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November 17, 2014

MEMORANDUM

TO: Legislative Education Study Committee

FR: Travis Dulany

RE: STAFF BRIEF: HM 99, ADULT EDUCATION PROGRAM FUNDING FORMULA

During the 2014 legislative session, the House of Representatives passed HM 99, *Adult Education Program Funding Formula* (see **Attachment**), which requested that the Higher Education Department (HED), in cooperation with the Legislative Education Study Committee (LESC) and the Legislative Finance Committee (LFC), form a work group to study the feasibility of fully funding the formula for adult education programs.

Although HM 99 did not have a counterpart in the Senate, HED proceeded with the work group during the 2014 interim and submitted its report in November, which can be found in the committee notebooks. Among other items, the report provides:

- a list of work group members (cover page);
- an overview of adult education in New Mexico (pg. 3);
- funding through HED (pg. 4);
- an overview of the state of adult education in New Mexico (pg. 6);
- performance initiatives (pg. 8); and
- a summary of findings and recommendations (pg. 11).

A MEMORIAL

REQUESTING THE HIGHER EDUCATION DEPARTMENT TO FORM A WORK GROUP TO STUDY THE FEASIBILITY OF FULLY FUNDING THE FORMULA FOR ADULT EDUCATION PROGRAMS AND TO MAKE RECOMMENDATIONS.

WHEREAS, twenty-six adult education centers around New Mexico enrolled nineteen thousand three hundred sixty-four students for academic year 2012-2013; and

WHEREAS, adult education centers help students to learn basic literacy and numeracy skills, earn a high school equivalency certificate, learn English as a second language and prepare for college and careers and also learn how to obtain and keep a job; and

WHEREAS, the higher education department reports an overwhelming need for adult education services based on 2012-2013 enrollment data indicating that ninety-one percent of the students served functioned below the secondary school level, including second-language speakers, and only nine percent were able to function at the adult secondary educational level; and

WHEREAS, in the 2012-2013 academic year, adult education programs in New Mexico produced one thousand eight hundred fifty-four high school graduates, and more than eight hundred fifty adult education students enrolled in college and career training; and

WHEREAS, adult education provided New Mexico employers

an enhanced work force of more than one thousand adults; and

WHEREAS, more than four hundred thousand adults in New Mexico have their opportunities limited because of their lack of education or English-speaking skills, two hundred and forty thousand of whom have not finished high school; and

WHEREAS, adult education centers report more than one thousand eligible students on waiting lists for services and twenty-four communities or community organizations requesting adult education services; and

WHEREAS, in addition to growing enrollment, adult education programs and students face increased costs to obtain credentials because three out of four students are below the poverty level; and

WHEREAS, the higher education department reports a high return on investment, estimating that the state receives five hundred sixty-six percent return on investment in savings on public welfare services and increased income taxes for its annual general fund appropriation;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE STATE OF NEW MEXICO that the higher education department, in cooperation with the legislative education study committee and the legislative finance committee, be requested to form a work group to study the feasibility of fully funding the formula for adult education programs; and

BE IT FURTHER RESOLVED that the higher education department appoint members to the work group who represent the New Mexico adult education association, the national council of the state directors of adult education, community-based adult education organizations, the New Mexico association of community colleges, the New Mexico independent community colleges, community college finance offices, the director of institutional research at the university of New Mexico, the adult basic education division of the higher education department, the legislative finance committee and the legislative education study committee; and

BE IT FURTHER RESOLVED that staff for the work group be provided by the higher education department, the legislative education study committee and the legislative finance committee; and

BE IT FURTHER RESOLVED that the work group compile data on the need for adult education services in New Mexico, base funding costs per program, cost per student served and performance-based funding incentives; and

BE IT FURTHER RESOLVED that the work group recommend a fully funded formula based on a full workload that is adjusted annually; and

BE IT FURTHER RESOLVED that the work group present its recommendations to the legislative education study committee by August 1, 2014; and

BE IT FURTHER RESOLVED that copies of this memorial be transmitted to the secretary of higher education, the directors of the legislative education study committee and the legislative finance committee, the director of institutional research at the university of New Mexico, the executive director of the New Mexico independent community colleges, the president of the board of the New Mexico association of community colleges and the president of the New Mexico adult education association.

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**Recommendations for an Annually Adjusted Fully Funded Formula for Adult
Education in New Mexico**

Report to the Legislative Education Study Committee from the House Memorial 99
Working Group

Working Group Members:

Frances Bannowsky
Katie Chavez
Travis Dulany
Mark Chisolm
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Thomas McGaghie
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INTRODUCTION

House Memorial 99 resolved that the New Mexico Higher Education Department (NMHED) be requested to form a work group to study the feasibility of fully funding the formula for adult education programs in New Mexico. This request comes at a time when New Mexico faces economic challenges both to provide a middle-skilled workforce and to address poverty by preparing New Mexicans for family-supporting careers.

The study is particularly well-timed because the Workforce Innovation and Opportunity Act (WIOA), a bicameral and bipartisan effort, was signed into law by President Obama in July, 2014, to replace the Workforce Investment Act (WIA). While WIOA retains much of the same structure and requirements found in the WIA, there are significant differences that affect the concept of a “fully funded” formula for Adult Education.

