Consolidated and Reformed Workforce Development and Literacy Act (1976): Speech 12
Issue: Adult Education Hold Harmless

Background: The House has a provision that protects Adult Education funding at the current level. The Senate has no similar provision. At the staff level, we have discussed protecting Adult Education with a provision that the funds necessary to provide a “Hold Harmless” would come from the flexibility account if necessary.

Talking Points: I believe we should accept a provision that protects Adult Education funding.

I am generally reluctant to agree to protections for one program that would work to disadvantage another. For instance, I believe both Adult and Vocational Education are important programs, and I would have great concerns if a hold harmless for one were at the expense of the other. However, if the proposal is to provide protection through funding from an undesignated source, such as the flexibility account, then my concerns are not major ones.
Adult Education Hold-Harmless

Proposal

• Hold-harmless adult education funds at 1995 levels
• Increase adult education percentage share to 7%

Why a Hold Harmless for Adult Education is Necessary?

• Federal funds currently account for at least one-half of all expenditures for direct services in 25 states. Because of the essential support provided by the federal share in so many states and given the critical role adult education services play in the overall employment preparation strategy, it is essential that the overall capacity of the adult education system be strengthened.

Potential Losses in Basic Skills Funding Are Staggering

FEDERAL, Primary Source: Adult Education Act State Grant & Literacy Program for Prisoners
FY95 Funding: $279M
FY96 Funding: $255M
President’s Request: $300M
Act’s Potential Impact*: cut to $191M (24% reduction)

• The funding formula will be applied to the current total appropriation level.

Higher authorization levels are of little consequence.

The appropriation for the block grant would have to increase more than $1 BILLION for adult education to recoup just the $64M loss in Adult Education Act funding.

• Adult education is not likely to fare well in the collaborative process and in the competition for funding from the flex account. They will be coming to the table with a relatively small allocation and do not enjoy the same level of professional clout of the adult training and vocational education communities.

• The argument will be made that the needs of the adult education system will be evident in the State plan and that funding shortfalls will be made up from the Governors’ flex account. What will also be abundantly clear is that adult training is also seriously underfunded. States attempting to meet their benchmarks (and avoid the 10% sanction) will try to meet training needs first.
• The language agreed to on the GED provision (making the attainment of a GED a requirement of receiving employment training) will further burden the system. And while the language permits funding from the employment account to “follow” those in need of basic adult training, that funding transfer is permissive, not mandatory.

• **Support for basic skills training will be marginal, as States focus on welfare to work.** JOBS Program funding was removed from the bills early on or never included. Under the welfare reform proposals being considered by the Congress, enrollment in basic skills instruction does not count toward the participation requirement.

**STATE, Expenditure for Adult Education**: $800M (70% of it in 4 states: CA, MI, NY, & FL)

Act’s Potential Impact*: requirement reduced to $48M (25% of $191M)

• Current proposal includes 25% match of federal funding for adult education, but repeals current law state maintenance of effort.

• **States like Michigan, anticipating the repeal of the Maintenance of Effort provision have already begun to divert adult education funding to employment related activities.**

**Note 102**

Special Rule

( ) with respect to adult education activities, the State shall ensure the expenditure of an amount equal or greater that the amount that State received for adult education activities in FY 1995. For any fiscal year where funding is less than the amounts received by the State in FY 1995, the Governor shall make available amounts necessary from funds received under the flex account.
ADULT EDUCATION HOLD-HARMLESS

Adult education programs are an essential component of the effort to ensure that all Americans are literate. While more States, in recent years, have provided major support for adult education and literacy programs, those programs in most States remain highly dependent on the Federal contribution. Thus a cut in the Federal contribution could be devastating for adult education. Therefore:

- The bill should include a set-aside of at least 5 percent for adult education. Without this requirement, more powerful interests in the State may try to siphon off the funding on which local education programs depend.

- The bill should also include a requirement that no State expend, for adult education less than it received from the Federal adult education program in FY 1996. (That is, the bill must include an adult education "hold-harmless").

- If the amount needed to meet the hold-harmless requirement exceeds the set-aside, the difference should be taken from the State's "Flex account."