

Workforce Investment Act, Title II

Adult Education and Family Literacy Act

In his first joint address to Congress in February 2009, President Obama called on all Americans to obtain at least one year of postsecondary education or career training through two- and four-year colleges, apprenticeship programs, community-based organizations (CBOs), or other training providers.¹ However, achieving the President's vision won't be easy. The National Commission on Adult Literacy reports that as many as 88 million Americans have a least one significant barrier—such as low literacy, limited English language skills, or the lack of a high school diploma—that limits their ability to succeed in postsecondary education and training.² Efforts to increase postsecondary access and completion for U.S. workers must be linked to expanded adult basic education and literacy programs to ensure that low-skilled individuals can take full advantage of emerging education and employment opportunities.

Background

The federal government has provided funding to states for adult basic education for more than forty years, beginning with the Adult Education Act of 1966. More recently, adult education and literacy funding streams were combined into the Adult Education and Family Literacy Act (AEFLA) under Title II of the Workforce Investment Act (WIA) of 1998.

Administered by the Office of Vocational and Adult Education (OVAE) in the U.S. Department of Education (DOEd), AEFLA's state-administered grant program is the primary source of federal support for adult basic skills programs. AEFLA funding supports instruction in reading, numeracy, General Educational Development (GED) preparation, and English literacy. The law states three goals:

- ▶ Assist adults in becoming literate and obtaining the knowledge and skills necessary for employment and self-sufficiency;
- ▶ Assist adults who are parents in obtaining the educational skills necessary to become full partners in the educational development of their children; and
- ▶ Assist adults in the completion of a secondary school education.

Current Legislative Status

The law authorizing WIA expired in 2003, but Congress' annual appropriation of adult basic education funding conveys on-going authority for OVAE to administer the program. Both the House of Representatives and Senate passed WIA reauthorization legislation during the 108th and 109th Congresses, but the bills were never reconciled. Neither chamber approved reauthorizing legislation during the 110th or 111th Congresses. Legislation introduced during the 111th Congress—the Adult Education and Economic Growth Act (S1468, HR3238)—proposed a number of changes to AEFLA, including modifying program goals under Titles I and II of WIA to emphasize literacy and workplace skills and encourage stronger alignment between federally-funded adult education and job training programs.

WIA, Title II At-A-Glance

Adult Education and Family Literacy Act

Statute. Title II, Workforce Investment Act of 1998 (Public Law 105-220).

Administration. U.S. Department of Education, Office of Vocational and Adult Education.

Reauthorization. Authorization expired in 2003, though Congress has continued to appropriate annual funding for programs under AEFLA. The 112th Congress may consider reauthorizing legislation in 2011.

Federal funding. \$628.2 million in Fiscal Year 2010 for state formula grants.

Type of program. State formula grants.

Institutions providing services. Local educational agencies, community-based organizations, volunteer literacy organizations, institutions of higher education, libraries, public housing authorities, and correctional institutions.

Participants served. Individuals seeking services must be at least sixteen years old, may not be enrolled or required to be enrolled in secondary school under state law; and must: lack sufficient mastery of basic educational skills to enable them to function effectively in society; lack a secondary school diploma or its recognized equivalent and have not achieved an equivalent level of education; or be unable to speak, read, or write English. Slightly more than 2.4 million individuals were served in AEFLA state grant-funded programs in Program Year 2008-2009.

Policy recommendations.

- ▶ Increase investments in adult education by boosting current formula grant levels and providing new funding for competitive grants to states and localities to support innovative service delivery strategies and systems alignment.
- ▶ Focus on career and postsecondary success by requiring that limited federal resources be used to support individuals pursuing employment or postsecondary educational goals, and establishing performance measures that track employment outcomes for all program participants.
- ▶ Prepare more workers for the 21st-century economy by encouraging co-enrollment in adult education and occupational training programs and supporting innovative service delivery strategies that allow workers to earn industry-recognized credentials along well-defined career pathways.