A fully funded formula in New Mexico would support activities that place undereducated adults on career pathways by helping them attain a High School Equivalency (HSE) credential and transition to postsecondary career preparation pathways. Secondly, it would support those with low literacy levels and those who need to learn or improve their English language skills in order to progress through postsecondary education and training. These efforts would improve family literacy so that New Mexico’s children have a greater likelihood of completing their educations.

It is important that the State recognize and utilize the potential of the approximately 400,000 New Mexicans who are eligible for Adult Education services. Adult Education can provide the educational assistance needed to allow people who are now clients of the State to become contributing members of their communities. Even at full funding, Adult Education must act in collaboration with the other core partners in WIOA, particularly the Department of Workforce Solutions and workforce boards (WIOA, Title I) and the Division of Vocational Rehabilitation (WIOA, Title IV) to make their educational efforts meaningful and cost-effective.¹

This document will recommend the support of demonstrated, cost-effective best practices to further these goals and fulfill legislative mandates, along with estimated costs per program and per student served within the context of a sub recipient funding formula with performance-based incentives.

¹ The WIOA, in fact, requires this collaboration, including a unified or combined state plan, shared responsibility for one-stops, and common performance measures.

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OVERVIEW OF ADULT EDUCATION IN NEW MEXICO

MISSION

The purpose of the Adult Basic Education Division at the New Mexico Higher Education Department (ABE HED) is to support free adult education and literacy services in order to

- assist adults to become literate and obtain the knowledge and skills necessary for employment and self-sufficiency
- assist adults who are parents to obtain the educational skills necessary to become full partners in the educational development of their children
- assist adults in the completion of the equivalent of a secondary school education.

These activities are intended to expand opportunities for New Mexicans to learn skills that have real value to employers so that they may sustain their families, contribute to their communities, and help drive economic recovery. To this end, the Division supports New Mexico's 26 Adult Education programs serving approximately 20,000 students per year throughout the state. Support includes distribution and monitoring of approximately \$9,600,000 in Federal and State funding each year; monitoring sub-grantee compliance and performance; providing technical assistance and professional development; and reporting to federal and state agencies. Federal funding of \$4.2 million is granted through Title II of WIA now WIOA, also referred to as the Adult Education and Family Literacy Act (AEFLA).

ELIGIBILITY

Learners who are 16 or more years of age and are not enrolled in high school are eligible for services, if they

- lack sufficient mastery of basic educational skills to enable them to function effectively in society;
- do not have a secondary school diploma or its equivalent; or
- are unable to speak, read, or write the English language.

CORE PERFORMANCE MEASURES

To help ensure meaningful student progress, four core performance measures guide program planning and curricula. They are the following:

- Attaining a high school equivalency credential;
- Obtaining employment;
- Retaining employment; and
- Transitioning to postsecondary education.

New Mexico's eligible adults represent great human and economic potential when they are provided access to education and training. Each year more than 1,000 Adult Education students enter the workforce, an additional 1,000 report increased earnings or promotions, about 1,000 transition to postsecondary education, and nearly 2,000 earn a high school equivalency credential.

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FUNDING THROUGH NMHED

In New Mexico, Adult Education is a statutory Division of the Higher Education Department, through which funding is distributed and overseen.²

Aggregate funding for New Mexico Adult Education services from FY10 through FY15 is summarized below:

SOURCE	FY11	FY12	FY13	FY14	FY15
State	\$5,670,300	\$5,629,715	\$5,186,800	\$55,375,200	\$5,399,724
Federal	\$4,163,000	\$4,217,000	\$4,125,000	\$4,091,000	\$4,124,000
Instructional Materials	\$183,569	\$209,775	\$349,169	\$277,300	\$275,024
TOTAL	\$10,016,828	\$9,813,561	\$9,860,955	\$9,743,500	\$9,774,224

[Source: Administrative Services Division, NMHED]

FUNDING SOURCES

Funding for expenditure by NMHED Adult Education programs in New Mexico is provided by

- the Workforce Innovation and Opportunity Act (WOIA), Title II³ through the U.S. Department of Education, Office of Career, Technical, and Adult Education (OCTAE);
- the New Mexico legislative appropriation through the operating budget of NMHED; and
- the Federal oil and gas lease revenues by formula through NMHED by way of the Public Education Department. (for Instructional Materials)

The federal grant is a “formula grant” (as opposed to a “competitive grant”). The formula for distribution to the states is based on need, defined by the proportion of the state’s population lacking a high school diploma according to the U. S. Census Bureau.

The Instructional Materials funding is distributed according to a statutory formula that allots .25 FTE for every fundable adult education student. [NMAC 5.3.13]

In addition, individual local programs supplement their budgets as they are able through additional grant revenues and collaborations with local businesses to provide services to employees. Sub recipients report this support as part of their annual report to the State office.

MAINTENANCE OF EFFORT

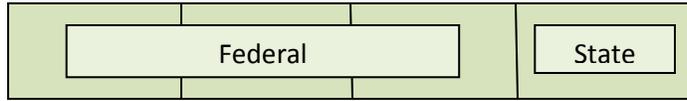
As proof of state level support for federally funded Adult Education, each state is required to maintain a minimum match amount and is also required to show “maintenance of effort” in the form of any additional state or local government contributions.

