

# HOUSE BILL 150

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CF 71r0786

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By: **Delegates Hixson, Cardin, Gilchrist, Howard, Ivey, Kaiser, N. King, Krebs, Rice, Stukes, and F. Turner**

Introduced and read first time: January 25, 2007

Assigned to: Ways and Means

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## 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  
7 manner of calculation of the amount of a certain State adult education grant  
8 available for each county for distribution to certain adult education providers;  
9 providing for an adjustment to the State adult education grant to reflect  
10 regional differences in the cost of education due to certain factors; providing for  
11 a certain minimum adult education provider adjustment amount to certain  
12 adult education providers under certain circumstances; providing for a certain  
13 small program adjustment amount for certain adult education providers under  
14 certain circumstances; providing for the calculation of the total State adult  
15 education grant amount available to the counties under certain circumstances;  
16 providing for a certain phase-in of the total State adult education grant  
17 amounts available for certain fiscal years under certain circumstances;  
18 requiring that a county provide a certain local share of funding for adult  
19 education programs in order to be eligible to receive a State adult education  
20 grant; providing for the manner of calculation of certain county contributions  
21 for adult education funding; providing that a county's local contribution to adult  
22 education program funding may include certain contributions of private donors  
23 and the federal government; requiring the State Department of Education to  
24 distribute competitive grants for certain adult education and literacy services in  
25 accordance with the State Plan for Adult Education and Family Literacy;

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 requiring that certain State grants for adult education programs be based on  
2 need and performance; requiring the State Board of Education to adopt certain  
3 regulations; defining certain terms; and generally relating to establishing a  
4 funding formula for adult education and literacy services.

5 BY repealing

6 Article – Education  
7 Section 5–218  
8 Annotated Code of Maryland  
9 (2006 Replacement Volume)

10 BY adding to

11 Article – Education  
12 Section 5–218  
13 Annotated Code of Maryland  
14 (2006 Replacement Volume)

15 Preamble

16 WHEREAS, The economy of Maryland requires an educated workforce to be  
17 competitive with other states; 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

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

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

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

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

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

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

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

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

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

27 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
28 MARYLAND, That Sections(s) 5-218 of Article – Education of the Annotated Code of  
29 Maryland be repealed.

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

32 **Article – Education**

1 **5-218.**

2 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE  
3 MEANINGS INDICATED.

4 (2) "ADULT EDUCATION PROVIDER" MEANS A GRANTEE  
5 SELECTED BY A COMPETITIVE GRANT PROCESS CONDUCTED BY THE  
6 DEPARTMENT.

7 (3) "BASE PER FULL-TIME EQUIVALENT ENROLLMENT AMOUNT"  
8 MEANS:

9 (I) \$1,803 FOR FISCAL YEAR 2008; AND

10 (II) FOR FISCAL YEAR 2009 AND EACH FISCAL YEAR  
11 THEREAFTER:

12 1. THE BASE PER FULL-TIME EQUIVALENT  
13 ENROLLMENT AMOUNT FOR THE PRIOR FISCAL YEAR INCREASED BY THE SAME  
14 PERCENTAGE AS THE INCREASE IN THE IMPLICIT PRICE DEFLATOR FOR STATE  
15 AND LOCAL GOVERNMENT EXPENDITURES FOR THE SECOND PRIOR FISCAL  
16 YEAR; OR

17 2. IF THERE IS NO INCREASE IN THE IMPLICIT PRICE  
18 DEFLATOR FOR STATE AND LOCAL GOVERNMENT EXPENDITURES FOR THE  
19 SECOND PRIOR FISCAL YEAR, THE BASE PER FULL-TIME EQUIVALENT  
20 ENROLLMENT AMOUNT FOR THE PRIOR FISCAL YEAR.

21 (4) (I) "FULL-TIME EQUIVALENT ENROLLMENT" MEANS THE  
22 TOTAL NUMBER OF INSTRUCTIONAL HOURS PROVIDED FOR A STUDENT BY AN  
23 ADULT EDUCATION PROVIDER IN THE SECOND PRIOR FISCAL YEAR DIVIDED BY  
24 120.

