



National Council of State Directors
of Adult Education

Sinking or Swimming: Findings from a Survey of State Adult Education Tuition and Financing Policies

June 2012 | Marcie Foster with Lennox McLendon

Executive Summary

At no time in recent history has the importance of adult education been greater and the funding more threatened.¹ Despite the fact that as many as 93 million adults in the U.S. may need basic skills services to improve their economic prospects, funding for these services is stagnating at the federal level and being slashed in statehouses and state agencies across the country. Demand remains high, with at least 160,000 people on waiting lists that exist in nearly every state.²

At the same time, the labor market is shifting to one that requires workers to have postsecondary credentials to compete. With this shift, the adult education system must transform the way that services are delivered—helping students meet these new demands by preparing them for college and career success, not just a secondary school diploma.

To begin the conversation about how to meet existing and emerging needs with shrinking resources, CLASP and the National Council for State Directors of Adult Education (NCSDAE) surveyed state directors of adult education in February 2012. The goal was to glean information about important policies that govern the way adult education is funded, including the costs borne by local districts, community colleges, and other providers and by the states, the federal government, and students.

The results shed light on a national system whose state branches are more different than they are similar. States vary widely across each topic covered—with one critical exception. Most strive to keep costs low for students, who desperately need adult education services to build a better life for themselves and improve their economic prospects.

We find that:

- **Adult education services are funded by a patchwork of revenue sources—including local, state, and federal governments and tuition or fee payments by students—but the state and local share of adult education funding has declined in recent years.** Though historically the combination of state and local funding has been significantly higher than the federal investment, the responses to the survey indicate that current nonfederal funding comprises only a little more than half of total adult education funding. Survey results find that nonfederal support accounts for about \$1.30 for every \$1.00 of federal funds.

- **There is enormous variation in the methods states use to distribute federal and state funding to local providers.** Federal funds must be distributed through a competitive process that provides “direct and equitable” access to all provider types. Though federal law does not require it, 22 states indicate that they use this method to distribute both state and federal funding. The remaining states distribute state funding differently, often to support a particular population or a specific program model or initiative.
- **States are leveraging at least nine additional sources of funds creatively to encourage local innovation.** States are tightening the focus on forging partnerships with community colleges, workforce development, and career-technical education at the state and local levels. This collaboration is making available a wider range of funding and services for adult learners. Some states are even “braiding” funding from multiple sources through one single effort to improve educational outcomes for adult learners, such as adult career pathways and bridges.
- **States are keeping tuition and fees low for students to maintain access to services.** States fit into three categories across the spectrum of charging tuition/fees: two states require local programs to charge tuition/fees and set the amount; twenty-two states allow programs to charge and locally set tuition/fees; and nineteen states prohibit local programs from charging tuition/fees. However, even among states that charge tuition and/or fees or devolve this decision to local providers, most ensure that waivers or other policies are in place that prevent the tuition cost from limiting student access.
- **Changes to the GED[®] that include a new cost and delivery structure may increase costs to students who take the test if state funding is not available to keep it affordable.** Of the 26 survey states that charge a statewide uniform fee for the full battery of tests, 25 charge students less than \$120—the new fee set by GED Testing Service. Two additional states provide free testing to students. A year and a half before implementation of the new assessment, most states say it is too early to identify likely changes to state policy, yet most say some type of change will be required to keep the test affordable.

The field of adult education is changing, and with it, financing and tuition policies are shifting to meet new priorities. This survey provides a close look into instrumental funding and tuition policies, but more research should be done to understand how state policy can encourage programming in support of college and career readiness, as well as how federal and state policies may affect overall funding levels for basic skills services. To spur conversation and spark new ways of thinking about funding adult education services, we outline key policy questions at the end of each section.

Across all funding and tuition policies, one goal should remain constant: with a secondary and postsecondary education more important to economic success than ever in our nation’s history, states should ensure that policies support, rather than discourage, programs that expand economic opportunity to lower-skilled adult students and English language learners.

Introduction

At no time in recent history has the importance of adult education been greater and the funding more threatened.³ Despite the fact that at least 93 million adults in the U.S. may need basic skills services to improve their economic prospects, funding for these services is stagnating at the federal level and being slashed in statehouses and state agencies across the country. Demand remains high, with at least 160,000 people on waiting lists that exist in nearly every state.⁴

Not only is demand for services strong, but students with low basic skills now need more education than ever to compete for jobs in a slowly recovering economy. The jobs that disappeared in the last recession are being replaced with jobs that require higher levels of education—often, a postsecondary credential. In fact, one estimate suggests that 64 percent of jobs by 2018 will require some level of postsecondary education. To meet this demand for educated workers, some states are adopting innovative instructional strategies that combine basic skills education with postsecondary-level coursework or job training.⁵ These approaches, called “career pathways” or “bridge programs,” are cropping up across the country, encouraged and supported by the U.S. Department of Education and Department of Labor in recent competitive grant programs, yet they can be more costly to deliver than traditional models of adult literacy and education.

Adult education, a persistently underfunded system, has reached its capacity and can no longer do more with less funding every year. The new demands amid declining revenues raise the question: *How can the adult education system continue improving its effectiveness and meet higher expectations for students with fewer resources each year?*

To begin the conversation about how to meet new demands with shrinking resources, CLASP and NCSDAE initiated a national survey of statewide tuition and financing policies. The survey covered a range of issues, including:

- The division of funding for adult education by source—local, state, federal, and tuition;
- How the agencies that administer adult education determine the funding allocations to local programs;
- The existence of discretionary resources available to encourage local innovation;
- The existence of statewide tuition/fee policies and the amount of such tuition/fees;
- The cost to students to take GED[®] tests; and
- Expected changes in state policy to make the GED[®] more affordable to students when the GED Testing Service introduces a new, computer-based assessment (scheduled for 2014).

This report includes state responses to the above topics. However, the report does not present a causal analysis of why certain states choose one method over another, what policies are likely to support a particular outcome, or which policies yield the greatest revenue.

Methodology

CLASP and NCSDAE administered the survey online in February 2012, distributing it to state directors of adult education in all 50 states and the District of Columbia. CLASP followed up with some respondents to clarify answers and, in some cases, obtain more details on a particular topic. CLASP also conducted additional web-based research and direct follow-up with state directors beyond the information collected via the survey.

Limitations

While the research team sought to ensure the data presented are accurate and comprehensive, there are limitations to the findings. Specifically, six states and the District of Columbia did not respond to the online survey. In addition, not all of the forty-four responding states answered all of the questions completely.

The diversity of funding policies and governance structures in adult education across states also presented a challenge. While the federal government provides funds to each state and the District of Columbia, most programs receive a mix of federal, state, local, and sometimes philanthropic funding. In some cases, the state agency does not collect complete information on each funding source, and thus cannot report on the breadth or depth of total funding. States also vary widely in terms of governance, state law, and other policies, making their responses nearly impossible to compare uniformly.

Characteristics of Participating States

Forty-four states responded to the online survey. These states represent diversity across several dimensions: administering agency, geography, number of students enrolled in adult education, and the skill levels of students served.

Administering Agency

The agency that administers adult education, which varies by state, can play an important role in determining the system's goals and overall policy direction. Of the states responding to the survey, six states administer adult education through the workforce system (such as the department of labor or the department of workforce development), twelve run it through the postsecondary system (such as the state board for community and technical colleges or the board of regents), and twenty-six administer it through the education/K-12 system (such as the department of education). In limited cases, agencies span more than one of these systems. See Table 1 for a list of survey states by administering agency.