² 15 other states have Adult Education housed in Higher Education Departments, 24 in New Mexico Public Education Department equivalents, and 11 in state departments of labor (Workforce Solutions in New Mexico).

³ The WOIA was enacted in July, 2014 as the reauthorization of the Workforce Investment Act (WIA), which has been funding Adult Education since 1999. Title II of the WOIA is also called the “Adult Education and Family Literacy Act” (AEFLA).

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The minimum required match (far exceeded by most states) is 25% of the state's total adult education expenditures; that is, 1/3 of the Federal grant amount:



Once the minimum match is exceeded, the Maintenance of Effort (MOE) requirement applies, as it does in New Mexico, under Title II, WIOA, Section 241 (a) and (b)(1)(A). The requirement is:

“Funds made available for adult education and literacy activities under this title shall supplement and not supplant other State or local public funds expended for adult education and literacy activities.” (WIOA, sec 241 (a))

“An eligible agency [NMHED] may receive funds under this title for any fiscal year if . . . the aggregate expenditures of such eligible agency for activities under this title, in the second preceding fiscal year were not less than 90 percent of the fiscal effort . . . in the third preceding fiscal year.”⁴ (WIOA, sec 241 (b)(1)(A))

In-kind public contributions are allowable as MOE, as are cash expenditures. Because of state expenditure reductions, NMHED has begun to report some in-kind contributions by local agencies in order to maintain MOE and avoid corresponding reductions in the Federal grant.

All State funding used to calculate MOE must be expended according to the same requirements as the Federal grant on AEFLA allowable activities.

Increasing the state appropriation to Adult Education could result in an increase in the Maintenance of Effort requirement.

Recommendations:

--The legislature should appropriate core funds to Adult Education to bring the level of funding up to the FY09 level of \$6,735,000.

--The legislature should appropriate recurring funds to Adult Education to ensure year-to-year consistency.

Any additional appropriation for particular initiatives should be earmarked for AEFLA-unallowable activities (for example, to provide bridge scholarships or books and supplies to I-BEST students) or to supplant other state funding currently being used for what would be allowable activities (for example, to fund adult education through the Adult Education system that is currently being funded some other way).

[For comparisons of state vs. federal funding, by state, see Appendix A]

SUB RECIPIENT FUNDING PROCESS

Every few years, NMHED issues a Request for Proposals (RFP) and awards multi-year grants. The grants are funded by formula and renewed annually. The most recent RFP process took place in spring of 2011. Another will be required under WIOA in the spring of 2016.

⁴ Ellipses edit language allowing expenditures to be computed either in the aggregate or on a per-student basis. NMHED computes using aggregate expenditures because agency expenditures per student have declined more rapidly than the aggregate over the past few years.

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26 local programs are funded pursuant to NMSA 21-1-27.6 and NMAC 5.3.13 (amended in 2010). ABE HED facilitates a Funding Task Force and adopts a funding formula in consultation with them. Currently, a base of \$70,000 is distributed to each program, and the remaining funding is distributed using headcount, need, and performance as factors. [see Appendix B] NMHED distributes all of the available appropriated state funding to local programs and a minimum of 82.5% of federal funding to them.

The current Adult Education funding formula spreadsheets are on the NMHED website. Because Adult Education funding is limited, both the State and Federal funding calculations incorporate harm/gain limits to ensure (a) that no program suffers greater than a 5% loss in funding and (b) to indemnify the harm limit.

The remainder of the federal funding is expended on state administrative costs (up to 5%), leadership activities (up to 12.5%) [see WIOA, sec 223], and a federal set-aside for English Language Civics instruction.⁵

Instructional Materials funding is distributed to the local programs according to student enrollment. [NMAC 5.3.13]

The purpose of performance-based funding initiatives is to stimulate continuous program improvement, defined in terms of outcomes desired by the state. However, in an environment of flat or declining funding, a funding formula which takes into account performance measures tends to be punitive even to programs that might be performing well but less well than others. Paradoxically, the greater the number of programs that improve performance, the fewer dollars available to each of them. This makes program improvement a zero-sum game, rather than an incentive for improving statewide performance.

Performance based funding that is deducted from core funding further deprives programs of the stability necessary to do long-range planning and discourages the very innovation necessary for continuous program improvement.

Current performance-based funding tends to destabilize local planning efforts, discourage innovation, and harm adequately performing programs.

Recommendation:

--The Legislature should appropriate additional funding to Adult Education each year as set-aside incentive for performance and tie appropriation for core funding to inflation.

***The additional incentive funding should be \$1,000,000.
(or approximately 10% of total core funding amount)***

STATE OF ADULT EDUCATION IN NEW MEXICO

Adult literacy levels and educational attainment levels have broad multi-generational effects on socio-economic well-being.

The following two charts compare New Mexico's literacy and educational attainment rates with the other seven Mountain Plains states. It is clear that New Mexico has a large workforce resource in its undereducated adults, a population whose education can help fill future state needs, both in terms of economic contribution and in terms of reducing the drain on social services.

Compared to other states in the Mountain Plains region, New Mexico, along with Nevada, has the highest percentage of low literacy working-age adults:

⁵ See WIOA, Section 231 for federal sub recipient funding distribution requirements.

