

# Stepping

Adult Literacy Challenges  
at Work, at Home, and in the  
Maryland Community

# Up

# *to the future*

Findings and Recommendations from The 2005 Superintendent's Panel on Excellence in Adult Education



December 2005

**Dr. Nancy S. Grasmick**  
State Superintendent of Schools  
Maryland State Department of Education

## Superintendent's Panel on Excellence in Adult Education

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*Copies available at [http://www.marylandpublicschools.org/MSDE/divisions/careertech/adult\\_ed/](http://www.marylandpublicschools.org/MSDE/divisions/careertech/adult_ed/)  
Or contact Maryland Literacy Resource Center (410) 455 - 6725*

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Dr. Nancy S. Grasmick  
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December 1, 2005

Dear Dr. Grasmick,

On behalf of the Superintendent's Panel on Excellence in Adult Education, I am pleased to submit a copy of the Panel's final report. Given the tremendous need for both skilled workers and parents who can support their children's learning, the Panel urges your consideration of the recommendations of this report.

You established the Panel to make recommendations for an ongoing method to fund adult education services and to reduce the waiting list pursuant to the 2004 Joint Chairmen's Report on the Budget. Specifically, the Panel was charged with:

- reviewing research on elements of quality in adult education;
- examining the adequacy of resources for adult education in Maryland;
- examining the relationship between the need for adult education and the resources available;
- analyzing the unique adult education cost pressures associated with students with special characteristics, and with the diverse service delivery systems;
- using a standards based approach to develop a unit instructional cost; and
- providing guidance and recommendations for adequate adult education funding and a funding appropriation formula.

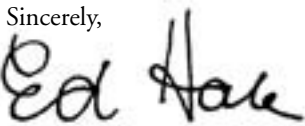
Through presentations by national and state experts and a review of data, the Panel learned what makes adult students successful, the status and challenges of the Maryland program, and the return on investment when adults improve their skills and gain a high school credential.

The Panel concluded that Maryland has almost one million out of school youth and adults with limited literacy skills, no high school diploma, or ineffective English language skills. With a state investment of only \$77 per student in FY 03, Maryland has seriously lagged behind other states in addressing this challenge. Federal funding for adult education, which supports over 80% of the cost, is in jeopardy. Waiting lists for instruction are already at 5,000 students annually.

The recommendations of this report would require additional investments from both state government and local entities. However, the Panel learned that investments in adult education create a very significant financial return for individuals and the community, with wage gains of \$1,817 to \$2,579 within 6 quarters of program exit. In one year, the increased wage gains of students would exceed the required additional investment. In addition, there are potential savings in welfare, unemployment, and health care expenditures associated with literacy.

I would like to express my appreciation to my fellow Panel members and members of the Prototype Team for their focused and dedicated effort. Their participation and energy has been outstanding. We value the opportunity to serve the people of Maryland and provide guidance on a critical issue. I look forward to working with you, the General Assembly, my Panel colleagues, and the Ehrlich administration to meet the needs of our businesses and of adult students.

Sincerely,



Edwin F. Hale, Sr.  
CEO, 1st Mariner Bank  
Panel Chair

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# Introduction



## Background

The 2001 Maryland General Assembly created a Task Force to Study Adult Education to report on the need for adult education services, its impact on economic development, existing levels of service, current funding, and Maryland's comparison to other states. The Task Force presented its report, *Literacy Works: Moving from the Margins to the Mainstream*, to the General Assembly for the 2002 session. The report recommended that Maryland:

- Significantly increase public and private investment in the adult education system;
- Target new resources to the improvement of adult education outcomes;
- Enhance accountability to increase return on investment; and
- Improve services for the incarcerated and those on probation.

Since 2001, there have been several efforts to increase state funding for adult education. Many, including the General Assembly, have discussed the need to establish a funding formula to stabilize the adult education program and to increase the state appropriation to fulfill the recommendations of the

Task Force. During this time, the demonstrated demand for adult education has expanded with annual waiting lists of 4,000 to 5,000.

In November 2002, the Maryland State Department of Education (MSDE) submitted a Method to Calculate the Adult Education State Appropriation to the Legislative Policy Committee in compliance with SB 737. MSDE recommended that an asset to needs determination be used to calculate the annual funding appropriation for adult education. One of the difficulties encountered in developing this method was the lack of available data, at the state or national levels, about the cost of delivering services sufficient to achieve standards for student learning. While the proposed method was not accepted by the General Assembly, \$1.2 million for adult education was included in the Bridge to Excellence Act in recognition of the importance of this issue. This funding is now part of the General appropriation for adult education under the Literacy Works grant program.

The 2004 Joint Chairmen's Report on the budget requested that MSDE submit a proposal to the Budget Committees for an ongoing method of funding and providing adult education services that would reduce the waiting list to the greatest extent possible. SB 384 and HB 1045, passed in the 2005 session, require MSDE to submit its proposal by January 2006.

In 2004, Dr. Nancy S. Grasmick, State Superintendent of Schools, established the Superintendent's Panel on Excellence in Adult Education composed of state and national leaders from business and labor, government, adult education, local school systems, community organizations, higher education, and finance, to make recommendations for a funding formula.

The Panel was charged with:

- Reviewing research on elements of quality in adult education;
- Examining the adequacy of resources for adult education in Maryland;

### **MD Adult Education Program provides access to educational opportunity for out of school youth and adults who need:**

- Instruction for a high school diploma
- Basic foundation skills in reading, writing, math, and critical thinking
- English language acquisition

### **To be able to:**

- Earn a high school diploma
- Continue education/training at postsecondary level
- Enhance employment/work opportunities
- Obtain citizenship
- Be better parents and help their children succeed

- Examining the relationship between the need for adult education and the resources available;
- Analyzing the unique adult education cost pressures associated with students with special characteristics, and with the diverse service delivery systems;
- Using a standards based approach to develop a unit instructional cost; and
- Providing the State Superintendent with guidance and recommendations for adequate adult education funding and a funding appropriation formula.

An Interim Report was presented to the Chairmen of the Budget Committees of the

Maryland General Assembly in March 2005. Preliminary recommendations were presented to the Maryland State Board of Education in May. The Panel also conducted a public engagement process to solicit comment from community stakeholders such as Chambers of Commerce, the Greater Baltimore Committee, the Maryland Higher Education Commission, the Maryland Association of Community Colleges, the State Advisory Committee for Adult Education, and the Governor's Workforce Investment Board. These stakeholders provided valuable information that the Panel took into consideration in its final recommendations and report. This report outlines the Panel's findings and recommendations.

# What is the Challenge in Maryland?

## Finding 1:

The need for adult education in Maryland is immense.

- 927,264 out of school youth and adults need literacy skills, a high school diploma or to become proficient in the English language
- 57% of the target population are not in the labor force
- 69% of the target population are in prime work years, ages 16 to 59
- 25% of the target population are at or below 125% of poverty

### ADULT EDUCATION TARGET POPULATION

The Superintendent's Panel on Excellence in Adult Education recommends a 95% increase in the state's support of adult education and a 70% increase in local support. There are significant challenges that necessitate such a substantial increase in investment.

Maryland is a state of contrasts. It consistently ranks in the top two nationally for the number of adults with a college degree and is a national leader in school reform for K-12 education. The state also has close to one million Marylanders who need adult education services. Maryland adult literacy needs in the state are estimated to include 927,264 out of school youth and adults without a high school diploma and individuals who have English language needs. This is more than 20% of the state population.

To identify the scope of the issue, the Panel reviewed data from several sources. According to the National Adult Literacy Survey (NALS), twenty percent of Maryland adults function at the lowest literacy level. This ranges from ten percent of the population in Carroll and Frederick counties to thirty-eight percent in Baltimore City. The 2000 Census identified over 600,000 Marylanders, over the age of 18, without a high school diploma.

*Profiles of the Adult Education Population from the 2000 Census*, a report prepared for the US

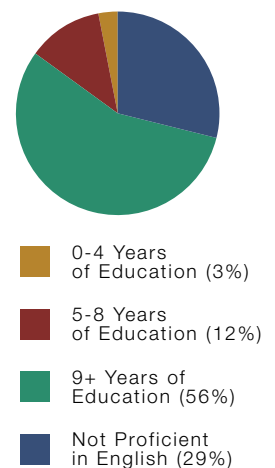
Department of Education by Research Triangle Institute (RTI), presented a more detailed analysis of the adult education target population by state. Their analysis also included out of school youth between the ages of 16 and 18 without a diploma. This increases the target population of individuals without a high school diploma to 794,192. More than 52% of the individuals without a high school diploma are in the prime working age group of 16 to 44 and another 16% are in the 45 to 59 age group. The numbers present significant implications for Maryland's current and future economy.

Age	Total	Employed	Unemployed	Not in Labor Force
Total	794,192	300,130	40,034	454,028
16 to 24	229,936	86,370	20,008	123,558
25 to 44	187,728	108,944	13,040	65,744
45 to 59	127,919	70,983	4,517	52,419
60 and Over	248,609	33,833	2,469	212,307

*Source: Profiles of the Adult Education Population from the 2000 Census*

More data on Maryland's adult literacy levels will be available in the late fall of 2005 with the publication of initial reports from the National Assessment of Adult Literacy (NAAL). This study, conducted for the U.S. Department of Education by the Institute of Education Services, the National Center for Education Statistics, and the National Academy of Sciences is the first comprehensive assessment of the literacy of adults since the 1992 NALS. It is based on in-person interviews and literacy assessments of out of school individuals, age 16 and older, in the nation's households. It will provide information on the relationships between literacy and selected characteristics of adults such as employment and health. A companion report for Maryland, known as the State Assessment of Adult Literacy (SAAL) will provide additional state level data and analysis. Maryland will be one of only six states nationally to have this additional state data available.

### Educational Attainment of Maryland Target Population





**ENGLISH LANGUAGE CHALLENGE**

RTI also identified Maryland’s English Language Learner (ELL) population, who has challenges in their ability to communicate in English. This includes individuals who do not speak English “at all”, those who describe their limited ability to speak English as “not well”, and adults with a diploma who do not speak English “very well”. It also includes individuals with a high school diploma in their native language, but no or limited English language skills. Overall, the RTI analysis identifies 133,216 adults with ESL needs.

The Panel recognized that any analysis of ESL needs, based on the Census, is by definition an undercount since foreign born individuals, especially those with limited English proficiency, are underrepresented in the Census counts. Maryland is one of the top ten destinations in the United States for foreign born individuals, and the ELL target population has continued to grow since the 2000 Census. As a result, the projected 133,216 adult English language learners may be considered a conservative target.