In 2009 and 2010, OVAE conducted a series of “Community Conversations” with students, educators, researchers, and other stakeholders to discuss priorities for WIA reauthorization.³ These conversations, which were intended to guide OVAE’s reform efforts, resulted in the identification of several key themes, including increased focus on postsecondary and career success; supporting career pathways and other innovative service delivery strategies; system flexibility; and improved alignment and interagency collaboration on the state and local level.⁴ OVAE has also worked with the U.S. Department of Labor’s (DOL) Employment and Training Administration (ETA) to develop guidance and tools for states seeking to develop career pathways models that align adult education, job training, and higher education programs to respond to the needs of low-skilled adults and dislocated workers.⁵

Funded Activities

AEFLA funds three specific categories of activities:

- ▶ Adult education and literacy services, including workplace literacy services;
- ▶ Family literacy services, including interactive literacy activities between parents and their children, training for parents so they can help teach their children, parent literacy training that leads to economic self-sufficiency, and age-appropriate education to prepare children for success in school and in life experiences; and
- ▶ English literacy programs for individuals with limited English proficiency.

Funding under AEFLA

Federal Funding Trends

Federal support for adult education has declined significantly in recent years, with overall funding for state formula grants dropping by more than \$119 million (18 percent) in inflation-adjusted terms between Fiscal Years (FY) 2002–2009.⁶ Appropriations for state grants in FY 2010 were increased by about \$74 million over FY 2009 levels, to \$628.2 million, but the bulk of the added funding (about \$46 million) reflected a one-time payment to states to compensate for errors in calculating their formula grants between FY 2003–2008.⁷ The Obama Administration requested \$612 million in state grant funding for FY 2011, an increase of about \$30 million over FY 2010 base levels.⁸

Federal dollars comprise a relatively small portion of adult education funding each year. Of the more than \$2 billion in combined federal and state funding for adult education in 2008, more than \$1.6 billion (77 percent) came from state appropriations.⁹ However, given current state budget crises, it is likely that federal appropriations will become increasingly necessary to sustain adult education and literacy services. A recent survey of nearly 1400 adult education providers—about one-third of all providers—found that the number of individuals on waiting lists for adult education services doubled from around 80,000 in 2008 to 160,000 in 2010, and estimated that an additional \$160 million in funding would be necessary to meet the increased demand.¹⁰

Allocation of Funds to States and Institutions

State grants under AEFLA are distributed by formula, based on the number of adults over age sixteen who are not enrolled in school and have not completed high school. In FY 2010, estimated awards to states ranged from a little over \$753,000 (Wyoming) to \$70.2 million (California).¹¹ States are required to distribute at least 82.5 percent of their allocation through competitive grants and contracts to local providers based on state-established criteria, with no more than 10 percent of these funds being used to pay for correctional education and education for other institutionalized individuals.¹²

AEFLA requires states to meet a 25 percent cash or in-kind matching requirement (12 percent in outlying areas) in order to receive federal funds.¹³ In 2008, all but five states met or exceed this requirement, and 28 states contributed more than 100 percent of their federal allocation.¹⁴ The law imposes maintenance of effort (MOE) requirements on states, either for spending per student or aggregate spending.¹⁵ If states fail to satisfy the MOE requirements, they face reductions in their formula allocations.

Of their state formula grants, states may use up to 12.5 percent of funds for state leadership activities, and up to 5 percent (or \$65,000, whichever is greater) for state administrative costs. State leadership activities can include professional development, evaluation, technical assistance, technology assistance, curricula development, support for state or regional literacy resource centers, incentives for program coordination and integration, coordination with support services, integration of literacy instruction and occupational training, and establishment of linkages with postsecondary institutions, including community colleges.

Some federal funds are set aside prior to state allocations:¹⁶

- ▶ 1.5 percent is reserved for national leadership activities, which can include technical assistance, developing and identifying best practices, research, demonstration projects, replication of model programs, and evaluation. For FY 2011, the Obama Administration requested \$41.3 million for these activities (compared to \$11.3 million in FY 2010), of which \$30 million would be used to support a “Workforce Innovation Fund” offering competitive grants for demonstration and replication projects aimed at improving services and outcomes for participants.¹⁷ However, Congress failed to adopt this proposal.
- ▶ 1.72 percent for incentive grants to states that exceed their adjusted levels of performance under AEFLA, Title I of the Workforce Investment Act, and programs under the Carl D. Perkins Career and Technical Education Act of 2006. Grants may be used to support innovative programs consistent with the purposes of any of those three programs.¹⁸

Eligibility for AEFLA Services

Individuals are eligible for services if they:

- ▶ Are at least sixteen years old;
- ▶ Are not enrolled or required to be enrolled in secondary school under state law; and
- ▶ Lack sufficient mastery of basic educational skills to enable them to function effectively in society; do not have a secondary school diploma or its recognized equivalent and have not achieved an equivalent level of education; or cannot speak, read, or write English.

