten Fuglseth, Northwest Service Cooperative ABE
Cindy Walters, SW Metro ABE Consortium
Adam Holm, Central MN ABE
Eric Lind, Rosemount-Apple Valley-Eagan ABE
Sara Sundberg, Fergus Falls ABE
Sue Bishop, White Earth
Emily Watts, Osseo Area Schools ABE
Theresa Zingery, Robbinsdale ABE
Stephanie Drange, Lakes and Prairies ABE
Sylvia Galbraith, Alexandria ABE
Eric Nesheim, Minnesota Literacy Council
Tom Cytron-Hysom, Literacy Action Network

Locations and Contact Hours for Community Based Organizations (CBOs) Providing ABE Services in Minnesota

Total Minnesota contact hours, 2017: 5,302,063

Total CBOs: 20 - 1,051,864 hours (+DOC 847,236 hrs)

Total Hours Earned by Non-Base Programs: 1,899,100 (36% of state contact hours)



Minneapolis Consortium Agency/Contact Hours 16-17:

Ceder Riverside = 65,607

English Learning Center = 46,367

Learning In Style = 31,584

Somali Success School = 101,740

Summit OIC = 21,606

Volunteers of America = 39,349

Minneapolis Consortium CBO Contact Hours = 306,253

Other CBOs

International Education Center = 82,160

American Indian OIC = 7,635

Lyndale Neighborhood Association = 17,702

(part of East Metro Consortium)

ThinkSelf - 8,681

St. Paul Consortium Agency/Contact Hours 16-17:

CLUES = 27,898

Guadalupe Alternative Programs = 72,813

Hmong American Partnership = 56,406

Hmong Cultural Center = 24,758

International Institute = 69,389

Minnesota Literacy Council = 241,294

MORE = 37,784

Neighborhood House = 58,212

Vietnamese Social Services = 40,880

St. Paul Consortium CBO Contact Hours = 629,433

Overview of Adult Basic Education in Minnesota

Key Facts

Core Services

- * High school equivalency (formerly GED) preparation and testing, Standard Adult High School Diploma, English Language Learning, Basic Skills, Family Literacy, integrated English Language and Civics Education (IEL/Civics)

Initiatives and Priority Areas

- * Adult Career Pathways: Preparing Adults for Postsecondary Education, Training, Employment and Workforce Education.
- * Distance Learning and Digital Literacy: Building Adults' Technology Skills.

Number Served (2017)

- * Total Served: 64,878
- * Total Contact Hours: 5,302,063

Who is Served

- * Must be 17 and over, not enrolled in secondary school, and seeking a secondary credential or lacking skills in any of the basic academic areas including reading, math, writing and speaking English.
- * Students - English Language Learners - 39%; in Corrections - 17%; Single parents - 10%; unemployed 26%; receiving public assistance - 12%; no prior schooling - 8%

Selected Outcomes

- * The average participant in Minnesota's ABE system received 140 hours of instruction in 2015.
- * 33% of ABE participants who had or earned a secondary credential were enrolled in postsecondary institutions within the first year after exiting ABE.

Locations

- * 44 consortia serve the state.
- * Consortia deliver ABE programming at public schools, workforce centers, community/technical colleges, prisons/jails, libraries, learning centers, tribal centers, and non-profit organizations.
- * Consortia hire more than 1,400 staff (licensed teachers, paraprofessionals, counselors and administrators) and work with more than 1,400 trained volunteers to provide high quality instruction.
- * 68% of paid instructors are part-time (primarily due to insufficient funding).

Professional Development

- * Minnesota ABE has a comprehensive professional development system funded through statewide Supplemental Services providers.