**OUT OF SCHOOL YOUTH AND YOUNG ADULTS**

According to the Southern Regional Education Board (SREB) report on *Targeting the Adult Learning Challenge in SREB States*, published in 2004, there

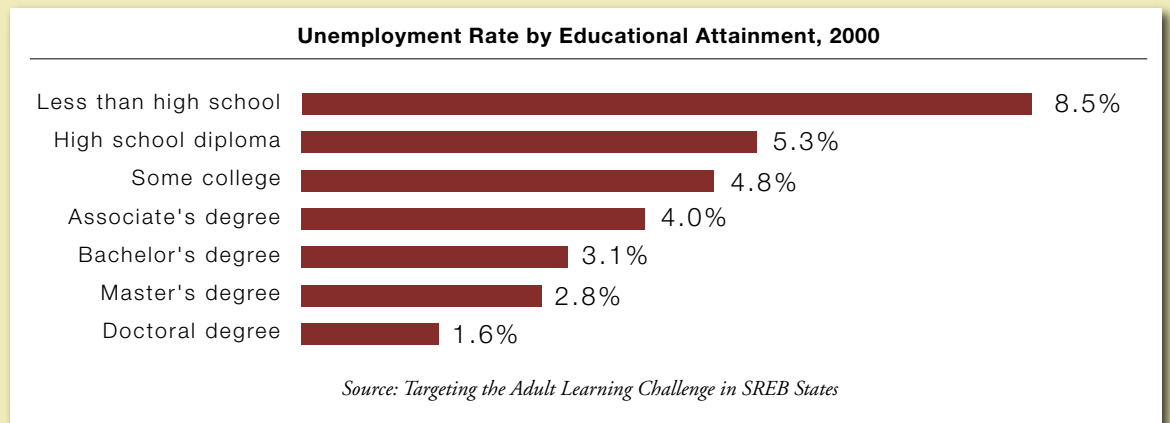
is a significant out of school youth and young adult population lagging behind in basic skills. SREB identified inadequate funding as a serious issue and urged states to build their capacity to serve working age adults with an emphasis on three groups:

- Recent high school dropouts
- Working age adults seeking a high school diploma; and
- Adults who need additional credentials to get a job, keep a job, or get a better job.

In the 2000 Census, Maryland had 299,936 out of school youth, ages 16 – 24. Of these, 211,066 had completed 9 or more years of school without earning a diploma. According to the Census, 14% of these youth and adults are at or below 100 % of poverty. Without intervention, they will continue to live in deepening poverty as low skill jobs continue to disappear. As they begin families, they will sink deeper into poverty and state and local resources will be required to support them and their children.

These youth and young adults represent a serious challenge for Maryland’s current and future work force and economy. They also present an opportunity since these are the Marylanders most likely to earn a high school diploma through the GED Tests. The average grade completed for a successful GED Tests passer in Maryland was 9.9 in 2003. Almost 73% of GED Test passers are 16 – 24 years old. An appropriately developed intervention would enable Maryland to dramatically increase the number of young adults with a diploma as they move into the workforce, begin their work lives, and become parents.

More high school age youth and young adults are motivated to improve their literacy skills in Maryland, as evidenced by the increase in enrollments in adult education instruction and applications for the GED Tests. In FY 2004, 37% of adult education students were ages 16 – 24. Between 1990 and 2000, there was a 4.6% increase in Maryland in GED recipients who are age 16 or





17. Between 2000 and 2004, there was an additional 8% increase in high school age recipients. These are motivated young Marylanders seeking the opportunity to earn a high school diploma.

Clearly, Maryland's need is significant. More than 20% of the adult population has literacy needs. Yet 3 - 5% of the target population is being served annually due to funding constraints. This leaves more than 800,000 Marylanders without the skills to participate in the knowledge economy and achieve the American Dream.

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**Finding 2:**  
The demand for adult education in Maryland significantly exceeds current capacity.

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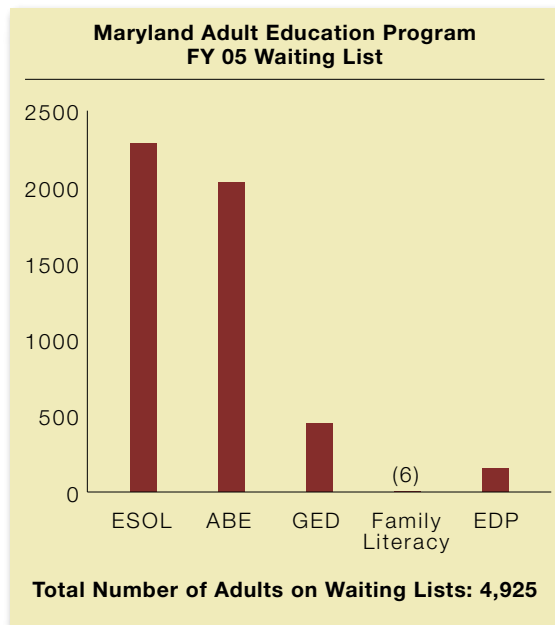
- Annual waiting list of 5,000
- Only 3 - 5% of the target population can be accommodated annually

**THE DESIRE TO LEARN - WAITING LISTS FOR SERVICES**

The demand for adult education services outstrips availability in Maryland. Classes are at capacity; the program annually enrolls less than 5% of the Marylanders who need adult education. As with any education service, the level of funding dictates the number of Marylanders who can participate. State investment in adult education has languished *below its 1990 funding level* of \$1.7 million for most of the decade. In 2003, adult education funding finally surpassed the 1990 level with \$2.3 million in state resources. With the rise in costs over the same period of time, capacity has been seriously affected at a time of rising demand.

There is a tremendous unmet desire to learn in undereducated out of school youth and adults. This is also true for recent new Americans eager to learn English. Marylanders are not being provided the skills they need to fully participate in the workforce. The skilled workforce employers are seeking is not being prepared.

Each year, there are about 5,000 adults on waiting lists for instruction, based on annual surveys by MSDE. These are applicants who have placed their names on a waiting list at an MSDE funded adult education program. The demand for services as reported by the waiting list survey varies by county and type of service requested. The profile of needs also varies by county. The largest (47%) waiting list is for English as a Second Language (ESL) instruction. The second largest (41%) is for Adult Basic Education (ABE). In addition to the 5,000 on



the above waiting lists for community based services, an additional 551 are on waiting lists in Maryland correctional facilities.

The waiting list does not reflect the full extent of the demand. Since demand already exceeds supply, programs do not actively recruit new students. Not all providers have the staff to manage an active waiting list. Potential students also become discouraged when they learn classes are not available and decline to be put on a waiting list. Other providers of adult education services which are not funded by MSDE did not participate in the survey. For example, the CASA of Maryland Program in Montgomery County, which enrolls 600 students, also has a waiting list.

Inadequate funding has prevented out of school youths and adults from accessing the General Educational Development (GED), reading, math, and English language classes they need to get a job or to pursue further education and training. Without additional resources, programs cannot schedule additional classes to serve the students seeking instruction.

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**Finding 3:**  
Maryland is seriously behind other states' investment in adult education.

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- Maryland spent \$77 per student in FY03, 84% below the East Coast *average*
- Other East Coast states *averaged* \$477 per student in state funding in FY 03

**FY03 Eastern United States**

State	Expenditure Per Student	State Funding
VT	\$1,898	\$3,676,465
MA	\$1,317	\$28,100,000
FL	\$774	\$299,915,261
NJ	\$680	\$28,881,071
NY	\$543	\$74,964,990
CT	\$511	\$16,910,000
DC	\$496	\$1,600,000
ME	\$466	\$4,890,534
DE	\$463	\$2,756,000
NC	\$366	\$39,637,677
PA	\$351	\$18,534,000
WV	\$306	\$3,276,216
SC	\$183	\$12,708,682
NH	\$116	\$748,089
VA	\$115	\$3,631,800
GA	\$111	\$12,600,000
<b>MD</b>	<b>\$77</b>	<b>\$2,339,872</b>
RI	\$76	\$345,000

Maryland is seriously behind other states' investment in human capital. State and local partners need to make significant increases in their investment to be competitive with other states and meet the needs of the business community. For FY 03, the last year for which national data is available, Maryland ranks above only Rhode Island among East Coast states in its investment. The average East Coast state investment per student is \$477, more than 6 times the amount that Maryland invests.

Other states have begun to make substantial increases in their investments in adult education and they are achieving significant results. In 2000, Kentucky increased its funding for adult education significantly and *doubled enrollment* from 51,000 to 115,000, with *60,315 students passing the GED Tests*.

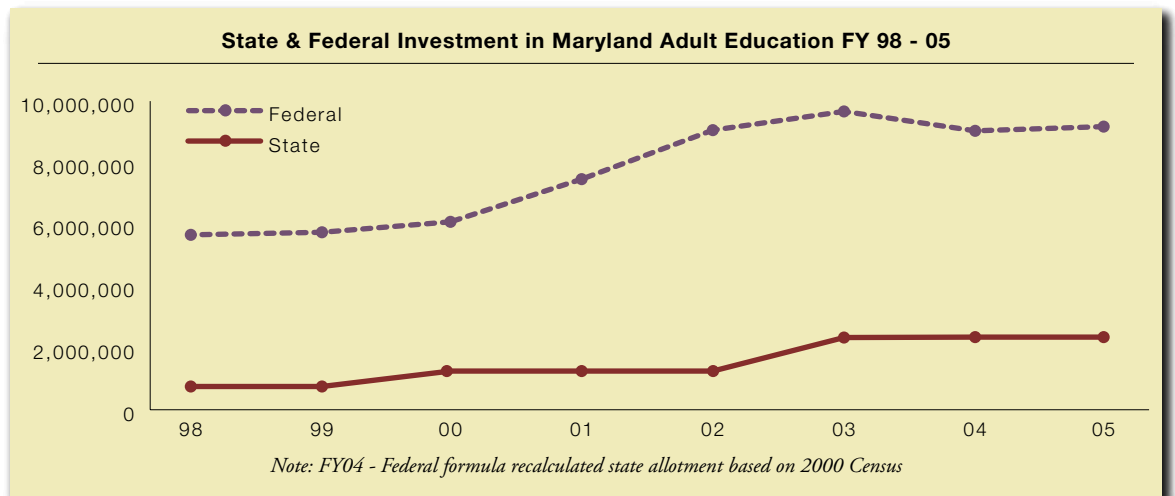
In Virginia, there were 319,524 out of school youth, ages 16 – 24, at the 2000 Census. There

were 289,764 who had completed 9 – 12 years of school without a diploma. Like Maryland, Virginia had been stagnant in the number of individuals who earned a diploma from year to year. In 2003, 10,119 Virginia residents passed the GED. To double the number of graduates, Virginia initiated a state level campaign, Race to the GED, with an education, business, and government partnership and a highly effective NASCAR marketing tie-in. The result: *4,000 additional* GED graduates in one year. Maryland had 5,882 graduates, in the same year; this is essentially unchanged since the new test was initiated in 2002.