Populations Served Through AEFLA

In Program Year (PY) 2008-2009, AEFLA state grant-funded programs enrolled slightly more than 2.4 million individuals.¹⁹ Of those:

- ▶ 42 percent were enrolled in adult basic education (instruction in basic skills designed for adults functioning at lower literacy levels to just below the secondary level);
- ▶ 14 percent were enrolled in adult secondary education (instruction for adults whose literacy skills are at approximately the high school level and who are seeking to obtain an adult high school credential or its equivalent); and

- ▶ 44 percent were enrolled in English literacy programs (instruction for adults who lack proficiency in English and seek to improve their literacy and proficiency in English).

Demographically, among those enrolled in PY 2008-2009:

- ▶ A majority (63.6 percent) were over the age of 25, with roughly 45 percent of all enrollees between the ages of 25-44;
- ▶ Nearly three quarters (73.8 percent) were members of minority groups: 43.4 percent were Latino, 20.1 percent were African-American, and 8 percent were Asian; and
- ▶ More than one-third (39.1 percent) of enrollees were unemployed at the time of program entry, while about 11.6 percent were receiving some form of public assistance, and 9.5 percent were in correctional facilities. Slightly more than one-third (34.8 percent) of enrollees were employed.²⁰

Institutions Providing AEFLA Services

Nationally, more than 4,100 providers—including local educational agencies, community colleges, community-based organizations (CBOs), and correctional institutions—deliver AEFLA-funded services.²¹ About half of all providers (51 percent) are local educational agencies, while 21 percent are CBOs and 16 percent are postsecondary institutions (including community and technical colleges).²²

Relationship to Other Programs

AEFLA is a mandated partner under WIA Title I. The state agency with jurisdiction over AEFLA must:

- ▶ Be represented on the state Workforce Investment Board (WIB);
- ▶ Be represented on local WIBs;
- ▶ Enter into a Memorandum of Understanding (MOU) with local WIBs that describes the services to be provided, how AEFLA will contribute to the operating costs of the one-stop system (in a proportionate manner), and referral methods; and
- ▶ Provide AEFLA core services through the one-stop system.

Despite these statutory requirements, and the likelihood that many individuals seeking job training through the public workforce system could also benefit from literacy and basic skills instruction, services under Title I and Title II are not always well-integrated. In PY 2007, just 2,934 of the 1,003,005 individuals receiving WIA Title I-funded adult or dislocated worker services and exiting those programs (“exiters”) were co-enrolled in WIA Title II-funded adult education programs.²³ A 2007 Government Accountability Office (GAO) report found that fewer than half of all states (22) typically offer adult education and literacy services on-site at one-stop centers, with other states offering only electronic linkages or referrals to such services. The number of states using AEFLA funds to support one-stop infrastructure declined by nearly half (from 29 states to 15) between PY 2001 and PY 2005.²⁴

Although there is growing understanding of the need for integrated occupational and adult education services, there are numerous barriers at the federal level to successful alignment between Title I and Title II programs. Difficulties integrating funding streams—Title II funds may not be used to support occupational training—means that education providers offering “integrated education and training” (IET) programs must maintain and track separate funding streams to support different components of the same program.²⁵ One-stop operational costs count against the 5 percent cap for administrative expenses under

AEFLA, which may create disincentives for state and local adult education agencies to invest more fully in the workforce system. And conflicting performance and reporting requirements can lead one-stops to refer low-skilled individuals to adult education services without co-enrolling them in WIA Title I programs and may discourage Title II providers from addressing employment goals.²⁶

Performance Accountability

AEFLA establishes an accountability system to measure the effectiveness of state and local programs in helping participants achieve academic and employment outcomes. The statute includes three core performance indicators:

- ▶ Demonstrated improvements in literacy skill levels in reading, writing, and speaking the English language; numeracy; problem solving; English language acquisition; and other literacy skills. Outcomes are measured through the National Reporting System in terms of educational gain, based on pre- and post-completion assessments of educational functioning levels for participants;²⁷
- ▶ Placement in, retention in, or completion of, postsecondary education, training, unsubsidized employment, or career advancement. Outcomes are measured through the National Reporting System in terms of entered postsecondary education or training, entered employment, and employment retention; and
- ▶ Receipt of a secondary school diploma or its recognized equivalent.

States must negotiate performance levels with the federal government and report their progress toward those goals, which is adjusted for the characteristics of participants when they entered the program and the services or instruction provided. States have the option of imposing additional performance requirements on local grantees.

