

HOUSE BILL 365

K3, P1, F5

9lr0770

By: **Delegates Hixson, Bartlett, Doory, Elmore, Gilchrist, Gutierrez, Howard, Ivey, Jennings, Kaiser, Pena-Melnyk, Rice, Ross, Stukes, F. Turner, and Walker**

Introduced and read first time: January 30, 2009

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Labor and Employment – Adult Education and Literacy Grants – Funding**
3 **Formula**

4 FOR the purpose of requiring the Department of Labor, Licensing, and Regulation to
5 provide competitive adult education grants beginning in a certain fiscal year for
6 certain eligible adult education providers; requiring that funding for State adult
7 education grants shall be provided in the State budget; providing for the
8 manner of calculation of the amount of a certain State adult education grant
9 available for each county for distribution to certain adult education providers;
10 providing for an adjustment to the State adult education grant to reflect
11 regional differences in the cost of education due to certain factors; providing for
12 a certain minimum adult education provider adjustment amount to certain
13 adult education providers under certain circumstances; providing for a certain
14 small program adjustment amount for certain adult education providers under
15 certain circumstances; providing for the calculation of the total State adult
16 education grant amount available to the counties under certain circumstances;
17 providing for a certain phase-in of the total State adult education grant
18 amounts available for certain fiscal years under certain circumstances;
19 requiring that a county provide a certain local share of funding for adult
20 education programs in order to be eligible to receive a State adult education
21 grant; providing for the manner of calculation of certain county contributions
22 for adult education funding; providing that a county's local contribution to adult
23 education program funding may include certain contributions of private donors
24 and the federal government; requiring the Adult Education and Literacy
25 Services Office to adopt certain regulations; providing for a delayed effective
26 date; defining certain terms; and generally relating to establishing a funding
27 formula for adult education and literacy services.

28 BY repealing and reenacting, without amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – Labor and Employment
2 Section 11–801
3 Annotated Code of Maryland
4 (2008 Replacement Volume)

5 BY repealing and reenacting, with amendments,
6 Article – Labor and Employment
7 Section 11–806
8 Annotated Code of Maryland
9 (2008 Replacement Volume)
10 (As enacted by Chapter 134 of the Acts of the General Assembly of 2008)

11 Preamble

12 WHEREAS, The economy of Maryland requires an educated workforce to be
13 competitive with other states; and

14 WHEREAS, The Maryland Department of Business and Economic Development
15 estimated that Base Realignment and Closure (BRAC) will bring more than 45,000
16 jobs to Maryland that require an education level of a high school diploma or higher,
17 and our residents need the skills to qualify for the jobs; and

18 WHEREAS, Almost 1,000,000 out-of-school youth and adults need a high
19 school diploma, need to learn to communicate in English, or need to improve basic
20 literacy skills; and

21 WHEREAS, The State Assessment of Adult Literacy, published by the
22 American Institutes for Research in December 2005, reported 1,500,000 Maryland
23 adults with literacy skills at only the basic or below basic level; and

24 WHEREAS, 44% of adults with below basic literacy skills are not in the labor
25 force; and

26 WHEREAS, Maryland provides adult education and literacy services to only
27 3% to 4% of the target population; and

28 WHEREAS, There is a high demand for adult education and literacy services
29 with waiting lists of at least 5,000 people annually; and

30 WHEREAS, Maryland's investment in adult education and literacy is not
31 competitive with other states; and

32 WHEREAS, The General Assembly directed the State Superintendent of
33 Schools to propose a funding formula for adult education; and

34 WHEREAS, The State Superintendent of Schools appointed the
35 Superintendent's Panel on Excellence in Adult Education with leadership from the
36 business community, labor, primary and secondary education, higher education, local

1 government, community organizations, and adult education providers to study the
2 issue and provide advice on a funding formula; and

3 WHEREAS, Stepping Up to the Future, the final report of the Superintendent's
4 Panel on Excellence in Adult Education recommended a funding formula; and