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PERCENT OF ADULT POPULATION LACKING BASIC PROSE LITERACY		
MOUNTAIN PLAINS STATES	POPULATION	PERCENT
Nevada	1,668,489	16%
New Mexico	1,394,621	16%
Arizona	4,083,287	13%
Idaho	1,000,313	11%
Colorado	3,385,807	10%
Montana	704,494	9%
Utah	1,638,079	9%
Wyoming	382,009	9%

[Source: National Center for Education Statistics, 2003—see Appendix C for all states]

As the chart below indicates, among the Mountain Plains States, New Mexico has the highest percentage of its population over 25 without a high school credential and the lowest percentage (again tied with Nevada) who have earned either an associate’s or a baccalaureate degree.

As a whole, New Mexicans obtained a high school credential at a rate lower than the national average. However, Adult Education students as a subgroup did much better in terms of high school credential attainment. In FY13, 90% of Adult Education students who took the High School Equivalency test passed it, placing New Mexico Adult Education students in the top quartile of Adult Education students nationwide for High School Equivalency attainment.⁶

EDUCATIONAL ATTAINMENT	United States	Arizona	Colorado	Idaho	Montana	Nevada	New Mexico	Utah	Wyoming
Population 25 years and over	204,336,017	4,149,955	3,328,869	986,172	671,337	1,791,029	1,333,926	1,578,143	371,096
Less than 9th grade	6%	6%	4%	4%	2%	6%	7%	3%	2%
9th to 12th grade, no diploma	8%	8%	6%	7%	6%	9%	9%	6%	6%
High school graduate (includes equivalency)	28%	24%	22%	28%	30%	29%	26%	24%	31%
Some college, no degree	21%	26%	23%	27%	25%	26%	24%	28%	27%
Associate's degree	8%	8%	8%	9%	8%	7%	7%	9%	10%
Bachelor's degree	18%	17%	23%	17%	20%	15%	15%	20%	16%
Graduate or professional degree	11%	10%	13%	8%	9%	7%	11%	10%	8%

[Percentages rounded. Source: 2008-2012 American Community Survey 5-Year Estimates—see Appendix D for all states]

⁶ Source: National Reporting System for Adult Education. Program year 2012/2013 is the most recent year for which nationwide National Reporting System for Adult Education statistics are available.

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More than 400,000 of New Mexico's adult population, employed or not, qualify for adult education services. The Adult Education Division funds education for less than 5% of them, using fewer than \$300 in state funding (plus less in federal funding) per student, per year.⁷ Yet the National Skills Coalition estimates that in 2018, 46% of jobs in New Mexico will be middle-skilled,⁸ but in 2012, 32% of New Mexico's adults 25 and over were middle-skilled.⁹

Middle-skill jobs (requiring more than high school and less than a baccalaureate degree) offer family sustaining wages. Of the Adult Education students served in FY13, 75% were in families living at or below 100% of the federal poverty level at entry into the program. Middle-skill wages not only allow families to avoid public assistance, but also allow them to contribute to the economy.

In FY13, 79 New Mexico Adult Education students reported to their programs that they had left public assistance, saving approximately \$858,888 in Temporary Aid to Needy Families.¹⁰

Of 5,258 unemployed at enrollment in Adult Education programs in FY13, 1,065 had left the program and taken jobs within the following quarter. Of those employed at entry, 25% reported wage increases.¹¹

Of those who obtained a High School Equivalency credential in FY13, 47% transitioned to postsecondary education.¹² They hold the potential to gain middle-skill jobs after a year.

PERFORMANCE INITIATIVES

In order to improve literacy, educational attainment, and economic stability for Adult Education students, their communities, and New Mexico as a whole, ABE HED is involved in several initiatives. Adopting research-based best practices and increasing capacity are critical to improving Adult Education. These initiatives include the following:

- Improving Distance Education for Adult Learners (Project IDEAL).

Distance education is important to increase access for New Mexico's adult learners, and it is an important tool for teaching self-directed learning. Project IDEAL is a nationwide coalition of Adult Education programs working with the University of Michigan Institute for Social Research to develop curriculum and pedagogical practices in distance and blended education. In FY09 New Mexico began what was to be a multi-year pilot of several distance education programs, but declining funding in FY11 led the state to drop out of Project IDEAL. In FY13 New Mexico

⁷ FY 2010 through 2015, National Reporting System for Adult Education

⁸ *New Mexico's Forgotten Middle-Skill Jobs: Meeting the Demands of a 21st Century Economy*, National Skills Coalition, 2010

⁹ *Middle Skills Job Report for New Mexico*, National Skills Coalition

¹⁰ LACES database, using student reported data. Cost savings estimates from Bureau of Labor Statistics, Current Population Survey, Annual Social and Economic Supplement.

¹¹ Employment data from data match with DWS database. Wage increase data self-reported.

¹² 874 of 1,855 students. Data from match between ABE Division LACES database and NMHED's e-DEAR database. Available postsecondary transition data limited to students who transitioned to New Mexico's public institutions under the oversight of NMHED.

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rejoined at an annual cost of \$14,000. In addition, ABE HED has provided a small grant to UNM-Valencia to provide a part-time Distance Education Coordinator and assist the state office in developing a distance education plan, as well as oversee the state-purchased license for instructional software to serve as the initial platform. ***Currently funded at \$84,445***

- Supporting Integrated Basic Education and Skills Training (I-BEST).

