Overview

This bill replaces the current funding formula for adult basic education (ABE) aid with a new funding formula and makes other changes to ABE law. The proposed formula combines base aid with aid for instructional services. Base aid is distributed on the basis of population and other measures of need for adult basic education. Additional reporting requirements and audits are included in the bill. A policy review board is established to advise the commissioner and the legislature on the implementation of adult basic education programs. Supplementary services for adult basic education are funded with state appropriations and matching grants administered by the department of children, families and learning (CFL). Permanent program requirements for non-profit organizations and correctional institutions are established with limits on administrative reimbursements. Appropriations are increased to fund the aid and grant programs and administrative costs.

1 Program approval. Eliminates a paragraph from the ABE program approval section that gives the commissioner of CFL authority to use ABE funds for nonprofit organizations that provide supplementary services. Section 4 provides grants for supplemental services.

2 Cooperative English as a second language and adult basic education programs. Provides for the delivery of English as a second language, citizenship and adult basic education programs by non-profit or community-based organizations and correctional facilities. An ABE program may cooperate with qualified organizations located in the area served by the program or may cooperate with any correctional institution to provide educational programming for adults through ABE.

Administrative costs of the organization are limited to eight percent of the total funds received from the district or consortium, not to exceed the actual unreimbursed cost of administering ABE services. The participating school district or consortium is also limited to an eight percent reimbursement up to the actual amount of unreimbursed costs of administering ABE services through an organization or correctional institution.

To be eligible to deliver ABE services, a non-profit or community-based organization must
demonstrate that it:

1) is legally established;
2) has an adequate fiscal and accounting system to provide the information necessary for ABE reporting requirements;
3) requires instructional staff to be trained in teaching adult learners; and
4) develops a learning plan for each participating adult learner with measurable educational and occupational goals.

These requirements replace the requirements in Laws of Minnesota 1997, chapter 162, article 2, section 30.

3 Adult basic education policy review board. Establishes a seven member board to advise the commissioner of CFL on implementation policies for adult basic education programs. Board members are appointed to represent urban, suburban and rural ABE programs and non-profit organizations from a slate of candidates proposed by the Minnesota community education association. Other individuals may serve as ex officio members of the review board. The board is organized under Minnesota law with the members serving two year terms. Members are eligible for expenses but not per diem. The board must hold a minimum of two meetings per year until it expires on September 30, 2003.

The policy review board has the following duties:

1) recommend an ABE mission statement to the legislature;
2) advise the commissioner on standard policies and procedures;
3) advise the commissioner on curriculum and course offerings;
4) recommend to the legislature an outcome based funding system for ABE; and
5) review grants for statewide supplemental services under section 4.

4 ABE supplemental service grants. Authorizes the commissioner of CFL, in consultation with the policy review board, to make grants to nonprofit organizations for supplemental services that are not provided by the ABE programs. Grants may be made for staff development, volunteer training, services and materials for serving disabled students, promotion of ABE, technology for ABE, distance learning projects and other supplemental services to support ABE and innovation in the delivery of ABE services. Grants must support services throughout the state, focus on educational results and promote educational outcomes. Participating organizations are required to provide a 50 percent match for the state grant funds. Grants are limited to two years and cannot exceed an unspecified cap. ABE programs are also authorized to purchase these services with their ABE aid.

5 Adult basic education aid. Creates a new three part funding formula for adult basic education.

Subd. 1. Adult basic education aid. Provides that ABE aid for fiscal year 2001 and later is equal to the sum of the base population aid, adult learner aid, and ABE instruction aid. Total aid is limited to the unreimbursed costs of an approved program. Aid for fiscal year 2001 must be greater than or equal to a program’s ABE aid for fiscal year 2000 at the 77 percent proration level.

Subd. 2. Base population aid. Provides for minimum aid of $4,000 or $1.80 times the population of the district as reported for community education programs. Base aid must be paid directly to the participating school district for the purposes of adult basic education.

Subd. 3. Adult learner aid. Provides aid that equals the sum of three factors:

- $2.95 times the number of adults living in the district over the age of 20 who do not have a high school diploma or GED as measured by the U.S. census;
$40 \times \text{the number of K-12 students with limited English proficiency enrolled in the district};$ and
$300 \times \text{the number of high school dropouts in the district in the previous fiscal year.}

**Subd. 4. Adult basic education instruction aid.** Provides aid equal to $5.70 \times \text{the average number of hours of instruction over the past three fiscal years. Limits increases in ABE instruction aid to 105 percent of the aid received in the prior fiscal year beginning with fiscal year 2002.}

**Subd. 5. Program audit.** Requires ABE programs to maintain adequate records to document its level of ABE aid payments. The commissioner of CFL is authorized to audit ABE programs and to establish auditing procedures. At least five ABE programs per year must be audited. Each year, the audits must include a program with more than 100,000 hours of instruction, one with 50,000 to 100,000 hours of instruction and three programs with less than 50,000 hours of instruction. Authorizes CFL to reconcile differences between actual aid payments and aid estimates based on program audits.

**Subd. 6. Fiscal reports.** Requires all ABE programs to submit annual reports to CFL that include revenues and expenses for each participating district and site, including sites operated cooperatively with nonprofit organizations and businesses.

**Subd. 7. Proration.** Requires full funding of the base population aid. Authorizes the commissioner to proportionally prorate other ABE aid if appropriations are insufficient to meet the formula entitlements.

**Subd. 8. Innovative program grants.** Provides that any excess appropriations for ABE aid may be used to make grants to promote innovative program delivery. Metropolitan and nonmetropolitan programs must share equally in these grants.

6 **Adult basic education aid.** Increases the fiscal year 2001 appropriation for ABE aid to $30.9 from $22.5 million.

7 **Supplemental adult basic education aid; fiscal year 2000.** Provides additional, one-time aid to ABE programs. Distributes the amount necessary to fully fund the aid entitlement for fiscal year 2000 ($5.6 million) to participating ABE programs. Each program receives a minimum of $4,000 or $1.40 \times \text{the community education population of the district. ABE programs are authorized to carry forward the one-time funding to fiscal year 2001.}

8 **Competency-based ABE and ESL license.** Directs the board of teaching to develop a competency-based license for teachers of adults as an alternative to current licensing requirements. The board must convene a task force to develop the licensing proposal and report to the legislature by January 15, 2002.

9 **Appropriations.** Makes the following general fund appropriations in addition to the increased appropriation under section 6:

   - an unspecified amount for supplemental service grants for FY 2001;
   - $5.6 million for supplemental aid for FY2000; and
   - $100,000 for ABE administration for FY 2001 including the policy review board.

10 **Repeater.** Repeals the current ABE funding formula.

11 **Effective date.** Provides an immediate effective date for the supplemental FY 2000 aid distribution and appropriation.