5 WHEREAS, The State Board of Education has endorsed the report and
6 recommendations of the Superintendent's Panel on Excellence in Adult Education,
7 including the funding formula; and

8 WHEREAS, There is a documented economic return on investment from adult
9 education and literacy services from increased wages for adult education students
10 equivalent to 18% to 25% of minimum wage within 18 months of exit from services;
11 and

12 WHEREAS, Dropouts who earn a high school diploma can increase their wages
13 by \$7,000 annually; and

14 WHEREAS, Adult education and literacy services help break the
15 intergenerational cycle of low achievement since the literacy level of a parent is the
16 best predictor of a child's literacy level; and

17 WHEREAS, A funding formula for adult education and literacy services will
18 help establish an adequate foundation for services to reach more of the target
19 population and to ensure that students achieve results; now, therefore,

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
21 MARYLAND, That the Laws of Maryland read as follows:

22 **Article - Labor and Employment**

23 11-801.

24 (a) There is an Adult Education and Literacy Services Office in the Division
25 of Workforce Development of the Department.

26 (b) The Adult Education and Literacy Services Office shall be the sole agency
27 in the State responsible for administering and supervising policy and funding for adult
28 education and literacy.

29 11-806.

30 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE
31 MEANINGS INDICATED.

1 (II) \$10,000,000 IN FISCAL YEAR 2012;

2 (III) \$15,000,000 IN FISCAL YEAR 2013; AND

3 (IV) \$20,000,000 IN FISCAL YEAR 2014.

4 (7) "LOCAL SHARE" MEANS THE MINIMUM LEVEL OF A COUNTY'S
5 CONTRIBUTION TO ADULT EDUCATION PROGRAM FUNDING AS CALCULATED
6 UNDER THIS SECTION.

7 (8) "LOCAL WEALTH PER CAPITA" MEANS THE WEALTH FOR THE
8 COUNTY IN WHICH AN ADULT EDUCATION PROVIDER IS LOCATED DIVIDED BY
9 THE POPULATION FOR THAT COUNTY.

10 (9) "MAXIMUM FULL-TIME EQUIVALENT ENROLLMENT
11 EXPOSURE" MEANS THE STATEWIDE POPULATION MULTIPLIED BY A FACTOR,
12 THE NUMERATOR OF WHICH IS 40,000 AND THE DENOMINATOR OF WHICH IS
13 5,441,531.

14 (10) "POPULATION" MEANS POPULATION DETERMINED FROM
15 FIGURES AVAILABLE AS OF JULY 1 OF THE CALENDAR YEAR BEFORE THE
16 FISCAL YEAR FOR WHICH THE CALCULATION IS MADE, FROM:

17 (I) THE LATEST DECENNIAL CENSUS; OR

18 (II) ESTIMATES PREPARED BY THE DEPARTMENT OF
19 HEALTH AND MENTAL HYGIENE.

20 (11) "STATE PHASE-IN AMOUNT" MEANS:

21 (I) \$8,853,622 IN FISCAL YEAR 2011;

22 (II) \$13,853,622 IN FISCAL YEAR 2012;

23 (III) \$18,853,622 IN FISCAL YEAR 2013; AND

24 (IV) \$23,853,622 IN FISCAL YEAR 2014.

25 (12) "STATEWIDE WEALTH PER CAPITA" MEANS THE SUM OF THE
26 WEALTH FOR ALL COUNTIES DIVIDED BY THE SUM OF THE POPULATION FOR ALL
27 COUNTIES.

28 (13) "TOTAL WEIGHTED FULL-TIME EQUIVALENT ENROLLMENT"
29 MEANS:

1 (I) THE SUM OF THE WEIGHTED FULL-TIME EQUIVALENT
2 ENROLLMENT IN PARAGRAPH (15) OF THIS SUBSECTION AS CALCULATED FOR
3 EACH ADULT EDUCATION PROVIDER; OR