Despite the inclusion of workforce employment outcomes in the performance accountability system, it remains unclear how well Title II-funded programs meet the workforce-related needs of individuals served through the program.²⁸ Many states face difficulties collecting accurate data on post-completion employment and postsecondary outcomes for adult education participants.²⁹ Employment outcomes are collected only for individuals who explicitly state that obtaining or retaining employment is a primary or secondary goal in pursuing adult education services, likely leading to significant underrepresentation of the true number of participants seeking to enhance their career prospects through these programs.³⁰ While there have been federal and state efforts to improve linkages between educational and workforce data systems—including the Department of Labor’s new Workforce Data Quality Initiative (WDQI)³¹—adult education programs have not generally been a focus of these efforts.

Policy Recommendations

Increase Investments in Adult Basic Education

Adult education programs are severely underfunded and are simply unable to provide the services and supports low-skilled individuals need. AEFLA state grants have declined by more than 17 percent in inflation-adjusted terms between FY 2002-2009.³² Fewer than 3 million low-skilled individuals are served by federally-funded adult basic education programs each year,³³ and those who do manage to get served see an average investment of just \$645 per student annually.³⁴ Congress should significantly increase funding for state adult basic education formula grants; maintain current state MOE requirements; and consider additional funding for competitive grants to states and localities to support innovative service delivery strategies and systems alignment.

Focus on Career and Postsecondary Success

Under current law, federal adult education funds can be used to support a wide range of activities, such as family literacy programs, that are not directly related to enhancing participants' employment or educational prospects. Congress should set increasing career and postsecondary success for low-skilled individuals as the primary purpose of AEFLA, and limited federal resources should be devoted exclusively to helping those individuals who are pursuing adult education and literacy services as a means to succeed in the workplace or in postsecondary education and job training. State, local, or other funding sources should continue to be available to meet other literacy and adult education needs. Congress should modify the current performance accountability system to require that workforce outcomes be reported for all Title II participants, which would reduce current incentives for Title II providers to avoid discussing employment goals with participants at intake to reduce post-completion data collection. Congress should include measures of postsecondary success beyond enrollment—including attainment of industry-recognized credentials or completion of college-level coursework—to ensure that adult education programs are adequately preparing individuals to succeed in postsecondary training and education programs.

Prepare More Workers for the 21st-Century Economy

Between PY 2004-2007, the percentage of WIA Title I exiters who were also co-enrolled in adult basic education programs declined from about 0.7 percent to 0.2 percent.³⁵ This suggests that many individuals seeking adult education services to enhance their career prospects are not taking advantage of the range of employment and supportive services—including child care and transportation assistance—that are available under Title I, and are enrolling in programs that may not be adequately aligned with entrance requirements for occupational training and postsecondary educational programs. Congress should explicitly permit activities offered under Title II to be provided before, or in combination with, work or postsecondary education and training activities. In particular, Congress should consider removing current restrictions on the use of Title II dollars to support occupational training if offered as part of an integrated education and training program or similar service delivery model. Congress should address “creaming” issues related to conflicting performance requirements by allowing programs offering services to dual-enrolled individuals to track a single set of performance outcomes for such participants, and should require states and local areas to set and meet annual co-enrollment goals between Title I and Title II.

Congress should also consider providing grants to states to support program alignment efforts across state and local agencies, and authorizing state and local grants to support the development of innovative service delivery strategies leading to industry-recognized credentials along well-defined career pathways within key industries. Congress should consider separate performance measures for these programs, rather than holding them accountable for the current adult education performance measures, and conduct an evaluation of the impact of integrated programs on the rate at which students attain career and postsecondary success.



To download the complete version of National Skills Coalition's Training Policy in Brief, visit www.nationalskillscoalition.org/InBrief.