**Finding 4:**  
A budgeted 74% reduction in Federal funding will virtually eliminate adult education services in almost half of Maryland counties.

In FY 05, federal funding provided \$9,173,967 for Maryland's adult education program; state funding contributes \$2,353,622. Without the federal funding, Maryland would not be able to deliver a statewide program. The Federal government is sending a clear signal that it intends to downsize its investment in adult education. The President's 2007 budget proposes a 74% cut in funding for the adult education program in Maryland. Even if this request is adjusted in the appropriations process now in Congress, the US Department of Education is using this same target to develop its FY08 budget. This reduction in federal funding would be devastating.

- A reduction of \$5.6 in federal funding would:
- Provide insufficient funds for 11 of 24 jurisdictions to operate a program.
  - Eliminate services to almost 18,000 students.



- Eliminate 600 jobs for teachers and other faculty in local programs.
- Dismantle the statewide network of professional development for teachers.

Without additional state and local investment, the statewide adult education program in Maryland would essentially disappear.

**Finding 5:**  
**Current funding does not support a stable, well qualified, professional workforce for instruction or instructional leadership.**

Teachers are at the heart of student success. Teacher compensation and professional opportunities largely determine if adult education will develop the dedicated, consistent, and well qualified faculty necessary to raise student achievement and meet increasing accountability standards. In adult education, there are several serious challenges.

The majority (85%) of the teaching faculty are part time. In addition, their salaries are substantially behind those of their peers in both the public school and community college systems. The hourly salary for adult education teachers in FY 04 ranged from \$15 to \$ 27 per hour, with a state average of \$21. Unlike teachers in the other systems, few have any benefits.

Expanding enrollment in the K-12 system, efforts to reduce class size and a national shortage of teachers for ESL have exacerbated the challenge to recruit, orient and retain qualified adult education teachers. There is frequent turnover, often with adult education teachers moving into other teaching positions in K-12 or the community college system after a significant investment in their professional development by the adult education program.

Teacher preparation is also an issue in adult education. There are few graduate level programs in adult education in Maryland. Faculty degrees are primarily bachelor's (57%); some (39%) are masters, there are few doctorate degrees. Unlike many states, there is no state certification requirement specific to adult education. Some

teachers are certified, but often in an area unrelated to their classroom assignment. For example, an adult education teacher may be certified in Early Childhood but teaching Algebra for the GED Tests at the Adult Secondary level.

The current system relies heavily on local and state professional development to provide teachers with the basics they need to achieve success with their students, many of whom have a history of learning challenges. Local professional development is limited due to funding constraints; there is little paid release time for professional development and rarely an option for a substitute.

Similar issues affect local instructional leadership within adult education. About 27% of the administrators are assigned on a part time basis with 41% having responsibility for 20 to 50 teachers.

Maryland needs to upgrade teacher compensation to close the gap with other education systems and to create more opportunities to attract, develop, and retain a full time, well qualified faculty.

The historically limited level of support for adult education relative to the need forces many programs to make Solomon like choices between paying teachers enough to ensure continuity of a competent

**Combined Federal and State Funding for Local Grantees**  
 By Jurisdiction, FY03-05

Jurisdiction	FY03	FY04	FY05
Allegany . . . . .	174,958	165,929	191,529
Anne Arundel . . . . .	496,579	473,099	422,288
Baltimore City . . . . .	1,784,464	1,972,925	1,839,824
Baltimore Co . . . . .	976,363	918,147	919,947
Calvert . . . . .	165,092	153,873	188,497
Caroline* . . . . .	-	-	-
Carroll . . . . .	334,459	310,064	335,784
Cecil . . . . .	115,087	106,253	131,253
Charles . . . . .	409,594	390,717	416,557
Dorchester . . . . .	364,363	338,105	343,585
Frederick . . . . .	317,885	311,772	337,372
Garrett . . . . .	70,157	70,000	70,000
Harford . . . . .	177,734	167,172	192,172
Howard . . . . .	461,713	457,832	458,192
Kent . . . . .	111,330	101,533	101,533
Montgomery . . . . .	1,822,892	1,759,708	1,759,412
Prince George's . . . . .	1,574,677	1,486,578	1,509,111
Queen Anne's . . . . .	123,862	99,726	103,442
St. Mary's . . . . .	168,001	173,830	198,830
Somerset . . . . .	70,000	87,855	88,095
Talbot* . . . . .	-	-	-
Washington . . . . .	234,739	229,334	229,334
Wicomico . . . . .	188,682	180,425	237,233
Worcester . . . . .	152,000	139,443	164,443
Correctional Ed . . . . .	400,000	360,082	399,149
<b>Total . . . . .</b>	<b>10,694,631</b>	<b>10,454,402</b>	<b>10,637,582</b>

\*Caroline and Talbot Counties included in Dorchester

faculty, serving learners with enough intensity to make a real impact, and providing services to more Marylanders on the waiting list.

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**Finding 6:**  
**Additional investment in the quality  
of the program is essential to  
maximize the return on the investment.**

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Maryland clearly needs to enhance its adult education services, most significantly to increase the instructional contact hours for students. Currently, Maryland's community based adult education programs deliver an average of 40 contact hours per year per learner. Since almost 90% of Maryland's English Language Learners (ELLs) enroll at the beginning or intermediate level, 40 hours of instruction is insufficient to achieve basic proficiency. This is equivalent to learning a foreign language in one work week. For the ELL who is not literate in his native language, the path to proficiency is even more tenuous.

Maryland's non ELL students also need additional contact hours. Almost half (45%) of adult basic education students are functioning from the preliterate level to an 8th grade level equivalent. These are the students who require more intensive

instruction to acquire skills and become proficient in using information, particularly if they are learning to read or are struggling readers and writers.

There is evidence from within Maryland that students would attend and benefit from additional contact hours. The state correctional education program regularly exceeds 100 hours per student. The program also has one of the highest percent of students increasing literacy skills and earning a high school diploma. The Wicomico County Public Schools' adult education program averages 81 hours of instruction for all students and more than 100 hours of instruction for almost 30% of students; these students achieve substantially higher literacy skills. This experience is also supported by other states that have made a priority of extending education reform to their adult education programs. For example, Massachusetts, in FY00, averaged more than 120 hours of instruction per student per year.

The Panel also reviewed other elements, beyond contact hours of instruction, of an evidenced based model for adult education. They used this information to build the prototype model for adult education on which they based their recommendations. *Additional information on these elements can be found in the Technical Supplement to this Report.*

# Why Is Investment in Adult Education Important For Maryland?

## Finding 7:

Adult education is an economic issue as well as an education issue.

Adult education in the 21st Century includes three challenges, described by Comings, Sum, and Uvin in *New Skills for a New Economy*.

- Immigrants with limited English speaking skills experience a *Language Challenge*.
- Adults without a high school diploma experience an *Education Credential Challenge*.
- Individuals who may not be illiterate in the traditional sense, but whose skills limit their ability to participate in the new economy, experience a *New Literacy Challenge*.

### HUMAN CAPITAL /MAXIMIZING RETURNS TO MARYLAND

The existing workforce is the basis on which the economic engine of our state will succeed or fail. While we are improving the readiness of children to enter school successfully and reforming elementary, middle, and high schools, we must educate today's workforce for today's success. The K-12 system contributes only 2% to the workforce on an annual basis. It is essential for Maryland to

ensure that the current workforce has the skills to successfully compete.

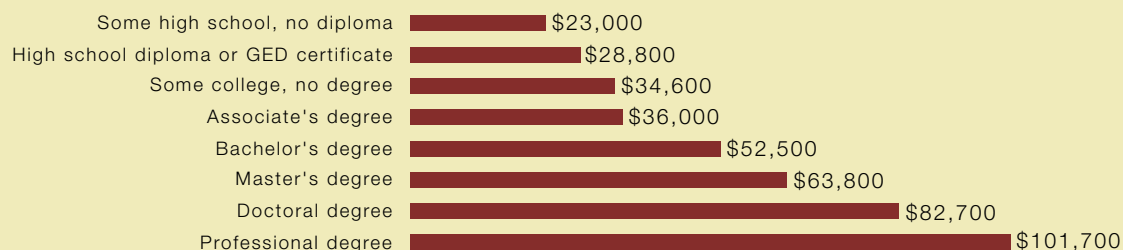
Without recent immigrants, Maryland would have lost population for the last Census. With an aging workforce, the often invisible undereducated adults will remain an important part of the workforce for at least a decade or more. If they are unable to participate in the training or higher education necessary to acquire or renew skills, certifications, or licenses, Maryland will not be able to compete in either the national or global economy.

### ECONOMIC CONSEQUENCES

Inexorable change has occurred in the economic structure of the nation and Maryland since World War II. The economy has moved toward services and away from manufacturing. Dropouts, especially out of school youth and young adults in the career and family launching years, have seriously declining prospects. These youth face sporadic employment and declining wages, creating serious problems in establishing a family and raising children.

According to Barton in *One-Third of a Nation: Rising Dropout Rates and Declining Opportunities*, only four in ten of 16- 19 year old out of school youth and less than six in ten of 20 – 24 year old young adults

Median Annual Income by Educational Attainment, 2001



Source: SREB Fact Book on Higher Education, 2003 and US Bureau of Census

are employed. More than four in ten of the younger group and three in ten of the older group are not in the labor force. Some are single parents receiving welfare; some are participants in a sub legal economy.

According to the Southern Regional Education Board (SREB) report *Targeting the Adult Learning Challenge in SREB States*, 8.5% of high school dropouts were unemployed in 2000 compared to 5% of high school graduates. The unemployment rate for dropouts' was twice as high as that for individuals with some college.

The impact of adult education on the workforce and the economy is substantial. Almost half (46%) of current adult education enrollees are employed and identify their goals as retaining employment or advancing to a better job. They achieve these goals by getting a required high school diploma, by preparing for a promotion, by passing a certification test, or improving their literacy skills.