Table 1. Administering Agencies of Adult Education in Survey States

States	Administering Agency
6	Labor/workforce system AR, IN, MD, MI, SD, TN
12	Postsecondary/community college system AL, GA, IL, KS, KY, LA, MS, NC, OH, WA, WI, WY
26	Education/K-12 system AZ, CA, CO, CT, DE, FL, HI, ID, IA, MA, MN, MO, MT, NE, NV, NH, NY, ND, OK, PA, RI, SC, TX, UT, VT, VA

Adult Education Enrollment

States vary widely in the number of adult education students they serve. While this largely reflects differences in population size, it can also reflect differing socioeconomic trends, the level of state and local funding, as well as the level of immigration. California, serving the most students, enrolled 392,918 students, according to 2010 data from the National Reporting System.⁶ North Dakota, which enrolled 1,581 students, has the fewest enrollees among survey states. Other large adult education states include Florida (239,653), New York (122,833 students), and North Carolina (115,312). Other small adult education states include South Dakota (2,423 students) and Vermont (1,590 students).⁷

Proportion of Students in Each Program Type

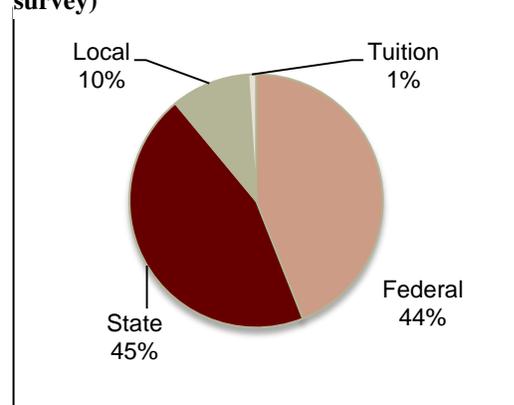
Individuals in adult education are included in one of three broad program types: Adult Basic Education, which serves students at the very lowest skill levels, typically eighth grade and below; Adult Secondary Education, which serves students with intermediate and high basic skill levels, typically ninth grade–twelfth grade; and English as a Second Language, which includes students with limited English skills at all levels. Among the survey states as a whole, 46 percent of students are in ABE, 12 percent are in ASE, and 42 percent are in ESL. States that report serving a high proportion of ESL students include Nevada (77 percent), California (66

percent), and Colorado (61 percent). States that report serving a low proportion of ESL students include Louisiana (6 percent), Montana (6 percent), and Mississippi (1 percent).⁸

How Adult Education is Funded

States use a combination of federal, state, local, and tuition dollars to fund adult education services (see Appendix A). They do so through a network of local providers that includes school districts, community and technical colleges, and community-based organizations. Federal funding from the Adult Education and Family Literacy Act (Title II of the Workforce Investment Act, or AEFLA) provides an annual stream distributed to states, based on a formula that takes into account the number of adults 16 or over, not enrolled in public schools and not required to be enrolled, and without a high school diploma. To receive this funding, states must match the federal contribution with at least 25 percent in nonfederal support, which may be provided in cash or in kind. In addition, states must comply with “maintenance of effort” provisions that require a state to support adult education at the level of at least 90 percent of the previous year, as measured by cost per student or total aggregate nonfederal support. Historically, most states have contributed a match well beyond the required level, with funding from the state, local institutions or school districts, local levies and tuition. Over time, this has built up a significant maintenance of effort requirement if a state wants to preserve its federal funding.

Figure 1. Adult Education Revenue, by Funding Source (Source: CLASP/ NCSDAE survey)



According to the state responses, 56 percent of adult education funding comes from three nonfederal sources: 45 percent of total funding comes from the state; 10 percent comes from local sources, which include programs, school districts, and institutions and local levies; and 1 percent comes from tuition. Forty-four percent of total adult education funding comes from federal sources (see Figure 1).⁹ In FY2012, the appropriation for WIA Title II was just over \$600 million.¹⁰ The proportion represented by the federal contribution has generally remained flat in recent years, but the value of these funds has declined 17 percent in real dollars (adjusted for inflation) since the height of funding in 2002.

While state funding constitutes 45 percent of the total funding for adult education, three states contribute no funding for adult education. Nine contribute 25 percent or less toward total adult education funding, twelve contribute between 26 percent and 50 percent, twelve between 51 percent and 75 percent, and seven contribute 76 percent or more (see Table 2).

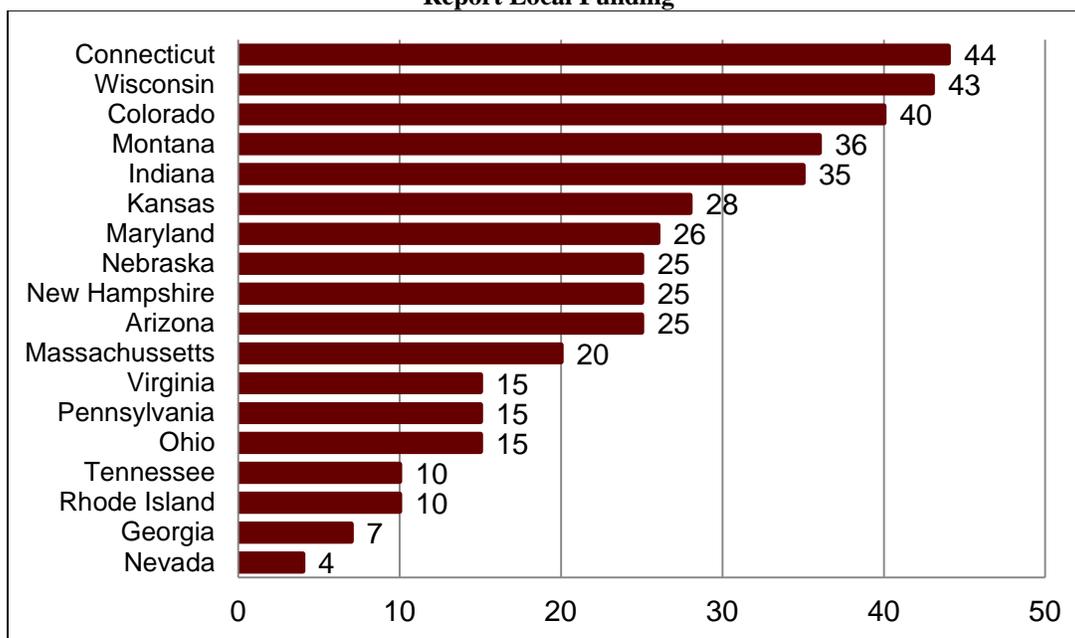
Table 2. Percentage of Total Adult Education Funding from State Funding, by State

States	Level of State Funding Contribution
3	Contribute no state funding AZ, CO, IA
9	Contribute 25 percent or less in state funding KS, MT, NE, OK, SD, TN, TX, VA, WI
12	Contribute 26-50 percent in state funding AL, CT, DE, GA, ID, IN, LA, MD, MS, MO, OH, PA
12	Contribute 51-75 percent in state funding HI, IL, KY, MA, MI, NV, NY, ND, RI, UT, WA, WY
7	Contribute 76 percent or more in state funding AR, CA, FL, MN, NH, NC, VT

Local funding averages 10 percent, but this, too, varies widely (see Figure 2). Twenty-five states report that local providers contribute no funding. Of the remaining 18 states, ten indicated the local contribution was 25 percent or more, and 8 indicated it was less than 25 percent (see Figure 2). The states with the highest local contribution are Connecticut (44 percent), Wisconsin (43 percent), and Colorado (40 percent).

However, a state's amount of local funding, which depends upon state-specific policies and provider types, should be examined in the context of other funding sources. For example, Colorado has a comparatively high local contribution yet provides no state funding for adult education, leaving the remainder to its federal allocation. By contrast, Connecticut supplements its federal allocation from both local (44 percent) and state sources (45 percent).

Figure 2. Percentage of Adult Education Funding from Local Districts, Institutions, or Programs in States that Report Local Funding



Only five states reported that tuition is part of the adult education funding mix, resulting in an overall average of 1 percent of funding coming from student tuition and/or fees.¹¹ Of these states, four indicated that this comprises less than 10 percent of total funding for adult education and one indicated that it comprises 26 percent. (See page 13 for a more detailed discussion of state tuition and fee policies.)