References

- 1 http://www.whitehouse.gov/the_press_office/Remarks-of-President-Barack-Obama-Address-to-Joint-Session-of-Congress/.
- 2 <http://www.nationalcommissiononadultliteracy.org/ReachHigherAmerica/ReachHigher.pdf>, pg. 3.
- 3 <http://www2.ed.gov/news/newsletters/ovaeconnection/2010/08122010.html>.
- 4 http://conference.novaresearch.com/2010AESD/Workforce_Investment_Act.pdf.
- 5 http://www.doleta.gov/usworkforce/whatsnew/eta_default.cfm?id=2633.
- 6 <http://www2.ed.gov/programs/adultedbasic/funding.html>. Calculations by National Skills Coalition.
- 7 <http://www2.ed.gov/about/offices/list/ovae/pi/AdultEd/allocation-adjustment.pdf>.
- 8 Congress did not pass any Fiscal Year 2011 appropriations bills, operating instead under a continuing resolution. As a result, the Obama Administration's proposed funding increase was not adopted.
- 9 <http://www.nationalcommissiononadultliteracy.org/ReachHigherAmerica/ReachHigher.pdf>, App. 6.
- 10 <http://www.ncladvocacy.org/2010AdultEducationWaitingListReport.pdf>.
- 11 <http://www2.ed.gov/about/offices/list/ovae/pi/AdultEd/estimated-adult-education-fy2010.pdf>.
- 12 The U.S. Department of Education has recommended that the cap be changed to a minimum of 10 percent of funds. <http://www2.ed.gov/news/newsletters/thursdaynotes/2010/04082010.html>.
- 13 20 U.S.C. §9222.
- 14 <http://www.nationalcommissiononadultliteracy.org/ReachHigherAmerica/ReachHigher.pdf>, App. 6.
- 15 20 U.S.C. 9251. States must demonstrate that per student or aggregate expenditures for the second preceding fiscal year, prior to the fiscal year in which the determination is made, are not less than 90 percent of the per student or aggregate expenditures during the third preceding fiscal year.
- 16 The statute includes an additional 1.5 percent set-aside for the National Institute for Literacy, an interagency body that was designed to provide national leadership on adult education and literacy activities, but this entity was eliminated as part of the Consolidated Appropriations Act, 2010 (PL 117-111).
- 17 <http://www2.ed.gov/about/overview/budget/budget11/summary/edlite-section3c.html>.
- 18 20 U.S.C. 9273.
- 19 <http://wdcrobcolp01.ed.gov/CFAPPS/OVAE/NRS/reports/>.
- 20 <http://wdcrobcolp01.ed.gov/CFAPPS/OVAE/NRS/reports/index.cfm>, Table 6.
- 21 <http://edlabor.house.gov/documents/111/pdf/testimony/20090226CherylKeenanTestimony.pdf>.
- 22 Ibid.
- 23 http://www.doleta.gov/performance/results/pdf/PY_2008_WIASRD_Data_Book_FINAL_1192010.pdf. Calculations by National Skills Coalition.
- 24 <http://www.gao.gov/new.items/d071096.pdf>.
- 25 OVAE has released guidance supporting the use of AEFLA funds to support IET, but it is likely that many providers are discouraged from offering integrated services due to administrative burdens.
- 26 See discussion, p. 59, http://www.urban.org/uploadedPDF/411291_Adult_Ed_Vol_I.pdf.
- 27 For further information on AEFLA data collection through its National Reporting System, see <http://www.nrsweb.org/docs/ImplementationGuidelines.pdf>.
- 28 Some stakeholders argue that literacy outcomes rather than employment outcomes should be the primary focus of adult education programs. In a 2002 survey of state adult education directors, nearly half (44 percent) indicated that "employment retention" was an inappropriate outcome measure for adult education programs, while 38 percent stated that "entered employment" was an inappropriate outcome measure.

- 29 In Program Year 2004-2005 only 33 states were able to use unemployment insurance wage data to track individual employment outcomes for adult education participants; data privacy concerns or other technical issues required other states to rely on other methods, such as participant surveys, to gather employment data. Collecting postsecondary enrollment data was even more difficult, with only 18 states able to use data matching systems in 2004-2005. See <http://www.nrsweb.org/reports/documents/AEFLACongressionalReportFY04-05.pdf>, p.13.
- 30 In Program Year 2008-2009 only 7 percent of all adult education participants identified entering employment as a goal, despite the fact that nearly 40 percent of participants identified themselves as unemployed and seeking work and another 26 percent were identified as “not in the labor force.” See <http://wdcrocolp01.ed.gov/CFAPPS/OVAE/NRS/reports/>. Calculations by National Skills Coalition.
- 31 <http://www.doleta.gov/grants/pdf/SGA-DFA-PY-09-10.pdf>.
- 32 Calculations by National Skills Coalition based on Department of Education data.
- 33 <http://www.nationalcommissiononadultliteracy.org/ReachHigherAmerica/ReachHigher.pdf>, pg. v.
- 34 <http://www.nationalcommissiononadultliteracy.org/content/strawnbriefrev101807.pdf>, pg. ii.
- 35 http://www.doleta.gov/performance/results/pdf/PY_2008_WIASRD_Data_Book_FINAL_1192010.pdf.