
By: **Delegates Hixson, Anderson, Bartlett, Barve, Benson, Bobo, Boschert, Boteler, Bronrott, Brown, Cane, Carter, V. Clagett, Conroy, Cryor, C. Davis, Doory, Dumais, Elmore, Frush, Gilleland, Glassman, Goodwin, Gordon, Gutierrez, Healey, Heller, Howard, Hubbard, Jameson, Kach, Kaiser, King, Kirk, Krysiak, Lee, Love, Madaleno, Mandel, Marriott, Murray, Nathan-Pulliam, Oaks, Parrott, Patterson, Proctor, Pugh, Ramirez, Ross, Simmons, Sossi, Stern, F. Turner, V. Turner, and Weir**

Introduced and read first time: February 10, 2006

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Education - Funding Formula for Adult Education and Literacy Grants**

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

1 BY repealing
2 Article - Education
3 Section 5-218
4 Annotated Code of Maryland
5 (2004 Replacement Volume and 2005 Supplement)

6 BY adding to
7 Article - Education
8 Section 5-218
9 Annotated Code of Maryland
10 (2004 Replacement Volume and 2005 Supplement)

11 Preamble

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

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

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

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

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

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

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

28 WHEREAS, Maryland's per student investment is 84% below the average of
29 other East Coast states and less than all East Coast states except Rhode Island; and

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

32 WHEREAS, The State Superintendent of Schools appointed the
33 Superintendent's Panel on Excellence in Adult Education with leadership from the
34 business community, labor, primary and secondary education, higher education, local
35 government, community organizations, and adult education providers to study the
36 issue and provide advice on a funding formula; and

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

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

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

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

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

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

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
19 MARYLAND, That Section(s) 5-218 of Article - Education of the Annotated Code of
20 Maryland be repealed.

21 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
22 read as follows:

23 **Article - Education**

24 5-218.

25 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
26 INDICATED.

27 (2) "ADULT EDUCATION PROVIDER" MEANS A GRANTEE SELECTED BY A
28 COMPETITIVE GRANT PROCESS CONDUCTED BY THE DEPARTMENT.

29 (3) "BASE PER FULL-TIME EQUIVALENT ENROLLMENT AMOUNT"
30 MEANS:

31 (I) \$1,803 FOR FISCAL YEAR 2007; AND

32 (II) FOR FISCAL YEAR 2008 AND EACH FISCAL YEAR THEREAFTER:

33 1. THE BASE PER FULL-TIME EQUIVALENT ENROLLMENT
34 AMOUNT FOR THE PRIOR FISCAL YEAR INCREASED BY THE SAME PERCENTAGE AS

1 THE INCREASE IN THE IMPLICIT PRICE DEFLATOR FOR STATE AND LOCAL
2 GOVERNMENT EXPENDITURES FOR THE SECOND PRIOR FISCAL YEAR; OR

3 2. IF THERE IS NO INCREASE IN THE IMPLICIT PRICE
4 DEFLATOR FOR STATE AND LOCAL GOVERNMENT EXPENDITURES FOR THE SECOND
5 PRIOR FISCAL YEAR, THE BASE PER FULL-TIME EQUIVALENT ENROLLMENT AMOUNT
6 FOR THE PRIOR FISCAL YEAR.

7 (4) (I) "FULL-TIME EQUIVALENT ENROLLMENT" MEANS THE TOTAL
8 NUMBER OF INSTRUCTIONAL HOURS PROVIDED FOR A STUDENT BY AN ADULT
9 EDUCATION PROVIDER IN THE SECOND PRIOR FISCAL YEAR DIVIDED BY 120.

10 (II) "FULL-TIME EQUIVALENT ENROLLMENT" INCLUDES ONLY
11 STUDENTS RECEIVING INSTRUCTIONAL HOURS CONSISTENT WITH THE CURRENT
12 CRITERIA OF THE NATIONAL REPORTING SYSTEM FOR ADULT EDUCATION.

13 (5) "GEOGRAPHIC COST OF EDUCATION INDEX ADJUSTMENT FACTOR"
14 MEANS THE ADJUSTMENT FACTOR UNDER § 5-202(F) OF THIS SUBTITLE FOR THE
15 COUNTY.

16 (6) "LOCAL PHASE-IN AMOUNT" MEANS:

17 (I) \$5,000,000 IN FISCAL YEAR 2007;

18 (II) \$10,000,000 IN FISCAL YEAR 2008;

19 (III) \$15,000,000 IN FISCAL YEAR 2009; AND

20 (IV) \$20,000,000 IN FISCAL YEAR 2010.

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

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

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

30 (10) "POPULATION" HAS THE MEANING STATED IN § 23-501 OF THIS
31 ARTICLE.

