

# Faculty Research Fellows Program

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Funding Adult Education:  
Does California Put the Money  
Where the Needs Are?

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# **Funding Adult Education: Does California Put the Money Where the Needs Are?**

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## Executive Summary

California annually invests nearly \$800 million in state General Funds in adult education—supplementing federal funds with a much larger share of state funds than many other states choose to do. Compared to other major states, California uses adult education funds to support a broader range of services to a more inclusive clientele and with less explicit reliance on a set of criteria to determine program need in different geographic areas. Approximately 75 percent of state adult education funding is distributed to K-12 school districts according to mechanisms established immediately after the passage of Proposition 13, when limits or “caps” were placed on the amount of average daily attendance (ADA) that could be funded. Adjusted over time by standardized growth formulas, allocations do not reflect the disparate patterns of growth and demographic change across California in the last quarter century. Methods for allocating the balance of state and federal funds similarly fail to take direct account of community and regional need for designated services.

This report examines the investment of adult education funds across the state’s fifty-eight counties in relation to the need for adult education services in each county. We define need in terms of legislative intent and best practices in other states that have adopted needs-based criteria for the allocation of adult education funds. The analysis reveals substantial disparities across counties in the degree to which funding levels match need, as we have defined it. Large urban counties fare better under the state’s current allocation method than would be predicted based on the selected indicators of need. As would be expected, allocations increase in proportion to the share of residents with poor English skills and the poverty rate. However, funding levels actually *decrease* as the unemployment rate and the share of the population with less than a high school education rise. California’s allocation method does not appear to conform with the stated purposes of adult education, and should be modified to better match the needs across the state.

## **1. Introduction and Background**

A recent report by the Senate Office of Research (SOR) examined California's adult education system, including issues of governance, program focus and funding (SOR, 2003). The report recommended that state policy makers consider steps to deliver adult education services more efficiently and effectively by:

- clarifying the mission of adult education and focusing on a few program areas that best serve statewide goals;
- delineating more clearly between the functions of community colleges and K-12 school districts in the provision of services;
- improving the collection and management of data across the two systems to allow for more effective planning and program improvement, and using that data more systematically to monitor outcomes and program effectiveness;
- consolidating state-level governance under either K-12 or the community colleges for greater efficiency and accountability; and
- revising the method for allocating funding across the state to ensure that funding levels are equitable in the context of local need for the services.

### **Project Overview**

The current project reflects legislative interest in further examining the final item on the list, which addresses the distribution of adult education funding across the state. We were asked to gather and analyze data on funding levels, and to identify regions of the state with significant over- or under-investment in relation to indicators of need for adult education services. The Senate request notes that California invests nearly \$800 million in state General Funds in adult education, but may not be investing these funds in accordance with the need for services in different regions of the state. Thus, this report is intended to address the specific question of the equity of California's current method for allocating adult education funds. Broader questions regarding the mission and goals of adult education policy, the governance and management of adult education programs, and the effectiveness

of current services in achieving their goals, while important issues for study, are only discussed in the context of providing background information for this report.

### **Study Design and Outline of Report**

In preparing this report, we reviewed literature on federal and state adult education policy. We reviewed policies of several states comparable to California in size or demographics, or which have incorporated considerations of need in their allocation of adult education funding. We interviewed several experts on California's adult education system, including legislative staff, executive staff and representatives of the K-12 system and the community colleges, and other adult education experts across the country. Most importantly for the specific goals of this report, we collected data for analysis from the California Department of Education, the California Community Colleges Chancellor's Office and the U.S. Bureau of the Census.

In the remainder of this chapter, we provide general background information on adult education, including a review of the federal and states roles in adult education and a review of problems and issues common to adult education systems across the country. Chapter 2 provides a description of the approaches to adult education funding policy used by the states we have chosen for comparison purposes.

Chapter 3 provides a brief history of adult education policy in California, reviews the need for adult education services in the state, and describes the kinds of services currently provided. We briefly assess the extent to which our adult education system suffers from the kinds of common problems outlined in Chapter 1. In addition, we describe the current mechanisms for allocating state and federal funding, and summarize the issues with the funding allocation that will be the subject of our empirical analysis.

In Chapter 4, we describe our analysis of California’s current mechanisms for allocating adult education funding across the state including the sources of data and the analytical methods. We outline our primary findings related to investment of state and federal funds, and identify areas of the state that are faring better or worse under the current system than suggested by the “need for service” indicators. Finally, we present a summary of our conclusions regarding the equity of the current funding mechanism in providing adult education to each region.

## **Federal and State Roles in Adult Education**

Education of the adult population has been a concern of the federal and state governments since the 18<sup>th</sup> century (National Adult Education Professional Development Consortium, 1999). State and federal funds were used to operate evening schools for adults, provide citizenship classes for immigrants and otherwise assist adults in overcoming educational deficiencies that might hinder productive participation in the civic and economic life of the nation.

### **Federal Role**

While there were earlier government efforts to provide adult education, established and continuous federal programs began in the 1960s. The Kennedy and Johnson administrations initiated a series of programs aimed at improving education and ending poverty. As part of those efforts, the Economic Opportunity Act of 1964 created the first Adult Basic Education program for adults who had not completed high school, and whose lack of basic skills was an impediment to obtaining or retaining employment. This state grant program became known as the Adult Education Act, which made grants to states based on the relative number of adults with no more than an elementary education. A 1970 amendment revised the statement of purpose to include the population 16 years and older

who were no longer required to attend school and who lacked a high school diploma, and altered the allocations accordingly. Additional amendments to the legislation over the years increased the state allotment base, set aside shares of the funding for teacher training and administration, added non-profit organizations as eligible local grant recipients, and expanded the list of services and targeted populations.

In 1998, the Adult Education Act was repealed, and adult education was incorporated in the Workforce Investment Act (WIA) as Title II, the Adult Education and Family Literacy Act (AEFLA). In passing AEFLA, Congress intended to provide adult education and literacy services as a means of assisting adults in completing secondary education and obtaining the skills necessary for employment and self-sufficiency, and in giving parents the skills to become partners in their children's education (House of Representatives, 1998). WIA Title II maintains the structure of providing grants to states based on the ratio of adults ages 16 and older who do not have a high school diploma and are not enrolled in secondary school.

The state agency designated to receive Title II funds is required to provide a minimum 25 percent match in state or local funds for adult education and literacy services, and can allocate certain percentages of the funding for state leadership activities and administrative costs, and for serving institutionalized populations. The legislation does not define specific programs, but identifies target populations including low-income adults, individuals with disabilities, single parents and displaced homemakers, and adults with limited English proficiency. The state agency awards multiyear contracts to eligible providers on a competitive basis.



The AEFLA established performance reporting requirements and specific performance goals that providers of adult education services must meet in order to remain eligible for funding. The core indicators of performance include:

1. Demonstrated improvements in literacy skill levels in reading, writing and speaking the English language, numeracy and problem-solving, English language acquisition, and other literacy skills.
2. Placement in, retention in, or completion of postsecondary education, training, unsubsidized employment or career advancement.
3. Receipt of a secondary school diploma or its recognized equivalent.

While WIA Title II is the largest source of federal funding for adult education, and the only program solely dedicated to that purpose, other federal programs provide means to address adult literacy and education. Title I of the WIA provides funding for vocational rehabilitation and job training programs, which may include some basic skills or literacy component. Some portion of Temporary Assistance for Needy Families<sup>1</sup> (TANF) funds may also be used to support basic skills education for recipients in conjunction with their job search, job training and work experience activities. The Even Start Program, authorized as part of the Elementary and Secondary Education Act, provides money to states for family literacy services; states vary in their emphasis on serving adults as well as children under this program.

### **State Role**

State policy is critically important to an understanding of the adult education systems that have developed across the nation. The federal government distributes approximately \$575 million in WIA Title II funding to the states for adult education (Chisman, 2002). Collectively, the states provide approximately \$1.2 billion in resources for adult education

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<sup>1</sup> Known as CalWORKS in California

services, or more than eight times the amount they would be required to allocate for the “state match.” This aggregate figure is misleading, however, as only seven states account for 80 percent of the total state investment. Most states meet only the minimum federal requirement, and many must count local government spending in order to meet that minimum. In general, large states spend more of their own resources on adult education, but political will can be as important as size. For example, California, Florida and New York substantially exceed the required match, while Texas invests only the amount required by federal law.

States take different approaches to their adult education dollars. Many states combine federal and state funds in the grant award process and use one method of allocation, while others separate the two sources of funds and use different distribution methods (Moore, DiCarlo, Elliott & Rice, 1996). States that contribute significant amounts of their own resources to adult education are more likely to treat federal funds as supplementary and to direct those funds to nontraditional providers (i.e., apart from school districts and community colleges).

States vary in their governance structures for adult education, and in their systems for delivery of the services. In the majority of states, the programs are controlled by the K-12 education agency, often within a separate adult education division. This arrangement “reflects the view that adult education and literacy is a remedial program: its goal is to bring adults with educational deficits up to the basic skills standards they should have obtained as children” (Chisman, 2002, p. 25). Adult educators are often dissatisfied with this arrangement, arguing that the educational needs of adults are different than those of children

at the same skill level, and that those needs are neglected when placing adult education within the extensive K-12 bureaucracy.

Reflecting a philosophy of adult education as postsecondary education, eight states and the District of Columbia administer adult education through their community college systems.<sup>2</sup> Some argue that this approach places more priority on adult education and promotes seamless transitions from adult education into postsecondary education. Seven states have chosen to administer adult education programs through their Workforce Investment Boards, the agencies charged with administering job training and placement services under WIA Title I.<sup>3</sup> This governance structure attempts to force the kind of collaboration between adult education and job training that is called for under the WIA, and to link adult education students with a larger system of support services. No comprehensive attempts have been made to compare the effectiveness or efficiency of the various governance options used by the states.

State delivery systems are as diverse as their governance structures. Some states deliver services exclusively through community colleges while others use public school districts as the primary provider (Beder, 1996). Most states use some combination of school districts, community colleges and community-based organizations. The next section outlines problems and issues states commonly encounter in designing and administering adult education systems.

## **Problems and Issues in Adult Education**

Like the students it serves, adult education is routinely characterized as marginalized (Sticht, 1998; Beder, 1996). As a non-credit system between K-12 and higher education,

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<sup>2</sup> The eight states include Iowa, Illinois, Kansas, Mississippi, North Carolina, Oregon, Washington and Wisconsin.

<sup>3</sup> The states are Arkansas, Alaska, Georgia, Kentucky, Michigan, Tennessee and Wyoming.

adult education has less status, receives less funding per full-time equivalent (FTE) student, and receives far less attention from legislatures, the news media and the public (Sticht, 1998, p. 1).

### **Governance**

The marginality of adult education is largely a function of its position within the national and state educational bureaucracies (Beder, 1996). At the national level, adult education is located within the Department of Education and represents approximately one percent of the agency's budget. At the state level, the typical governance structure places adult education within state departments of education, which have K-12 education as their primary concern. This "structural marginality" makes it difficult for adult education programs to compete with other educational activities for attention and scarce resources (p. 10).

The situation is complicated further by the fragmentation of the adult education mission across other federal, state and local departments and programs. Some aspects of adult education are encompassed in job training programs, welfare and human services programs, and literacy programs offered by public libraries among others. This fragmentation makes it a challenge for states to avoid duplicative administrative structures and programs, to allocate resources appropriately across geographic areas, to avoid bureaucratic "turf" problems, and to create coherent infrastructures for the effective delivery of adult education.