Discussion and Analysis

Funding for adult education is a hot topic, with state investments drastically declining in many places as a result of multiple years of revenue crises and budget shortfalls. Recent reports beyond the scope of this survey also show a growing trend among states and local districts to cut funding for adult education and English language services.¹²

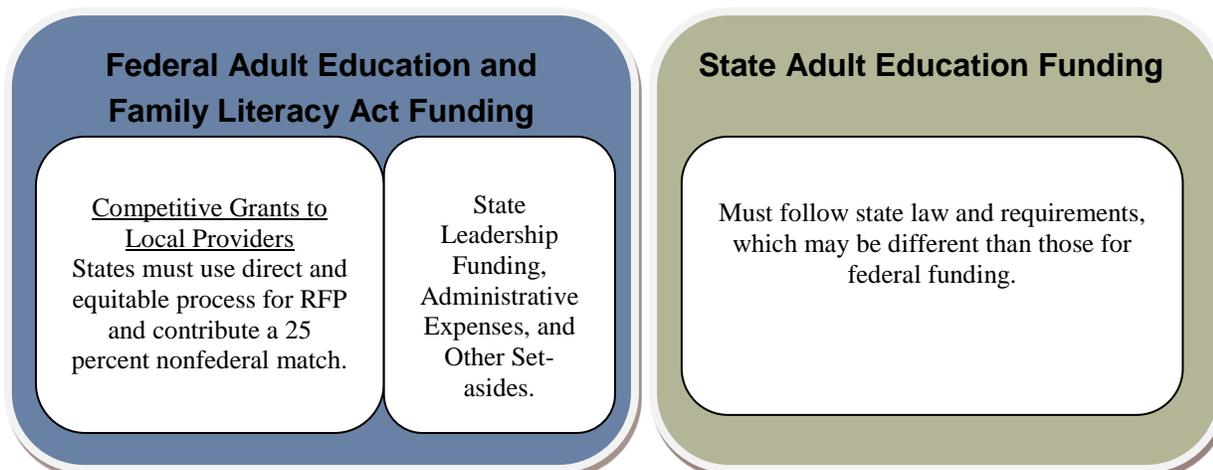
And while this survey is not a definitive source of current funding levels, the responses, when compared to historical federally-reported sources, seem to reflect a general disinvestment in adult education at the state level. It is commonly cited that states and localities contribute roughly \$3.50 for every \$1.00 in federal funding, yet this survey suggests that nonfederal contributions are closer to \$1.30 for every \$1.00 in federal funding. However, these federally-reported figures are derived from state maintenance of effort requirements and thus cannot be compared uniformly with the survey results.

Issues for Policymakers

- What are the key reasons why some states and localities contribute a much greater share of adult education funding than others? How does a larger state and local stake in adult education affect state policies and student outcomes?
- Should the federal government contribute a greater share of the funding needed to educate low-skilled adults, given the decline in state and local funding and the growing demand for these services?
- Forty-six percent of adult students are non-English speakers and seeking to better integrate into society and jobs. Because immigration policy is a federal issue, should the federal government increase funding to address their language and citizenship needs?

How Local Adult Education Providers Are Funded

Adult education services are delivered through a network of providers that includes local school districts, community and technical colleges, and community-based organizations. To determine which institutions or agencies will receive funds, the federal government requires states to conduct competitions for multiyear grants among eligible providers. Each year, states must distribute at least 82.5 percent of their federal allocation of AEFLA funds to successful local applicants and no more than 17.5 percent of their allocation for state activities:



state leadership funding (12.5 percent) and administrative expenses (5 percent). They may also supplement AEFLA funding with state funding, which is not required by federal law to be distributed according to federal rules and regulations. Recipients of adult education funds (local providers) serve students directly by providing an array of adult education, literacy, English language, family literacy, workplace education, career pathway, and other services, based on the needs of the locality.

State agencies have significant influence on the types of activities and programs they wish to support. While programs must generally meet minimum requirements, such as the ability to collect and report data to the National Reporting System (the federal performance accountability system for adult education), states have some flexibility on the priorities for distributing funds to programs. In soliciting multiyear applications, states must use a competitive grant process that provides for “direct and equitable access” to all eligible applicants. The intent is to ensure that the full range of adult education and English language service providers—including K-12 districts, community colleges, community-based organizations, and others—can compete equally for federal funds. Due to the uncertainty of both federal and state funds, states allocate funds annually to the approved programs.

How States Distribute Federal Funding Provided Under WIA Title II

States provided a wide range of answers when asked how they distribute federal AEFLA funding to local programs. Thirty states say that they determine the amount of such funding using a formula or method that takes into account a combination of enrollment data, eligible population, and past performance. Seven states indicate they determine their funding using a formula or method that takes into account only one of those factors. Furthermore, seven states report that they do not use either of those methods. Of these seven states, most use a version of performance-based funding system for at least some portion of these grant funds. (See Table 3.)

At least one state reports using a two-tiered approach to funding local providers. To ensure equity, this state provides funding to counties using a formula based on the number of adults without a high school diploma; counties then grant the funds based on a competitive process. This is to ensure that services are provided with geographic equity while maintaining compliance with the federal “direct and equitable” provisions.

The use of performance funding to distribute federal funds to local providers is growing, although states vary in terms of the student outcomes they use as performance criteria. While not all states provided information on the measures they use, among those that did, the most common performance indicators states report using to fund programs are:

- Educational functioning level gains;
- Number of GED[®]s/Adult High School Diplomas awarded; and
- Number of contact hours.

States also vary in the “weights” given to each criterion. For example, at least one state awarded double performance points for programs that helped students at the lowest basic skill levels move to a higher educational functioning level, with the goal of incenting service to participants at all levels, not just those who have higher-level skills.

Table 3. Division of States, by Distribution Method of Adult Education Federal Funding

States	Distribution Method
30	Funding to local providers is determined by a formula or method that takes into account a combination of enrollments, eligible population, and/or past performance. AL, AR, DE, GA, HI, ID, IL, IN, IA, KS, LA, MD, MA, MI, MS, MO, MT, NE, NV, NH, NC, ND, OK, PA, SD, TN, TX, WA, WI, WY
7	Funding to local providers is determined by a formula or method that takes into account only one of the following: enrollments, eligible population, or past performance. CA, FL, KY, OH, SC, VT, VA
7	None of the above is used to determine the amount of funding that flows to local providers. AZ, CO, CT, MN, NY, RI, UT

How States Distribute State Funding

Almost all states contribute state funding to adult education at some level. Although they must follow state law and regulations, state funds are typically more flexible than federal AEFLA funding. States are not required to distribute state funding in the same way as federal funding (through a competitive grant process), though 22 use this approach.

Twenty-seven states report that they distribute state funding based on a formula or method that takes into account a combination of enrollments, eligible population, and past performance. Six states indicate using only one of the above elements. Eight states report that they do not use either of these methods (see Table 4).¹³ Some respondents indicated they distribute state funds based on similar criteria as federal funds, but sometimes weigh factors differently. Other states in this category use the funds in completely different ways. Examples include providing funds to supplement what federal funds do not cover or providing a portion of services solely for a specific population, such as young adults, or for a specific program model.

Table 4. Division of States, by Distribution Method of Adult Education State Funding

States	Distribution Method
27	<p>Funding to local providers is determined by a formula or method that takes into account a combination of enrollments, eligible population, and/or past performance. AL*, DE*, GA*, HI*, FL, ID, IL*, IN*, KS, LA, MD*, MA*, MS*, MO*, MT*, NE*, NV, NH*, NC, ND, PA*, SC, SD*, TN*, TX*, WI, WY*</p>
6	<p>Funding to local providers is determined by a formula or method that takes into account only one of the following: enrollments, eligible population, and past performance. AR, HI*, KY*, OH* MI, UT, VT</p>
8	<p>None of the above is used to determine the amount of funding that flows to local providers. CA, CT, MN, NY, OK, RI*, VA, WA</p>
<p><i>* The state also uses this method to distribute state funding.</i></p>	

State Examples: Funding Local Providers

In 2010, **Indiana** completely revamped the delivery of adult education in an effort to drive adult education student outcomes toward the receipt of industry-recognized certifications rather than simply a secondary school diploma or equivalency. Supporting this change was an overhaul of the state's request for applications to local providers, as well as an administrative shift from the department of education to the department of workforce development.

Until 2011, Indiana distributed federal adult education funds differently than state funds, the latter of which it distributed solely to K-12 school districts based on a formula. In 2011, it began distributing state and federal funds in the same way: recipients must deliver adult education through regional partnerships among workforce development, adult education providers, community colleges, career-tech centers, and community-based partners. The amount of funding to each consortium is determined by the region's unemployment rate (10 percent weight), the number of previous adult education enrollees (40 percent), and a consortium's performance on student outcomes (50 percent). The amount of performance-based funding is determined through preset reimbursement levels for meeting specific outcomes, which range from educational skill gains all the way to a successful postsecondary transition and completion of a GED+ program. The state will leverage Title II state leadership funding to incentivize a consortia's performance on student outcomes.

Kentucky distributes its state funds in the same manner as its federal funds. To ensure that adult students in every county have access to services, each county has an allocation based on the number of working age individuals aged 18-64 without a high school diploma or equivalency. Furthermore, to comply with the federal "direct and equitable" provision and to ensure that funding is in line with Kentucky's policy goals, each county then uses an RFP process to select a provider.