I-BEST is a research-based¹³ approach to instruction that is designed to accelerate student acquisition of Basic Skills, an HSE credential if needed, and industry-recognized, stackable credentials while eliminating separate remediation classes.

Initially, ABE HED funded the development of 6 pilot programs through a planning grant from Jobs for the Future. Beginning in 2011, Santa Fe Community College took on the project as part of the federal Trade Adjustment Assistance Community College and Career Training grant (TAACCCT). I-BEST is funded for another year through the TAACCCT grant.

I-BEST classes are team-taught by a Career Technical instructor and an Adult Education instructor, and the Adult Education instructor is an added expense. At this point local Adult Education provider funding levels do not cover the cost of I-BEST instruction

Adult Education will be required to absorb the cost of the basic skills instruction for each I-BEST class after the expiration of the TAACCCT funding September 30, 2017. Funding for this instruction would affect Maintenance of Effort requirements.

Recommendation:

--The legislature should appropriate funding at a level that the state can maintain at least at the MOE required rate of 90% to pay for I-BEST basic skills instruction.

There are currently 14 I-BEST classes at five colleges, and the project will be scaling up.

Estimated basic skills instructional cost--\$13,000 per class

- Developing a Unified State Plan under WIOA in collaboration with the Department of Workforce Solutions and the Division of Vocational Rehabilitation including common performance measures.

This plan will facilitate coordinated and collaborative efforts among the core state programs funded under the WIOA. This will help ensure that Adult Education is able to maintain both state and local relationships with workforce boards and workforce development programs. The collaboration to be described in the State Plan will reduce duplication of effort and implement common performance measures.

- Developing and implementing statewide Adult Education Content Standards to align with College and Career Readiness Standards (CCRS), as required under WIOA.

¹³ The Washington State Board of Community and Technical Colleges initially developed and studied I-BEST. See pages 43-44 of the New Mexico Legislative Finance Committee's Report #14-09, *Public Education Department and Higher Education Department Cost-Effective Options for Increasing High School Graduation and Improving Adult Education*, for a more complete description of I-BEST, along with its current funding structure.

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New Mexico will work with LINCS (see below) under the mentorship of other states that have adopted and implemented the CCRS. The process is anticipated to take up to two years. Some fact-to-face meeting will be essential, but most can be done by webinar.

Developing and implementing CCRS is mandated by the WIOA and will require stipends for practitioners and travel two times each year. One visit from mentor state professionals will be needed at the outset. These content standards must be in place by March 3, 2016 (pending further regulation). All costs are allowable, therefore MOE could be affected.

Recommendation:

--The legislature should appropriate funding at a level that the state can maintain at least at the MOE required rate of 90% to pay for development and implementation of CCRS in New Mexico. Estimated costs for one year:

Two-day visit from two mentor state professionals--\$3,000

Stipends (@%1000) and travel for twelve local practitioners (three from each region)--\$24,000

- Developing a statewide Professional Development System.

The Professional Development system is being developed by ABE HED in consultation with a Professional Development Committee made up of New Mexico Adult Education practitioners. This is being done in the framework provided by the U.S. Department of Education, Office of Career, Technical and Adult Education's professional development provider, Literacy Information and Communication System (LINCS). They provide, free of charge, a limited amount of on-site training and unlimited access to online resources that include self-paced and moderated on-line courses for practitioners, as well as an online learning community and an extensive resource collection.

New Mexico Adult Education professional development must address the following needs:

- Training for compliance with mandatory WIOA provisions and the Unified State Plan.
- Training for adopting College and Career Readiness Standards in all classes.
- Training for shifting pedagogy to support the kind of learning required by the new High School Equivalency (HSE) tests.
- Ongoing training in program management; data collection, management, and use; and promising practices for instructors and tutors.

This training is provided by, New Mexico's Adult Education database provider, LiteracyPro, by the state office, by peers, and by visiting experts, as appropriate

- Ongoing cultural awareness training for instructional and administrative staff.

These professional development activities are provided at an annual conference, online, and in targeted site visits, as needed. They are currently funded at approximately \$300,000 per year.

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SUMMARY OF FINDINGS AND RECOMMENDATIONS

FINDING	RECOMMENDATION	COST IN THOUSANDS
State funding levels have been reduced by approximately 20% since FY09	Legislature appropriates core funds to Adult Education to bring the level of funding up to the FY09 level of \$6,735,000.	Current funding of \$5,350.0 plus \$1,385.0
Current performance-based funding destabilizes local planning efforts, discourages innovation, and harms adequately performing programs.	Legislature appropriates additional funding as set-aside incentive for performance. Tie Core Funding to inflation.	Initially, approximately 10% of current funding total for incentive. Subsequently tie Core to inflation rate. \$1,000.0
Adult Education will be required to absorb the cost of the basic skills instruction for each I-BEST class after the expiration of the TAACCCT grant. Funding for this instruction would affect MOE requirements.	The legislature should appropriate funding at a level that the state can maintain at least at the MOE required rate of 90% to pay for I-BEST basic skills instruction.	Estimated instructional costs for 14 existing I-BEST classes. \$182.0
Developing and implementing CCRS is mandated by the WIOA and will require stipends for practitioners and travel two times each year. One visit from mentor state professionals will be needed at the outset. All costs are allowable, therefore MOE could be affected.	Legislature appropriates funding at a level that the state can maintain at least at the MOE required rate of 90% to pay for development and implementation of CCRS in New Mexico.	Two-day visit from two mentor state professionals-- \$3.0 Stipends(@%1000) and travel for twelve local practitioners (three from each region)-- \$24.0 Total: \$27.0
		Total: \$7,944.0