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

1           (5) **“GEOGRAPHIC COST OF EDUCATION INDEX ADJUSTMENT**  
2 **FACTOR” MEANS THE ADJUSTMENT FACTOR UNDER § 5-202(F) OF THIS**  
3 **SUBTITLE FOR THE COUNTY.**

4           (6) **“LOCAL PHASE-IN AMOUNT” MEANS:**

5                   (I) **\$5,000,000 IN FISCAL YEAR 2008;**

6                   (II) **\$10,000,000 IN FISCAL YEAR 2009;**

7                   (III) **\$15,000,000 IN FISCAL YEAR 2010; AND**

8                   (IV) **\$20,000,000 IN FISCAL YEAR 2011.**

9           (7) **“LOCAL SHARE” MEANS THE MINIMUM LEVEL OF A COUNTY’S**  
10 **CONTRIBUTION TO ADULT EDUCATION PROGRAM FUNDING AS CALCULATED**  
11 **UNDER THIS SECTION.**

12           (8) **“LOCAL WEALTH PER CAPITA” MEANS THE WEALTH FOR THE**  
13 **COUNTY IN WHICH AN ADULT EDUCATION PROVIDER IS LOCATED DIVIDED BY**  
14 **THE POPULATION FOR THAT COUNTY.**

15           (9) **“MAXIMUM FULL-TIME EQUIVALENT ENROLLMENT**  
16 **EXPOSURE” MEANS THE STATEWIDE POPULATION MULTIPLIED BY A FACTOR,**  
17 **THE NUMERATOR OF WHICH IS 40,000 AND THE DENOMINATOR OF WHICH IS**  
18 **5,441,531.**

19           (10) **“POPULATION” HAS THE MEANING STATED IN § 23-501 OF**  
20 **THIS ARTICLE.**

21           (11) **“STATE PHASE-IN AMOUNT” MEANS:**

22                   (I) **\$8,853,622 IN FISCAL YEAR 2008;**

23                   (II) **\$13,853,622 IN FISCAL YEAR 2009;**

24                   (III) **\$18,853,622 IN FISCAL YEAR 2010; AND**

25                   (IV) **\$23,853,622 IN FISCAL YEAR 2011.**

1           (12) “STATEWIDE WEALTH PER CAPITA” MEANS THE SUM OF THE  
2 WEALTH FOR ALL COUNTIES DIVIDED BY THE SUM OF THE POPULATION FOR ALL  
3 COUNTIES.

4           (13) “TOTAL WEIGHTED FULL-TIME EQUIVALENT ENROLLMENT”  
5 MEANS:

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

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

1           **(B) (1) FOR FISCAL YEAR 2008 AND EACH FISCAL YEAR THEREAFTER,**  
2 **THE DEPARTMENT SHALL PROVIDE COMPETITIVE ADULT EDUCATION GRANTS**  
3 **TO ELIGIBLE LOCAL ADULT EDUCATION PROVIDERS.**

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

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

10           **(2) FOR EACH COUNTY:**

11                   **(I) MULTIPLY THE TOTAL WEIGHTED FULL-TIME**  
12 **EQUIVALENT ENROLLMENT BY THE BASE PER FULL-TIME EQUIVALENT**  
13 **ENROLLMENT AMOUNT;**

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

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

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

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

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

1           **(2) ADD THE AMOUNT CALCULATED IN PARAGRAPH (1) OF THIS**  
2 **SUBSECTION TO THE AMOUNT CALCULATED IN SUBSECTION (C)(2)(IV) OF THIS**  
3 **SECTION.**

4           **(E) (1) IF THE AMOUNT CALCULATED UNDER SUBSECTION (D)(2) OF**  
5 **THIS SECTION FOR ANY COUNTY IS LESS THAN THE MINIMUM ADULT EDUCATION**  
6 **GRANT AMOUNT DETERMINED UNDER PARAGRAPH (2) OF THIS SUBSECTION,**  
7 **THE DEPARTMENT SHALL PROVIDE AN ADDITIONAL ADJUSTMENT FOR THE**  
8 **COUNTY IN THE AMOUNT BY WHICH THE MINIMUM ADULT LITERACY GRANT**  
9 **AMOUNT EXCEEDS THE RESULT CALCULATED UNDER SUBSECTION (D)(2) OF**  
10 **THIS SECTION.**

11           **(2) FOR EACH COUNTY, THE MINIMUM ADULT EDUCATION**  
12 **ADJUSTMENT AMOUNT IS THE RESULT OBTAINED BY MULTIPLYING THE BASE**  
13 **AMOUNT PER FULL-TIME EQUIVALENT ENROLLMENT BY THE COUNTY'S**  
14 **WEIGHTED FULL-TIME EQUIVALENT ENROLLMENT COUNT, AND MULTIPLYING**  
15 **THIS PRODUCT BY 0.4.**

16           **(F) IF THE TOTAL OF THE AMOUNT CALCULATED UNDER SUBSECTION**  
17 **(D)(2) OF THIS SECTION AND THE AMOUNT CALCULATED UNDER SUBSECTION**  
18 **(E)(1) OF THIS SECTION FOR A COUNTY IS LESS THAN \$100,000, THEN THE**  
19 **DEPARTMENT SHALL DETERMINE AN ADDITIONAL ADJUSTMENT FOR THE**  
20 **COUNTY IN THE AMOUNT BY WHICH \$100,000 EXCEEDS THE TOTAL OF THE**  
21 **AMOUNT CALCULATED UNDER SUBSECTION (D)(2) OF THIS SECTION AND THE**  
22 **AMOUNT, IF ANY, CALCULATED UNDER SUBSECTION (E)(1) OF THIS SECTION.**