### **Nature of the Workforce**

Over 80 percent of adult education instructors and other staff work part-time, an extraordinarily high percentage in comparison to other educational and governmental programs (Chisman, 2002). While there is no research evidence to suggest that part-time

staff in adult education provide inferior service and instruction, “the reigning assumption in all other areas of education is that full-time professionals are essential to achieving the best results” (p. 18). At best, reliance on a part-time workforce constrains staff development, impedes communication among teachers, and increases teacher turnover (Beder, 1996). At worst, it does all these things at the cost of student learning and other outcomes.

### **Articulation**

Encouraging collaboration among adult education programs and other programs with some role in adult education is difficult due to their different goals, regulations and management structures. In spite of the requirements imposed by WIA for Title II programs to collaborate with other agencies and to participate in Workforce Investment Boards and One-Stop centers, evidence suggests that the collaboration to date has not been very effective (Chisman, 2002, p. 19). In addition, states have not been very successful in promoting articulation between adult education programs and postsecondary certificate and degree programs.

### **Quality**

Students move in and out of adult education programs freely and frequently, making it difficult to track students’ educational needs and progress. While many states set quality criteria, bolstered by recent Title II requirements for assessing student progress, monitoring and enforcing these criteria is difficult. Even if all students were available for pre-and post-testing, that testing is costly, consumes staff resources and requires additional staff training. Results are not comparable among states, or even within some states, because different assessment instruments are used, making the results less valuable for generating program improvements.

Research conducted to date offers little evidence that adult education programs are effective in producing skill gains that are meaningful in practical terms (Grubb, Badway & Bell, 2002). While some studies demonstrate improvements in skills that are statistically significant, the gains are generally too small to be of practical significance. A one- or two-grade improvement in reading or math skills, for example, still leaves the average participant in Adult Basic Education (ABE) with skills substantially below the level expected by most employers. In a fairly scathing assessment of adult education, Grubb and his colleagues argue that:

“With the possible exception of ESL, where adult students are highly motivated, attendance in adult ed programs is sporadic, and usually too limited to make much progress. The teaching, often by part-time instructors hired off the street, is usually the most dreary kind of ‘skills and drills’; it is usually focused on getting students to pass the GED, a credential of dubious value in the labor market. Even though adult education is often revered because of its saintly connection to literacy, there’s virtually no evidence that any of its programs work” (p. 20).

The minimal evidence of success in adult education may be due to a trade-off of quality for quantity. High quality instruction requires greater intensity, more highly trained staff, better instructional resources, closer quality control, more time and more support services to help students deal with problems outside the classroom that may affect their attendance or their ability to learn (Chisman, 2002). Evidence suggests that, when faced with a choice between quantity and quality of service, states have generally followed a policy of maximizing program reach and student enrollment (Beder, 1996), with consequences for program quality and student outcomes.

### **Focus of Services**

Without adequate resources to serve everyone in need, states should set priorities among services in accordance with state goals. For example, states with large populations of

non-English speaking immigrants might reasonably decide to focus on ESL instruction, while those with large numbers of adults with low literacy skills might choose to stress basic skills. A recent report, however, concluded that states often fail to give adequate consideration to the goals and purposes of their adult education programs, and recommended that states engage in a careful needs assessment in order to focus their efforts and resources on services that would not otherwise be provided without state action and funding (Voorhees & Lingenfelter, 2003).

## 2. Examples of State Policy Approaches

This chapter describes the adult education systems of selected states that are comparable to California in size or demographics, or that use need-based criteria for allocating funding. Table 1 presents some comparative demographic information for the states whose adult education programs we examined.

**Table 1**  
**Demographic Profile of Selected States<sup>4</sup>**

<b>State</b>	<b>Total Population (in millions)</b>	<b>Percent of Adults with &lt; 12<sup>th</sup> Grade Education</b>	<b>Percent of Adults at Lowest Level of Literacy</b>	<b>Percent Foreign Born Population</b>	<b>Percent of Population Speak Other Language at Home</b>
Texas	20.9	25.4	23.0	13.9	31.2
New York	19.0	21.3	24.0	20.4	28.0
Florida	16.0	21.0	25.0	16.7	23.1
Illinois	12.4	19.3	20.0	12.3	19.2
Maryland	5.3	16.6	20.0	9.8	12.6
Kentucky	4.0	25.8	19.0	2.0	3.9
<b>California</b>	<b>33.9</b>	<b>24.0</b>	<b>24.0</b>	<b>26.2</b>	<b>39.5</b>

Table 2 summarizes each state’s adult education program, including the approximate share of funds contributed by the state, the way funds are allocated across the state, the indicators used to define “need” for adult education services, and the list of services each state provides. Following the table are sections for each state that provide some additional detail that may be useful to California in assessing its own method for allocating adult education funding.

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<sup>4</sup> Figures related to the literacy levels of the states’ populations are based on the 1992 National Adult Literacy Survey conducted by the National Center for Education Statistics (the survey is conducted about once every 10 years, and was done again in 2003 but the data is not yet available). Other demographic information on the states is from the 2000 census, available through the American FactFinder at [www.census.gov](http://www.census.gov).



**Table 2: Summary of States' Adult Education Programs**

	<b>Texas</b>	<b>New York</b>	<b>Florida</b>	<b>Illinois</b>	<b>Maryland</b>	<b>Kentucky</b>
<b>Source of funds</b>	75% federal 25% state	25% federal 75% state	10% federal 90% state	40% federal 60% state	75% federal 25% state	40% federal 60% state
<b>Allocation</b>	<ul style="list-style-type: none"> <li>Geographically by school district lines</li> <li>25% based on need</li> <li>75% based on student contact hours in previous year</li> </ul>	<ul style="list-style-type: none"> <li>Federal funds geographically by local Workforce Investment Area based on need</li> <li>State funds go to any BOCES or school district that meets program criteria</li> </ul>	<ul style="list-style-type: none"> <li>Federal funds geographically to counties based on need</li> <li>State funds to providers, with base funding at 85% of prior year's total, and 15% based on performance</li> </ul>	<ul style="list-style-type: none"> <li>State and federal funds geographically to Area Planning Councils based on need</li> </ul>	<ul style="list-style-type: none"> <li>State and federal funds geographically by county based on need</li> </ul>	<ul style="list-style-type: none"> <li>State and federal funds geographically by county based on need</li> <li>Counties can also earn funding bonuses based on performance</li> </ul>
<b>Need-based Criteria</b>	Uses WIA Title II definition of persons age 16 and over without a high school diploma and not enrolled in secondary school.	For federal funds: 1. Unemployment rate 2. Share of adults without a HS diploma  No need-based criteria for state funds.	For federal funds: Number of adults age 25 and over with less than 8 <sup>th</sup> grade education  No need-based criteria for state funds.	"Index of Need" includes number of: 1. Adults living in poverty 2. Unemployed 3. Adults with < 9 <sup>th</sup> grade education 4. Adults receiving TANF payments 5. Residents in households where English is not primary	1. Share of the adult population without a HS diploma 2. Share of the adult population scoring at the lowest level of literacy	Share of the adult population functioning at literacy levels 1 and 2
<b>Funded Program Areas</b>	1. ABE 2. ESL/citizenship 3. Diploma/GED 4. Employability skills 5. Family literacy	1. ABE 2. ESL/citizenship 3. Diploma/GED 4. Occupational education 5. Work experience programs 6. Employability skills	1. ABE 2. ESL/citizenship 3. Diploma/GED 4. Vocational instruction 5. Workplace readiness skills	1. ABE 2. ESL/citizenship 3. Diploma/GED 4. Vocational training 5. Workplace literacy 6. Family literacy	1. ABE 2. ESL/citizenship 3. Diploma/GED 4. Workplace education	1. ABE 2. ESL/citizenship 3. Diploma/GED 4. Family literacy 5. Workplace literacy/employability skills

## **Texas**

Texas relies primarily on federal Title II funds to provide adult education services to its residents, providing only the required match in state/local funds. After setting aside funds for administration and professional development as allowed by WIA, along with up to \$1 million for statewide competitive challenge grants for family literacy services, the Texas Education Agency allocates the remaining funds across the state according to the following funding formula:

- (1) Twenty-five percent based on the number of eligible adults in each county and school district geographic area within each county (using WIA eligibility criteria); and
- (2) Seventy-five percent based on student contact hours reported by each school district geographic area for the most recent fiscal year.

While the allocations are made based on school district boundaries, the funds are an entitlement to the communities, not the districts. The funds are distributed to a variety of service providers based on a competitive grants process, including school districts, community colleges and community-based organizations. According to Texas law, adult basic education (including ESL) must be provided to eligible students free of charge.

## **New York**

Unlike Texas, New York invests a significant amount of state resources in adult education. New York uses need-based criteria to allocate federal Title II funds across the state, distributing funds to local Workforce Investment Areas. State funding is not allocated according to indicators of the need for services, but is distributed to any school district or Board of Cooperative Educational Services (BOCES)<sup>5</sup> that meets the criteria for the

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<sup>5</sup> BOCES are cooperative boards comprised of multiple K-12 school districts in a region that allow the districts to pool resources and share costs. There are 38 BOCES, incorporating all but 9 of the 721 school districts in New York. The five largest school districts in New York City are not eligible to form or join a BOCES.

Employment Preparation Education (EPE) program.<sup>6</sup> The Office of Workforce Preparation and Continuing Education (OWPCE) within the New York State Education Department allocates funding to all eligible programs, provided they get approval of a comprehensive plan of service.

The amount of EPE aid that each agency can receive is capped when the comprehensive plans are approved. Reimbursement is based on the number of contact hours. The rate per contact hour varies across districts, as the formulas take into account district wealth as determined by property valuation, with poorer districts receiving higher compensation per contact hour (i.e., districts that are more likely to have a greater need for services). New York state law allows tuition to be charged for EPE programs, although OWPCE recommends that basic education and literacy programs be provided free of charge to participants.

The EPE program provides services for adults age 21 and over who lack a high school diploma or its equivalent (adults under age 21 are served through alternative education programs in K-12 districts). Beginning in 2001-02, a small share (about 3%) of the funds has been set aside to serve adults who have a high school diploma but lack sufficient literacy skills to be employable. Thus programs are primarily intended to provide adults with services leading to a high school diploma or its equivalent in order to improve labor market prospects.

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<sup>6</sup> Information regarding the EPE program was obtained from the Employment Preparation Education (EPE) Manual available at <http://www.emsc.nysed.gov/workforce/docs/EPEmanualfinal.html>, and also through personal communication with Tom Orsini, Coordinator of Adult Education and Workforce Development for NYSED. Some additional state funding is available for adult education through the Welfare Education Program targeted at public assistance recipients, which is allocated in conjunction with WIA Title II funding through a competitive grants process.

## Florida

Like New York, Florida invests a significant amount of its own resources in adult education, administering the funds through the state Department of Education's Office of Workforce Education. For the federal Title II funding, each of the state's 67 counties is allocated a basic grant amount and an additional amount based on the number of adults age 25 and over with less than an eighth grade education.<sup>7</sup> Florida's state appropriation for adult education is provided primarily through the Workforce Development Education Fund (WDEF), and incorporates performance as a funding criterion.<sup>8</sup> Providers receive funding as outlined below.

- Base funding is set at 85% of the prior year's total allocation from base and performance funds.
- Performance-based funding is 15% of the current year's allocation. These performance funds are based on the prior year's completions and placements.
- In the event an institution's performance merits a full allocation, the institution may earn incentive funds in addition to performance funds.

Completion points are earned for students' skill development, including (1) score improvements on approved tests, (2) improvement in literacy or workforce readiness skills, (3) successful completion of course performance standards, (4) attainment of a GED or an adult high school diploma and (5) placement in a job. Points earned by targeted populations (e.g., eligible for public assistance, disabled, economically disadvantaged) are weighted more than those earned by others, to provide higher funding for the most needy and costly populations.

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<sup>7</sup> If no acceptable application is received from a county, its allocation may be canceled and redistributed.