A provider may serve multiple counties. In 2012-13, the state's RFP requires that all funded programs move from an open-entry model to a managed-enrollment model, which uses scheduled orientation and assessment, scheduled classes based on when students can most likely attend, and educational alternatives for those students who cannot attend class in person. This formula funding process has worked well for Kentucky, resulting in an equitable distribution of funds across counties.

Discussion and Analysis

How states distribute federal and state funding to local providers can be an important policy lever for aligning adult education resources with a state's priorities. Through the design of the state RFP, which dictates how funding flows to local providers, states can support innovation or encourage a particular type of instruction or service delivery. For example, if funds are awarded to local programs on the basis of the number of GED[®] graduates they produce, programs have a strong incentive to help more people pass the GED[®]. By contrast, if program funding is awarded in part on how many students transition to postsecondary education (or complete a certificate or degree program down the line), it gives local providers an incentive to focus on ways to improve transition programming, perhaps sparking new relationships with community colleges or local job training providers.

Because federal accountability measures are so central to state funding criteria, changes coming very soon in the National Reporting System (NRS) may have this impact in future grant competitions. The changes shift some goal-oriented performance measures to automatically designated cohort measures. Currently, adult education students are only tracked toward achieving outcomes they set as goals. Starting in July 2012, states must report on student progress toward the achievement of specific outcomes based on student characteristics. For example, instead of tracking employment outcomes only for adult education students who articulate a goal of entering employment, states will track all unemployed students as to whether they enter employment after exiting a program. This aligns AEFLA performance measures more closely with workforce development programs. It also may help states think more broadly about incentives for programs that help students meet longer-term goals, such as receiving additional workforce training, entering employment, or earning a postsecondary credential.¹⁴

A number of states appear to be using some version of performance funding to distribute funds to local providers.¹⁵ This innovative mechanism determines funding based on program outcomes versus simply student demographics or characteristics. While the use of performance funding in adult education is not new, few studies address the characteristics of well-designed systems. The most extensive report on the topic is a 2007 MPR report, conducted on behalf of the U.S. Department of Education, examining the funding formulas, implementation processes, and evaluation processes in Indiana, Kansas, and Missouri.¹⁶ The National Adult Education Professional Development Consortium has also collected examples of state performance funding formulas.¹⁷ Since those reports have been released, performance funding in higher education has become more popular and is spreading to other systems—such as career and technical education and adult education. Adult education programs offered within the community college system or that work closely with other performance-based funding systems should work together to ensure their funding mechanisms are well-aligned and complementary.

Issues for Policymakers

- To what extent do performance indicators in funding distribution formulas drive a focus on GED[®] preparation and educational functioning level gains instead of longer-term outcomes?¹⁸
- For states using performance funding, how often do their formulas change to reflect new state priorities or new student demands or interests?

- What are the student outcomes in states that set higher bars for achievement (e.g., postsecondary transition, employment, or credential attainment) and hold programs accountable for these outcomes? How can distribution formulas incorporate higher-level outcomes without resulting in “creaming?”

Special Funding for Local Innovation in Postsecondary Transition and Alignment

The goals of adult education are changing nationally, placing greater demands on states and local programs to help students reach longer-term goals, such as earning postsecondary credentials or advancing in the workforce. To meet more ambitious goals, states are working across systems to deliver programs that can leverage the strengths of other agencies and institutions, such as workforce development and community colleges. The U.S. Department of Education has also placed a strong focus on alignment by collaborating with other agencies, such as the Departments of Labor and of Health and Human Services.

At the lower tier of instruction, such partnerships are developed to deliver high-quality instruction that is contextualized to the high-demand jobs in the area and incorporate work readiness (SCANS) skills, enabling low-level learners to not only gain educational skills but begin the climb to upper-tier opportunities. At the upper tier, partnerships are often developed to deliver high-quality instruction that enables students to take postsecondary-level courses either integrated with basic skills instruction or concurrently, which may reduce or eliminate the need to enroll in remediation at the community college upon transition to college courses. Programs that support these goals are often called “career pathway” or “bridge” programs and can include instructional practices such as co-enrollment in adult education and postsecondary classes, team teaching (pairing a basic skills teacher with a technical/academic postsecondary faculty member), contextualization, and dual enrollment. Since resources for adult education are already scarce, states and institutions must often find new sources of funding to support these new programs.

In a time of declining resources, many states have had to be creative in finding ways to continue supporting innovation while maintaining existing levels of service to students. When asked in our survey if they had special sources of funding to support innovation, twenty states said they have discretionary resources available to encourage local innovation, such as dual enrollment, team teaching, contextualization, and workplace literacy. Some states use more than one funding source or use funding from different levels of government. Table 5 lists the sources of funds used by these states and the number of states that report using each source. Some states report using more than one source.

Table 5. Discretionary Resources Used to Encourage Innovation

Federal	State	Local
<ul style="list-style-type: none"> • WIA Title II – State Leadership Funding (9) • WIA Title II – Grants to Local Providers (3) • WIA Incentive Funds (4) • WIA Title I Discretionary Funds (2) • Wagner-Peyser Act Funds (1) 	<ul style="list-style-type: none"> • State Adult Education Funding (2) • Special Funds from the State Legislature (4) 	<ul style="list-style-type: none"> • Community Colleges (1) • Foundations and Business (1)

State Examples: Funding and Supporting Local Innovation

Washington's well-known Integrated Basic Education and Skills Training (I-BEST), which offers integrated education and training to enable students to improve their basic skills as they earn for-credit occupational credentials, is reinforced at the state level by funding streams designed to complement and support the model. A three-pronged funding strategy includes: a college reimbursement rate of 1.75 Full-Time Equivalent (FTE) for I-BEST students; a need-based student scholarship program, Opportunity Grants, that may cover tuition, fees, books, and supplies for up to 45 credit hours; and a state-level performance-based funding effort, the Student Achievement Initiative, which awards colleges additional funding for each student who hits specific instructional and credential milestones, such as completing precollege math or earning a certificate. A state appropriation funds the Opportunity Grants, while the reimbursement rate and SAI funding are part of the community college system's standard funding policies.

As part of an appropriations rider in the 2007 legislative session, the **Texas** legislature tasked the Education and Higher Education agencies in the state to work together to develop a long-term action plan to align adult basic education and higher education. As part of this effort, in 2010, the state legislature awarded special funding for 14 pilots under Adult Basic Education Innovation Grants, which were designed to establish career pathways for adult basic education students at the high ESL or low intermediate ABE levels. In these pilot programs, adult education students take career/technical training courses concurrently with adult basic education support classes contextualized to a particular industry or occupation. An evaluation of these initial pilots is currently being conducted and a new legislative rider that would fund 15 additional pilots is expected.

Discussion and Analysis

While only 20 states reported having special funding available for encouraging innovation, information collected outside the scope of this survey, such as publically-available reports or interviews with state directors, makes it evident that many other states are utilizing a wide variety of funding sources creatively to support such activities.

Due to restrictions on the comingling of federal adult education funds with those from other sources, some states and local programs "braid" multiple sources of funds to develop a more sustainable funding stream to serve students with low-basic skills. Braiding is defined as using multiple sources of complementary funding in a coordinated manner toward one effort or initiative. States using braided funding say the benefits are more than just financial: the process facilitates collaboration among state agencies and divisions and can ensure that all partners have a stake in the success of a program or initiative.

Issues for Policymakers

- Are states where adult education is administered by a particular agency more likely to leverage certain funding streams? For example, are states where adult education is administered by the workforce system more likely to have access to workforce dollars? Is the process simpler to facilitate if these programs are administered by the same agency?
- In a time of scarce resources, how can adult education programs better leverage business and employer funding? If achieved, must states count such private funds in their maintenance of effort reporting to the federal government?
- What are the most common uses of other funding resources that adult education funding cannot provide, either due to legal restrictions or the scarcity of funding?

State Tuition and Fee Policies for Adult Education Courses

Historically, adult education programs have been provided for free or at a low cost because the students in the program are typically disadvantaged and low-income, often with significant family responsibilities as well. However, programs that receive federal WIA Title II funds can charge tuition/fees, provided they are “necessary and reasonable and do not impose a barrier to the participation of disadvantaged persons that the program was designed to serve.”¹⁹

To better understand the landscape of tuition policies dictating state and local program decisions, we asked states about their policies for charging tuition/fees for adult education courses, including those for Adult Basic Education, Adult Secondary Education, and English language services. We defined tuition/fees as costs beyond those for class materials; students are often responsible for buying their own textbooks or other materials. We also explicitly excluded the cost of taking the GED[®] test. (See page 15 for findings about the cost of the GED[®] to students and expected changes to state policy in light of the new GED[®] assessment in 2014.)