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

27           **(2) ANY ADDITIONAL STATE FUNDING PROVIDED BY THIS GRANT**  
28 **IN EXCESS OF THE AMOUNT PROVIDED IN FISCAL YEAR 2007 MAY NOT BE USED**  
29 **TO SUPPLANT THE LOCAL SHARE PROVIDED TO THE PROGRAM.**

30           **(H) (1) FOR FISCAL YEARS 2008 THROUGH 2012, IF THE TOTAL**  
31 **STATE ADULT EDUCATION GRANT AMOUNTS AVAILABLE EXCEEDS THE STATE**  
32 **PHASE-IN AMOUNT FOR THAT FISCAL YEAR, THEN THE AMOUNT OF THE GRANT**



1 SHALL BE ADJUSTED FOR EACH COUNTY AS DESCRIBED IN PARAGRAPH (2) OF  
2 THIS SUBSECTION.

3 (2) THE TOTAL STATE GRANT AMOUNT AVAILABLE FOR EACH  
4 COUNTY IS MULTIPLIED BY A FACTOR ROUNDED TO SEVEN DECIMAL PLACES,  
5 THE NUMERATOR OF WHICH IS THE STATE PHASE-IN AMOUNT FOR THE FISCAL  
6 YEAR AND THE DENOMINATOR OF WHICH IS THE SUM OF ALL THE TOTAL STATE  
7 ADULT EDUCATION GRANT AMOUNTS AS CALCULATED UNDER SUBSECTION (G)  
8 OF THIS SECTION.

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

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

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

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

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

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

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

29 (II) FOR EACH COUNTY, MULTIPLY THE AMOUNT  
30 CALCULATED UNDER PARAGRAPH (2)(III) OF THIS SUBSECTION BY A FACTOR,

1    **ROUNDED TO SEVEN DECIMAL PLACES, THE NUMERATOR OF WHICH IS THE**  
2    **RESULT OF THE CALCULATION IN ITEM (I) OF THIS PARAGRAPH AND THE**  
3    **DENOMINATOR OF WHICH IS THE SUM OF ALL THE LOCAL SHARE AMOUNTS**  
4    **CALCULATED UNDER PARAGRAPH (2)(III) OF THIS SUBSECTION.**

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

8           **(K)    (1)    FOR FISCAL YEARS 2008 THROUGH 2012, IF THE SUM OF ALL**  
9    **THE REQUIRED LOCAL SHARE AMOUNTS CALCULATED UNDER SUBSECTION (J)**  
10   **OF THIS SECTION EXCEEDS THE LOCAL PHASE-IN AMOUNT FOR THE FISCAL**  
11   **YEAR, THEN THE AMOUNT OF THE LOCAL SHARE REQUIRED SHALL BE**  
12   **ADJUSTED FOR EACH COUNTY AS CALCULATED IN PARAGRAPH (2) OF THIS**  
13   **SUBSECTION.**

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

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

22           **(M)    (1)    THE DEPARTMENT SHALL DISTRIBUTE COMPETITIVE STATE**  
23   **ADULT EDUCATION GRANTS FOR ADULT EDUCATION AND LITERACY SERVICES**  
24   **IN ACCORDANCE WITH THE STATE PLAN FOR ADULT EDUCATION AND FAMILY**  
25   **LITERACY.**

26           **(2)    THE GRANTS DISTRIBUTED UNDER THIS SECTION SHALL BE**  
27   **BASED ON NEED AND PERFORMANCE.**

28           **(3)    GRANTS UNDER THIS SECTION MAY BE USED FOR ADULT**  
29   **EDUCATION AND LITERACY SERVICES, INCLUDING:**

30                   **(I)    GED INSTRUCTION;**

1                   **(II) THE MARYLAND ADULT EXTERNAL HIGH SCHOOL**  
2 **PROGRAM UNDER § 7-205.1 OF THIS ARTICLE;**

3                   **(III) ENGLISH FOR SPEAKERS OF OTHER LANGUAGES;**

4                   **(IV) FAMILY LITERACY; AND**

5                   **(V) BASIC SKILLS AND LITERACY INSTRUCTION.**

6                   **(N) THE STATE BOARD SHALL ADOPT REGULATIONS NECESSARY TO**  
7 **IMPLEMENT THIS SECTION.**

8                   SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
9 July 1, 2007.