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

33 (I) \$8,853,622 IN FISCAL YEAR 2007;

34 (II) \$13,853,622 IN FISCAL YEAR 2008;

1 (III) \$18,853,622 IN FISCAL YEAR 2009; AND

2 (IV) \$23,853,622 IN FISCAL YEAR 2010.

3 (12) "STATEWIDE WEALTH PER CAPITA" MEANS THE SUM OF THE
4 WEALTH FOR ALL COUNTIES DIVIDED BY THE SUM OF THE POPULATION FOR ALL
5 COUNTIES.

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

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

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

18 (14) "WEALTH" HAS THE MEANING STATED IN § 5-202(A) OF THIS
19 SUBTITLE.

20 (15) "WEIGHTED FULL-TIME EQUIVALENT ENROLLMENT" MEANS THE
21 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 WITH
26 NATIONAL ADULT LITERACY SURVEY LEVELS 1 OR 2; AND

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

29 (B) (1) FOR FISCAL YEAR 2007 AND EACH FISCAL YEAR THEREAFTER, THE
30 DEPARTMENT SHALL PROVIDE COMPETITIVE ADULT EDUCATION GRANTS TO
31 ELIGIBLE LOCAL ADULT EDUCATION PROVIDERS.

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

34 (C) (1) THE AMOUNT OF THE ANNUAL STATE ADULT EDUCATION GRANT
35 AVAILABLE FOR EACH COUNTY FOR DISTRIBUTION TO ADULT EDUCATION
36 PROVIDERS SHALL BE CALCULATED AS PROVIDED IN THIS SUBSECTION.

1 (2) FOR EACH COUNTY:

2 (I) MULTIPLY THE TOTAL WEIGHTED FULL-TIME EQUIVALENT
3 ENROLLMENT BY THE BASE PER FULL-TIME EQUIVALENT ENROLLMENT AMOUNT;

4 (II) MULTIPLY THE RESULT OBTAINED IN ITEM (I) OF THIS
5 PARAGRAPH BY 0.5;

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

9 (IV) MULTIPLY THE RESULT CALCULATED IN ITEM (III) OF THIS
10 PARAGRAPH FOR THE COUNTY BY THE RESULT, ROUNDED TO SEVEN DECIMAL
11 PLACES, WHICH RESULTS FROM DIVIDING AN AMOUNT EQUAL TO THE SUM OF EACH
12 OF THE RESULTS OF THE CALCULATIONS IN ITEM (II) OF THIS PARAGRAPH BY AN
13 AMOUNT EQUAL TO THE SUM OF EACH OF THE RESULTS OF THE CALCULATIONS IN
14 ITEM (III) OF THIS PARAGRAPH.

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

17 (1) MULTIPLY THE AMOUNT CALCULATED IN SUBSECTION (C)(2)(I) OF
18 THIS SECTION BY THE GEOGRAPHIC COST OF EDUCATION INDEX ADJUSTMENT
19 FACTOR; AND

20 (2) ADD THE AMOUNT CALCULATED IN PARAGRAPH (1) OF THIS
21 SUBSECTION TO THE AMOUNT CALCULATED IN SUBSECTION (C)(2)(IV) OF THIS
22 SECTION.

23 (E) (1) IF THE AMOUNT CALCULATED UNDER SUBSECTION (D)(2) OF THIS
24 SECTION FOR ANY COUNTY IS LESS THAN THE MINIMUM ADULT EDUCATION GRANT
25 AMOUNT DETERMINED UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE
26 DEPARTMENT SHALL PROVIDE AN ADDITIONAL ADJUSTMENT FOR THE COUNTY IN
27 THE AMOUNT BY WHICH THE MINIMUM ADULT LITERACY GRANT AMOUNT EXCEEDS
28 THE RESULT CALCULATED UNDER SUBSECTION (D)(2) OF THIS SECTION.

29 (2) FOR EACH COUNTY, THE MINIMUM ADULT EDUCATION ADJUSTMENT
30 AMOUNT IS THE RESULT OBTAINED BY MULTIPLYING THE BASE AMOUNT PER
31 FULL-TIME EQUIVALENT ENROLLMENT BY THE COUNTY'S WEIGHTED FULL-TIME
32 EQUIVALENT ENROLLMENT COUNT, AND MULTIPLYING THIS PRODUCT BY 0.4.