APPENDICES

Adult Education Funding by State, 2012/13

State	Federal Funding	State/Local Contribution	Program Income	Total Funding
AK	\$1,037,781.00	\$1,665,974.77	\$93,574.00	\$2,797,329.77
AL	\$9,819,887.00	\$13,396,547.51	\$0.00	\$23,216,434.51
AR	\$5,867,037.00	\$18,108,159.25	\$0.00	\$23,975,196.25
AZ	\$11,912,398.00	\$4,209,907.00	\$62,086.00	\$16,184,391.00
CA	\$90,933,921.00	\$355,330,037.00	\$5,802,930.00	\$452,066,888.00
CO	\$6,955,401.00	\$2,433,679.00	\$342,386.00	\$9,731,466.00
CT	\$5,562,943.00	\$40,700,472.54	\$0.00	\$46,263,415.54
DC	\$1,299,005.00	\$1,107,133.47	\$0.00	\$2,406,138.47
DE	\$1,668,225.00	\$1,199,180.00	\$0.00	\$2,867,405.00
FL	\$39,052,707.00	\$226,140,734.25	\$940,087.19	\$266,133,528.44
GA	\$18,571,113.00	\$11,315,243.69	\$0.00	\$29,886,356.69
HI	\$2,123,712.00	\$2,454,406.10	\$0.00	\$4,578,118.10
IA	\$3,679,858.00	\$6,832,841.00	\$173,268.03	\$10,685,967.03
ID	\$2,362,081.00	\$972,108.58	\$0.00	\$3,334,189.58
IL	\$21,674,473.00	\$16,227,265.00	\$0.00	\$37,901,738.00
IN	\$10,108,075.00	\$25,401,144.00	\$3,106.00	\$35,512,325.00
KS	\$3,762,235.00	\$1,457,031.00	\$273,836.91	\$5,493,102.91
KY	\$9,106,543.00	\$17,735,000.00	\$0.00	\$26,841,543.00
LA	\$9,318,371.00	\$4,420,439.75	\$0.00	\$13,738,810.75
MA	\$10,253,481.00	\$29,045,483.00	\$0.00	\$39,298,964.00
MD	\$9,647,452.00	\$12,050,662.00	\$134,758.73	\$21,832,872.73
ME	\$1,845,650.00	\$4,856,809.00	\$0.00	\$6,702,459.00
MI	\$13,965,116.00	\$77,756,570.90	\$0.00	\$91,721,686.90
MN	\$6,097,930.00	\$46,495,881.16	\$0.00	\$52,593,811.16
MO	\$9,328,075.00	\$4,884,887.00	\$0.00	\$14,212,962.00
MS	\$6,380,200.00	\$3,297,808.00	\$0.00	\$9,678,008.00

MT	\$1,302,934.00	\$1,461,877.81	\$0.00	\$2,764,811.81
NC	\$17,595,023.00	\$66,541,481.00	\$0.00	\$84,136,504.00
ND	\$1,019,829.00	\$590,000.00	\$2,370.00	\$1,612,199.00
NE	\$2,424,961.00	\$340,543.76	\$132,350.00	\$2,897,854.76
NH	\$1,702,786.00	\$4,849,253.00	\$0.00	\$6,552,039.00
NJ	\$15,822,106.00	\$11,978,222.00	\$0.00	\$27,800,328.00
NM	\$4,217,148.00	\$6,100,122.15	\$52,523.78	\$10,369,793.93
NV	\$5,712,233.00	\$1,953,408.75	\$0.00	\$7,665,641.75
NY	\$42,211,232.00	\$83,292,246.00	\$0.00	\$125,503,478.00
OH	\$42,211,232.00	\$83,292,246.00	\$0.00	\$125,503,478.00
OK	\$6,198,983.00	\$2,337,130.75	\$31,465.00	\$8,567,578.75
OR	\$5,633,806.00	\$25,470,986.61	\$1,006,439.05	\$32,111,231.66
PA	\$18,593,214.00	\$16,817,575.25	\$0.00	\$35,410,789.25
RI	\$2,317,728.00	\$3,625,164.00	\$210,627.00	\$6,153,519.00
SC	\$8,687,843.00	\$17,345,260.00	\$1,492,409.97	\$27,525,512.97
SD	\$1,208,392.00	\$449,180.00	\$0.00	\$1,657,572.00
TN	\$12,131,134.00	\$3,199,900.64	\$0.00	\$15,331,034.64
TX	**unavailable	**unavailable	**unavailable	\$0.00
UT	\$3,169,893.00	\$964,917.00	\$32,841.00	\$4,167,651.00
VA	\$13,732,173.00	\$274,779.30	\$0.00	\$14,006,952.30
VT	\$935,060.00	\$4,104,782.19	\$0.00	\$5,039,842.19
WA	\$9,574,316.00	\$42,385,521.00	\$1,476,370.00	\$53,436,207.00
WI	\$6,887,787.00	\$5,530,460.06	\$0.00	\$12,418,247.06
WV	\$3,891,120.00	\$3,360,492.29	\$0.00	\$7,251,612.29
WY	\$811,008.00	\$1,088,712.00	\$2,925.00	\$1,902,645.00

[Source: OVAE National Reporting System]

Note that “State Contribution” on this chart includes contributions in kind, if any, necessary to equal total Maintenance of Effort requirement for the state.