<sup>8</sup> Florida Statutes, Chapter 97-307 (SB 1688). This fund also supports adult vocational education at community colleges leading to certificates or degrees. Information on the fund can be seen at <http://www.firn.edu/doe/weois/wdeff/>.

According to Florida law, adult education programs are designed to improve the employability skills of the state's workforce. The law specifies that adult education programs are free to adults who do not have a high school diploma and to those who do have a diploma but have academic skills at or below the eighth grade level. Fees are charged to non-residents, to residents who do not meet the educational criteria, and to those who are taking classes for personal interest rather than improving workplace skills. Florida also has a separate program that provides funding to offer adults with disabilities and senior citizens the opportunity for enhancement of skills that is consistent with their abilities and needs.<sup>9</sup>

Florida is reviewing the state's WDEF program, to examine funding disparities and other issues, with a final report due in December 2003.<sup>10</sup> One motivation for the study is a concern that the base funding allocations may no longer match the need for programs across the state, as these amounts reflect program levels from before the new funding model was implemented in 1997 (Office of Program Policy Analysis and Government Accountability, 2001).

## **Illinois**

Illinois invests a substantial amount of its own resources in adult education, administering its program through the Illinois Community College Board (ICCB).<sup>11</sup> The ICCB allocates both state and federal funding based on the need for services. The state is divided into Adult Education Area Planning Councils (APCs) that mirror community college

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<sup>9</sup> Approximately \$20 million is appropriated for this program

<sup>10</sup> See a description of the "*Workforce Education Funding Work Plan*" at <http://www.cepri.state.fl.us/pdf/Workforce%20Study%20Funding%20Plan3.pdf>.

<sup>11</sup> Information on Illinois' adult education program was gathered from documents and reports on the ICCB website at <http://www.iccb.state.il.us/HTML/adulted/adulted.html> and through personal communication with Jennifer Foster, Senior Director for Adult Education and Family Literacy.

districts. An Index of Need is calculated for each APC based on criteria listed in Table 2.<sup>12</sup> A formula weights each of five components to determine the overall need for services in an APC.

Providers within each APC compete for the funding allocated to their region. The state sets aside a share of funding to be awarded based on performance. Programs that achieve particular performance outcomes for students are eligible to receive the funds for supplemental activities to improve or expand their services. The performance criteria include (1) persistence, (2) elimination of or reduction in the use of public assistance programs, (3) high school diploma or GED completions, (4) completion of levels of adult basic education, and (5) point gains within levels of basic skills. The ICCB recently established a task force to examine the appropriateness of their performance criteria and methods of weighting the various factors. Procedures for allocating funding to providers will also be reviewed, with a final report due in December, 2003.

## **Maryland**

Maryland's investment of state resources in adult education is low compared to other states. The state must count local spending on adult education in order to meet the 25 percent match requirement for federal Title II funds (Maryland State Department of Education, 2001). Only eight percent of adult education funding comes from state appropriations. Maryland's adult education funding is administered by the Division of Career Technology and Adult Learning within the Maryland State Department of Education. A formula based on need is used to allocate funding to each county; providers in each county then compete for the funding. Multi-year grants are awarded, with subsequent year funding determined by a

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<sup>12</sup> For the most part, the APCs encompass entire counties so that it is possible to combine county-level measures of need from Census data and other sources.

formula that considers need (30%), enrollment (30%) and results (40%). Results are calculated for each grantee based on the Core Indicators of Performance for the WIA Title II program.

A recent report by the state's Task Force to Study Adult Education concluded that Maryland is significantly under-investing in adult education (Maryland State Department of Education, 2001). It recommends that the state extend the need-based funding concept, currently used in allocating funding to counties, to determine its state appropriation for adult education. A bill currently under consideration in the Maryland State Senate (SB 562) would create a statutory state allocation for adult education calculated by multiplying the total adult education enrollment in the second prior year by the cost of instruction, and subtracting the amount of federal and local funding. Full funding under the proposed allocation formula would be phased in over five years.

## **Kentucky**

Kentucky has gained national recognition for its recent efforts to reform education beyond high school, including its adult education system.<sup>13</sup> Adult education in Kentucky is administered through its Department for Adult Education and Literacy (DAEL), a unit of the Cabinet for Workforce Development, in cooperation with the state's Council on Postsecondary Education (CPE).<sup>14</sup> As part of Senate Bill 1, passed by the Kentucky General Assembly in 2000, the state committed new funds, establishing the Adult Education and Literacy Trust Fund.

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<sup>13</sup> For example, see the Foreword of the *Measuring Up 2002* report by the National Center for Public Policy and Higher Education.

<sup>14</sup> Information on Kentucky's adult education program was gathered from documents and reports on its web site at <http://adulthood.state.ky.us/index.htm> and through personal communication with Cheryl King, Vice President of the state program.

DAEL allocates funding to Kentucky's 120 counties by multiplying a per-learner cost by the number of adults in the county functioning at literacy levels 1 and 2 (as determined in its own 1997 literacy survey). After determining each county's base funding level, funds are distributed to specific providers through a competitive grants process. To minimize opposition to the new funding process implemented after the recent legislation, the state "held harmless" programs that were funded at a higher level than would result from the new formula, while using the infusion of new funds to increase support for lower-funded programs.

Counties are also entitled to funding bonuses based on performance. To qualify for a reward, a county's adult education providers must meet or exceed targeted performance on five key indicators. Quantitative goals are set each year for the five key indicators:

1. Share of the target population enrolled in adult education
2. Demonstrated improvements in literacy skill levels
3. Placement in, retention in, or completion of postsecondary education
4. Participation in workplace training or unsubsidized employment
5. Employer and participant satisfaction surveys

Rewards are based on a percentage of base funding. If annual enrollment goals are met, programs receive rewards based on the percentage of key indicators achieved (e.g., for reaching 60-69% of targets on key indicators, a program can receive a bonus in the amount of 6% of base funding). There are also sanctions for failure to meet minimum performance standards; low-performing providers are subjected to a program improvement plan and can have their funding terminated if performance does not improve. When a program's funding is terminated, the state allocates the funds to another provider in the same county through a competitive bid process.



Kentucky has more than doubled participation in adult education since 2000. In 2002, 71 of its 120 counties qualified for performance funding. Eight programs were subject to the program improvement process due to failure to meet minimum performance standards, and funding was terminated for three providers. Kentucky has ordered a state over-sample as part of the 2003 National Assessment of Adult Literacy, and will use the results of the new survey to update its need-based funding allocation formulas.

## **Summary**

These six states vary in the degree to which they invest their own resources in adult education and in their methods of allocating funding across geographic areas. Texas, Illinois, Maryland and Kentucky combine their state and federal funds when allocating dollars across geographic regions, while New York and Florida allocate the federal funds geographically based on need indicators and have a separate process for the state funds. All of the states consider the needs of various communities in their allocation method, at least for the federal funds. The states are similar, too, in largely targeting their adult education programs toward providing adults with the skills necessary for meaningful participation in the labor market. California invests substantially in adult education, with state resources representing 90 percent of all funds. Unlike these other states, however, California does not allocate funds geographically based on indicators of current need, and its program areas are broader and not always targeted at the “neediest” populations. In the following chapter, we will outline the history of California’s adult education program, describe the state’s method for allocating state and federal funds, and draw comparisons with the examples from other states as reviewed in this chapter.

### **3. Adult Education in California**

Adult education has a long history in California, beginning with evening schools sponsored by local boards of education in the last half of the 19<sup>th</sup> century (West, 2003). In the 1920s, the state assumed a larger role, creating the first state plan for adult education and establishing a Division of Adult Education. In the 1950s, a State Advisory Committee on Adult Education coordinated programs governed by provisions of the Education Code and offered through both schools districts and junior colleges. At that time, 45 percent of program funding came through state apportionment, with the remainder from local property taxes. Funding inequities were already present, with higher funding for classes offered by junior colleges than for those offered by school districts, although at the time both school districts and junior colleges were governed by the state Department of Education. In addition, per-student funding for adult education was lower in poor school districts than in wealthier districts.

After the Donohoe Act implemented the California Master Plan for Higher Education in 1960, governance of the junior colleges (mostly called community colleges by 1970) transferred to a new Board of Governors, and statutes dealing with the colleges were placed in a separate section of the Education Code (West, 2003). All references to adult education remained in the K-12 education section, and the Department of Education retained jurisdiction over federal and state funds for adult education. Community colleges were required to have a formal agreement with the local school district before offering adult education classes; some school districts gave up their rights to the programs and community colleges became the only local provider. However, school districts remained the primary provider of adult education services.

After the passage of Proposition 13 in 1978, revenues to the school districts for adult education dropped by 50 percent as the state restructured the funding as block grants (West, 2003). Subsequent legislation imposed funding limits by placing a cap on average daily attendance (ADA) for each district and establishing an arbitrary growth in ADA of 2.5 percent per year. The initial ADA caps for each district were based on the number of students served in 1979-80. To determine a district's total apportionment, a funding rate was multiplied by the lesser of its actual or allowable ADA. The funding rate (known as the revenue limit per unit of ADA) varied across districts according to the pre-Proposition 13 funding. Legislation imposed a statutory annual cost-of-living adjustment (COLA) to the revenue limits of six percent.

The Legislature formed the Adult Education Policy Commission<sup>15</sup> during the 1980s to review issues of funding inequities and the delineation of functions between the K-12 system and the community colleges. The only substantive change resulting from the Commission's work was a reduction in the funding rate of non-credit programs at community colleges to create comparability with adult school funding levels (AB 1626).

In 1992, the California Legislature passed a package of adult education reforms (AB 1321, AB 1891, and AB 1943); including legislation to set aside new funds to allow school districts that had not operated an adult education program previously to start a program. Approximately 160 new adult school programs were added to the more than 220 existing K-12 programs, the first expansion since the passage of Proposition 13 (California Department of Education, 1995). The reforms also attempted to alleviate funding inequalities across school districts through adjustments over several years leading to a range in per-unit ADA funding of \$1,775 to \$2,050. Cost-of-living adjustments (COLAs) to the revenue limits were

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<sup>15</sup> Also known as the Behr Commission

deferred for several years, and a new procedure for COLAs was implemented in which low-revenue-limit districts would receive a larger percentage increase than would districts with higher funding per unit of ADA in an attempt to reduce apportionment inequalities. The reforms attempted to equalize the revenue limits per unit of ADA across districts, but did not change the allowable ADA that would be funded by the state (i.e., the “caps”).

In the late 1990s, after the failure of a bill proposing the establishment of an independent Commission on Adult Education and Noncredit Programs to address issues related to adult education (AB 824), then-Governor Pete Wilson proposed the creation of a joint working group composed of members of the State Board of Education and the Board of Governors of the California Community Colleges. In its final report, the Joint Board Task Force on Noncredit and Adult Education (1998) made recommendations for change in twelve areas related to the scope of instruction, funding, quality, and collaboration between K-12 districts and community colleges. Related to funding, the report recommended (1) that the CDE design a mechanism to redistribute unused ADA revenues, (2) that local school districts be encouraged to make “fair share” distributions of special fund revenues (e.g., lottery) to adult education programs, (3) that an objective study be conducted to determine the need for increases in overall funding, and (4) that reimbursement rates be equalized within and between the two segments providing services.