4 (II) IF THE SUM OF ALL THE TOTAL WEIGHTED FULL-TIME
5 EQUIVALENT ENROLLMENT PROVIDER FIGURES IN ITEM (I) OF THIS
6 PARAGRAPH IS GREATER THAN THE MAXIMUM FULL-TIME EQUIVALENT
7 ENROLLMENT EXPOSURE, THE SUM CALCULATED IN ITEM (I) OF THIS
8 PARAGRAPH FOR EACH ADULT EDUCATION PROVIDER MULTIPLIED BY A
9 FACTOR THE NUMERATOR OF WHICH IS THE MAXIMUM FULL-TIME EQUIVALENT
10 ENROLLMENT EXPOSURE AND THE DENOMINATOR OF WHICH IS THE SUM OF ALL
11 OF THE ADULT EDUCATION PROVIDER ENROLLMENT FIGURES CALCULATED IN
12 ITEM (I) OF THIS PARAGRAPH.

13 (14) “WEALTH” MEANS THE SUM OF:

14 (I) NET TAXABLE INCOME;

15 (II) 100% OF THE ASSESSED VALUE OF THE OPERATING
16 REAL PROPERTY OF PUBLIC UTILITIES;

17 (III) 40% OF THE ASSESSED VALUATION OF ALL OTHER REAL
18 PROPERTY; AND

19 (IV) 50% OF ASSESSED VALUE OF PERSONAL PROPERTY.

20 (15) “WEIGHTED FULL-TIME EQUIVALENT ENROLLMENT” MEANS
21 THE TOTAL FULL-TIME EQUIVALENT ENROLLMENT FOR AN ADULT EDUCATION
22 PROVIDER IN EACH OF THE FOLLOWING GROUPS, MULTIPLIED BY:

23 (I) 1.05 FOR ADULT BASIC EDUCATION STUDENTS;

24 (II) 0.80 FOR ADULT SECONDARY EDUCATION STUDENTS;

25 (III) 1.07 FOR ENGLISH AS A SECOND LANGUAGE STUDENTS
26 WITH NATIONAL ADULT LITERACY SURVEY LEVELS 1 OR 2; AND

27 (IV) 0.74 FOR ENGLISH AS A SECOND LANGUAGE STUDENTS
28 WITH NATIONAL ADULT LITERACY SURVEY LEVEL 3.

29 (B) (1) FOR FISCAL YEAR 2011 AND EACH FISCAL YEAR THEREAFTER,
30 THE DEPARTMENT SHALL PROVIDE COMPETITIVE ADULT EDUCATION GRANTS
31 TO ELIGIBLE LOCAL ADULT EDUCATION PROVIDERS.

1 **(2) FUNDING FOR THE STATE ADULT EDUCATION GRANTS UNDER**
2 **THIS SECTION SHALL BE PROVIDED IN THE STATE BUDGET.**

3 **(C) (1) THE AMOUNT OF THE ANNUAL STATE ADULT EDUCATION**
4 **GRANT AVAILABLE FOR EACH COUNTY FOR DISTRIBUTION TO ADULT**
5 **EDUCATION PROVIDERS SHALL BE CALCULATED AS PROVIDED IN THIS**
6 **SUBSECTION.**

7 **(2) FOR EACH COUNTY:**

8 **(I) MULTIPLY THE TOTAL WEIGHTED FULL-TIME**
9 **EQUIVALENT ENROLLMENT BY THE BASE PER FULL-TIME EQUIVALENT**
10 **ENROLLMENT AMOUNT;**

11 **(II) MULTIPLY THE RESULT OBTAINED IN ITEM (I) OF THIS**
12 **PARAGRAPH BY 0.5;**

13 **(III) DIVIDE THE RESULT CALCULATED IN ITEM (II) OF THIS**
14 **PARAGRAPH BY THE RATIO, ROUNDED TO SEVEN DECIMAL PLACES, OF LOCAL**
15 **WEALTH PER CAPITA TO STATEWIDE WEALTH PER CAPITA; AND**