Maryland has a steadily expanding young prison population who return to the community with their educational challenges exacerbated by the additional employment handicap of incarceration. Almost 40% of those incarcerated in Maryland are released each year and 60% are dropouts. (*Department of Corrections Spring 2004 Report*)

Maryland's economy demands high skill workers. Unemployment is at 4.5%. Business needs workers and the jobs that are available do not match the skills that are available. Maryland's economy is no longer manufacturing based. Bethlehem Steel, General Motors, the garment industry and Mack Truck are gone. The state's diversified economy is founded in high technology, biosciences, health care and services. Even in hospitality and services, communication in English and literacy at the high school level are basic credentials. New jobs, such as the 20,000 planned to come to Maryland due to military base closings, require good skills in math, reading, and writing.

**Finding 8:**  
**Adult education is an investment in the present and in the future providing a preventive strategy to reduce costs from welfare, unemployment, the legacy of low literacy, incarceration, and health care.**

**LEARNING FOR THE FUTURE**

Education has always been about the future. This is truer in 2005 than ever before. Experts tell us that over the next two decades, 80 % of all jobs will require some post secondary education. Maryland is far from this reality with more than 20 % of working age residents functioning with limited literacy or English proficiency skills that prevent their entry into post secondary education and training. Low literacy levels and lack of a high school diploma are highly correlated with unemployment, living in poverty, incarceration, and children's lack of academic performance.

**WORKPLACE**

Investing in adult education is an economic imperative to reduce future costs associated with unemployment and welfare. According to Barton, in *One Third of a Nation*, a family headed by a high school dropout earns about half as much as a family headed by an individual with a high school diploma. Over 50% of current public assistance recipients are dropouts and only 11% of dropouts were able to find a full-time job paying more than a poverty wage. Dropouts who are employed are most affected by economic slowdowns and the most likely to exhaust their unemployment benefits before finding employment.

As reported in *Baltimore's Choice: Workers and Jobs for a Thriving Economy*, recent research by Andrew

	Total Region	Anne Arundel	Baltimore City	Baltimore County	Carroll & Howard Co.	Cecil & Harford Co.
Total Low-Skill Job Seekers	53,284	8,463	16,568	15,542	6,698	6,013
Total Low-Skill Job Openings	29,931	5,038	9,593	9,580	3,998	1,722
Low-Skill Job Gap	23,353	3,425	6,975	5,962	2,700	4,291
<b>Ratio of Job Seekers to Net Openings</b>	<b>1.8</b>	<b>1.7</b>	<b>1.7</b>	<b>1.6</b>	<b>1.7</b>	<b>3.5</b>

*Source: Baltimore's Choice: Workers and Jobs for a Thriving Economy*

Barton makes the case that both employment prospects and earnings capacity have declined for dropouts as a result of changes in the economy. The earning power of dropouts has been steadily declining for the past three decades. The earnings power of male dropouts declined 35% from 1971 to \$23,903 in 2002. The earnings of female dropouts fell 14% to \$17,114. For dropouts in the family formation years, even full time employment will not help them escape the downward prospect of economic failure and raising a new generation in poverty with diminished likelihood of success.

Sum found 13% of the state's 16 – 24 year old out of school youth were unemployed and half lived in the Baltimore area. The same report places the lifetime earnings for a male high school graduate \$400,000 higher than that of a dropout. Prospects for Marylanders with inadequate literacy skills are declining as jobs for low skill workers in the Baltimore metropolitan area disappear at a rapid rate.

#### **BREAKING THE CYCLE OF LOW LITERACY AND LOW ACHIEVEMENT**

The success of children is linked to the success of the adults in their lives, especially their parents. We compromise school reform when we do not adequately factor in the parent's contribution to school success and place the entire burden of children's academic success on the schools. A child's opportunity for school achievement is greatly affected by the parent's education level, literacy skills, attitude toward learning, and economic stability.

According to the National Institute for Literacy (NIFL), children's literacy levels are strongly linked to the educational level of their parents. Research confirms that adults pass on their own expectations about education and achievement and the children of dropouts do poorer on reading tests than children of high school or college graduates. In addition, children of unemployed dropouts are five times more likely to drop out of school themselves than the children of employed parents.

One of the greatest tools for creating family stability, and for moving children out of poverty, is to give adults the education to support themselves and to become lifelong learning role models for their children. *Maryland adult education students are parents to 20,000 school age children.* Many parents enroll in adult education with the goal of becoming better able to support their families economically. The National Center for Family Literacy (NCFL) reports that 43% of the adults enrolled in family literacy become employed, compared with 14% employed at enrollment.

Adult education, especially through family literacy instruction, can strengthen families and help children enter school ready to learn. *Maryland adult education programs partner with 62 statewide early childhood programs* in Judy Hoyer Centers, Even Start programs, and Family Support/Early Head Start Centers to provide family literacy. Parents' strong motivation to improve their ability to assist their children with their school work plays a big role in this transformation. Children who participate in family literacy programs make gains three times faster than would have been expected based on their pre-enrollment rate of development. They demonstrate an 80% increase in reading books and make twice as many trips to the library.



*"Hello, my name is Merian, a mother of four children. The reason I chose to continue my education was to build a better, more stable future for my young children while at the same time creating within the children a drive to want to excel in life no matter the barriers that they may encounter in life...Obtaining my GED was a wonderful achievement...I am presently employed... as a data device operator."*

**Merian\***  
*Baltimore County  
 \*Maryland Adult  
 Learners' Forum: Adult  
 Learners' Stories*

#### **INCARCERATION**

Since the average sentence of state correctional inmates is about 5 years and the sentences of those incarcerated in local jails and detention centers is shorter, ex-offenders are returning to the community in a short period of time. With 60% of Maryland state correctional inmates lacking a high school diploma, there is a great need for adult education services. In FY 04, Maryland adult education enrolled just over 6,000 students in local jails and detention centers as well as in state correctional facilities.

*The Three State Recidivism Study*, published by the Correctional Education Association in 2001, found a 19% reduction in recidivism for Maryland inmates who participated in adult education. In 2004, the cost of incarceration was reported to be \$27,000 annually by the Maryland Division of Corrections. In addition to significant savings in the cost of re-incarceration, the recidivism study also found adult education participation contributed to increased public safety with fewer crimes committed by participants after their release.

**HEALTH CARE**

There is a growing body of evidence that low literacy or inadequate English language skills among adults contributes significantly to the costs of health care. The National Academy of Sciences, in *Priority Areas for National Action: Transforming Health Care Quality* cited health literacy as one of the top priorities in the United States for improving both the quality and delivery of health care. The report, in 2003, estimated that *inadequate literacy contributed \$73 billion in additional health care expenditures*, with about 17% being underwritten by employers.

Low literacy creates additional costs to the health care system in several ways, also described in the report. Basic health care communication, including physician instructions, prescriptions, insurance forms, and preventive health care information are all affected by inadequate literacy skills. People with inadequate literacy skills are five times more likely than literate individuals to misinterpret their prescriptions; 45% also do not have another person in the household who can read medical instructions. They average two more physician visits per year than literate individuals. Since they are also more likely to be low income, their poor literacy skills add to an already known factor that contributes to increased health care costs.

Compounding the challenge of successful communication with patients with low literacy is the well documented embarrassment of the individual with poor literacy and reading skills. It prevents them from telling their health care providers, their co-workers and often their families about their problem and from getting the assistance necessary to understand and use medical services.

The bottom line is simple. If Marylanders don't have literacy skills:

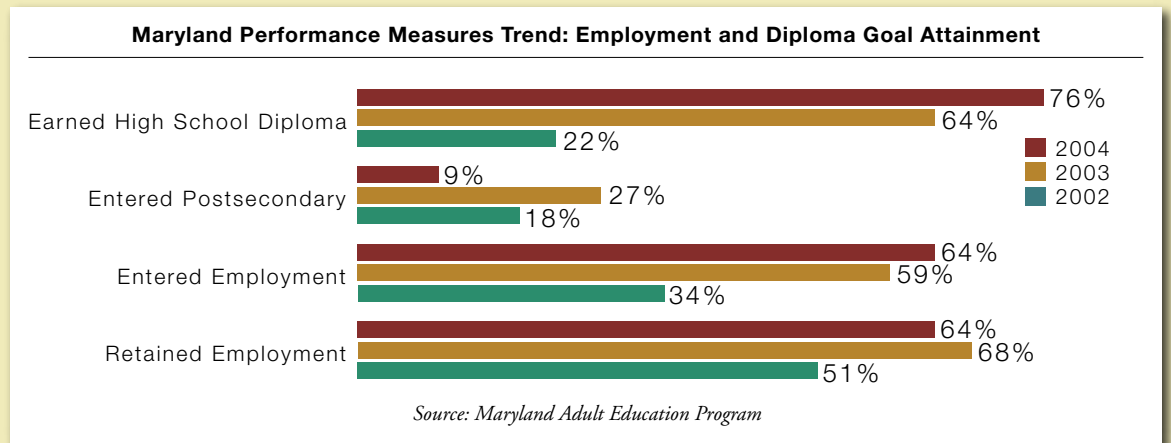
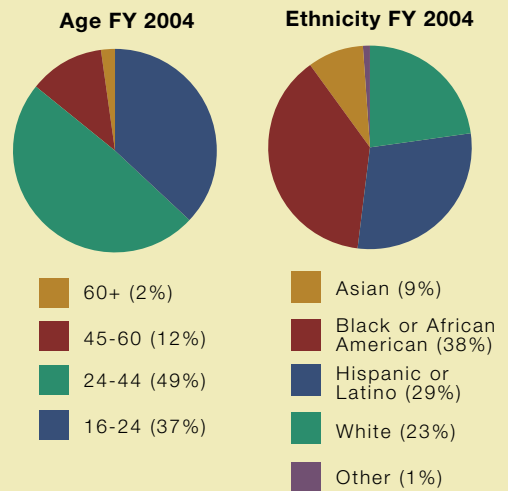
- They cannot compete for jobs.
- They cannot make enough money to support their families adequately.
- Their children are less likely to succeed in school.
- Business will not come to or stay in Maryland.

**Finding 9:**

The Maryland adult education program is performing well for those enrolled, earning federal incentive funds for the state for three consecutive years based on its results.

- 94% improved a literacy level or continued in instruction
- 76% of adult secondary students earned a high school diploma
- Maryland qualified for federal incentive funds for three consecutive years based on performance

The Panel reviewed the status of the existing adult education program and concluded that the adult education program is performing well with limited resources. Existing adult education services in Maryland include an array of targeted services to address the three challenges of adult education- the Language Challenge, the Education Credential Challenge, and the New Literacy Challenge. The services include: English as a Second Language (ESL), high school diploma options for adults – the External Diploma Program, GED preparation, and







credit recovery classes, Adult Basic Education (ABE) skills instruction, family literacy, literacy tutoring, workplace education, and correctional education.