There have been a number of recent attempts by the Governor and the Legislature to address funding and other adult education issues, including the following:

AB 1005 (1999-2000): would have established a Blue Ribbon Committee to study the adequacy of funding for adult education and the impact of disparities in COLAs between K-12 and adult education and would have added foreign language instruction as an authorized instructional area for particular segments of the adult population (from committee without action);

AB 1794 (2001-2002): would have reimbursed adult schools already at their ADA cap for instruction provided to high school students who have not yet passed the California High School Exit Examination (vetoed);

AB 253 (2001-2002): would have established a Joint Board Committee on Noncredit and Adult Education and annually increased the adult education revenue limit per ADA until it reached 100% of the statewide average base revenue limit for unified school districts (died in committee);

SB 2078 (1999-2000): would have increased the statewide ADA limit by 2.5% each year, and allocated the additional ADA only to districts that exceeded their ADA cap in the second prior year (vetoed);

Governor's initial 2002-2003 budget proposal: would have consolidated all vocational and adult education programs under the jurisdiction of the community colleges (removed from revised budget proposal); and

SB 823 (2003-2004): would ensure the provision of adequate funds to allow K-12 districts to give priority to courses in basic education, ESL and vocational training; would establish reciprocity of instruction credentials between school districts and community colleges; and would require the state Board of Education to develop skill standards for adult education programs (passed Senate, sent to Assembly, held at desk).

Prior to the passage of Proposition 13 in 1978, adult education programs in California offered classes in a broad array of areas, including fine arts, drama, and foreign languages in addition to the coursework aimed at improving the literacy and education levels of the adult population. Following the significant decrease in available funding after Proposition 13, whole categories of classes, representing nearly 50 percent of enrollment in adult education in 1977-78, were no longer supported by state funds, including art, music, crafts, drama, forums, and foreign languages (California Department of Education , 1995). Eight program areas remained eligible for funding, including elementary basic skills (called Adult Basic Education, or ABE), secondary education (high school diploma or GED), English as a Second Language (ESL), citizenship, disabled adults, vocational education, older adults, and parent education. In 1982, state legislation added health and safety and home economics to the permissible programs, bringing the total to the ten instructional areas still in place

today.<sup>16</sup> Table 1 shows the share of enrollment in each of these programs during the 2001-02 academic year. ESL accounts for the largest share of enrollment, followed by High School/GED and Vocational Education.

**Table 3  
Adult Education Enrollment by Instructional Program, 2001-2002**

Program	Enrollment	Percent of Total
ESL	492,709	43.3
Citizenship	4,561	0.4
Adult Basic Education	55,334	4.9
High School/GED	181,933	16.0
Vocational Education	160,765	14.1
Disabled Adults	32,428	2.9
Older Adults	125,189	11.0
Parent Education	45,017	4.0
Health and Safety	20,757	1.8
Home Economics	17,903	1.6
All Programs	1,136,596	100.0

Source: California Department of Education Fact Book 2003

### **Issues in California’s Adult Education System**

California faces the same issues and problems as other states in designing and administering its adult education system, as outlined in Chapter 1. Specifically, issues of governance have been debated almost since the inception of adult education in the state. California’s governance structure places the responsibility for adult education within the California Department of Education, but many have argued that administration by the community college system would allow for better articulation with higher education. As in other states, California’s adult education workforce is largely part time, and suffers from high turnover due to low pay and limited support for staff development. These problems persist

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<sup>16</sup> Community colleges group their services into nine instructional areas, combining adult basic education and high school diploma/GED preparation into one category referred to as elementary and secondary basic skills instruction.

despite California's greater resources and ability to develop support systems including the Outreach and Technical Assistance Network (OTAN).<sup>17</sup> In addition, despite the development of the Comprehensive Adult Student Assessment System (CASAS), adult education leaders in the state note that California's collection and reporting of data on program performance and student outcomes is incomplete and inconsistent across programs and types of service providers, limiting the usefulness of the data for analyzing the system's success.

### **Focus of Services is Broader than in Other States**

An issue that has been debated in California perhaps more than in other states is the breadth of adult education programs. Adult education programs in California are intended to provide adults an opportunity to (1) acquire the knowledge and skills necessary to participate effectively in the state's economy and society, and (2) participate in courses designed to meet the particular needs of local communities (Legislative Analyst's Office, 1988, p 9). While the first purpose is fairly specific, and reflects the goal common to all states to ensure economic health, the second purpose leaves wide latitude for local communities to interpret the Legislature's intentions.

The services provided in California are more extensive than those provided in the states reviewed in Chapter 2 (see Table 2). Those states primarily focus on Adult Basic Education, ESL, secondary education and vocational education, and explicitly target their programs to address issues of adequate preparation for employment. None of the states reviewed offers Parent Education, Health and Safety, or Home Economics instruction as part

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<sup>17</sup> OTAN is a support service designed to provide technical assistance, electronic communication and access to information for adult education providers in California.

of their adult education programs.<sup>18</sup> Florida offers classes for disabled and older adults, although funding for these courses is provided through a separate program.<sup>19</sup> Together, these additional services represent over 21 percent of adult education enrollment in California. The other states reviewed also limit participation in their narrower set of adult education courses to those without a high school education or sufficient basic skills (or at least charge fees to participants not meeting those criteria), while California offers open enrollment regardless of educational attainment.

Over the years, reviewers of California's adult education programs have recommended that policy makers clarify the mission and goals of adult education, and limit offerings accordingly. In 1988 California's Legislative Analyst (1988) recommended that the Legislature "clarify *its* objectives in order to ensure that state funds are used for these purposes" (p. 9). More recently, the Senate Office of Research encouraged the Legislature to identify its priorities for adult education based on an assessment of which activities best meet the strategic needs of the state, and require that adult education programs direct all or a substantial part of their funding toward meeting those needs (SOR, 2003, pp. 12-13). The Joint Committee to Develop a Master Plan for Education (2003) recommended that the state support a more narrowly focused set of programs and services. Specifically, the Committee recommended that "state priorities for adult and noncredit education should include English as a Second Language, Elementary and Secondary Basic Skills, and Vocational Education" (p. 205). In spite of these recommendations, the Legislature has made no changes to the program's mission or to the statutory definitions of instructional areas, and has not limited program eligibility.

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<sup>18</sup> Several of the states do note that parenting instruction is one element of family literacy courses for the population eligible for those programs.

<sup>19</sup> Adult Handicapped Funds, with 2003-04 appropriation of \$18.5 million



## **The Funding Structure May not Promote Equity based on Need**

California invests a significant amount of its own resources in adult education, far exceeding the investments of most other states both in dollar terms and as compared to the amount received through the Workforce Investment Act. State revenues account for more than 90 percent of adult education funding, with approximately 75 percent of state funding distributed to adult schools operated by K-12 school districts (De Cos, 2003). Therefore, state apportionments to school districts account for a substantial majority of all adult education spending in the state.

The allocation mechanism for these funds may not function to serve current local needs. As described earlier, state funding to school districts is allocated according to the ADA caps set after the passage of Proposition 13 more than 25 years ago (the 1992 reform legislation adjusted the revenue limit per unit of ADA in each district to narrow the range, but it did not change the caps). While the caps may have reflected the needs of local communities at the time they were set, demographic changes in the population have likely resulted in a very different distribution of need across the state. The arbitrary 2.5 percent annual growth in the caps for all districts does not reflect the pattern of population growth and change across different communities.

This is evident in the large number of school districts whose actual ADA varies considerably from their current cap.<sup>20</sup> For example, in 2001-02 11 districts served an actual ADA more than double the funded ADA cap. Likewise, 63 districts served less than half their allotted ADA, and 20 districts did not operate an adult education program at all in spite of having ADA allotted by the state. Altogether, more than 10,000 ADA went unused in 2001-02.

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<sup>20</sup> For a list of the ADA caps by school district and the actual ADA served in 2001-02, see Appendix 3 in the Senate Office of Research report, "Adult Education: Will it Meet the Challenges of the Future?" available on the SOR website at [http://www.sen.ca.gov/sor/reports/recent\\_reports/recent\\_reports.htm](http://www.sen.ca.gov/sor/reports/recent_reports/recent_reports.htm).

districts across the state, a number not too different from the 14,000 ADA served without compensation by the 144 districts that were over their caps. Legislative attempts to redistribute unused ADA (e.g., SB 2078) have been unsuccessful, likely due to the disincentive for the state to re-allocate funds that, under the current system, revert to the General Fund and become available for other purposes.

The remaining 25 percent of state adult education funding goes to community colleges, distributed based on full-time equivalent (FTE) formulas. Community colleges offer non-credit courses based on priorities set at individual campuses and districts. Funding per non-credit FTE is about half the rate of credit FTE, which may serve as a disincentive for community colleges to ensure that course offerings are sufficient to meet local needs (Grubb, et. al., 2002). Historical agreements between community colleges and local school districts have resulted in different patterns across the state, with community colleges serving as the sole provider of adult education in some communities, school districts providing the services in others, and still other communities having services provided by both types of institutions.

The method of allocating federal Title II funds in California also may not promote equity in funding and service provision according to community needs. While the states reviewed in Chapter 2 use some form of need-based criteria to allocate Title II funding to geographic areas, California distributes its federal funding to service providers using a statewide competitive grants process. Adult education providers with enough resources to allocate time and to hire staff expert at writing competitive grant proposals may have an advantage in obtaining the Title II funds, regardless of the relative need for the funds in different communities across the state.

## **Need for Adult Education**

Regardless of the equity of current allocations with respect to the variation in need across regions, there is no doubt that the overall need for adult education is great in California. Some of California's adult education programs do not lend themselves to easy estimation of "need," including Older Adults, Parent Education, Health and Safety and Home Economics. It is fairly straightforward, however, to estimate the population in need of such programs as Adult Basic Education, High School Diploma/GED programs, and ESL services. Therefore, the following discussion focuses on the need for basic skills, education and training to allow for participation in the state's economy, one of the primary purposes of adult education in California and the purpose that accounts for nearly 80 percent of adult education enrollment.

According to the National Center for the Study of Adult Learning and Literacy (Comings, Reder & Sum, 2001), the adult population ages 18 to 64 faces challenges to meaningful participation in the labor market that fall into three categories:

- **The language challenge** includes immigrants who have limited English proficiency;
- **The educational credential challenge** includes adults who dropped out of school before acquiring a high school diploma or its equivalent; and
- **The literacy challenge** includes English-proficient adults with a high school diploma who have basic skills that are inadequate for the modern workplace.

### **The Language Challenge**

According to the 2000 Census, more than 26 percent of the state's population was born in a foreign country, and nearly 40 percent of those residents entered the country between 1990 and 2000, making them likely to need ESL services. California has the largest immigrant population in the nation; its 9 million immigrants account for 28 percent of the

nation's immigrants (Camarota, 2002). Immigration and the accompanying need for ESL services are not distributed evenly across the state. According to the California Department of Finance (2003), the share of the population that are legal immigrants varies from less than one percent in 13 rural counties<sup>21</sup> to over 10 percent in five urban counties, including Alameda (10.6%), Los Angeles (10.2%), San Francisco (12%), San Mateo (11.3%) and Santa Clara (16.7%).<sup>22</sup> Illegal immigration, while more difficult to quantify, is also likely to be unevenly distributed across the state.

There is great diversity in the level of education of the immigrant population. Nationally, the foreign-born over age 25 are as likely as native born residents to be college graduates (Camarota, 2002). Educated immigrants bring many skills needed in California's economy, but must have sufficient English proficiency to use their skills in the workplace. In contrast, fewer foreign born residents are high school graduates compared to native born residents, making them likely to have basic skills and educational challenges in addition to their need for English skills.

### **The Educational Credential Challenge**

According to the 2000 Census, over 23 percent of California's population age 25 and older lacks a high school diploma or its equivalent. In 2003, that means more than 5 million<sup>23</sup> adults over age 25 lack the educational credentials considered to be the minimum necessary to achieve some degree of success in the labor market. Of those 5 million, approximately half have less than a 9<sup>th</sup> grade education. The lack of a high school diploma has serious economic consequences. Men with a high school diploma or equivalent earn a

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<sup>21</sup> Including Alpine, Amador, Calaveras, Del Norte, Humboldt, Lassen, Mariposa, Nevada, Plumas, Shasta, Sierra, Trinity and Tuolumne counties.