16 **(IV) MULTIPLY THE RESULT CALCULATED IN ITEM (III) OF**
17 **THIS PARAGRAPH FOR THE COUNTY BY THE RESULT, ROUNDED TO SEVEN**
18 **DECIMAL PLACES, WHICH RESULTS FROM DIVIDING AN AMOUNT EQUAL TO THE**
19 **SUM OF EACH OF THE RESULTS OF THE CALCULATIONS IN ITEM (II) OF THIS**
20 **PARAGRAPH BY AN AMOUNT EQUAL TO THE SUM OF EACH OF THE RESULTS OF**
21 **THE CALCULATIONS IN ITEM (III) OF THIS PARAGRAPH.**

22 **(D) THE AMOUNT CALCULATED IN SUBSECTION (C)(2)(IV) OF THIS**
23 **SECTION SHALL BE ADJUSTED FOR EACH COUNTY AS FOLLOWS:**

24 **(1) MULTIPLY THE AMOUNT CALCULATED IN SUBSECTION**
25 **(C)(2)(I) OF THIS SECTION BY THE GEOGRAPHIC COST OF EDUCATION INDEX**
26 **ADJUSTMENT FACTOR; AND**

27 **(2) ADD THE AMOUNT CALCULATED IN ITEM (1) OF THIS**
28 **SUBSECTION TO THE AMOUNT CALCULATED IN SUBSECTION (C)(2)(IV) OF THIS**
29 **SECTION.**

30 **(E) (1) IF THE AMOUNT CALCULATED UNDER SUBSECTION (D)(2) OF**
31 **THIS SECTION FOR ANY COUNTY IS LESS THAN THE MINIMUM ADULT EDUCATION**
32 **GRANT AMOUNT DETERMINED UNDER PARAGRAPH (2) OF THIS SUBSECTION,**
33 **THE DEPARTMENT SHALL PROVIDE AN ADDITIONAL ADJUSTMENT FOR THE**

1 COUNTY IN THE AMOUNT BY WHICH THE MINIMUM ADULT EDUCATION GRANT
2 AMOUNT EXCEEDS THE RESULT CALCULATED UNDER SUBSECTION (D)(2) OF
3 THIS SECTION.

4 (2) FOR EACH COUNTY, THE MINIMUM ADULT EDUCATION GRANT
5 ADJUSTMENT AMOUNT IS THE RESULT OBTAINED BY MULTIPLYING THE BASE
6 AMOUNT PER FULL-TIME EQUIVALENT ENROLLMENT BY THE COUNTY'S
7 WEIGHTED FULL-TIME EQUIVALENT ENROLLMENT COUNT, AND MULTIPLYING
8 THIS PRODUCT BY 0.4.

9 (F) IF THE TOTAL OF THE AMOUNT CALCULATED UNDER SUBSECTION
10 (D)(2) OF THIS SECTION AND THE AMOUNT CALCULATED UNDER SUBSECTION
11 (E)(1) OF THIS SECTION FOR A COUNTY IS LESS THAN \$100,000, THEN THE
12 DEPARTMENT SHALL DETERMINE AN ADDITIONAL ADJUSTMENT FOR THE
13 COUNTY IN THE AMOUNT BY WHICH \$100,000 EXCEEDS THE TOTAL OF THE
14 AMOUNT CALCULATED UNDER SUBSECTION (D)(2) OF THIS SECTION AND THE
15 AMOUNT, IF ANY, CALCULATED UNDER SUBSECTION (E)(1) OF THIS SECTION.

16 (G) (1) SUBJECT TO SUBSECTION (H) OF THIS SECTION, THE TOTAL
17 STATE ADULT EDUCATION GRANT AMOUNT AVAILABLE FOR A COUNTY IS THE
18 SUM OF THE AMOUNTS AS CALCULATED UNDER SUBSECTIONS (D)(2), (E), AND
19 (F) OF THIS SECTION.

20 (2) ANY ADDITIONAL STATE FUNDING PROVIDED BY THIS GRANT
21 IN EXCESS OF THE AMOUNT PROVIDED IN FISCAL YEAR 2010 MAY NOT BE USED
22 TO SUPPLANT THE LOCAL SHARE PROVIDED TO THE PROGRAM.