States fit into three categories across the spectrum of charging tuition and fees: (1) states that require local programs to charge tuition/fees and set the amount; (2) states that allow programs to charge tuition/fees; and (3) states that prohibit local programs from charging tuition/fees (see Table 6).

Table 6. State Tuition and/or Fee Policies

States	Tuition and/or Fee Policy
2	Require local programs to charge fees and set the tuition/fee level FL, WA
22	Allow programs to charge tuition/fees AZ, CA, CO, HI, IL*, IN, IA, KS, MD*, MI, MN, MO, NE, NV, NH*, OK, RI, SC, TX*, UT, VA, WY
20	Prohibit local programs from charging tuition/fees AL, AR, CT, DE, GA, ID, KY, LA, MA, MS, MT, NY, NC, ND, OH, PA, SD, TN, VT, WI
<i>*The state only allows fees for students with skills at the ninth-grade level or above and/or ESL students</i>	

Two states set a statewide required tuition or fee level and require programs to charge students. Washington requires a \$25 per quarter tuition charge, which institutions can waive for students of limited economic means. Florida charges \$45 per half year or \$30 per term, plus a nonresident fee (\$135 per half year or \$90 per term) for students who cannot claim in-state residency.

Half of the states (22) indicate that they allow programs to charge tuition/fees, but do not set the amount. Of these, four indicate that they only allow programs to charge tuition/fees for ESL students or students at higher skill levels, such as those in Adult Secondary Education (ninth-grade level and above) who are often preparing for the GED[®]. The remaining states that allow programs to charge fees report that few programs actually do, and the state may still play a role in determining the appropriateness and level of fees. One state says that it sets the maximum tuition and fee level by statute; another reports that the state must approve all proposed tuition and fee charges. Just under half of the states (20) report that they prohibit local programs from charging tuition/fees. See Appendix B for more detailed information by state on tuition/fee policies.

State Examples: Tuition and Fee Policies

The **Washington** State Board of Community and Technical Colleges administers adult education, and local community and technical colleges offer the vast majority of adult education courses. Tuition is set by the state at \$25 per student per quarter; however, each college must have a policy that would waive this tuition for students who are unable to pay. In 2010-11, the state awarded nearly \$46 million dollars in waivers for the unduplicated headcount of 53,296 students.

In 2011, to fill a gap in its higher education, budget, **Florida** instituted a new statewide tuition and fee policy for all adult education and ESL courses, revising a law that had specified free tuition for most adult education students.²⁰ The new fees apply to all programs receiving state funding for adult education for most basic skills and ESL program types, including those in jails and detention centers.

The new fees differ based on residency status. Residents must pay either \$45 per half year or \$30 per term tuition, and nonresidents must pay this tuition plus an additional “out-of-state fee” of either \$135 per half year or \$90 per term. Districts or colleges may charge up to 5 percent more or less of the total amount of tuition, plus any out-of-state fees. Programs may also grant fee waivers for these students but only up to 8 percent of the fee revenue that would otherwise have been collected.

Almost immediately after these new tuition and fee levels were implemented, programs began reporting major declines in enrollment. According to preliminary data from the state department of education and reported by the media, enrollment in courses based in community colleges dropped as much as 45 percent; those in school districts dropped 38 percent.²¹ Program administrators and staff in Florida report that the combination of the high, mandated tuition and the stringent residency requirements are driving this trend. Many adult education students, particularly those with limited English proficiency, find it difficult to obtain access to proof of residency, such as a state-issued identification, or proof of employment.²²

Discussion and Analysis

Charging tuition or fees for courses may be an attractive option for state agencies or legislatures seeking to close budget gaps, but findings from this survey and a recent survey of adult education practitioners and program administrators suggest programs should weigh the pros and cons prior to instituting tuition/fees.

According to an informal survey facilitated on the Literacy Information and Communication System discussion list, proponents of charging tuition or fees say that charging students a modest tuition helps them feel more engaged in their education.²³ It can also lead a shift to managed enrollment as fees are easier to collect on a regular schedule. This shift may support a greater focus on “bridge” programs, which are typically taught in cohorts, rather than the traditional open-entry/open-exit model of adult education. Tuition can also represent a modest and consistent revenue stream for programs struggling with funding.

On the other hand, charging a relatively high level of tuition or not providing waivers can lead to drops in enrollment, as adult education students are often very low-income. In addition, while some practitioners believe that charging a modest amount can lead to increased persistence and more serious study, tuition alone may not result in a significant increase in persistence or completion in the absence of additional supportive services. Lastly, many adult education programs are often thinly staffed; collecting tuition/fees can sometimes cost more than the revenue it brings in.

Issues for Policymakers

- What tuition/fee level is the “right” fit, raising revenue for programs without deterring students?
- Should students at different levels or in different types of program pay different fees?
- At what point does the cost of collecting and tracking fees offset the revenue produced?
- Should there be a better way to drive students to free or low-cost adult education programs (and with that drive resources to those programs) instead of costly developmental education? What changes would be needed on the adult education system side to facilitate this type of process?

State Responses to Changes in the GED®

Overview of Changes in GED® Assessment

Changes to the GED® planned for 2014 represent one of the most significant developments in the adult education field in decades. This new assessment will replace the 2002 version of the GED® in both content and in form. Student will take the assessment on a computer; a paper version will only be available in limited instances or for those needing an accommodation for a disability. The state agency will no longer administer the test directly, but if they choose to do so, states may continue to be responsible for administrative matters, such as issuing diplomas and transcripts, and they may have a role in selecting which programs can proctor the test. At the same time, the content of the test is being updated to align with the Common Core Standards that have been adopted by 45 states and the District of Columbia for their K-12 systems, which will make it academically more challenging but ostensibly a better measure of the skills required for college and career readiness.²⁴ For a more detailed description of the changes to the test, visit www.gedtestingervice.com.

Typical GED® Testing Fees and Policies

Currently, students who take this assessment must pass a battery of five content-area tests to “pass” the GED®. The cost to the state, newly set within the last year, is \$24 per content area test, for a total of \$120. States or local programs can determine how much of this cost to pass on to students.

Although most states report generally offering adult education *courses* at a low cost, those students who wish to take the GED® must often pay fees that cover the cost of administering the test and processing the credential. States generally fall into three categories: (1) states that charge a flat, uniform fee for the test; (2) states that allow local programs to determine the cost for students; and (3) states that do not charge for the test. Table 7 shows the distribution of states across these categories. The majority of states that responded to this question (26) report charging a uniform fee. Sixteen states report allowing local programs to determine the cost for students, and two stipulate free GED® testing. Importantly, some states report providing free re-testing to students who do not pass one or more content-area tests or waiving the fee altogether during certain times of the year. Only one state reports that the fee for re-testing is as high as \$20-\$25 per content-area test. Other policies that affect instruction or waiting periods may also govern test taking.²⁵