33 (F) IF THE TOTAL OF THE AMOUNT CALCULATED UNDER SUBSECTION (D)(2)
34 OF THIS SECTION AND THE AMOUNT CALCULATED UNDER SUBSECTION (E)(1) OF
35 THIS SECTION FOR A COUNTY IS LESS THAN \$100,000, THEN THE DEPARTMENT SHALL
36 DETERMINE AN ADDITIONAL ADJUSTMENT FOR THE COUNTY IN THE AMOUNT BY
37 WHICH \$100,000 EXCEEDS THE TOTAL OF THE AMOUNT CALCULATED UNDER
38 SUBSECTION (D)(2) OF THIS SECTION AND THE AMOUNT, IF ANY, CALCULATED UNDER
39 SUBSECTION (E)(1) OF THIS SECTION.

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

5 (2) ANY ADDITIONAL STATE FUNDING PROVIDED BY THIS GRANT IN
6 EXCESS OF THE AMOUNT PROVIDED IN FISCAL YEAR 2006 MAY NOT BE USED TO
7 SUPPLANT THE LOCAL SHARE PROVIDED TO THE PROGRAM.

8 (H) (1) FOR FISCAL YEARS 2007 THROUGH 2011, IF THE TOTAL STATE ADULT
9 EDUCATION GRANT AMOUNTS AVAILABLE EXCEEDS THE STATE PHASE-IN AMOUNT
10 FOR THAT FISCAL YEAR, THEN THE AMOUNT OF THE GRANT SHALL BE ADJUSTED
11 FOR EACH COUNTY AS DESCRIBED IN PARAGRAPH (2) OF THIS SUBSECTION.

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

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

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

23 (II) SUBJECT TO SUBPARAGRAPHS (III) AND (IV) OF THIS
24 PARAGRAPH, SUBTRACT THE RESULT CALCULATED UNDER SUBSECTION (C)(2)(IV) OF
25 THIS SECTION FROM THE RESULT CALCULATED UNDER SUBSECTION (C)(2)(I) OF THIS
26 SECTION.

27 (III) IF THE RESULT OF THE CALCULATION IN SUBPARAGRAPH (II)
28 OF THIS PARAGRAPH IS GREATER THAN THE PRODUCT OF THE RESULT CALCULATED
29 UNDER SUBSECTION (C)(2)(I) OF THIS SECTION MULTIPLIED BY 0.6, THEN THE LOCAL
30 SHARE IS THE PRODUCT OF THE RESULT CALCULATED UNDER SUBSECTION (C)(2)(I)
31 OF THIS SECTION MULTIPLIED BY 0.6.

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

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

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

36 (II) FOR EACH COUNTY, MULTIPLY THE AMOUNT CALCULATED
37 UNDER PARAGRAPH (2)(III) OF THIS SUBSECTION BY A FACTOR, ROUNDED TO SEVEN
38 DECIMAL PLACES, THE NUMERATOR OF WHICH IS THE RESULT OF THE
39 CALCULATION IN ITEM (I) OF THIS PARAGRAPH AND THE DENOMINATOR OF WHICH

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

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

6 (K) (1) FOR FISCAL YEARS 2007 THROUGH 2011, IF THE SUM OF ALL THE
7 REQUIRED LOCAL SHARE AMOUNTS CALCULATED UNDER SUBSECTION (J) OF THIS
8 SECTION EXCEEDS THE LOCAL PHASE-IN AMOUNT FOR THE FISCAL YEAR, THEN THE
9 AMOUNT OF THE LOCAL SHARE REQUIRED SHALL BE ADJUSTED FOR EACH COUNTY
10 AS CALCULATED IN PARAGRAPH (2) OF THIS SUBSECTION.

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

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

19 (M) (1) THE DEPARTMENT SHALL DISTRIBUTE COMPETITIVE STATE ADULT
20 EDUCATION GRANTS FOR ADULT EDUCATION AND LITERACY SERVICES IN
21 ACCORDANCE WITH THE STATE PLAN FOR ADULT EDUCATION AND FAMILY
22 LITERACY.

23 (2) THE GRANTS DISTRIBUTED UNDER THIS SECTION SHALL BE BASED
24 ON NEED AND PERFORMANCE.

25 (3) GRANTS UNDER THIS SECTION MAY BE USED FOR ADULT
26 EDUCATION AND LITERACY SERVICES, INCLUDING:

27 (I) GED INSTRUCTION;

28 (II) THE MARYLAND ADULT EXTERNAL HIGH SCHOOL PROGRAM
29 UNDER § 7-205.1 OF THIS ARTICLE;

30 (III) ENGLISH FOR SPEAKERS OF OTHER LANGUAGES;

31 (IV) FAMILY LITERACY; AND

32 (V) BASIC SKILLS AND LITERACY INSTRUCTION.

33 (N) THE STATE BOARD SHALL ADOPT REGULATIONS NECESSARY TO
34 IMPLEMENT THIS SECTION.

35 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
36 July 1, 2006.