ABE Performance Based Funding Overview

CORE FUNDING (80% in 2014-2015)			PERFORMANCE
Base Grant (\$70,000)	Headcount	Need 5% of Core	20% in 2015
<p>CORE FUNDING</p> <ul style="list-style-type: none"> • Supports State value of Student Access • Measures Program Inputs • Supports head count and amount of need in counties served • Ignores program performance 		<p>PERFORMANCE FUNDING</p> <ul style="list-style-type: none"> • Supports state value of Student Success • Measures program Outputs • Rewards program performance • Ignores program headcount 	

Basic Prose Literacy of Working Age Adults by State, 2003

National Center for Education Statistics

Indirect estimate of percent lacking *Basic* prose literacy skills and corresponding credible intervals : All States 2003

[Source:
National
Center for
Education
Statistics]

Location	Population	Percent lacking <i>basic prose literacy skills</i>	Location	Population	Percent lacking <i>basic prose literacy skills</i>
(Mountain Plains Region)			Maryland	4,190,921	11
Arizona	4,083,287	13	Massachusetts	5,096,670	10
Colorado	3,385,807	10	Michigan	7,629,134	8
Idaho	1,000,313	11	Minnesota	3,852,097	6
Montana	704,494	9	Mississippi	2,116,087	16
Nevada	1,668,489	16	Missouri	4,321,763	7
New Mexico	1,394,621	16	Nebraska	1,310,211	7
Utah	1,638,079	9	New Hampshire	995,072	6
Wyoming	382,009	9	New Jersey	6,610,051	17
Alabama	3,399,775	15	New York	15,058,111	22
Alaska	460,997	9	North Carolina	6,278,385	14
Arkansas	2,044,669	14	North Dakota	489,045	6
California	26,029,840	23	Ohio	8,715,916	9
Connecticut	2,668,989	9	Oklahoma	2,696,155	12
Delaware	618,525	11	Oregon	2,713,872	10
District of Columbia	425,630	19	Pennsylvania	9,561,844	13
Florida	13,040,318	20	Rhode Island	832,138	8
Georgia	6,365,942	17	South Carolina	3,098,822	15
Hawaii	944,472	16	South Dakota	572,209	7
Illinois	9,507,861	13	Tennessee	4,439,666	13
Indiana	4,633,843	8	Texas	15,936,279	19
Iowa	2,249,427	7	Vermont	485,416	7
Kansas	2,048,059	8	Virginia	5,522,625	12
Kentucky	3,202,516	12	Washington	4,641,680	10
Louisiana	3,313,847	16	West Virginia	1,418,672	13
Maine	1,036,269	7	Wisconsin	4,185,290	7

Adult Educational Attainment by State

[Mountain Plains states highlighted]

EDUCATIONAL ATTAINMENT	United States	Arizona	Colorado	Idaho	Montana	Nevada	New Mexico	Utah	Wyoming
Population 25 years and over	204,336,017	4,149,955	3,328,869	986,172	671,337	1,791,029	1,333,926	1,578,143	371,096
Less than 9th grade	6.0%	6.5%	4.2%	4.5%	2.4%	6.3%	7.4%	3.1%	2.3%
9th to 12th grade, no diploma	8.2%	8.1%	5.8%	6.9%	5.7%	9.3%	9.2%	6.2%	5.6%
High school graduate (includes equivalency)	28.2%	24.4%	22.4%	28.0%	30.2%	28.7%	26.4%	23.9%	30.5%
Some college, no degree	21.3%	26.2%	22.8%	27.3%	25.1%	26.1%	23.9%	27.6%	27.3%
Associate's degree	7.7%	8.2%	8.1%	8.7%	8.1%	7.3%	7.5%	9.3%	10.0%
Bachelor's degree	17.9%	16.9%	23.4%	17.0%	19.7%	14.8%	14.6%	20.1%	16.2%
Graduate or professional degree	10.6%	9.7%	13.2%	7.8%	8.8%	7.4%	11.0%	9.7%	8.1%

EDUCATIONAL ATTAINMENT	Alaska	Arkansas	California	Connecticut	Delaware	District of Columbia	Florida	Georgia	Hawaii
Population 25 years and over	447,543	1,921,039	24,117,317	2,431,340	603,331	417,432	13,127,624	6,242,508	928,132
Less than 9th grade	3.1%	6.3%	10.3%	4.5%	4.1%	4.8%	5.6%	5.8%	4.6%
9th to 12th grade, no diploma	5.3%	10.4%	8.7%	6.5%	8.2%	7.7%	8.6%	9.8%	5.2%
High school graduate (includes equivalency)	27.1%	35.1%	20.7%	27.9%	31.6%	19.1%	29.8%	28.9%	28.4%
Some college, no degree	29.1%	22.3%	22.2%	17.6%	20.3%	14.3%	21.1%	21.0%	22.5%
Associate's degree	7.9%	6.1%	7.7%	7.3%	7.2%	2.9%	8.7%	6.8%	9.8%
Bachelor's degree	17.8%	13.1%	19.4%	20.3%	17.1%	22.5%	16.8%	17.7%	19.6%
Graduate or professional degree	9.7%	6.7%	11.1%	15.8%	11.4%	28.7%	9.4%	10.1%	10.0%