<sup>22</sup> The rate of immigration for a particular year is calculated as the number of immigrants granted legal permanent residence status in that year divided by the total population.

<sup>23</sup> Using the 2003 adult population figure from the California Department of Finance, "Race/Ethnic Population with Age and Sex Detail, 1970-2040."

median income of over \$34,000 compared to less than \$25,000 for those with some high school and less than \$21,000 for those with less than a 9<sup>th</sup> grade education (National Center for Education Statistics, 2003). Similar returns to education are apparent for women, with high school graduates having a median income of \$25,000 while those with some high school earn \$18,000 and those with less than a 9<sup>th</sup> grade education earn less than \$16,000. The lower incomes associated with low levels of education have consequences for government and society in the form of reduced tax collection and greater use of health and welfare services.

### **The Literacy Challenge**

According to estimates based on the National Adult Literacy Survey (NALS) of 1992, approximately 18 percent of California adults suffer from the “new literacy challenge.” That is, in spite of having a high school diploma and being proficient in English, these working-age adults lack the basic skills required to be successful in the modern workforce (Jenkins & Hirsch, 1994). This group includes adults who scored in the two lowest levels of literacy skills on the NALS. Adults at Level I display difficulty in using the basic reading, writing and computational skills considered necessary for functioning in everyday life (Reder, 1998). Adults functioning at Level II, while not qualifying as “illiterate,” still face disadvantages in the 21<sup>st</sup> century workplace and society (Comings, et. al., 2001).

The percentage of the adult population functioning at Level I (regardless of language proficiency and educational attainment) varies across the state, from as low as 9 percent in Modoc County to as high as 41 percent in Imperial County. Low literacy skills are closely connected to social problems including welfare dependency, crime, and unemployment. Nearly half (43%) of all adults functioning at Level I live in poverty, compared to only four to eight percent of those at the two highest literacy levels (Reder, 1998). Recent research

demonstrates that earnings increase as literacy increases, even among groups with the same level of education (Sum, 1999). In addition, unemployment rates among labor force participants who scored in Level I are four to seven times higher than those of workers in the highest literacy level.

The need for basic literacy and education services for adults in California is clear. Without adequate services, California could become a state “with two very different populations – one with an education sufficient to do well in the new economy, help their children succeed in school, and play a leadership role in their communities and one whose lack of language proficiency, education, or basic skills leaves them and their families beyond the reach of opportunity and on the margins of civic and social life” (Comings, et. al., 2001). In the next chapter, we analyze California’s method for allocating adult education funding across the state to determine whether funds are being distributed in a manner that aligns with the needs of local communities.

## **4. Empirical Analysis of California Funding Mechanisms**

The purpose of our analysis is to compare levels of adult education funding provided to different geographic areas of the state to indicators of the need for services in those areas. In this chapter, we outline the data used in the analysis, describe our analytical methods, present our findings and draw conclusions about the implications of the findings for state funding policy.

### **Methods/Sources of Data**

#### **Funding Data**

To assess the current distribution of adult education funds across the state, we collected data from the California Department of Education (CDE) on state apportionments to K-12 school districts for fiscal years 2000 through 2002. The data for each district included its ADA cap, actual ADA served, revenue limit per unit of ADA, and total state appropriation. We obtained data on state appropriations to community colleges for non-credit instruction from the California Community Colleges Chancellor's Office for the same years. While our primary focus in the analysis is on state funding for adult education, we also collected data from CDE on federal Title II funds distributed to all types of adult education providers.

#### **Measuring the "Need for Services"**

Estimating the need for adult education services by jurisdiction in California is a daunting task. As noted in the last chapter, it is difficult to define the need for some of California's adult education programs. In addition, adult education is unlike public K-12 education in that there is no specific mapping between where people live and where they obtain their educational services. Students can choose among multiple school districts and

community college districts in some areas, and can cross city and county lines in order to obtain adult education services. There are also not clear outcomes in adult education and, therefore, no easy way to measure the “need” among the population to achieve those outcomes.

While it is not possible to get an absolute measure of the true need for adult education services, certain demographic factors can be used as indicators of need. Therefore, we use selected data from the 2000 census to estimate the “need” for adult education in different geographic areas of the state. In choosing specific indicators, we use two criteria - best practices from other states and legislative intent in designing adult education – while taking known economic relationships into account (e.g., the positive relationship between educational attainment and income).

Other states we examined used indicators of need that included (1) the percent of adults with less than some minimum level of education, (2) unemployment rate, (3) the share of the population living in poverty, (4) the percent of residents with English not their first language, (5) the number of adults receiving TANF payments, and (6) the percent of adults scoring at the lowest level of literacy. These indicators represent the states’ interest in serving adults who, because of limited English skills or insufficient education and basic skills, are unprepared to obtain or sustain adequate employment to achieve economic self-sufficiency.

According to California statute, the intent of state legislators in funding adult education is to provide adults an opportunity to (1) acquire the knowledge and skills necessary to participate effectively in the state’s economy and society, and (2) participate in courses designed to meet the particular needs of local communities. As discussed in Chapter



3, the second purpose is not easily interpreted. But the primary intent indicates that California's legislature, like others around the country, is concerned with the ability of the state's residents to achieve a level of education adequate for meaningful economic and civic participation.

Considering these criteria and the availability of data, we have chosen to use the following variables from the 2000 Census in our analysis:

- the percent of the population that speaks English “less than well;”
- the percent of the population that lives in poverty;
- the percent unemployed; and
- the percent of the population over age 25 who have less than a high school diploma.<sup>24</sup>

### **Unit of Analysis**

Our research uses the 58 counties in California as the unit of analysis for comparing adult education allocations with the need for services. Census data is available at the county level, but not at the level of school or community college districts.<sup>25</sup> Therefore, we aggregated data on state apportionments for adult education to the county level by summing across school and community college districts located in each county. We recognize that people are not necessarily confined to one county in seeking adult education, and that, in rural parts of the state, people may have to cross county lines in order to obtain services. But, in the absence of better data, this represents the closest match between funding allocations and indicators of the need for service.

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<sup>24</sup> It should be noted here that many other related variables were considered in addition to and in place of these variables, but these had results that were straightforward to interpret while at the same time meeting our criteria for selection.

<sup>25</sup> Census data are also not available at the level of state legislative districts, which was the unit of analysis specified in the SOR Request for Proposals. Data on adult education funding are also not available by legislative district.

## Findings

Table 4 shows the total funding received by adult education programs in each county, including state apportionments to school districts and community colleges, and federal Title II funding to all types of service providers. The figures in Table 4 represent annual averages over fiscal years 2000-2002.<sup>26</sup> Most of the apportionments were fairly stable over this period, but by considering the averages, we avoid drawing false conclusions on the basis of any one-year anomaly. The total funding to the counties for adult education services is divided into four categories –state apportionment to school districts, federal Title II funds to school districts, state apportionment to community college districts, and Title II funds to community college districts. The table is sorted in descending order by total funding. Not surprisingly, population differences dictate that Los Angeles County receives the largest amount of funding by a huge margin.

**Table 4**  
**Average Annual Adult Education Funding by County, FY 2000-2002**

County	Average State Apportionment to School Districts	Average Title II Funding to School Districts	Average State Apportionment to Community Colleges	Average Title II Funding to Community Colleges	Average Total Funding <sup>27</sup>
Los Angeles	\$260,276,384	\$15,431,272	\$37,915,484	\$1,632,215	\$315,255,355
San Diego	\$22,897,538	\$1,024,200	\$35,360,372	\$768,710	\$60,050,820
Orange	\$20,475,694	\$1,297,557	\$35,772,360	\$2,059,783	\$59,605,393
Alameda	\$31,886,984	\$1,077,786	\$1,520,178	\$0	\$34,484,948
Santa Clara	\$23,044,928	\$1,035,675	\$3,782,231	\$0	\$27,862,834
San Francisco	\$4,830	\$0	\$26,223,102	\$609,028	\$26,836,960
Sacramento	\$23,295,962	\$1,007,443	\$1,308,898	\$0	\$25,612,302
Fresno	\$15,327,541	\$650,064	\$2,007,352	\$0	\$17,984,957
San Bernardino	\$11,848,939	\$774,418	\$3,738,817	\$1,598	\$16,363,772
Ventura	\$15,320,715	\$283,531	\$369,742	\$0	\$15,973,987
Contra Costa	\$13,074,486	\$535,806	\$897,470	\$0	\$14,507,762
Monterey	\$8,669,115	\$610,905	\$4,916,583	\$0	\$14,196,603
Riverside	\$8,579,813	\$621,899	\$2,607,831	\$44,315	\$11,853,858

<sup>26</sup> Data to examine patterns over a longer period of time were not available because of changes in the CDE data system for adult education.

<sup>27</sup> The totals do not include Title II funds provided to correctional facilities.

Kern	\$9,144,765	\$519,579	\$418,419	\$0	\$10,082,763
Tulare	\$8,635,208	\$376,924	\$738,278	\$0	\$9,750,410
San Mateo	\$9,089,596	\$385,734	\$28,996	\$0	\$9,504,326
Sonoma	\$2,405,357	\$18,875	\$6,375,748	\$0	\$8,799,980
San Joaquin	\$6,330,051	\$321,561	\$1,554,415	\$0	\$8,206,026
Santa Barbara	\$836,254	\$0	\$7,174,682	\$76,805	\$8,087,741
Merced	\$1,582,250	\$124,760	\$3,619,892	\$0	\$5,326,902
Solano	\$4,699,811	\$128,367	\$376,303	\$0	\$5,204,481
Santa Cruz	\$3,223,208	\$187,784	\$477,224	\$0	\$3,888,215
Stanislaus	\$1,462,650	\$0	\$2,374,355	\$0	\$3,837,005
Butte	\$1,370,177	\$23,315	\$2,273,483	\$59,825	\$3,726,800
Placer	\$2,858,278	\$48,397	\$302,223	\$0	\$3,208,898
Napa	\$1,592,332	\$147,358	\$1,439,797	\$0	\$3,179,488
Madera	\$2,880,575	\$97,530	\$0	\$0	\$2,978,105
Marin	\$1,200,791	\$0	\$1,473,792	\$0	\$2,674,582
Humboldt	\$2,239,928	\$11,665	\$104,699	\$0	\$2,356,292
San Luis Obispo	\$2,044,108	\$15,767	\$154,374	\$0	\$2,214,248
Kings	\$1,720,317	\$71,462	\$0	\$0	\$1,791,779
Mendocino	\$1,322,589	\$2,333	\$149,915	\$0	\$1,474,837
Yolo	\$1,350,795	\$0	\$0	\$0	\$1,350,795
Imperial	\$1,220,210	\$117,067	\$0	\$0	\$1,337,277
Yuba	\$474,788	\$0	\$498,438	\$0	\$973,226
Shasta	\$248,932	\$34,062	\$458,852	\$0	\$741,846
Lassen	\$70,551	\$5,592	\$575,827	\$0	\$651,970
El Dorado	\$307,709	\$5,967	\$215,966	\$62,973	\$592,616
Glenn	\$358,783	\$15,001	\$0	\$0	\$373,784
Inyo	\$261,901	\$0	\$0	\$0	\$261,901
Nevada	\$259,603	\$0	\$0	\$0	\$259,603
Siskiyou	\$86,949	\$6,121	\$148,806	\$0	\$235,755
Sutter	\$192,069	\$0	\$0	\$0	\$192,069
Lake	\$175,510	\$0	\$0	\$0	\$175,510
Tuolumne	\$171,600	\$0	\$0	\$0	\$171,600
Tehama	\$117,291	\$0	\$0	\$0	\$123,411
San Benito	\$120,251	\$0	\$0	\$0	\$120,251
Amador	\$114,818	\$0	\$0	\$0	\$114,818
Trinity	\$95,620	\$0	\$0	\$0	\$95,620
Mariposa	\$54,529	\$0	\$0	\$0	\$54,529
Modoc	\$44,349	\$6,600	\$0	\$0	\$50,949
Colusa	\$47,301	\$2,550	\$0	\$0	\$49,851
Mono	\$41,792	\$0	\$0	\$0	\$41,792
Calaveras	\$41,204	\$0	\$0	\$0	\$41,204
Del Norte	\$37,635	\$0	\$0	\$0	\$37,635
Plumas	\$0	\$0	\$7,097	\$0	\$7,097
Sierra	\$675	\$0	\$0	\$0	\$675
Alpine	\$0	\$0	\$0	\$0	\$0