Table 7. State GED® Testing Fee Policies

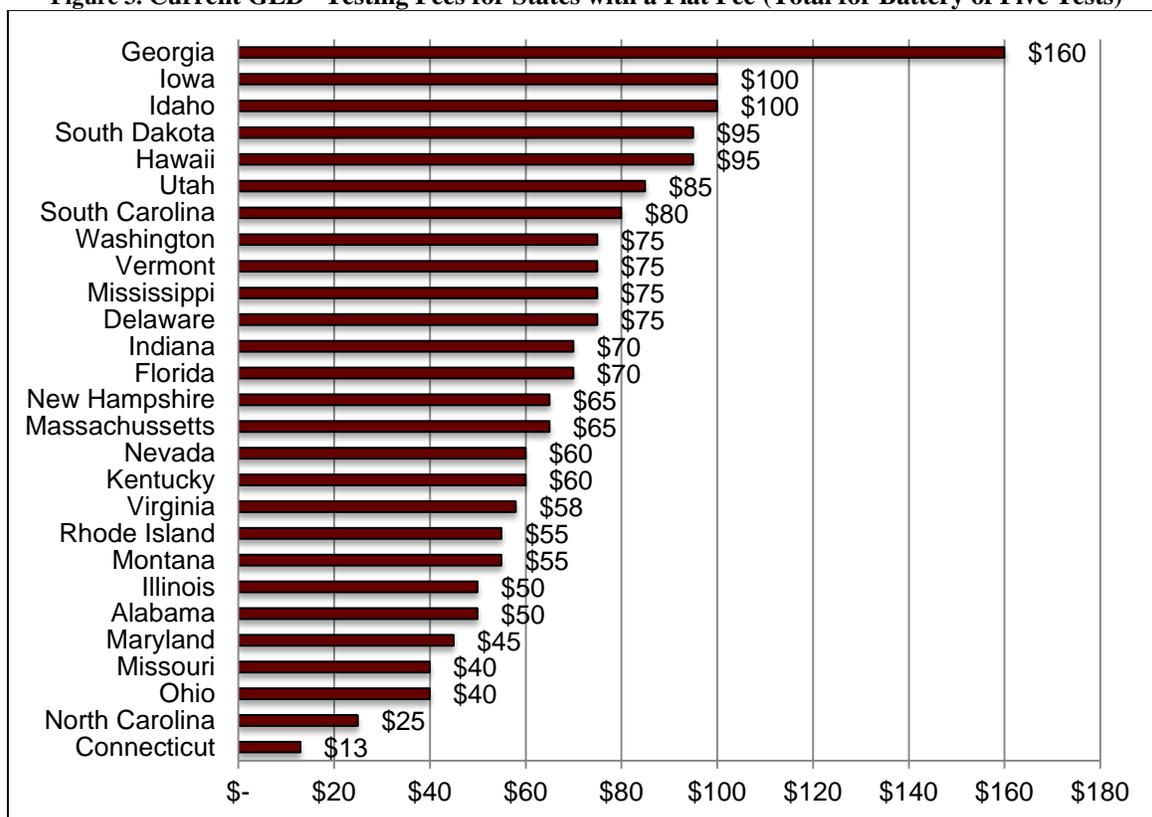
States	GED® Testing Fee Policies
26	Charge students a flat, uniform fee AL, CT, DE, GA, HI, ID, IL, IN, IA, KY, MD, MA, MS, MO, MT, NV, NH, NC, OH, RI, SC, SD, UT, VT, VA, WA
16	Allow local programs to determine the fee AZ, CA, CO, FL, KS, LA, MI, MN, NE, ND, OK, PA, TN, TX, WI, WY
2	Do not charge a fee AR, NY

Cost of the GED® to Students

Most states (28) set a flat fee or provide free testing, thus we have a general idea of the costs borne by a large portion of student test-takers. The average costs reported in Figure 3 are for the full battery of five tests, which are all currently required to earn the state-recognized credential.

At least ten states are piloting the use of a computer-based system for the current version of the test in place of the standard paper version, and some have already increased the cost of the test to accommodate this new delivery method. For the purposes of this survey, Figure 3 shows the GED® testing fee for the paper test among the 26 states that have a flat fee. Of states with a flat fee, seven charge \$50 or less, thirteen charge \$51-\$75, six charge \$76-\$100, and one charges above \$100.²⁶ Appendix C of this report includes more detailed information about existing testing fees and policies.

Figure 3. Current GED® Testing Fees for States with a Flat Fee (Total for Battery of Five Tests)



The GED Testing Service, newly structured as a private, for-profit entity, is instituting a new pricing structure for the 2014 test. The cost will be a total of \$120, with four tests instead of five, paid by the student through an online system. Retaking fees will be equivalent to the original test-taking fee. According to the responses in this survey, a fee of \$120 for the full battery of five tests will result in an increased cost to the student in most states. States, programs, employers, foundations, or other third-parties will be able to provide “vouchers” for students to use to offset the fee. It is not clear how extensively vouchers will be available when the computer-based system is widely instituted.

State Actions to Keep the GED® Affordable

Currently, the state administers the GED® test.²⁷ Only 14 states say they use state funding to make it more affordable for students; 29 states report they do not use state funding to make it more affordable. In some cases,

additional state or institutional funding may be used indirectly—for example, the state may pay for salaries or other program costs, enabling local programs to lower the cost to students. In these states, other funding—such as Workforce Investment Act Incentive Grants or private corporate donations—may be used to provide free GED® tests to students in certain situations or during certain times of the year.

We asked states if they expected to make any policy changes in light of the coming changes to the GED®. Some 25 states responded that they anticipate changes to keep testing fees more affordable for students after 2014. While it is too early for states to have definitive information, some reported that they are actively discussing options such as:

- Allocating more funding at the agency level to help offset the cost of the test to students;
- Pursuing changes in state law that prohibit the use of funds to subsidize the test; or
- Working with other state systems, such as workforce development or social services, to identify new resources for GED® test takers.

Because the formerly non-profit GED Testing Services has now become a for-profit company, using public funds to support a for-profit company's product has created unanticipated complications in some states. Often, states are limited in such arrangements.

State Actions to Seek Alternatives to the GED®

A number of states offer an alternative high school equivalency diploma (HSED) option that requires students to meet certain criteria, which can include a combination of taking an assessment (which might be the GED®), completing high school credits, completing college-level credits at a community college, or demonstrating in a portfolio skills and knowledge earned through experience. These options are not used widely in all the states due in part to the brand recognition of the GED® as the standard secondary school equivalency exam, to the lack of awareness among students about these state-recognized alternatives, and to the “seat time” required to attain a high school credit for some alternatives.

Most states note that it is too early to determine if changes will be made to state policy in light of the new test. However, twelve states report that they are exploring providing new options to students as an alternative to the GED®.²⁸ These options range from an entirely new third-party assessment to boosting the popularity of existing alternatives, such as state-recognized high school equivalency diplomas. These conversations are almost entirely driven by the expected increase in the cost to students and the interest of the state in having an accessible, affordable option for adults (and youth) to obtain a secondary high school credential if they cannot receive a traditional high school diploma. However, other considerations include the accessibility of the new, computer-based test and the ability of students to quickly adapt to the higher academic standards of the new GED® assessment.

State Examples: Testing Fees and High School Equivalency Diplomas

Although many states have state-recognized secondary school equivalencies, few have as many options as **Wisconsin**. It offers five alternatives to the GED® for adults over the age of 18.5, all of which offer a more comparable credential to a high school diploma: 1) earning a regular high school diploma by passing the GED® plus taking coursework or tests in health, civics, and career awareness; 2) earning a regular high school diploma by completing technical college credits; 3) earning a high school equivalency by completing 24 postsecondary semester credits; 4) earning a foreign diploma equivalency by presenting a high school diploma issued in another country and having it reissued as a Wisconsin high school diploma (students do not have to be over 18.5 for this option); and 5) earning a competency-based high school equivalency diploma by demonstrating

competencies in math, science, social studies, reading, writing, health, civics, and employability, such as in a portfolio.

The vast majority of high school equivalency diplomas are earned using the first option, which requires passing the GED® tests in addition to taking coursework or other tests, but a small percentage of students use the other options. Wisconsin is also planning to expand the use of its competency-based model. In addition, students with HSEDs are often encouraged to write a letter to their former high schools, explain that they have completed the HSED requirements, and request actual high school diplomas from the districts. These are often granted, according to officials in the state adult education system.

In **New York**, students who pass the GED® receive a Regents High School Equivalency Diploma. However, because the new cost structure may pose a barrier to access and with the increase in academic difficulty of the test, the state is seeking alternative assessments that would qualify toward the receipt of a high school diploma. A significant driver of this decision is cost: state law specifically prohibits charging students to take the GED® and the new cost of the test may present a barrier to students in the absence of state funding to make the test more affordable. To ensure that a secondary school equivalency remains a viable option for its students, the Adult Career and Continuing Education Services Office of the New York State Education Department is issuing a request for information to solicit data from vendors of educational assessments that could be used as a Regents-approved pathway to a New York State High School Equivalency Diploma.

Kentucky Adult Education made GED® and National Career Readiness Certificate testing available free of charge during a five-month period in early 2012. The state saw this as a way to ensure that more Kentuckians had the opportunity to obtain a secondary school credential and improve their employment and wage potential. After a similar free testing period in 2011, the state estimates that this policy led to a 10 percent increase in the number of Kentuckians earning a GED.

Georgia was the first state to implement computer-based testing for the current (2002 series) GED®. Local test centers are mostly in technical colleges (the state's primary adult education grantees), and they can often repurpose their computer labs for testing. The computer-based option is more expensive than the paper test—accompanied by a fee increase from \$95 to \$160—but the state is actively working with other systems, corporate partners, and foundations to help offset the increase for students. For example, the Office of Adult Education, which is part of the Technical College System of Georgia (TCSG) recently sought and was awarded a \$50,000 donation from a major employer that will go toward GED® “scholarships” for qualified Georgians who pass all five practice tests and are enrolled in a preparation course offered by a TCSG adult education grantee. These scholarships will come in the form of \$65 vouchers toward the \$160 fee; students will be able to use it in a similar manner as a “promotion code” when they register online. This is one of several test fee scholarship programs offered throughout the state. While the Office of Adult Education continues to explore ways to reduce the cost to students, it reports that students are generally happier with the overall testing experience, and the pass rate has increased by an average of 10 percent.