EDUCATIONAL ATTAINMENT	Illinois	Indiana	Iowa	Kansas	Kentucky	Louisiana	Maine	Maryland	Massachusetts
Population 25 years and over	8,459,947	4,229,138	2,013,629	1,838,079	2,902,296	2,940,298	938,624	3,875,282	4,465,898
Less than 9th grade	5.8%	4.2%	3.7%	4.1%	7.5%	6.4%	3.5%	4.5%	4.9%
9th to 12th grade, no diploma	7.3%	8.8%	5.6%	6.2%	10.1%	11.4%	5.9%	7.0%	6.0%
High school graduate (includes equivalency)	27.2%	35.4%	33.1%	27.8%	34.0%	34.3%	34.2%	26.0%	25.9%
Some college, no degree	21.3%	20.9%	21.9%	24.4%	20.5%	21.4%	20.1%	19.9%	16.6%
Associate's degree	7.4%	7.7%	10.3%	7.5%	6.9%	5.1%	9.0%	6.2%	7.7%
Bachelor's degree	19.3%	14.7%	17.5%	19.6%	12.5%	14.3%	17.6%	20.0%	22.2%
Graduate or professional degree	11.8%	8.2%	7.8%	10.4%	8.5%	7.1%	9.8%	16.4%	16.8%

EDUCATIONAL ATTAINMENT	Michigan	Minnesota	Mississippi	Missouri	Nebraska	New Hampshire	New Jersey	New York	North Carolina
Population 25 years and over	6,578,519	3,525,850	1,904,849	3,973,614	1,184,668	907,338	5,969,516	13,101,982	6,324,119
Less than 9th grade	3.5%	3.3%	6.6%	4.2%	4.1%	2.8%	5.5%	6.9%	5.9%
9th to 12th grade, no diploma	7.9%	4.8%	12.3%	8.6%	5.5%	5.8%	6.6%	8.2%	9.6%
High school graduate (includes equivalency)	30.7%	27.1%	30.4%	31.7%	28.7%	29.3%	29.2%	27.3%	27.2%
Some college, no degree	24.0%	22.5%	22.6%	22.8%	24.3%	19.1%	17.1%	16.5%	21.8%
Associate's degree	8.4%	10.0%	8.0%	6.9%	9.4%	9.6%	6.2%	8.3%	8.6%
Bachelor's degree	15.7%	21.8%	12.8%	16.2%	19.0%	21.2%	22.0%	18.6%	17.8%
Graduate or professional degree	9.8%	10.5%	7.2%	9.6%	9.1%	12.3%	13.4%	14.1%	9.0%

EDUCATIONAL ATTAINMENT	North Dakota	Ohio	Oklahoma	Oregon	Pennsylvania	Rhode Island	South Carolina	South Dakota	Tennessee
Population 25 years and over	442,789	7,715,893	2,438,321	2,612,044	8,658,872	709,683	3,075,655	531,773	4,250,890
Less than 9th grade	4.8%	3.3%	4.7%	4.1%	3.8%	6.7%	5.6%	4.5%	6.3%
9th to 12th grade, no diploma	4.7%	8.5%	9.1%	6.8%	7.9%	8.6%	10.3%	5.4%	9.9%
High school graduate (includes equivalency)	27.2%	34.9%	31.7%	24.8%	37.2%	27.5%	30.3%	31.9%	33.0%
Some college, no degree	23.9%	20.9%	24.3%	27.0%	16.5%	18.4%	20.6%	22.3%	21.2%
Associate's degree	12.3%	7.7%	6.9%	8.1%	7.5%	8.1%	8.6%	9.9%	6.2%
Bachelor's degree	19.6%	15.6%	15.6%	18.5%	16.6%	18.6%	15.8%	18.3%	15.2%
Graduate or professional degree	7.4%	9.1%	7.7%	10.8%	10.4%	12.2%	8.7%	7.8%	8.3%

EDUCATIONAL ATTAINMENT	Texas	Vermont	Virginia	Washington	West Virginia	Wisconsin
Population 25 years and over	15,765,048	431,581	5,356,571	4,507,469	1,292,274	3,800,291
Less than 9th grade	9.7%	3.0%	5.3%	4.1%	6.2%	3.5%
9th to 12th grade, no diploma	9.6%	5.7%	7.8%	5.9%	10.4%	6.4%
High school graduate (includes equivalency)	25.3%	31.2%	25.2%	23.6%	40.9%	33.1%
Some college, no degree	22.8%	17.2%	20.2%	25.3%	18.5%	21.3%
Associate's degree	6.4%	8.6%	6.9%	9.5%	6.1%	9.4%
Bachelor's degree	17.5%	20.7%	20.3%	20.2%	11.0%	17.5%
Graduate or professional degree	8.7%	13.5%	14.4%	11.4%	6.9%	8.9%

[Sources: 2008-2012 American Community Survey 5-Year Estimates]