23 (H) (1) (I) FOR FISCAL YEARS 2011 THROUGH 2015, IF THE TOTAL
24 STATE ADULT EDUCATION GRANT AMOUNTS AVAILABLE EXCEEDS THE STATE
25 PHASE-IN AMOUNT FOR THAT FISCAL YEAR, THEN THE AMOUNT OF THE GRANT
26 SHALL BE ADJUSTED FOR EACH COUNTY AS DESCRIBED IN SUBPARAGRAPH (II)
27 OF THIS PARAGRAPH.

28 (II) THE TOTAL STATE GRANT AMOUNT AVAILABLE FOR
29 EACH COUNTY IS MULTIPLIED BY A FACTOR ROUNDED TO SEVEN DECIMAL
30 PLACES, THE NUMERATOR OF WHICH IS THE STATE PHASE-IN AMOUNT FOR THE
31 FISCAL YEAR AND THE DENOMINATOR OF WHICH IS THE SUM OF ALL THE TOTAL
32 STATE ADULT EDUCATION GRANT AMOUNTS AS CALCULATED UNDER
33 SUBSECTION (G) OF THIS SECTION.

34 (2) (I) FOR FISCAL YEAR 2011 ONLY, IF THE AMOUNT
35 CALCULATED FOR ANY COUNTY IN PARAGRAPH (1) OF THIS SUBSECTION IS LESS
36 THAN THE TOTAL AMOUNT OF THE STATE ADULT EDUCATION GRANTS
37 PROVIDED TO THAT COUNTY IN FISCAL YEAR 2010, THEN THE STATE GRANT

1 AMOUNT AVAILABLE FOR THAT COUNTY SHALL BE THE TOTAL AMOUNT OF THE
2 STATE ADULT EDUCATION GRANTS PROVIDED TO THAT COUNTY IN FISCAL YEAR
3 2010.

4 (II) FOR FISCAL YEAR 2012 AND EACH FISCAL YEAR
5 THEREAFTER, IF THE AMOUNT CALCULATED FOR ANY COUNTY IN PARAGRAPH
6 (1) OF THIS SUBSECTION IS LESS THAN THE AMOUNT CALCULATED IN
7 PARAGRAPH (1) OF THIS SUBSECTION FOR THAT COUNTY IN THE PRIOR FISCAL
8 YEAR, THEN THE STATE GRANT AMOUNT AVAILABLE FOR THAT COUNTY SHALL
9 BE THE AMOUNT CALCULATED IN PARAGRAPH (1) OF THIS SUBSECTION FOR
10 THAT COUNTY IN THE PRIOR FISCAL YEAR.

11 (I) (1) IN ORDER TO RECEIVE A STATE ADULT EDUCATION GRANT, A
12 COUNTY SHALL PROVIDE A LOCAL SHARE AS CALCULATED IN PARAGRAPHS (2)
13 AND (3) OF THIS SUBSECTION.

14 (2) (I) THE LOCAL SHARE IS CALCULATED FOR EACH COUNTY
15 AS PROVIDED IN THIS PARAGRAPH.

16 (II) SUBJECT TO SUBPARAGRAPHS (III) AND (IV) OF THIS
17 PARAGRAPH, SUBTRACT THE RESULT CALCULATED UNDER SUBSECTION
18 (C)(2)(IV) OF THIS SECTION FROM THE RESULT CALCULATED UNDER
19 SUBSECTION (C)(2)(I) OF THIS SECTION.

20 (III) IF THE RESULT OF THE CALCULATION IN
21 SUBPARAGRAPH (II) OF THIS PARAGRAPH IS GREATER THAN THE PRODUCT OF
22 THE RESULT CALCULATED UNDER SUBSECTION (C)(2)(I) OF THIS SECTION
23 MULTIPLIED BY 0.6, THEN THE LOCAL SHARE IS THE PRODUCT OF THE RESULT
24 CALCULATED UNDER SUBSECTION (C)(2)(I) OF THIS SECTION MULTIPLIED BY
25 0.6.