The Maryland adult education programs enroll 36,000 to 38,000 individuals annually. In FY 04, 36,569 were enrolled and 30,304 students met the National Reporting System criteria for inclusion in federal reporting. Annual enrollment is about 3 – 5% of the target population. More than 75% of the students identify themselves as members of an ethnic or racial minority group.

Thirty-seven (37%) of the learners are out of school youth, between the ages of 16 and 24. Enrollment by this age group has increased by 23% in the last three years. Services are being provided statewide by 34 grantees, including local school systems, community colleges, and community-based organizations. In addition, GED Testing services are provided for over 13,000 applicants for the GED Test annually.

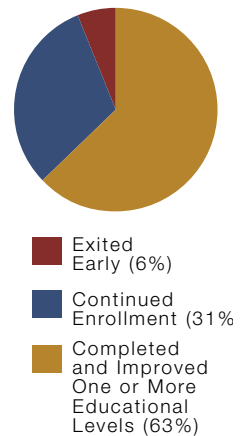
Adult education programs are evaluated nationally by the U.S. Department of Education on the basis of their performance on the Core Indicators of Performance, established by the under the Workforce Investment Act (WIA). Maryland has been one of the top performing programs in the country, exceeding the annual targets on Performance Measures negotiated with the U.S. Department of Education. Maryland has achieved this performance each year since WIA was authorized and was one of 11 states in 2002, one of 17 states in 2003 and one of 19 states in 2004 to qualify for additional

funds. This performance has helped Maryland earn approximately \$2.8 million in federal incentive funds for the workforce investment system for three consecutive years.

In nearly every category, Maryland adult education students are improving their literacy skills and earning their high school diplomas. In FY 04, 2,769 Marylanders earned a high school diploma through the adult education instructional program, 4,817 students improved their English language skills, and 9,249 students improved literacy skills by at least 2 Grade Level Equivalents (GLEs).

The Panel also concluded that with additional investment of resources and evidence based reform, there is untapped potential for a well functioning system to accelerate results for more students.

**Maryland Performance Measure: Literacy Skill Improvement FY 2004**

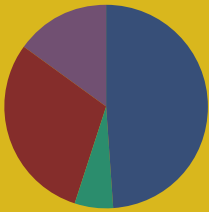


### Finding 10:

**A diverse delivery system, which encompasses local school systems, community colleges, and community based organizations, adds value to the adult education student and the program.**

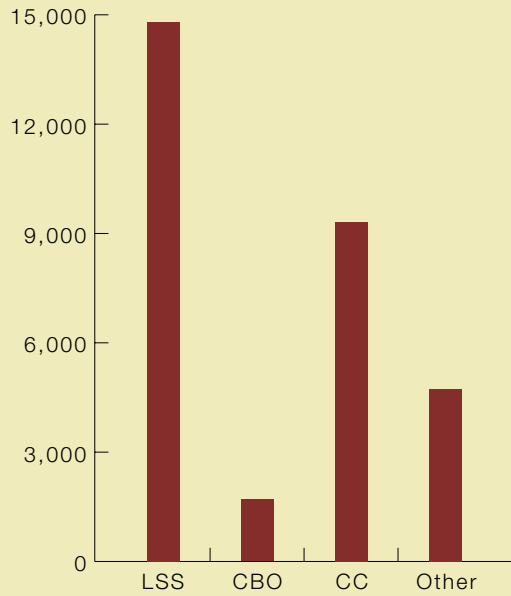
Maryland's local provider network is comprised of a rich array of organizations, including local school systems, community colleges, government agencies, and community based organizations. The Panel strongly endorsed the continuation of a delivery

**Students Served by Provider FY 2004**



- 17 Local School Systems (49%)
- 7 Community Based Organizations (6%)
- 7 Community Colleges (30%)
- 3 Others (15%)

**Students Enrolled by Provider Type FY 2004**



LSS = Local School System  
 CBO = Community Based Organization  
 CC = Community College  
 Other = Local/State Government Agencies

system which uses a variety of organization types to deliver services.

Educationally challenged adults are frequently reluctant to enter educational institutions since they are painfully aware of their academic deficiencies. Adults with very limited academic skills or ELLs are frequently much more comfortable entering a local community based organization which is active in

their community. In addition, needs are different in local jurisdictions across the state and the resources and institutions available to meet the needs are also different. A diverse system provides the flexibility for jurisdictions and students to match organizations to the needs of the students.

Maryland selects local providers through a competitive grant process. This has the advantage of ensuring that grantees must demonstrate results in order to continue to receive funding.

**Finding 11:**

**It is the state’s role to provide adequate funding to enable the achievement of state and national standards and performance outcomes by all the organizations it funds.**

The Panel discussed the state’s obligation in a standards based education system. The Panel felt that the primary obligations of the state are to:

- Establish performance standards for student achievement.
- Ensure that the educational providers have adequate funding to meet the State standards.
- Hold local education providers accountable for making progress toward and meeting the State performance standards.

In light of adult education’s established national performance standards and the State’s demonstrated efforts to evaluate and improve performance against the standards, the Panel agreed Maryland’s focus should be to develop a finance system which ensures adequate funding to achieve the standards.

*“I am an ABE student in evening classes at Washington Middle School. Growing up, I lived in St. Joseph’s convent in Thailand and enjoyed helping the nuns with the orphans so much that I neglected my regular academic studies. Unfortunately, that is why I am back in school as an adult. ...My formal education consisted of grades one to three in Korat City, Thailand. I then moved to Bangkok with my mother where I attended weekend and summer classes at the convent. I enjoyed helping the nuns, so when my mother moved back to Korat, I stayed to work at the convent. When I first met my husband, I could speak no English and he spoke no Thai. We communicated by showing pictures of what we wanted to each other. Gradually I learned English.*”

*I am primarily working on writing skills and spelling. Previous reading classes helped me to do grocery shopping and other things. I studied very hard to become a U. S. citizen and passed the test in 1990. My first job in the U.S. was at Blind Industries, assisting the blind seamstresses. In 1998, I quit when a new supervisor required me to write reports about my job. I have enrolled in Adult Education classes so that I can improve my writing skills. I hope to accomplish my goal of attending college to learn sign language to assist the deaf and take other classes to enable me to work with people with disabilities.”*

**Sunee\***  
 Allegany County  
 \*Maryland Adult Learners’ Forum: Adult Learners’ Stories

# How Did the Panel Develop Its Recommendations?

## Guiding Principles

The Panel used three principles to guide deliberations and provide a foundation on which recommendations were based. These principles are achievement through outcome based funding, adequacy, and equity.

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### **Achievement through Outcome Based Funding – Demand and Support High Standards of Program Performance, Accountability, and Individual Educational Achievement**

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It is not sufficient to merely expand enrollments and provide more services to a larger portion of the target population or the individuals on the waiting list. The design of services and the adult education system must be research based and sufficiently robust to achieve the performance expectations of the students and government. Ensuring that the adult education system incorporates research based practices and provides sufficient contact hours of instruction to accelerate learning was established as a core principle in determining recommendations. In addition, it is the role of the state to establish target outcomes and to support local flexibility to achieve performance targets.

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### **Adequacy – Provide Sufficient Resources for Local Organizations to Meet Accountability Requirements**

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Funding must be sufficient to achieve clear results. There must be a direct link between the expectations established for adult education providers and the funding they receive. There is a

diverse provider network in adult education which provides a rich resource for the wide spectrum of learners in Maryland. It is important that each of the organizations delivering services has adequate resources to meet the accountability requirements.

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### **Equity – Universal Access to Educational Opportunity for Educationally Disadvantaged Adults**

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All students must have the educational opportunity to succeed, irrespective of a jurisdiction's relative ability to raise revenue from local sources and irrespective of the type of organization, (local school system, community college, community-based organization or government agency) which provides the instruction. The Panel agreed the diverse provider network for adult education is a rich resource for the wide spectrum of learners. Supporting the diversity of the provider network was a guiding principle and a challenge in the Panel's deliberations. The state resources flowing to each of the provider types is also diverse. As recommendations were developed, the Panel worked to create a level playing field with a "no wrong door" for learners to receive high quality instruction.

## **An Evidence Based Model for Success**

The Panel was charged with building a funding formula, which would support a research based model for ensuring educational achievement. At the first meeting of the Panel, Dr. John Comings, Executive Director of the National Center for the Study for Adult Learning and Literacy (NCSALL), presented an overview of current research, which identified elements that contribute to learner achievement. Key research based elements of success discussed by the Panel included:



- Instructional contact hours per student needed to increase literacy level by one Grade Level Equivalent (GLE). Research indicates the goal should be 100 to 150 contact hours of instruction per year
- Intensity and duration of instruction
- Support services to remove barriers to student's continuing participation and persistence
- Connected episodes of learning
- Authentic instructional content
- Multiple modes of learning – group, individual tutoring, technology based
- Facilitated self study
- Learning interventions targeted to student characteristics
- Managed Intake and orientation
- Student goal identification
- Class size considerations
- Support services
- Teacher quality and compensation
- A “work plus education” model

## The Prototype Adult Education Program

Using a professional judgment approach similar to that successfully implemented by the Commission on Education Finance, Equity and Excellence (the Thornton Commission), a Prototype Team was assigned the responsibility of developing a prototype model for an adult education program. This approach uses a team of experts to determine what

resources would be necessary to provide adequate funding to a defined group of students to meet a defined set of standards.

They designed the model based on research evidence of what works. They also identified the resources the program would need in order to meet state and national performance standards.

The Team used the Core Indicators of Performance of the National Reporting System (NRS) as the standards which the prototype program was designed to achieve. These are the standards required by the Workforce Investment Act (WIA), which authorizes federal funding for adult education. These standards include literacy achievements, earning a high school diploma, obtaining or retaining employment, and entering post secondary education or training.

Based on data from the Maryland Literacy Works Information System (LWIS), the prototype program was designed based on a statewide average program size of 1,000 students. Some characteristics considered in the design of the prototype program included:

- Percent of services targeted to students at different learning levels, e.g. Adult Basic Education/ English as a Second Language/Adult Secondary Education/External Diploma Program students
- Gender/Age
- Ethnicity of students, which may necessitate translation services
- Last grade completed at intake

- Literacy level at intake
- Reading level at intake
- Employment status at intake
- Student goals

The Prototype Team also considered state standards and indicators of quality in designing a prototype program. Sample state standards include class size, standardized assessment, and faculty qualifications.