Discussion and Analysis

Along with the changes to the cost of the GED® come positive shifts to an assessment that is more closely aligned with college and career readiness and a simpler, more accessible score reporting system that can provide nearly instant feedback to students. However, the impact of the test's cost increase on its accessibility is not known, though almost all states express serious concern about what the changes will mean for students. Most states indicate that they do not use state funding to make the test more affordable for students, and declining state investments in adult education are making such practices less and less likely.

What cannot be lost amid the national conversation about the cost of the GED[®] is the ever-increasing value of education for adult learners. Adults without a high school diploma or equivalency have by far the highest unemployment and lowest wages across all educational attainment levels. This poor earnings potential is typically carried to the next generation. Erecting barriers to student success or the attainment of essential educational credentials runs counter to the nation's economic growth.

Given the consequences of the shift to a potentially more expensive test for students, states and the federal government should consider the implications of a drop in the number of students who obtain high school equivalencies and the resulting drop in economic growth and success for individuals without a high school equivalency. As noted, many states are taking proactive steps to identify and increase the visibility of existing, lower-cost alternatives. Challenges for these states will include the time it takes to develop an assessment and the alternatives' lack of the brand recognition that the GED[®] enjoys among students nationally.

Issues for Policymakers

- What are the other implications of a new GED[®] test structure that is not run entirely by states, beyond those resulting from the cost increase?
- To what extent can private or employer funds be used to support the cost of the GED[®]?
- How can federal policy mitigate the potential issues that may arise with a new private structure of the GED[®]?

Conclusion

The adult education system faces monumental financial and policy challenges, just when it is becoming more important than ever for individuals and the economy. Declining state support, stagnant federal funding, and the potential increased cost of taking the GED[®] could further threaten the ability of the system to continue providing education at existing levels. Considering that only 2 million of the 93 million adults who could potentially benefit from services actually receive them, the nation risks perpetuating a generation of undereducated adults.

Recent evidence from one state that instituted stringent tuition policies and concerns from practitioners nationwide about the ability of students to afford a new, more expensive GED[®] suggest that raising costs to students should not be a part of the revenue mix. Instead, the federal government and states should reexamine their priorities and options and the return on investment that adult education can provide through increased income and sales tax revenue, better school performance by the children of adult students, and improved health and safety outcomes.

With a secondary and postsecondary education more important to economic success than ever in our nation's history, states should ensure that policies support, rather than discourage, programs that expand economic opportunity to lower-skilled adult students and English language learners.

Appendix A

Percentage of Funding, by Revenue Source				
State	Local	State	Federal	Tuition
Alabama	0	57	43	0
Alaska	***	***	***	***
Arizona	25 ²⁹	0	75	0
Arkansas	0	80	20	0
California	0	88	12	0
Colorado	40	0	60	0
Connecticut	44	45	11	0
Delaware	0	28	72	0
District of Columbia	***	***	***	***
Florida	N/A	90	10	0 ³⁰
Georgia	7	38	55	0
Hawaii	0	60	40	0
Idaho	0	29	71	0
Illinois	0	64	36	0
Indiana	35	36	29	0
Iowa	0	0	100	0
Kansas	28	20	52	0
Kentucky	0	71	29	0
Louisiana	0	40	60	0
Maine	***	***	***	***
Maryland	26	31	42	1
Massachusetts	20	60	20	0
Michigan	0	60	40	0
Minnesota	0	88	12	0
Mississippi	0	32	68	0
Missouri	0	35	65	0
Montana	36	21	43	0
Nebraska	25	10	65	0
Nevada	4	70	24	2
New Hampshire	25	51	21	3
New Jersey	***	***	***	***
New Mexico	***	***	***	***
New York	0	72	28	0
North Carolina	0	87	13	0
North Dakota	0	65	35	0
Ohio	15	29	56	0
Oklahoma	0	25	75	0
Oregon	***	***	***	***
Pennsylvania	15	32	53	0
Rhode Island	10	70	20	0
South Carolina	0	0	0	0
South Dakota	0	10	90	0
Tennessee	10	15	75	0

Percentage of Funding, by Revenue Source				
State	Local	State	Federal	Tuition
Texas	0	25	75	0
Utah	0	75	25	0
Vermont	0	81	19	0
Virginia	15	25	53	7
Washington	0	58	16	26
West Virginia	***	***	***	***
Wisconsin	43	22	35	0
Wyoming	0	63	37	0
Total	9	47	43	1
*** The state did not participate in the survey.				
N/A: Data are not available.				

Appendix B

State Tuition Policies		
State	Tuition Policy: <u>Prohibits</u> Local Programs from Charging Tuition, <u>Allows</u> Local Programs to Charge Fees, or <u>Requires</u> Tuition	Additional Details
Alabama	Prohibits	
Alaska	***	***
Arizona	Other	The state allows local programs to charge supplemental class fees, based on a sliding scale, but does not allow them to charge tuition.
Arkansas	Prohibits	
California	Allows	Schools may charge a small fee, commonly a "registration fee."
Colorado	Allows	
Connecticut	Prohibits	
Delaware	Prohibits	
District of Columbia	***	***
Florida	Requires	Fees are \$45 per half year or \$30 per term, plus a nonresident fee (\$135 per half year or \$90 per term) for students who cannot claim in-state residency.
Georgia	Prohibits	
Hawaii	Allows	
Idaho	Allows	
Illinois	Allows	Only charges for ASE level of above at the amount of no more than \$3 per unit of instruction.
Indiana	Allows	
Iowa	Allows	Some local programs recently started charging class fees, but this will be the first year data will be collected.
Kansas	Allows	Adult education services must be accessible at no or a minimal charge to all adults who qualify, but local programs may establish policies concerning charging consistent, reasonable fees to individuals. Programs must have a plan in place to ensure that fees do not hinder the participation of economically disadvantaged adult learners.
Kentucky	Prohibits	
Louisiana	Prohibits	
Maine	***	***

State Tuition Policies		
State	Tuition Policy: <u>Prohibits</u> Local Programs from Charging Tuition, <u>Allows</u> Local Programs to Charge Fees, or <u>Requires</u> Tuition	Additional Details
Maryland	Other	The state allows local programs to charge fees or tuition for upper-level students but not others. The state does not set fees; instead, it has issued a policy that fees may not present a barrier to participation.
Massachusetts	Prohibits	
Michigan	Allows	
Minnesota	Allows	Most programs do not charge tuition, but a few charge a minimal materials fee.
Mississippi	Prohibits	
Missouri	Allows	The state adult education and literacy office must approve the amount charged by the local program.
Montana	Prohibits	
Nebraska	Allows	The maximum charge per year per student is \$25.
Nevada	Allows	
New Hampshire	Other	Programs can charge for educational services above the ABE level (eighth-grade functioning level).
New Jersey	***	***
New Mexico	***	***
New York	Prohibits	
North Carolina	Prohibits	
North Dakota	Prohibits	
Ohio	Prohibits	
Oklahoma	Allows	Two programs charge an enrollment processing fee.
Oregon	***	***
Pennsylvania	Prohibits	
Rhode Island	Allows	
South Carolina	Allows	
South Dakota	Prohibits	
Tennessee	Prohibits	
Texas	Other	The state allows local programs to charge a minimal fee only to Adult Secondary Students (grades 9-12, reading level). The amount is locally determined.
Utah	Allows	By state statute, programs may charge up to \$100 per client per program year. Local boards of education or local boards of trustees set any

State Tuition Policies		
State	Tuition Policy: <u>Prohibits</u> Local Programs from Charging Tuition, <u>Allows</u> Local Programs to Charge Fees, or <u>Requires</u> Tuition	Additional Details
		fees.
Vermont	Prohibits	
Virginia	Allows	
Washington	Requires	The state requires a tuition charge of \$25 and requires that each college have a waiver policy for students with limited economic means.
West Virginia	***	***
Wisconsin	Prohibits	
Wyoming	Allows	
*** The state did not participate in the survey.		