Table 5 compares the actual allocations (expressed per capita) to our computed “need” for service in order to analyze the equity of the current allocation system. We

calculated a per capita dollar value representing the “predicted need” for adult education in each county, using the four indicators of need.<sup>28</sup> It should be noted that the calculation does not represent the need for adult education in any absolute sense, but is rather a method for estimating the *relative* need among the counties given their values on the selected indicators. “Predicted need” was calculated with three primary assumptions. First, we are only considering state apportionment (for both school districts and community college districts). The original intent of this report was to determine the effectiveness of the method for distributing state funds. Federal Title II funds will be discussed later in this section. The second assumption is that the overall level of state apportionment remains constant. Again, by making this assumption, we do not intend to suggest that overall state funding for adult education is adequate to meet the needs in the state. Finally, we assume an equal weight for each of the four indicators of need. In other words, a one percent increase in individuals who speak English “less than well” is assumed to have an equivalent impact on need as a one percent increase in the poverty rate, and so on.<sup>29</sup>

The table presents for each county the indicators of need, the predicted need per person, and the average state apportionment per person over the three-year period. The table is sorted in descending order according to the percentage that actual apportionment fell above

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<sup>28</sup> First, a simple index of need was determined by adding together the percentages of the four indicator variables. For example, for San Francisco County, this index would be 59.7 (25.0 + 11.3 + 4.6 + 18.8) and for Placer County it would be 23.6 (4.3 + 5.8 + 4.0 + 9.5). Next, using the existing level of total state apportionment for adult education, we used each county’s index of need to determine a dollar figure for the total need in proportion to all other counties. Then we used each county’s total population to calculate a dollar figure representing per-capita need.

<sup>29</sup> It is important to note that this is arbitrary in nature and that the true weights of these indicators cannot be determined in any absolute sense. How the indicators should be weighted involves value judgments about the purpose and goals of adult education. We chose indicators based on the criteria outlined earlier, and chose to weight them equally (i.e., weight each at 25%). In order to test this assumption, a sensitivity analysis of the weighting scheme was conducted. We tested a number of possible weighting schemes, including weighting two of the indicators at 50% and the other two at 0%, one of the indicators at 100% and the other three at 0%, and three of the indicators at 33% and one at 0%. No significant changes to the findings about the relative outcomes for the counties resulted from the sensitivity analysis.

(or below) predicted need. For example, San Francisco County is faring the best under the current system of allocation compared to its predicted need. The county received apportionments nearly 75 percent above the predicted need, for a value of \$11,186,844. *It is worth reiterating that this does not suggest that any county, including San Francisco, is currently receiving too much funding for adult education, but rather that, given the current level of overall state apportionment, San Francisco County is receiving more than would be predicted given the need indicators and the relative needs of all counties.* It is certainly possible that all counties are under-funded and that San Francisco is simply in the best relative situation.

**Table 5  
Predicted Need and Comparison of Need to Actual Apportionment**

County	Percent who Speak English "less than well"	Percent who Live in Poverty	Percent Unemployed	Percent Age 25+ with less than a High School Diploma	Predicted Need per person	Average State Apportionment per person 1999-2002	Estimated Percent above/below Need	Estimated above/below Need
<b>California</b>	<b>20.0%</b>	<b>14.2%</b>	<b>6.9%</b>	<b>23.2%</b>	-	-	-	-
San Francisco	25.0%	11.3%	4.6%	18.8%	\$19.36	\$33.77	74.4%	\$11,186,844
Placer	4.3%	5.8%	4.0%	9.5%	\$7.66	\$12.72	66.2%	\$1,259,006
Napa	13.3%	8.3%	4.3%	19.6%	\$14.76	\$24.40	65.3%	\$1,197,948
Sonoma	9.6%	8.1%	4.3%	15.1%	\$12.03	\$19.15	59.1%	\$3,262,180
Alameda	17.7%	11.0%	5.5%	17.6%	\$16.80	\$23.14	37.7%	\$9,149,317
Monterey	26.8%	13.5%	8.7%	31.6%	\$26.14	\$33.82	29.3%	\$3,082,124
Ventura	16.1%	9.2%	5.2%	19.9%	\$16.35	\$20.83	27.4%	\$3,377,217
San Diego	15.0%	12.4%	5.9%	17.4%	\$16.45	\$20.70	25.9%	\$11,983,651
Sacramento	11.8%	14.1%	6.7%	16.7%	\$15.99	\$20.11	25.8%	\$5,039,685
Marin	8.5%	6.6%	3.0%	8.8%	\$8.73	\$10.82	24.0%	\$516,886
Humboldt	3.0%	19.5%	8.6%	15.1%	\$14.99	\$18.53	23.7%	\$448,675
Lassen	3.9%	14.0%	9.4%	20.4%	\$15.47	\$19.11	23.5%	\$122,985
Contra Costa	11.5%	7.6%	4.8%	13.1%	\$12.00	\$14.73	22.7%	\$2,584,757
Los Angeles	28.9%	17.9%	8.2%	30.1%	\$27.60	\$31.32	13.5%	\$35,425,680
Inyo	5.7%	12.6%	5.9%	17.7%	\$13.59	\$14.59	7.4%	\$18,013
Santa Barbara	16.5%	14.3%	6.7%	20.8%	\$18.91	\$20.06	6.1%	\$459,106
Butte	5.9%	19.8%	9.3%	17.7%	\$17.09	\$17.93	4.9%	\$170,654
Orange	22.4%	10.3%	5.0%	20.5%	\$18.88	\$19.76	4.7%	\$2,515,786
Mendocino	7.9%	15.9%	7.3%	19.2%	\$16.32	\$17.07	4.6%	\$65,045
Santa Clara	22.0%	7.5%	3.9%	16.6%	\$16.22	\$15.94	-1.7%	-\$461,374
Solano	9.9%	8.3%	6.1%	16.2%	\$13.14	\$12.87	-2.1%	-\$106,889
San Mateo	18.5%	5.8%	3.3%	14.7%	\$13.72	\$12.89	-6.0%	-\$584,091
Santa Cruz	14.3%	11.9%	6.1%	16.8%	\$15.93	\$14.48	-9.1%	-\$370,361

**Table 5, Continued**

County	Percent who Speak English "less than well"	Percent who Live in Poverty	Percent Unemployed	Percent Age 25+ with less than a High School Diploma	Predicted Need per person	Average State Apportionment per person 1999-2002	Estimated Percent above/below Need	Estimated above/below Need
Tulare	22.4%	23.9%	12.7%	38.3%	\$31.56	\$25.47	-19.3%	-\$2,241,498
Merced	23.4%	21.7%	13.1%	36.2%	\$30.62	\$24.71	-19.3%	-\$1,245,022
Fresno	20.7%	22.9%	11.8%	32.5%	\$28.51	\$21.68	-23.9%	-\$5,457,504
San Luis Obispo	5.9%	12.8%	5.9%	14.4%	\$12.65	\$8.91	-29.5%	-\$922,086
Yuba	11.5%	20.8%	11.3%	28.2%	\$23.29	\$16.16	-30.6%	-\$429,237
San Joaquin	17.4%	17.7%	10.3%	28.8%	\$24.07	\$13.99	-41.9%	-\$5,680,121
Kern	16.7%	20.8%	12.0%	31.5%	\$26.27	\$14.45	-45.0%	-\$7,820,557
Glenn	17.7%	18.1%	9.1%	31.5%	\$24.78	\$13.56	-45.3%	-\$296,760
Kings	16.8%	19.5%	13.6%	31.2%	\$26.31	\$13.29	-49.5%	-\$1,685,277
Trinity	0.7%	18.7%	13.9%	19.0%	\$16.96	\$7.34	-56.7%	-\$125,288
San Bernardino	15.3%	15.8%	8.3%	25.8%	\$21.15	\$9.12	-56.9%	-\$20,564,312
Yolo	15.0%	18.4%	7.1%	20.2%	\$19.69	\$8.01	-59.3%	-\$1,969,938
El Dorado	3.9%	7.1%	5.4%	10.9%	\$8.86	\$3.35	-62.2%	-\$860,375
Stanislaus	15.6%	16.0%	11.7%	29.6%	\$23.65	\$8.58	-63.7%	-\$6,732,760
Riverside	15.6%	14.2%	7.5%	25.0%	\$20.21	\$7.24	-64.2%	-\$20,041,386
Nevada	2.1%	8.1%	4.7%	9.7%	\$7.98	\$2.82	-64.6%	-\$474,762
Siskiyou	3.5%	18.6%	9.6%	16.2%	\$15.54	\$5.32	-65.7%	-\$452,552
Amador	2.2%	9.2%	4.4%	16.0%	\$10.31	\$3.27	-68.3%	-\$247,231
Shasta	2.4%	15.4%	8.7%	16.7%	\$14.01	\$4.34	-69.1%	-\$1,579,848
Tuolumne	1.5%	11.4%	7.7%	15.7%	\$11.77	\$3.15	-73.3%	-\$470,118
Mono	9.2%	11.5%	5.8%	12.1%	\$12.52	\$3.25	-74.0%	-\$119,134
Imperial	34.3%	22.6%	12.6%	41.0%	\$35.84	\$8.57	-76.1%	-\$3,882,331
Modoc	4.4%	21.5%	11.9%	22.9%	\$19.69	\$4.69	-76.2%	-\$141,692
Mariposa	0.9%	14.8%	14.1%	14.9%	\$14.50	\$3.18	-78.0%	-\$193,840
Lake	4.4%	17.6%	11.0%	22.7%	\$18.07	\$3.01	-83.3%	-\$877,965
San Benito	17.8%	10.0%	6.6%	25.1%	\$19.30	\$2.26	-88.3%	-\$907,148
Tehama	7.7%	17.3%	9.7%	24.3%	\$19.14	\$2.09	-89.1%	-\$955,156
Sutter	15.9%	15.5%	11.8%	27.0%	\$22.77	\$2.43	-89.3%	-\$1,605,197
Colusa	24.2%	16.1%	10.7%	36.0%	\$28.22	\$2.52	-91.1%	-\$483,342
Calaveras	1.6%	11.8%	7.7%	14.3%	\$11.48	\$1.02	-91.2%	-\$424,457
Del Norte	4.2%	20.2%	10.7%	28.4%	\$20.60	\$1.37	-93.4%	-\$528,931
Plumas	1.6%	13.1%	9.5%	12.0%	\$11.74	\$0.34	-97.1%	-\$237,418
Sierra	2.0%	11.3%	9.4%	14.8%	\$12.16	\$0.19	-98.4%	-\$42,567
Alpine	3.1%	19.5%	8.1%	11.7%	\$13.75	\$0.00	-100.0%	-\$16,614

Nineteen counties emerge as the “winners” under the current system of disbursement.