## Prototype Program Resources

The Prototype Team determined the level and types of service necessary to meet the required standards. This included establishing 120 instructional hours as Full Time Equivalency (FTE). They then identified the necessary resources and associated costs for successful implementation of the model program. These included instructional and non-instructional resources, as well as administrative requirements. The Prototype Team assigned the associated costs of those resources. The model was reviewed and endorsed by the Panel.

Some examples of identified personnel resource needs include the number of staff and related salary costs for instructional faculty (teachers and tutors), teacher aides, counselor and case manager, technology specialist, volunteer coordinator, instructional leadership (Coordinators, etc.), secretaries and clerical staff; and interpreter and translation services. Other identified resource needs included technology and media, instructional materials and supplies, equipment, and professional development.

## Issues Considered by the Panel

The model for the prototype program and the required resources to implement the prototype were reviewed, refined, and then endorsed by the Panel.

The Panel held extensive discussion of key issues while developing its final recommendations. Some examples of these issues included:

- The need for a high level of accountability
- What constitutes an adequate level of funding
- The implications of a statutory appropriation funding formula
- The appropriate level of Full Time Equivalency (FTE)
- The appropriate level of state participation in the program
- Use of a Geographic Cost of Education Index (GCEI) to adjust for regional economic pressures outside the influence of the local jurisdiction
- Equalization to recognize the relative wealth of jurisdictions and the corresponding ability to raise local revenue
- Adjustment for other public funds, especially state funds, supporting the local programs
- Matching/maintenance of effort/non-supplanting requirements
- Minimum state participation level
- Hold harmless provisions
- Phase-ins/Phase-outs
- Federal requirements
- Proposed significant reduction in federal funding (President's FY 07 budget proposal)
- Target population(s)
- Weighting to provide additional funding for students requiring more intensive or specific educational instruction
- Inflationary adjustment
- Adjustments for small programs
- Establishing a maximum level of state (and local) fiscal exposure
- How many students can be served each year
- Desired outcomes
- Whether the optimal number of instructional hours provided per student should be phased in over several years
- Waiting lists and their under representation of the actual demand for services

*More information on the Panel process and the model prototype program is available in the Technical Supplement to this report.*

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*"My name is Aida, I am from Colombia, S.A. I am married and have 2 children (13 & 3 years old). I worked as a secretary for 7 years and I went to school in Colombia for 16 years. I completed my degree to teach. Twelve years ago I came to U.S.; by then I knew some of the English grammar, but I could not speak. Even though I had the skills and I had an education it was very difficult to communicate with other people. One day I was watching TV, when I saw the advertisement about the Literacy Council Program. I could understand what the program was about, I wrote down the phone number and had my brother call. Then I got my tutor, I started to understand English more and more every day. Little by little I was able to communicate, having small conversations and making phone calls. As time passed I learned more and more, I become more interested and I continued learning in every way possible. I know I still have a lot to learn, (the learning experience never ends!) but this program was a great beginning for me and it has been a great help in my daily life situations...I am working with Montgomery County Public Schools, as a secretary."*

### **Aida\***

Montgomery County

\*Maryland Adult Learners' Forum: Adult Learners' Stories



# What is the Payoff? Human Capital for the Present and the Future

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## **Finding 12:**

**Adult education has a significant return on investment.**

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- 76% of students with a goal of a high school diploma earned one within the fiscal year reporting period
- 64% of unemployed students got a job within the fiscal year reporting period
- Recidivism is reduced by 19% for inmates who participate in adult education, reducing state costs for incarceration; savings of \$27,000 per year per incarcerated individual

Adult education results in increased literacy skills, high school credentials and wage gains for students.

It has been well documented that there is a value of approximately \$7,000 in increased earnings capacity for dropouts who earn a diploma. More recent research using Maryland data, and discussed below, found that:

- Increasing instructional contact hours increases both learning gains and wage gains.
- Students who participate in adult education have wage gains, even if they do not obtain a diploma or increase their skills by a full literacy level.

This data strongly supports the Panel's recommendation to accelerate student learning by increasing the contact hours for all students and to provide an instructional program that incorporates practices which enhance student learning.



## ECONOMIC RETURNS FROM ADULT EDUCATION PROGRAMS

A new study, *Using State Administrative Data for Research on Adult Education: Interim Report of the Pilot Analysis of Student Attendance, Instructions, Student Achievement and Economic Outcomes*, by Stephen J. Rose, a research labor economist, and Mareena McKinley Wright of ORC Macro, analyzed the relationship between adult education program participation, student learning, and economic outcomes.

It reviewed the performance of adult education students in four states for the U.S. Department of Education. States, including Maryland, were selected based on the quality of their accountability data systems. The authors analyzed four years of adult education records and six years of Unemployment Insurance Quarterly earnings records. Their findings, in the Final Report expected in 2005, indicate that:

**Students who remain in the program longer achieve greater learning gains and have greater wage gains than students who stay in the program for a shorter period of time.**

**Within 18 months of leaving the program students, even students who did not make sufficient literacy gains to advance a level, have significant wage gains compared to their earnings before entering the program.**

As part of the Panel's work, MSDE contracted with ORC Macro to analyze these data in greater detail, particularly the relationship between persistence, achievement, and economic outcomes for Maryland's adult education students. The findings from this additional analysis are significant. *Within 18 months after program exit:*

**Students achieved significant annual wage gains, ranging from \$1,817 to \$2,579, an 18% - 25% gain for minimum wage workers.**

**Students who remain in the program between 120 and 180 hours have 42% higher wage gains than other students.**

**Both ABE and ESL students who received 120 instructional hours attained higher earnings compared to ABE and ESL students who attended up to 40 hours of instruction (the current average contact hours for Maryland's community based students). For ABE students, the earnings gains were 48% higher, and for ESL students 45%.**

Data from this study further indicates:

**Every dollar invested in adult education yields a return of \$3.15.**

**16,503 high school diplomas were awarded over the past five years. People with a high school diploma earn \$7,216 more a year in wages than dropouts (U.S. Department of Commerce). Potential increased earnings over the next 20 years = \$2.3 billion.**

*In conclusion, adult education participation equates to higher economic returns for students. Increasing student contact hours, increasing literacy levels, and earning a diploma boosts wage gains even higher. Adult education participation also produces other savings, in health care costs, incarceration, and the literacy challenges of low achievement for subsequent generations.*



# What We Can Do About the Challenge?

Goal: Increase access for more Marylanders to evidence based, high quality adult education services.

## THE PANEL RECOMMENDATIONS WILL:

- Expand enrollment by about 17%.
- Develop a foundation for a skilled workforce.
- Aid Marylanders who because of their low literacy skills do not qualify for the vast majority of available jobs.
- Generate significantly greater revenue returns for students, state and local government.
- Make progress in breaking the intergenerational cycle of low literacy.
- Create a stable and viable program with state and local support and reduce dependency on federal support.
- Use evidence based approaches to produce results.
- Increase expectations for achievement from every student, not just the brightest.
- Reduce recidivism and improve prospects of employment for ex-offenders.
- Enable programs to attract, develop, and retain well qualified teachers.

## Three Dimensions of Improvement

The Panel identified three key dimensions of improvement essential to meet the needs of the state and its adult education students. They were unified in the view that it is essential for all three dimensions to be adequately addressed. Their recommendations are formulated to achieve these improvements. Ensuring student achievement, accelerating student learning, and increasing the number of Marylanders receiving services are the objectives of the Panel recommendations.

### Recommendation 1

Increase the state and local investment in evidence based adult education

#### ENSURE STUDENT ACHIEVEMENT

The Panel agreed that results and accountability are imperative. Increasing enrollment without ensuring student achievement is unacceptable. The National Reporting System (NRS) goals are established by the U.S. Department of Education and are the national

standard for measuring adult education performance annually. A state's performance can affect the federal funding for adult education. Each year, Maryland adult education students must achieve results in academic performance, employment related goals, and transition to higher education and training.

For this reason, the Panel analyzed the cost components of an adult education program which would achieve the annually increasing national performance targets for adult education. The purpose of this analysis was to answer the question: What does it take to operate an adult education program which will ensure that Maryland's students will achieve the national standards of success established by WIA.

No research exists for developing an adult education cost model that demonstrates a straightforward relationship between how much is spent to deliver education services and learner or program performance. Since there is no such research available, the Panel used an applicable model from the Thornton Commission to develop a funding method which identifies a specified set of services

## Recommendations to Step Up to the Future

### Recommendation 1:

Increase the investment in evidence based adult education.

### Recommendation 2:

Establish in statute a state funding formula for adult education to achieve results.

### Recommendation 3:

Consolidate three existing state funding streams for adult education within MSDE.

### Recommendation 4:

Encourage workplace partnerships with businesses and provide incentives.

### Recommendation 5:

Publish an annual state performance report on the adult education program to document accountability.

targeted to achieve a defined level of student performance. The Panel adapted the professional judgment approach, similar to that successfully used by the Thornton Commission.

A team of highly recognized state and national adult education and finance professionals, working at the request of the Panel, developed a prototype model for an adult education program. They reviewed the research on what works to achieve results in adult education and analyzed data on the characteristics of Maryland students and the current delivery system. Using this data, they developed a prototype model adult education program with a Full Time Equivalency (FTE) level of 120 instructional hours and base unit cost per FTE.



They identified the resources needed by the prototype model program to ensure successful achievement of the NRS performance measures, given statewide average student demographic characteristics. The Prototype team developed adjustments to the base cost to reflect cost pressures associated with students with special characteristics and with a diverse statewide service delivery system. This process was used to determine an adequate level of funding.

Components of the unit cost included research based elements for student achievement such as class size, well qualified teachers, supports to ensure student persistence, technology access, etc. The adjustments based on student type provided an identification of the relative weights associated with the respective required resources. This allowed the unit cost to be weighted to ensure that the more challenged students, such as the beginning literacy level student or the ELL who is not literate in his/her native language, would have the additional support necessary to achieve success.

*Additional detail on the Prototype Team approach and the unit cost for adult education can be found in the Technical Supplement for this report.*

### ACCELERATE STUDENT LEARNING

A key finding of the Panel is that Maryland needs to close the gap between the current average instructional contact hours per student (41) in community based programs and the 120 hours accepted by the panel as the critical threshold for skill improvement. The Panel found that, while the Maryland adult education program has an overall strong record of achievement nationally, it falls short in providing sufficient instructional contact hours for students to make rapid gains in literacy levels.