Appendix C

State Policies on GED® Testing Fees				
State	Cost for Full Battery of GED® Tests	Uses State Funding to Keep the GED® Test Affordable for Students	Anticipates changes in state policy on keeping GED® testing fees affordable for students after the new assessment in 2014	Seeking alternative assessment
Alabama	\$50	No	No	
Alaska	***	***	***	***
Arizona	Varies by Local Program	No	Yes	✓
Arkansas	No Charge	Yes	Yes	✓
California	Varies by Local Program	No	No	
Colorado	Varies by Local Program	No	No	
Connecticut	\$13	Yes	Yes	
Delaware	\$75	No	Yes	
District of Columbia	***	***	***	***
Florida	\$70	No	Yes	
Georgia	\$160	No	No	
Hawaii	\$95	Yes	Yes	
Idaho	\$100	No	No	
Illinois	\$50	Yes	Yes	
Indiana	\$ 70, Paper; \$120, Computer-Based	No	Yes	✓
Iowa	\$100	No	No	
Kansas	Varies by Local Program but Cannot Exceed \$85	No	No	
Kentucky	\$60	No	Yes	✓
Louisiana	Varies by Local Program	Yes	No	
Maine	***	***	***	***
Maryland	\$45	No	Yes	
Massachusetts	\$65	Yes	Yes	
Michigan	Varies by Local Program	No	No	
Minnesota	Varies by Local Program	Yes	Yes	
Mississippi	\$75	No	No	
Missouri	\$40	Yes	Yes	✓

State Policies on GED® Testing Fees				
State	Cost for Full Battery of GED® Tests	Uses State Funding to Keep the GED® Test Affordable for Students	Anticipates changes in state policy on keeping GED® testing fees affordable for students after the new assessment in 2014	Seeking alternative assessment
Montana	\$55	No	Yes	✓
Nebraska	Varies by Local Program	No	No	
Nevada	\$60	No	Yes	
New Hampshire	\$65	Yes	Yes	✓
New Jersey	***	***	***	***
New Mexico	***	***	***	***
New York	No Charge	Yes	Yes	✓
North Carolina	\$25	Yes	Yes	
North Dakota	Varies by Local Program	No	Yes	
Ohio	\$40	No	No	
Oklahoma	Varies by Local Program	No	Yes	
Oregon	***	***	***	***
Pennsylvania	Varies by Local Program	No	No	
Rhode Island	\$55	Yes	Yes	
South Carolina	\$80	No	Yes	
South Dakota	\$95	No	No	
Tennessee	Varies by Local Program	No	No	✓
Texas	Varies by Local Program	No	No	
Utah	\$85	No	No	
Vermont	\$75	Yes	Yes	
Virginia	\$58	Yes	Yes	
Washington	\$75	Yes	Yes	✓
West Virginia	***	***	***	***
Wisconsin	Varies by Local Program but Cannot Exceed \$120	No	No	✓
Wyoming	Varies by Local Program	No	No	✓

*** The state did not participate in the survey.

¹ Carnevale, Anthony, Nicole Smith, and Jeff Strohl. *Help Wanted: Projections of Jobs and Skill Requirements through 2018*. Georgetown University Center on Education and the Workforce, June 2010.

² National Council of State Directors of Adult Education, *Adult Student Waiting List Survey, 2009-2010*, <http://www.ncsdae.org/2010%20Adult%20Education%20Waiting%20List%20Report.pdf>

³ Carnevale, Anthony, Nicole Smith, and Jeff Strohl. *Help Wanted: Projections of Jobs and Skill Requirements through 2018*. Georgetown University Center on Education and the Workforce, June 2010.

⁴ National Council of State Directors of Adult Education, *Adult Student Waiting List Survey, 2009-2010*, <http://www.ncsdae.org/2010%20Adult%20Education%20Waiting%20List%20Report.pdf>

⁵ National Adult Education Professional Development Consortium, *Adult Education Supporting the President's Workforce and American Graduation Initiatives*, 2010, <http://www.naepdc.org/State%20Alignment%20Initiatives%20-%20FINAL%202.2.10.pdf>

⁶ The NRS is the performance accountability system that governs the use of federal adult education funding under Title II of the Workforce Investment Act.

⁷ These figures may not include all students served by adult education services. States may use local or state funding to serve students and not include them in the NRS. In addition, students must be enrolled for at least 12 hours to be counted in these totals.

⁸ See note 5.

⁹ These figures are not comparable to federally reported data on expenditures. Expenditure data collected from the Department of Education indicate that nonfederal funding constitutes, on average across all 50 states and territories, 75 percent of the total funding for adult education. The difference in these figures may reflect a divestment from states in recent years or the difference between federally reported expenditures and dedicated state and local funding for adult education.

¹⁰ Foster, Marcie. *Adult Education Funding Levels and Enrollment Trends*, CLASP, February 2012. <http://www.clasp.org/admin/site/publications/files/adult-ed-funding-enrollment-February-2012.pdf>

¹¹ Florida began charging tuition in July 2011 but does not have updated funding data yet.

¹² See Foster, Marcie. "With Budgets Slashed, Adult Education Programs Struggle to Keep the Lights On," CLASP, February 21, 2012.

¹³ The states that have state funding to contribute (Arizona, Colorado, and Iowa) are not included in these counts.

¹⁴ Information about these new NRS changes can be found in the *NRS Implementation Guide 2012*.

<http://wdcrobcolp01.ed.gov/CFAPPS/OVAE/NRS/guidelines/AssessmentPolicyGuidance.docx>

¹⁵ Harnisch, Thomas. *Performance-based Funding: A Re-Emerging Strategy in Public Higher Education Financing*, American Association of State Colleges and Universities, June 2011.

http://www.congressweb.com/aascu/docfiles/Performance_Funding_AASCU_June2011.pdf

¹⁶ *Performance-Based Funding in Adult Education*, MPR Associates, August 2007,

http://www.mprinc.com/products/pdf/Performance_Based_Funding_in_Adult_Ed.pdf

¹⁷ National Adult Education Professional Development Consortium, "Sample Funding Formulas."

http://63.117.44.95/resource_library/financial_systems/performance_funding.html

¹⁸ Educational functioning levels are used to measure the basic skills gains of adult education participants. A "gain" from one level to another is assessed by a student's performance on a basic skills assessment, such as TABE, CASAS, WorkKeys, or BEST (ESL only). Educational functioning levels for English speakers (ABE, ASE) are also assigned grade-level equivalents (i.e., 0-12.9).

¹⁹ See "Frequently Asked Questions on Adult Basic Education State Grant Administration," U.S. Department of Education.

<http://www2.ed.gov/about/offices/list/ovae/pi/AdultEd/dael-faqs.pdf>

²⁰ Adult General Education - Questions and Answers on 2011 Florida Statutory Changes, 2011.

<http://www.fldoe.org/Workforce/pdf/AGE-statutorychanges-qa.pdf>

²¹ Rockwell, Lilly. "Adult Ed Numbers Drop After State Starts Charging Tuition," *Florida Courier*, November 17, 2011.

<http://www.flcourier.com/florida/6981-adult-ed-numbers-drop-after-state-starts-charging-tuition>

²² Division of Adult and Career Education, Overview of Residency for Tuition Purposes, s.1009.21, F.S.

<http://www.fldoe.org/Workforce/pdf/ortp.pdf>

²³ The Literacy Information and Communication System hosts 11 online discussion lists on a variety of topics. This discussion was facilitated on the Transitions to Post-Secondary Education discussion list.

²⁴ Alaska, Nebraska, Texas, and Virginia have not adopted the Common Core Standards. Minnesota has not adopted the math portion, maintaining that its existing standards for math are higher than those the Common Core requires.

²⁵ Information on additional policies that may govern GED® testing can be found in the *GED Testing Service Annual Statistical Report*, 2010. <http://www.iccb.state.il.us/pdf/ged/GEDTS%20Report%202010.pdf>

²⁶ Georgia, the only state to charge more than \$100, was one of the first pilot states for the computer-based test and thus has already instituted a higher testing fee.

²⁷ State law prohibits New York from charging a GED® testing fee.

²⁸ In addition, a group of 25 states is exploring high school equivalency options beyond the GED®. The group has issued a request for information to other assessment vendors, and results will be considered this summer.

²⁹ Local funding is a temporary replacement for state adult education funding in Arizona since the state lost its state appropriation.

³⁰ Florida implemented new tuition policies in 2011. Data are not yet available on how much revenue was collected from tuition and fees.