



March 19, 2019

The Honorable Gavin Newsom
Governor
State of California
Sacramento, CA 95814

The Honorable Holly Mitchell
Chair, Senate Budget Committee
State Capitol, Room 5080
Sacramento, CA 95814

The Honorable Phil Ting
Chair, Assembly Budget Committee
State Capitol, Room 6026
Sacramento, CA 95814

The Honorable Richard Roth
Chair, Senate Budget Subcommittee #1
State Capitol, Room 2080
Sacramento, CA 95814

The Honorable Kevin McCarty
Chair, Assembly Budget Subcommittee #2
State Capitol, Room 2136
Sacramento, CA 95814

RE: FY 19-20 Budget – Adult Education Support for \$110M in Increased Funding

Dear Governor Newsom and Chairs Mitchell, Ting, Roth and McCarty:

On behalf of the California Council for Adult Education (CCAE) and California Adult Education Administrators Association (CAEAA), we wish to convey our strong support for increased investment in the California Adult Education Program (CAEP). This investment will ensure stability for K12 adult education in California by providing clear, consistent and stable resources based on regional plans developed under AB 86.

Having worked so hard over the past three years to make meaningful headway with the Legislature, Administration, and Department of Finance (DOF) on delivery of adult education in California, K12 adult schools and noncredit community college partners have successfully come together to provide these courses under the CAEP structure. We believe strongly that the institution of the CAEP framework was a positive reform of adult education that provided stability when we needed it most and has helped to build stronger collaboration and pathways between the systems for the benefit of the students and communities we serve.

Relative to the Governor's FY 19-20 January Budget Proposal, we greatly appreciate the inclusion of a COLA for CAEP. While this is incredibly helpful to the adult education system, we remain concerned about stagnant funding and related access to adult education programs absent broader increased funding. According to the Legislative Analyst Office (LAO), the need for adult education is greater than those being currently served, as illustrated by the following:

- Unemployed Californians: 1.553 million
- Californians with Limited English Speaking Skills: 3.4 million
- Californians with No H.S. Diploma or Equivalent: 4.69 million
- Californians at a 7th Grade Education or Lower: 2 million
- Californians Below Federal Poverty Level: 2.6 million

We strongly believe it is critical to increase the funding for CAEP to continue to build upon the great work being done regionally. More specifically, we respectfully request the Administration and Legislature approve increased funding for the California Adult Education Program (CAEP) by \$110 million to address increasing costs, mitigate programmatic cuts underway, and help expand access for the most marginalized adults among us. This is proposed in addition to the current proposed cost of living adjustment (COLA) which will help minimize rising operational expenses providers are facing in light of recent and ongoing labor negotiations across the state, PERS, STRS, and other increasing costs.

More specifically and in order to address these concerns at a time when the need for basic skills, fluency and short-term job training are at their highest, our proposed \$110 million increase for CAEP in addition to the proposed COLA, for a total of \$649,607,000 in FY19-20 in base funding and ongoing, is predicated on the following factors:

CAEP Funding Proposal for 2019-20	
Item	Amount
CLASP report recommendation for 6% targeted performance bonus system	\$30,000,000
CTE Support to address fees not covered in original CAEP MOE funding	\$30,000,000
STRS, PERS, Overall Cost Increases, Access Growth	\$50,000,000
Total request for 19/20	\$110,000,000

As Adult Education Consortia have become organized and are providing services to their respective communities over the past two years the cost of doing business has been increasing. Two years later, there are indications that services are at risk of being reduced as additional costs are absorbed within the same level of funding. This includes the dramatic increases to PERS and STRS as well as routine labor contract staffing cost increases. It is estimated that adult education funding effectiveness for services has been reduced by an estimated 10% over the past two years. Adding this amount to the current base now will enable adult education providers to continue the level of services identified by their respective consortia as critical to their communities.

Relative to the inclusion of the CLASP report inclusion, it recommended an additional 6% funding to respond to Communities of Need on a performance based payment process as a means of ensuring most marginalized members of communities are served. We feel that this funding model is necessary in order to impress upon all providers of adult education the perceived State interest that any increase in funding is used to expand capacity to serve more students and improve outcomes. Assuming that the other increased cost factors are addressed, performance-based funding would provide a more direct level of accountability on the adult education system. Further, the passage of AB 2098 (McCarty, 2018) is a welcome recognition of the critical role K12 adult schools play in their communities and the key contributions of immigrants to California’s current and future workforce and economic health. As metrics are developed, and incorporated into the AEBG data collection process, this important work will be expanded and reinforced to support the work and benefit of the CLASP proposal.

In addition to these two specific funding needs we believe that the future success of the adult education consortia work justifies that an additional 6% be added to the \$500M as the base that was provided two years ago. This will provide some much needed relief to CAEP consortia who are struggling with the added demands of consortia work while also trying to develop innovative practices, expanded outreach and increase access for their communities.

Adult Education is an investment in the future of our community, state and our families, as research shows that better educated parents raise better educated, more successful children, who are less likely to end up in poverty or prison. We strongly urge your support for increased support and inclusion of these refinements to provide for ongoing stability and support for Adult Education. These refinements are easily incorporated into the FY 19-20 budget proposal and are consistent with other priorities of the Administration and Legislature, including early childhood education.

We appreciate your consideration of our request and look forward to working with you to address the stagnant funding and capacity in the adult education system within the FY 19-20 budget. These resources will help build upon the successful CAEP framework and coordination that is taking place at the local level and that is benefitting adult students, their families and our state and regional economies. If you have any questions or would like to discuss these issues further, please contact Dawn Koepke with McHugh Koepke & Associates at (916) 930-1993. Thank you!

Sincerely,



Steve Curiel
President
CCAЕ



PaoLing Guo
President
CAEAA

Cc: Members, Senate Budget Committee
Members, Assembly Budget Committee
Chris Ferguson, Department of Finance
Maritza Urquiza, Department of Finance
Keith Nezam, Department of Finance
Elisa Wynne, Senate Budget Committee
Anita Lee, Senate Budget Committee
Senate Republican Office of Policy
Katie Hardeman, Assembly Budget Committee
Mark Martin, Assembly Budget Committee
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