Research confirms the logical thought that, as students have more hours of instruction, they make more significant learning gains. In *New Skills for a New Economy: Adult Education's Key Role in Sustaining Economic Growth and Expanding Opportunity*, Comings, Sum, and Uvin (2000) found that Adult Basic Education (ABE), and English language learners who received at least 150 hours of instruction had a 75% chance to improve skills by at least one grade level equivalent. This data was supported by the California Adult Education Research Brief, *The Relationship of California Adult ESL and ESL – Citizenship Reading Performance to Amount of Instructional Time* (2004). The Brief also reported that mean learning gains increased threefold as students approached 121 or more hours of instruction.

An analysis of student data for the U.S. Department of Education by Rose and Wright as part of a four state study, *Pilot Analysis of Student Attendance, Instruction, Student Achievement and Economic Outcomes*, confirms that 120 to 150 hours of instruction is necessary for significant results. Maryland was one of the states included in this study.

After reviewing the research, the Panel commissioned a more in depth review of Maryland's Literacy Works Information System (LWIS) data on student performance over multiple years to help establish a target for contact hours. In consideration of both research and Maryland's actual experience in achieving results, the Panel established 120 hours as the appropriate target for annual contact hours of instruction.

### EXPAND STUDENT ENROLLMENT

The Panel deliberated at length the question of where to set the target enrollment for adult education. There are many Marylanders needing services; there is an extensive active waiting list. Yet there is also a need to upgrade the current services

to ensure that all students succeed and that local programs can achieve the required performance targets. The Panel determined that it was not acceptable to merely increase enrollment; the state has a responsibility for student success for current enrollees as well as future enrollees.

As a result of these deliberations, the Panel concluded that increases in funding for adult education must be used to enhance the instructional program while increasing enrollment. The Panel felt program enhancements could be accomplished during a phase in period while at the same time expanding the enrollment to include the active waiting list.

The Panel established an annual target enrollment of 40,000 which would expand current enrollment by the current waiting list and recommended expanding services to address the waiting list. For purposes of developing the formula, “enrollment” is defined as students qualifying for inclusion in the National Reporting System.

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## **Recommendation 2**

### **Establish in statute a state funding formula for adult education to achieve results.**

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In order to achieve all three dimensions of improvement, the Panel recommended establishing in statute a state appropriation formula for adult education. This ensures an adequately funded, stable program. The recommended formula would be sufficient to cover the cost of direct instruction to attain outcomes required by the National Reporting System (NRS) for adult education. These outcomes include increasing literacy levels, acquiring English language skills, earning a high school diploma through the GED or the EDP, employment, and transition to higher education or training.

The Panel recommended that the formula contain certain attributes. This ensures that the guiding principles of achievement through outcome based funding, adequacy, and equity established by the Panel will be met.

## **Recommended Attributes of the Funding Formula**

### **AN FTE REIMBURSEMENT MODEL**

An FTE model was recommended by the Panel as most appropriate to an adult population with diverse learning needs and scheduling requirements. The flexibility of the FTE model accommodates a program which provides for different levels of

intervention and intensity. The appropriation would be calculated based on the actual FTE program data for the second prior year.

The estimated FTE reflects the actual enrollment converted to FTE by dividing total instructional hours by 120. The individual FTE is multiplied by the weight factor established by the Prototype Team for the type of service required. The estimated base amount per FTE was calculated at \$1,803.

It is primarily an instructional FTE, with most administrative support limited to direct program functions. The FTE does not include facilities costs. For the purpose of the Panel, it was assumed that the local grantee’s facilities were adequate to support programs and were funded through their existing operating budget. This assumption may need to be reviewed in the future, especially as enrollment expands significantly.

### **A FOUR TO FIVE YEAR PHASE IN PERIOD**

The Panel recommended a phase in period to accommodate the redesign of a comprehensive adult education system that can implement, improve, and expand services. It would allow local programs to hire and train new faculty, and to put in place the research based improvements and student supports identified with student achievement.

A phase in period would also allow state and local entities the opportunity for the planning and budgeting to develop the necessary resources. The Panel strongly recommended that the phase in period not exceed five years in consideration of the critical need to step up enrollment and services. This is especially important given the annual waiting list of 4,000 to 5,000 students and the looming federal funding cuts for adult education.

### **WEIGHTING BY STUDENT TYPE**

Adult learners vary widely in their needs. One student may never have learned to read; another may have left school in the eleventh grade needing only one credit to graduate. An English language learner may be preliterate in the native language or have an advanced degree in the native language. The result is a need for different sets of resources and different intensities of services to achieve results.

The Panel proposed a weighted formula. This will provide the resources relative to the base cost to enable students with additional needs to receive the instruction and support necessary for results. A weighted formula also prevents the unintended consequence of programs targeting services to only the most skilled. It is important for the economy and for the goal of breaking the intergenerational

*“I dropped out of school at age 16 so that I could get my GED in order to go to college. I took GED classes for one semester at the South Baltimore Learning Center in my neighborhood to prepare for the tests. Then I went to Baltimore City Community College and maintained an “A” average. I want to be an FBI agent, but in order to be an FBI agent; I need a Bachelor’s Degree and three years of work experience in the field of my degree..... I am pursuing a degree in information technology at the University of Baltimore.”*

**Lisa\***  
*Baltimore City  
\*Maryland Adult Learners’  
Forum: Adult Learners’ Stories*

cycle of under education that the most challenged learners get access to effective services. Indeed, there is evidence (Rose and Wright) that even the more challenged student can increase wages through improved literacy skills.

The Panel believes that there must be a strong link between the funding appropriated and the needs of students. The prototype program developed by the Prototype Team in the professional judgment study calculated weights for students who enter at various functioning levels with diverse learning needs. The weights relate to the cost of adequately educating all levels of students. The professional judgment approach calculated weights of 1.05 FTE for ABE learners who function between the 0 and the 8th grade level equivalent, .80 FTE for Adult Secondary students who function at the 9th grade level equivalent and above, 1.07 FTE for beginning literacy to intermediate ESL students, and .74 FTE for ESL students at the Advanced level.

#### **A STATE SHARE OF 50%, A LOCAL SHARE OF 50%**

Education is historically a shared responsibility between state, federal and local government. The Panel agreed that adult education should continue to be a shared program with state and local investment. The Panel recognized the substantial total cost of the fully phased in adult education program. The Panel believes the state should move toward providing a larger share of adult education funding. Under the formula recommended by the Panel, the state share would increase to 50%.

The formula recommended by the Panel would also require local government to provide additional funding to reach the fully phased in total program cost. Since federal funding for adult education is at risk, both the state and local partners need to increase their investment to continue existing services, deliver high quality instruction and reduce waiting lists.

Since all levels of government will benefit from more educated residents, it is in the best interest of both state and local government to share the cost of services. All partners need to step up to the plate to invest in success for students, families, and the community. The Panel also recognized the substantial return on investment that will accrue to government, the business community, the family, and the individual from this investment.

#### **OFFSETS TO LOCAL SHARE**

The Panel recommended a strong federal, state, and local partnership to support the cost of adult

education. However, federal funding continues to be at risk of a substantial (74%) proposed reduction. For many years, local contributions to the adult education program have made up the bulk of the required 25% nonfederal matching funds for adult education. In recognition of this, the proposed model would adjust the total cost of the adult education program by crediting the amount of federal funds toward the required local contribution. This allows credit for the federal funds to offset some of the local requirement on a pro rata basis. Further, additional resources from other grants and third parties could be allowed to offset the required local contribution.

Since federal funds are at continuing risk, models were developed projecting federal funds at the current level, at a 5% reduction, and at the 74% reduction budgeted by the President.

#### **A MAXIMUM STATE AND LOCAL EXPOSURE**

To ensure that the mandated program commitment of state and local funds does not escalate without control, the Panel recommended a “maximum State exposure” level. This level would be expressed in a maximum number of FTEs and would result from adjusting the total number of students (including those on the waiting list) by the annual population growth in Maryland.

#### **WEALTH EQUALIZATION**

In order to ensure that providers in all jurisdictions have adequate resources regardless of their ability to raise revenue, the Panel believes that the formula should contain a wealth equalization attribute. To the extent possible, funding should be wealth equalized so that students have the same access to quality adult education programs regardless of where they reside in the state. Consequently, the funding formula should include an adjustment to recognize the relative wealth of jurisdictions and the corresponding ability to raise local revenue. This will ensure that learners can access equally effective services, no matter the county of their residence.

#### **A GUARANTEED STATE MINIMUM SHARE**

To recognize that the state should have a certain level of commitment in each jurisdiction, the Panel recommended a minimum state share percentage of the total program. This ensures that no jurisdiction would receive a state grant less than 40% of the total program level.

#### **A ONE YEAR “HOLD HARMLESS” PROVISION**

The Panel recommended a “hold harmless” provision to the state grant to ensure that enrollment and/or

*Sherry withdrew from school at fifteen to get married and raise a family. By seventeen, Sherry was left to raise two small children on welfare. The future looked pretty grim, but Sherry ....took advantage of job training and volunteer work experience to build her employability skills. Sherry's training soon opened the door to a full-time position at a hospital where she has worked for 11 years.*

*Last summer, Sherry brought her seventeen-year-old nephew, Michael, to ... register for classes. Michael recently had withdrawn from high school and Sherry was convinced that they could “do this together.” Sherry and Michael attended GED classes regularly, with Sherry providing the transportation and moral support. ... Sherry and Michael received their Maryland State High School Diplomas in December.*

**Sherry\***  
*Carroll County  
\*Maryland Adult Learners'  
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wealth changes from year to year do not adversely affect the program level in a local jurisdiction. This would be in effect for one year only to allow the jurisdiction to adjust local funding and or program levels accordingly.

#### **INFLATIONARY ADJUSTMENT**

The Panel recognized that, without adjusting the funding formula for inflation, the purchasing power of the funding would degrade over time. The Panel recommended the inclusion of a standard annual inflationary adjustment to be applied to the base funding level per FTE. The Panel recommended use of the same inflator as is used currently for the Bridge to Excellence funding for state grants for elementary and secondary programs.

#### **SMALL PROGRAM ADJUSTMENT**

This provision recognizes that since all local programs must meet the same standards, every program regardless of size requires a certain minimum investment to be viable. It would provide for an adjustment to the funding formula to provide sufficient funds for small programs to have a minimum funding level to overcome the diseconomies of operations on a small scale.