That is to say that these counties receive state funds above their level of predicted need. The remaining counties are net “losers” under the current system.<sup>30</sup> We conducted a sensitivity analysis to determine whether these findings were robust to changes in the assumptions we

<sup>30</sup> To bring all of the counties that currently receive actual dollars below their need to the break-even point while leaving the current “winners” intact would require an additional state investment of approximately \$92 million.

made – specifically the assumption that the four need indicators are weighted equally. Using all plausible weighting schemes, our findings are presented in Table 6.

**Table 6**  
**Relative “Winners” and “Losers” under the Current Apportionment Method**  
**(Analysis holds constant the current level of state apportionments)**

Consistent “Winners”	Mixed Results	Consistent “Losers”
San Francisco, Placer, Napa, Sonoma, Alameda, Monterey, Ventura, San Diego, Sacramento, Marin, Contra Costa, Los Angeles, Santa Barbara, Orange	Humboldt, Lassen, Inyo, Butte, Mendocino, Santa Clara, Solano, San Mateo	Santa Cruz, Madera, Tulare, Merced, Fresno, San Luis Obispo, Yuba, San Joaquin, Kern, Glenn, Kings, Trinity, San Bernardino, Yolo, El Dorado, Stanislaus, Riverside, Nevada, Siskiyou, Amador, Shasta, Tuolumne, Mono, Imperial, Modoc, Mariposa, Lake, San Benito, Tehama, Sutter, Colusa, Calaveras, Del Norte, Plumas, Sierra, Alpine

We performed a statistical analysis to determine what factors influence the counties’ relative success under the current distribution method (that is, what accounts for their status as “winners” or “losers”). After exhaustive testing of all potentially relevant demographic factors, the analysis revealed two significant variables: median household income and population density. Counties with higher average household income and those with a higher population density (i.e., more urban counties) fare better under the current allocation method than counties with lower income and density. To the extent that state policy is not intended to provide disproportionately higher adult education funding to wealthier, urban counties, these results point to inequities in the current system of allocation.

To further explore inequities in the current allocation method, we used regression analysis to determine the weights implicitly being placed on our four selected need indicators.<sup>31</sup> Given the legislature’s intent in funding adult education programs and the use of the indicators in other states’ funding formulas, we would expect to find positive

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<sup>31</sup> See Appendix B for the results of the regression analysis.

relationships between each of the variables and the amount of state funding. That is, state funding to a county should increase as the share of the population with poor English skills or less than a high school diploma increases, and should also increase with rates of poverty and unemployment. Table 7 summarizes the actual effects of each of the variables on state funding under the current allocation method. Both English skills and the poverty rate have the expected effect on adult education funding. However, the unemployment rate and the percent of individuals with less than a high school education have a negative effect. Counties with higher unemployment rates and higher shares of the population without a high school diploma receive fewer adult education funds, holding other factors constant. These two effects appear to be contrary to the central policy objective of an equitable and efficient allocation of adult education funds.

**Table 7**  
**Actual and Expected Effects of the Need Indicators on Adult Education Funding**

<b>Indicator</b>	<b>Expected Effect on State Funding for Adult Education</b>	<b>Actual Effect on State Funding for Adult Education</b>
Percent who speak English "less than well"	Positive	Positive
Percent who live in poverty	Positive	Positive
Percent unemployed	Positive	Negative
Percent age 25+ with less than a high school diploma	Positive	Negative

State apportionment for adult education is supplemented by federal funds through the WIA Title II program. While all of the states reviewed in Chapter 2 use indicators of need to allocate these funds geographically before distributing them to adult education programs, California uses a statewide competitive grants process. It seems unlikely that such a process could compensate for inequities in the allocation of state funds, but we conducted a regression analysis to examine the relationships among our four indicators of need and the amount of Title II funds by county. Only the share of the population with poor English skills



is a statistically significant predictor of where Title II funds are currently allocated. The poverty and unemployment rates, and the share of the population with less than a high school education do not influence the distribution of federal money. There is also strong evidence to support the fact that the federal funds are going disproportionately to counties with large populations, perhaps because they are better able to allocate staff time and expertise to writing grant proposals.

## **Conclusions and Recommendations**

There is substantial need for adult education services in California. The state has the largest number of immigrants of any state in the nation, along with large numbers of adults who lack the educational credentials and basic literacy skills needed for success in the labor market and in civic life. These are the problems targeted by most state policymakers through funding and administering adult education programs.

California's policymakers have recognized the need for adult education, and have invested substantially in these services for many years. However, our analysis demonstrates that:

- the state's method for allocating adult education funds is not responsive to the current needs in communities across the state;
- wealthy, urban counties fare better under the current system than would be expected based on their needs;
- the inequities present in the current allocation method persist regardless of the relative weight placed on each of the indicators; and
- the distribution of federal Title II funds does not compensate for inequities in the allocation of state funds.

The inequities in funding could result, in part, from the fact that California funds a wide variety of programs, including some that are not aimed at the "neediest" populations. In addition, the allocation formulas have become outdated by demographic changes. Our analysis used a particular set of need indicators based on our understanding of legislative

intent and best practices from other states. The selected indicators directly measure two of the challenges that must be addressed by adult education programs according to the National Center for the Study of Adult Learning and Literacy (Comings, et. al., 2001) – poor English skills and lack of basic educational credentials.<sup>32</sup> Our results are robust to changes in the assumption about the weighting of each factor.

Decisions about the specifics of any alternative funding formula would necessarily have to be based on policy choices about the state’s goals for adult education. For example, while equity is an important value, policymakers may wish to consider other values as well such as the effectiveness of the various types of adult education programs. Based on our analysis, we suggest that the Legislature could improve California’s system of adult education by:

- (1) Better defining the state’s goals in providing adult education services, particularly with respect to the ten program areas currently allowed;
- (2) Revising the method of allocating state funds to incorporate current needs, using indicators related to the state’s goals and interests; and
- (3) Allocating the state’s Title II funds geographically based on need, and letting providers within particular areas compete for the funds to serve their communities.

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<sup>32</sup> A recent measure of the third challenge, basic literacy skills, is not available. The NCES survey of adult literacy is only conducted about once every decade. California chose not to participate in a larger sampling in the most recent administration of the survey, so county-level estimates may not be available when the results are released.

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**Appendix A**  
**School Districts and Community College Districts by County**

<b>County</b>	<b>School Districts</b>	<b>Community College Districts</b>
<b>Alameda</b>	Alameda City Unified School District	Chabot-Las Positas CCD
	Albany Unified School District	Ohlone CCD
	Berkeley Unified School District	Peralta CCD
	Castro Valley Unified School District	
	Dublin Unified School District	
	Emery Unified School District	
	Fremont Unified School District	
	Hayward Unified School District	
	Livermore Valley Joint Unified School District	
	New Haven Unified School District	
	Newark Unified School District	
	Oakland Unified School District	
	Piedmont Unified School District	
	Pleasanton Unified School District	
	San Leandro Unified School District	
	San Lorenzo Unified School District	
<b>Alpine</b>	----	----
<b>Amador</b>	Amador County Unified School District	----
<b>Butte</b>	Biggs Unified School District	Butte-Glenn CCD
	Durham Unified School District	
	Gridley Unified School District	
	Oroville Union High School District	
	Paradise Unified School District	
<b>Calaveras</b>	Bret Harte Union High School District	----
	Calaveras Unified School District	
<b>Colusa</b>	Colusa Unified School District	----
	Maxwell Unified School District	
	Pierce Joint Unified School District	
	Williams Unified School District	
<b>Contra Costa</b>	Acalanes Union High School District	Contra Costa CCD
	Antioch Unified School District	
	John Swett Unified School District	
	Liberty Union High School District	
	Martinez Unified School District	
	Mt. Diablo Unified School District	
	Pittsburg Unified School District	
	San Ramon Valley Unified School District	
	West Contra Costa Unified School District	
<b>Del Norte</b>	Del Norte County Unified School District	----
<b>El Dorado</b>	Black Oak Mine Unified School District	Lake Tahoe CCD
	El Dorado Union High School District	
	Lake Tahoe Unified School District	
<b>Fresno</b>	Caruthers Union High School District	State Center CCD
	Central Unified School District	West Hills CCD
	Clovis Unified School District	
	Coalinga/Huron Joint Unified School District	
	Firebaugh-Las Deltas Unified School District	
	Fowler Unified School District	
	Fresno Unified School District	
	Golden Plains Unified School District	

	Kerman Unified School District	
	Kings Canyon Joint Unified School District	
	Kingsburg Joint Union High School District	
	Laton Joint Unified School District	
	Mendota Unified School District	
	Parlier Unified School District	
	Riverdale Joint Unified School District	
	Sanger Unified School District	
	Selma Unified School District	
	Sierra Unified School District	
	Washington Union High School District	
<b>Glenn</b>	Hamilton Union High School District	----
	Orland Joint Unified School District	
	Princeton Joint Unified School District	
	Stony Creek Joint Unified School District	
	Willows Unified School District	
<b>Humboldt</b>	Eureka City High School District	Redwoods CCD
	Fortuna Union High School District	
	Northern Humboldt Union High School District	
	Southern Humboldt Joint Unified School	
<b>Imperial</b>	Brawley Union High School District	Imperial CCD
	Calexico Unified School District	
	Calipatria Unified School District	
	Central Union High School District	
	Holtville Unified School District	
	Imperial Unified School District	
	San Pasqual Valley Unified School District	
<b>Inyo</b>	Big Pine Unified School District	----
	Bishop Joint Union High School District	
	Death Valley Unified School District	
	Lone Pine Unified School District	
	Owens Valley Unified School District	
<b>Kern</b>	Delano Joint Union High School District	Kern CCD
	Kern Union High School District	West Kern CCD
	McFarland Unified School District	
	Mojave Unified School District	
	Sierra Sands Unified School District	
	Southern Kern Unified School District	
	Taft Union High School District	
	Tehachapi Unified School District	
	Wasco Union High School District	
<b>Kings</b>	Corcoran Joint Unified School District	----
	Hanford Joint Union High School District	
	Lemoore Union High School District	
	Reef Sunset Unified School District	
<b>Lake</b>	Kelseyville Unified School District	----
	Konocti Unified School District	
	Lakeport Unified School District	
	Middletown Unified School District	
<b>Lassen</b>	Big Valley Joint Unified School District	Lassen CCD
	Lassen Union High School District	
<b>Los Angeles</b>	ABC Unified School District	Antelope Valley CCD
	Alhambra City High School District	Cerritos CCD

	Antelope Valley Union High School District	Citrus CCD
	Arcadia Unified School District	Compton CCD
	Azusa Unified School District	El Camino CCD
	Baldwin Park Unified School District	Glendale CCD
	Bassett Unified School District	Long Beach CCD
	Bellflower Unified School District	Los Angeles CCD
	Beverly Hills Unified School District	Mt. San Antonio CCD
	Bonita Unified School District	Pasadena CCD
	Burbank Unified School District	Rio Hondo CCD
	Centinel Valley Union High School District	Santa Clarita CCD
	Charter Oak Unified School District	Santa Monica CCD
	Claremont Unified School District	
	Compton Unified School District	
	Covina-Valley Unified School District	
	Culver City Unified School District	
	Downey Unified School District	
	Duarte Unified School District	
	El Monte Union High School District	
	El Rancho Unified School District	
	El Segundo Unified School District	
	Glendora Unified School District	
	Hacienda La Puente Unified School District	
	Inglewood Unified School District	
	Las Virgenes Unified School District	
	Long Beach Unified School District	
	Los Angeles Unified School District	
	Lynwood Unified School District	
	Monrovia Unified School District	
	Montebello Unified School District	
	Norwalk-La Mirada Unified School District	
	Palos Verdes Peninsula Unified School District	
	Paramount Unified School District	
	Pasadena Unified School District	
	Pomona Unified School District	
	Redondo Beach Unified School District	
	Rowland Unified School District	
	Santa Monica-Malibu Unified School District	
	Temple City Unified School District	
	Torrance Unified School District	
	Walnut Valley Unified School District	
	West Covina Unified School District	
	Whittier Union High School District	
	William S. Hart Union High School District	
<b>Madera</b>	Chowchilla Union High School District	----
	Golden Valley Unified School District	
	Madera Unified School District	
	Chawanakee Joint Unified School District	
	Yosemite Union High School District	
<b>Marin</b>	Novato Unified School District	Marin CCD
	San Rafael City High School District	
	Tamalpais Union High School District	
<b>Mariposa</b>	Mariposa County Unified School District	----
<b>Mendocino</b>	Anderson Valley Unified School District	Mendocino-Lake CCD