26 (IV) THE LOCAL SHARE MAY NOT BE LESS THAN ZERO.

27 (3) THE LOCAL SHARE SHALL BE ADJUSTED AS FOLLOWS:

28 (I) SUBTRACT \$7,190,096 FROM THE SUM OF ALL THE
29 LOCAL SHARE AMOUNTS CALCULATED UNDER PARAGRAPH (2)(II) OF THIS
30 SUBSECTION; AND

31 (II) FOR EACH COUNTY, MULTIPLY THE AMOUNT
32 CALCULATED UNDER PARAGRAPH (2)(III) OF THIS SUBSECTION BY A FACTOR,
33 ROUNDED TO SEVEN DECIMAL PLACES, THE NUMERATOR OF WHICH IS THE
34 RESULT OF THE CALCULATION IN ITEM (I) OF THIS PARAGRAPH AND THE

1 DENOMINATOR OF WHICH IS THE SUM OF ALL THE LOCAL SHARE AMOUNTS
2 CALCULATED UNDER PARAGRAPH (2)(III) OF THIS SUBSECTION.

3 (J) SUBJECT TO SUBSECTION (K) OF THIS SECTION, FOR EACH COUNTY,
4 THE LOCAL SHARE IS THE AMOUNT REQUIRED UNDER SUBSECTION (I)(3)(II) OF
5 THIS SECTION.

6 (K) (1) FOR FISCAL YEARS 2011 THROUGH 2015, IF THE SUM OF ALL
7 THE REQUIRED LOCAL SHARE AMOUNTS CALCULATED UNDER SUBSECTION (J)
8 OF THIS SECTION EXCEEDS THE LOCAL PHASE-IN AMOUNT FOR THE FISCAL
9 YEAR, THEN THE AMOUNT OF THE LOCAL SHARE REQUIRED SHALL BE
10 ADJUSTED FOR EACH COUNTY AS CALCULATED IN PARAGRAPH (2) OF THIS
11 SUBSECTION.

12 (2) THE LOCAL SHARE REQUIRED FOR EACH COUNTY AS
13 CALCULATED UNDER SUBSECTION (J) OF THIS SECTION IS MULTIPLIED BY A
14 FACTOR ROUNDED TO SEVEN DECIMAL PLACES, THE NUMERATOR OF WHICH IS
15 THE LOCAL PHASE-IN AMOUNT FOR THE FISCAL YEAR AND THE DENOMINATOR
16 OF WHICH IS THE SUM OF ALL THE REQUIRED LOCAL SHARE AMOUNTS
17 CALCULATED UNDER SUBSECTION (J) OF THIS SECTION.

18 (L) A COUNTY'S TOTAL LOCAL SHARE MAY INCLUDE CONTRIBUTIONS
19 FROM PRIVATE DONORS AND THE FEDERAL GOVERNMENT.

20 [(a)] (M) [(1) The Adult Education and Literacy Services Office shall
21 distribute competitive grants for adult education and literacy services in accordance
22 with the State plan for adult education and family literacy.]

23 [(2)] (1) The grants distributed under this section shall be based on
24 need and performance.

25 [(3)] (2) Grants under this section may be used for adult education
26 and literacy services, including:

27 (i) GED instruction;

28 (ii) the Maryland Adult External High School Program under §
29 11-807 of this subtitle;

30 (iii) Workplace Literacy Services;

31 (iv) English for speakers of other languages;

32 (v) family literacy; and

1 (vi) literacy instruction.

2 [(b) Funding for the competitive grants under this section shall be as
3 provided in the State budget.]

4 [(c)] (N) On or before August 1 each year, the Department shall:

5 (1) compile a list by county of adult education and literacy services
6 offered to the public;

7 (2) distribute the list to the county board and county superintendent
8 or chief executive officer of each local school system in the State; and

9 (3) post the list on its public website.

10 (O) **THE ADULT EDUCATION AND LITERACY SERVICES OFFICE SHALL**
11 **ADOPT REGULATIONS NECESSARY TO IMPLEMENT THIS SECTION.**

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 July 1, 2010.