#### **GEOGRAPHIC COST OF EDUCATION INDEX (GCEI)**

The Panel recommended a cost of education index adjustment to the formula. This will take into consideration the jurisdictional differences in education costs. Adjusting the formula for a GCEI accounts for those factors that are outside the

control of the local jurisdiction and that lead to cost differences in education funding. In accordance with requirements of the Bridge to Excellence in Public Schools Act, the state contracted a calculation of the GCEI for Maryland. The Panel recommended that the formula include an adjustment for those jurisdictions where the GCEI is in excess of 1.000. This provides recognition of the additional need in some areas while not penalizing those areas where the need is not as great.

#### **A REQUIREMENT TO USE THE GRANT TO SUPPLEMENT AND NOT SUPPLANT**

The Panel recommended that the program ensure that new state funds be used to supplement and not supplant existing state or local funding for programs.

#### **Phase in Period**

The Panel recognized that the funding enhancements recommended by the Panel must be phased in over several years. The Panel recommended that the enhancements be phased in over a 4 to 5 year timeframe beginning in FY 08. In each year of the phase in, each jurisdiction would receive more state funds than it does under current law. Presumably the Local Share would be phased-in as well. This approach would allow local programs to incorporate attributes of the prototype program and develop capacity. It would also allow local entities to develop the resources necessary to match state funds.

The Panel cautioned that a five year phase in would be easier for budgeting purposes, but may not move the state forward fast enough in enhancing

the quality of programs for current students or in reducing the waiting list. In determining the final phase in period, the Panel recommended that consideration be given to the substantial return on investment that accrues from adult education as the phase in period is determined.

### Funding the Investment in Adult Literacy

Based on initial projections, the appropriation formula recommended by the Panel would require that FY 07 state funding increase by approximately \$5 million, and by FY10/FY11, increase by approximately \$26.4 million over the FY 06 level. The Panel recognizes that, even as the economy improves, there will be competing priorities for any additional funds that become available. However, the Panel believes that the state has too long overlooked this critical component in its education system.

Since 2002, Maryland has made a substantial investment in pre K – 12 education with the Bridge to Excellence (BTE). The Thornton Commission report and the BTE legislation specifically excluded adult education as an ongoing component of the funding for education. Maryland also made substantial investments in higher education over the last decade, with double digit rates of increases in state funding in several years. For most of this same decade, adult education funding languished *below its 1990 funding level* of \$1.7 million. In 2003, state adult education funding has finally surpassed the 1990 level with \$2.3 million in funding.

**Comparison of State Funding FY90 and FY05**

Program	FY90	FY02	FY05
AGE . . . . .	\$416,000	\$162,709	\$161,703
EDP . . . . .	\$522,851	\$281,070	\$281,070
Literacy Works . . . . .	\$685,000	\$810,829	\$1,910,849
MSCC . . . . .	\$122,351	\$0	\$0
<b>Total . . . . .</b>	<b>\$1,746,202</b>	<b>\$1,253,602</b>	<b>\$2,353,622</b>

To ensure that Marylanders can move successfully to the first rung of self sufficiency and begin to transition to postsecondary education and training, Maryland must provide adequate funding for this critical component of the state education system. If we fail to do this, the economic engine of our state and the ability of our current and future families to become economically self sufficient is at risk. The Panel is requesting that the Governor and the General Assembly identify or establish a stable funding source, preferably from General Funds, to provide resources needed to implement the Panel’s recommendations.

### Recommendation 3 Consolidate three existing state funding streams for adult education within MSDE.

Currently, there are three separate funding streams within MSDE for state aid for adult education. These include Adult General Education, Literacy Works, and the Maryland Adult External Diploma Program (EDP). The Panel believes this is unnecessarily complex and administratively burdensome, with some overlapping goals and unnecessary restrictions. It is recommended that these current funding programs be consolidated into one Literacy Works fund. It is also recommended that the new appropriation formula, developed by the Panel, be used to expand the Literacy Works resources to support the state adult education program. This would streamline the funding of adult education and increase efficiency for both state and local entities.

The Panel recommended that the existing adult education Literacy Works competitive grants process distribute aid from the formula in compliance with the State Plan for Adult Education approved by the State Board of Education and the U.S. Department of Education. Performance and achievement of the outcomes in the National Reporting System would continue to affect the distribution of funds to a specific grantee.

### Recommendation 4 Encourage workplace education partnerships with businesses and provide incentives.

The Panel strongly recommended the creation of substantial business partnerships to involve the business community in addressing the education needs of the target population. Business benefits from workplace education with workers who are better able to meet customer demands and prepared to qualify for technical training. Both add significant value to the business enterprise.

The Panel recognized that business must be a key partner in an effective adult education program. Not all individuals who need to upgrade their skills will attend community education programs and workplace education provides some special opportunities. In addition, some businesses such as Johns Hopkins Hospital in Baltimore are currently engaged in providing effective adult education services in partnership with education agencies or through their own resources. There is an opportunity



to build on these efforts and to leverage resources through shared costs to reach more students.

Adult education in the workplace has numerous advantages. Workplace education is highly effective in improving student skills and meeting business needs. Research indicates that the most effective model of adult education is one that is based on contextual learning. Workplace education enables students to learn and apply new learning in the work environment. It also eliminates some significant barriers for adult students such as transportation and, at times, child care. There is also evidence such as the Conference Board Report, *Turning Skills into Profit: Economic Benefits of Workplace Education Programs* that workplace education provides significant organizational benefits such as improved capacity to use new technology and improved safety records.

Several strategies of demonstrated effectiveness which could be more thoroughly explored include: tax credits for business, incentives for onsite education, onsite testing and counseling for GED Tests readiness, scholarships for GED and External Diploma Program graduates to enter higher education or technical training, business sponsored GED testing fees for successful employees, recognition programs for student achievement, trade or industry approaches to workplace education, labor /management partnerships for worker education, adult education partnerships in Bridge programs for career pathways, and corporate sponsorship of public awareness or marketing initiatives to connect students with services and volunteers with opportunities.

The Panel recommended that MSDE work with business and labor groups, such as the Governor's Workforce Investment Board, the AFL-CIO, the Chambers of Commerce, and other state agencies, such as the Department of Business and Economic Development and the Department of Labor, Licensing, and Regulation to identify Best Practices, national models, and to more fully develop workplace partnerships.

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**Recommendation 5**  
**Publish an annual state performance report on the adult education program to document accountability.**

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The Panel believes that accountability is essential in education. Their recommendations reflect a standards-based approach to financing adult education. The success of standards based reform depends in part on the steps taken to hold students, grantees, and the program accountable for making progress toward and ultimately meeting state and national performance standards.

The Maryland adult education program has a well developed accountability system. The current system includes a multi-year state plan approved by the Maryland State Department of Education and the U.S. Department of Education, a competitive selection process for grantee providers, a robust data system, program standards, content standards, data quality standards, a monitoring system, annual performance targets for the state program and local grantees,

The Literacy Works Information System, LWIS, a statewide relational database, is recognized nationally as one of the most robust and most effective in the country. The data system includes individual student level reporting, student assessment data, program level data, and outcome data from matching records with the GED Testing Office and the Maryland wage database.

The adult education system requires specific state performance targets, negotiated annually with the U.S. Department of Education. All adult education grants are awarded on a competitive basis. Applicants for adult education funding submit multi-year plans that outline the steps to ensure student achievement and describe how they will meet the performance targets. Applications and plans are reviewed by MSDE and a grant review panel as part of the grantee selection process. Plans are also reviewed and approved by MSDE. For subsequent continuation grant years, grantees must include their performance targets in the continuation application; the targets are reviewed and approved by MSDE annually.

The performance of each grantee is reviewed annually by MSDE. Failure to meet performance targets can result in technical assistance, required performance improvement plans, or in the loss of grant funds. MSDE should continue to have the authority to review and approve the allocation of resources to grantees based on their ability to meet performance requirements.

The Panel recommended that the impact of major funding enhancements should be evaluated and reported through the development of an annual report to the State Board of Education. The report should monitor progress in the achievement of national outcome standards including:

- The achievement of literacy level gains.
- The acquisition of a high school diploma.
- The success of students in achieving their goals of employment and their entry into further education and training.

In addition, the report should include the progress toward increasing enrollments to the established target of 40,000 students annually.



# What Investment is Needed? Stepping Up to the Plate



To address the human resource and programmatic challenges, the Panel recommends substantial increases in state and local investment to ensure the necessary level of program excellence *and* expand enrollment. The Superintendent's Panel on Excellence in Adult Education is recommending a 95% increase in the state's support of adult education and a 70% increase in local support.

The estimated investment cost is based on FY 04 data analysis. It will deliver a high quality, evidence

based prototype program with a state average of 120 instructional hours per learner to 40,000 students annually, an FTE of \$1,803, a four to five year phase in period, and a 50/50 state and local share of the cost, with any federal funding reducing the required local share.

- Current estimate for the additional state investment for the first year is \$5 million.
- The estimate for a fully phased-in appropriation formula is \$26.5 million

# Summary of Findings and Recommendations

- Finding 1:** The need for adult education in Maryland is immense.
- Finding 2:** The demand for adult education in Maryland significantly exceeds current capacity.
- Finding 3:** Maryland is seriously behind other states' investment in adult education
- Finding 4:** A budgeted 74% reduction in Federal funding will virtually eliminate adult education services in almost half of Maryland counties.
- Finding 5:** Current funding does not support a stable, well qualified, professional workforce for instruction or instructional leadership.
- Finding 6:** Additional investment in the quality of the program is essential to maximize the return on the investment.
- Finding 7:** Adult education is an economic issue as well as an education issue.
- Finding 8:** Adult education is an investment in the present and in the future providing a preventive strategy to reduce costs from welfare, unemployment, the legacy of low literacy, incarceration, and health care.
- Finding 9:** The Maryland adult education program is performing well for those enrolled, earning federal incentive funds for the state for three consecutive years based on its results.
- Finding 10:** A diverse delivery system, which encompasses local school systems, community colleges, and community based organizations, adds value to the adult education student and the program.
- Finding 11:** It is the state's role to provide adequate funding to enable the achievement of state and national standards and performance outcomes by all the organizations it funds.
- Finding 12:** Adult education has a significant return on investment.

**Goal: Increase access for more Marylanders to evidence based, high quality adult education services**

**Recommendation 1:**

Increase the investment in evidence based adult education.

**Recommendation 2:**

Establish in statute a state funding formula for adult education to achieve results.

**Recommendation 3:**

Consolidate three existing state funding streams for adult education within MSDE.

**Recommendation 4:**

Encourage workplace partnerships with businesses and provide incentives.

**Recommendation 5:**

Publish an annual state performance report on the adult education program to document accountability.

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