	Fort Bragg Unified School District	
	Laytonville Unified School District	
	Mendocino Unified School District	
	Potter Valley Community Unified School District	
	Round Valley Unified School District	
	Ukiah Unified School District	
	Willits Unified School District	
<b>Merced</b>	Delhi Unified School District	Merced CCD
	Dos Palos Oro-Loma Joint Unified School District	
	Gustine Unified School District	
	Le Grand Union High School District	
	Los Banos Unified School District	
	Merced Union High School District	
<b>Modoc</b>	Modoc Joint Unified School District	----
	Surprise Valley Joint Unified School District	
	Tulelake Basin Joint Unified School District	
<b>Mono</b>	Eastern Sierra Unified School District	----
	Mammoth Unified School District	
<b>Monterey</b>	Carmel Unified School District	Hartnell CCD
	Gonzales Union High School District	Monterey Peninsula CCD
	King City Joint Union High School District	
	Monterey Peninsula Unified School District	
	North Monterey County Unified School District	
	Pacific Grove Unified School District	
	Salinas Union High School District	
	Soledad Unified School District	
<b>Napa</b>	Napa Valley Unified School District	Napa Valley CCD
	St. Helena Unified School District	
<b>Nevada</b>	Nevada Joint Union High School District	----
<b>Orange</b>	Anaheim Union High School District	Coast CCD
	Brea-Olinda Unified School District	North Orange CCD
	Capistrano Unified School District	Rancho Santiago CCD
	Fullerton Joint Union High School District	South Orange CCD
	Garden Grove Unified School District	
	Huntington Beach Union High School District	
	Irvine Unified School District	
	Laguna Beach Unified School District	
	Los Alamitos Unified School District	
	Newport-Mesa Unified School District	
	Orange Unified School District	
	Placentia-Yorba Linda Unified School District	
	Saddleback Valley Unified School District	
	Santa Ana Unified School District	
	Tustin Unified School District	
<b>Placer</b>	Placer Union High School District	Sierra Joint CCD
	Rocklin Unified School District	
	Roseville Joint Union High School District	
	Tahoe-Truckee Unified School District	
	Western Placer Unified School District	
<b>Plumas</b>	Plumas Unified School District	Feather River CCD
<b>Riverside</b>	Alvord Unified School District	Desert CCD
	Banning Unified School District	Mt. San Jacinto CCD
	Beaumont Unified School District	Palo Verde CCD



	Coachella Valley Unified School District	Riverside CCD
	Corona-Norco Unified School District	
	Desert Sands Unified School District	
	Hemet Unified School District	
	Jurupa Unified School District	
	Lake Elsinore Unified School District	
	Moreno Valley Unified School District	
	Murrieta Valley Unified School District	
	Palm Springs Unified School District	
	Palo Verde Unified School District	
	Perris Union High School District	
	Riverside Unified School District	
	San Jacinto Unified School District	
	Temecula Valley Unified School District	
	Val Verde Unified School District	
<b>Sacramento</b>	Center Unified School District	Los Rios CCD
	Elk Grove Unified School District	
	Folsom/Cordova Unified School District	
	Galt Joint Union High School District	
	Grant Joint Union High School District	
	Natomas Unified School District	
	River Delta Unified School District	
	Sacramento City Unified School District	
	San Juan Unified School District	
<b>San Benito</b>	Aromas/San Juan Unified School District	----
	San Benito High School District	
<b>San Bernardino</b>	Apple Valley Unified School District	Barstow CCD
	Baker Valley Unified School District	Chaffey CCD
	Barstow Unified School District	Copper Mountain CCD
	Bear Valley Unified School District	San Bernardino CCD
	Chaffey Joint Union High School District	Victor Valley CCD
	Chino Unified School District	
	Colton Joint Unified School District	
	Fontana Unified School District	
	Hesperia Unified School District	
	Lucerne Valley Unified School District	
	Needles Unified School District	
	Redlands Unified School District	
	Rialto Unified School District	
	Rim of the World Unified School District	
	San Bernardino City Unified School District	
	Silver Valley Unified School District	
	Trona Joint Unified School District	
	Upland Unified School District	
	Victor Valley Union High School District	
	Yucaipa-Calimesa Joint Unified School District	
<b>San Diego</b>	Borrego Springs Unified School District	Grossmont-Cuyamaca CCD
	Carlsbad Unified School District	Mira Costa CCD
	Coronado Unified School District	Palomar CCD
	Escondido Union High School District	San Diego CCD
	Fallbrook Union High School District	Southwestern CCD
	Grossmont Union High School District	

	Julian Union High School District	
	Mountain Empire Unified School District	
	Oceanside Unified School District	
	Poway Unified School District	
	Ramona Unified School District	
	San Diego City Unified School District	
	San Dieguito Union High School District	
	San Marcos Unified School District	
	Sweetwater Union High School District	
	Valley Center-Pauma Unified School District	
	Vista Unified School District	
<b>San Francisco</b>	San Francisco Unified School District	San Francisco CCD
<b>San Joaquin</b>	Escalon Unified School District	San Joaquin Delta CCD
	Linden Unified School District	
	Lodi Unified School District	
	Manteca Unified School District	
	Ripon Unified School District	
	Stockton Unified School District	
	Tracy Joint Unified School District	
<b>San Luis Obispo</b>	Atascadero Unified School District	San Luis Obispo CCD
	Coast Unified School District	
	Lucia Mar Unified School District	
	Paso Robles Joint Unified School District	
	San Luis Coastal Unified School District	
	Shandon Joint Unified School District	
	Templeton Unified School District	
<b>San Mateo</b>	Cabrillo Unified School District	San Mateo CCD
	Jefferson Union High School District	
	San Mateo Union High School District	
	Sequoia Union High School District	
	South San Francisco Unified School District	
<b>Santa Barbara</b>	Lompoc Unified School District	Allan Hancock CCD
	Santa Maria Joint Union High School District	Santa Barbara CCD
	Santa Ynez Valley Union High School District	
<b>Santa Clara</b>	Campbell Union High School District	Foothill-Deanza CCD
	East Side Union High School District	Gavilan CCD
	Fremont Union High School District	San Jose-Evergreen CCD
	Gilroy Unified School District	West Valley CCD
	Los Gatos-Saratoga JUHSD	
	Milpitas Unified School District	
	Morgan Hill Unified School District	
	Mountain View-Los Altos UHSD	
	Palo Alto Unified School District	
	San Jose Unified School District	
	Santa Clara Unified School District	
<b>Santa Cruz</b>	Pajaro Valley Joint Unified School District	Cabrillo CCD
	San Lorenzo Valley Unified School District	
	Santa Cruz City High School District	
<b>Shasta</b>	Anderson Union High School District	Shasta-Tehama-Trinity CCD
	Fall River Joint Unified School District	
	Gateway Unified School District	
	Shasta Union High School District	
<b>Sierra</b>	Sierra-Plumas Joint Unified School District	----

<b>Siskiyou</b>	Butte Valley Unified School District	Siskiyou Joint CCD
	Dunsmuir Joint Union High School District	
	Etna Union High School District	
	Siskiyou Union High School District	
	Yreka Union High School District	
<b>Solano</b>	Benicia Unified School District	Solano CCD
	Dixon Unified School District	
	Fairfield-Suisun Unified School District	
	Travis Unified School District	
	Vacaville Unified School District	
	Vallejo City Unified School District	
<b>Sonoma</b>	Cloverdale Unified School District	Sonoma CCD
	Cotati-Rohnert Park Unified School District	
	Healdsburg Unified School District	
	Petaluma Joint Union High School District	
	Santa Rosa City Schools District	
	Sonoma Valley Unified School District	
	West Sonoma County Union High School District	
	Windsor Unified School District	
<b>Stanislaus</b>	Ceres Unified School District	Yosemite CCD
	Denair Unified School District	
	Hughson Union High School District	
	Modesto City High School District	
	Newman-Crows Landing Unified School District	
	Oakdale Joint Union High School District	
	Patterson Joint Unified School District	
	Turlock Joint Union High School District	
<b>Sutter</b>	East Nicolaus Joint UHSD	----
	Live Oak Unified School District	
	Sutter Union High School District	
	Yuba City Unified School District	
<b>Tehama</b>	Corning Union High School District	----
	Los Molinos Unified School District	
	Red Bluff Joint Union High School District	
<b>Trinity</b>	Mountain Valley Unified School District	----
	Southern Trinity Joint Unified School District	
	Trinity Union High School District	
<b>Tulare</b>	Alpaugh Unified School District	Sequoias CCD
	Cutler-Orosi Unified School District	
	Dinuba Joint Union High School District	
	Exeter Union High School District	
	Farmersville Unified School District	
	Lindsay Unified School District	
	Porterville Unified School District	
	Strathmore Union High School District	
	Tulare Joint Union High School District	
	Visalia Unified School District	
	Woodlake Union High School District	
<b>Tuolumne</b>	Big Oak Flat-Groveland Unified School District	----
	Sonora Union High School District	
	Summerville Union High School District	
<b>Ventura</b>	Conejo Valley Unified School District	Ventura CCD
	Fillmore Unified School District	

	Moorpark Unified School District	
	Oak Park Unified School District	
	Ojai Unified School District	
	Oxnard Union High School District	
	Santa Paula Union High School District	
	Simi Valley Unified School District	
	Ventura Unified School District	
<b>Yolo</b>	Davis Joint Unified School District	----
	Esparto Unified School District	
	Washington Unified School District	
	Winters Joint Unified School District	
	Woodland Joint Unified School District	
<b>Yuba</b>	Marysville Joint Unified School District	Yuba CCD

## Appendix B Results of Regression Analysis

Regression analysis is a statistical technique that attempts to explain movements in one variable, the dependent variable, as a function of movements in a set of other variables, called the independent variables. We conducted a regression analysis to determine what influences the four need indicators have on a county's adult education allocation under the current distribution method for state funds. Actual state apportionment per person is the dependent variable, and the four need indicators are the independent variables. If the need indicators are driving current allocations, we would expect to find positive relationships between each of the variables and the amount of state funding. That is, state funding to a county should increase as the share of the population with poor English skills or less than a high school diploma increases, and should also increase with rates of poverty and unemployment.

The table shows the results of the analysis. Each need indicator does have a significant effect on a county's allocation of state funds for adult education. However, the direction of the relationship is not as expected for two of the variables. As expected, increases in the share of the population with poor English skills and increases in the poverty rate are associated with higher state funds for adult education. However, the unemployment rate and the percent of individuals with less than a high school education have a negative effect on funding under the current allocation method. Counties with higher unemployment rates and higher shares of the population without a high school diploma receive fewer adult education funds, holding other factors constant.

Variable	Coefficient	Standard Error	t-statistic
Percent who Speak English "less than well"	.656	.111	5.89
Percent who Live in Poverty	.615	.364	1.69
Percent Unemployed	-1.23	.576	-2.13
Percent Age 25+ with less than a High School Diploma	-.074	.031	-2.43

Number of observations: 58

Adjusted R-squared: .788

F (4, 54): 54.9

All coefficients are significant at the 10% level of confidence.

The regression line is considered without a constant.