

# VOLUME I: FINAL SYNTHESIS REPORT

## STUDY TO ASSESS FUNDING, ACCOUNTABILITY, AND ONE-STOP DELIVERY SYSTEMS IN ADULT EDUCATION

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## EXECUTIVE SUMMARY

The Workforce Investment Act (WIA) of 1998 (P.L. 105-220)<sup>1</sup> recognized the relationship between adult education and workforce development and the need for accountability in all literacy, training, and employment programs. Enacted as Title II of WIA, the Adult Education and Family Literacy Act (AEFLA) created a partnership of federal government, states, and localities to provide educational opportunities for adults 16 and older who are not currently enrolled in school and who lack a high school diploma or the basic skills needed to function effectively in the workplace and in their daily lives.

AEFLA required substantial changes in state and local operations. The objectives of this study were to assess current and expected changes in the **allocation of state and local funds** for adult education and literacy; summarize the system of **accountability**, the performance standards and measures, and the use of performance standards; and report on the relationship between adult education providers and learners and **one-stop delivery systems**.

This report synthesizes information from a survey of all state directors of adult education<sup>2</sup> and site visits to nine local programs in five states. Our findings relate primarily to the first 18 months of AEFLA implementation (most states reported that they had fully implemented AEFLA by July 1999).

### A. Background

The education of low-literate and limited-English-speaking Americans is an important component of the larger educational system and a key part of the lifelong learning continuum. AEFLA-funded programs are also part of a much larger national workforce investment system. The major purpose of WIA is to increase the employability, job retention, and earnings of participants, while reducing welfare dependency and enhancing the productivity and competitiveness of the U.S. in the global economy of the 21st century.

AEFLA grants to states are the principal source of federal support to states for adult education and literacy programs and activities. Basic grants to states are allocated by a formula based upon the number of adults at least 16 years of age who have not completed high school in each state. In fiscal year (FY) 2002, Congress appropriated \$505 million for AEFLA grants to states. Beginning in FY 2000, Congress reserved a significant proportion of the basic state grant

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<sup>1</sup> A major focus of WIA was to reform federal employment, adult education, and vocational rehabilitation programs to create an integrated, “one-stop” system of workforce investment and education activities for adults and youth. Programs and agencies that carry out activities under AEFLA are mandatory partners in this one-stop delivery system. Title I of WIA authorizes workforce investment programs and activities administered by the Employment and Training Administration (ETA) of the U.S. Department of Labor (DOL).

<sup>2</sup> Survey responses were received from 49 of the 50 states, the District of Columbia, Puerto Rico, the Virgin Islands, and American Samoa.

for integrated English literacy and civics education (EL/Civics) services to immigrants and other limited-English-proficient populations—\$70 million was appropriated for EL/Civics in FY 2002.

States distribute funds to about 3,500 to 4,000 local providers<sup>3</sup> through a competitive process. Eligible providers include local education agencies, community-based organizations (including faith-based organizations), volunteer literacy organizations, institutions of higher education, public or private nonprofit agencies, libraries, public housing authorities, and other nonprofit institutions that have the ability to provide literacy services to adults and families.<sup>4</sup>

Local programs of instruction emphasize the acquisition of basic skills including reading, writing, math, English language, and problem solving. Courses of instruction include Adult Basic Education, Adult Secondary Education, and English as a Second Language, which continues to be the fastest growing component of the adult education program<sup>5</sup>

## **B. Funding**

AEFLA funding has grown considerably over the past 10 years, but the biggest determinant of adult education funding within communities is *state and local* contributions. The percent match is calculated by the Office of Vocational and Adult Education (OVAE) as the share of total (federal, state, and local) adult education funding that comes from state and local sources, which can include “in-kind” contributions.

State and local funding commitments vary considerably, ranging from 91 percent of all adult education funding in California (California allocates over \$600 million of state funds to its adult education programs) to the minimum required 25 percent match in Texas, Tennessee, and Mississippi.<sup>6</sup> State and/or local dollars accounted for two-thirds or more of total adult education funding in 19 states. State and/or local funds made up one- to two-thirds of total funding in 21 states, and less than one-third in 11 states. Cost per student ranges from \$175 in Georgia to over \$3,900 in Vermont, with an average per-student cost of \$770 for all states and the District of Columbia.

This study assessed state responses to AEFLA funding provisions, changes made in local grantee funding, and use of state leadership funds. State budgets and policies affecting adult education have also changed, and so not all of the changes occurring at the state and local levels can be attributed directly to AEFLA.

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<sup>3</sup> U.S. Department of Education, Office of Vocational and Adult Education. 2003. *Adult Education and Family Literacy Act: Report to Congress on State Performance Program Year 2000–2001*.

<sup>4</sup> Workforce Investment Act. P.L. 105-220, Section 203(5).

<sup>5</sup> U.S. Department of Education. <http://www.ed.gov/fund/grant/find/AdultED/f-ogrant.html>. Accessed October 1, 2003.

<sup>6</sup> *Source*: U.S. Department of Education, Office of Vocational and Adult Education, Division of Adult Education and Literacy. February 22, 2005. Funding was for the entire 27-month period that FY 2001 funds were available to states. State reports to OVAE do not disaggregate the sources of the state match.

**State responses to AEFLA funding provisions.** AEFLA includes 11 provisions that change the federal allocation of adult education and family literacy funds at the state and local levels, as compared to the prior legislation authorizing the adult education program, the Adult Education Act as amended by the National Literacy Act of 1991. State directors' opinions varied widely about which provisions have had the greatest impact on their state, but the following five provisions were identified by at least 10 state directors as having had the greatest (positive or negative) impact on their state:

- the reduction in the percentage of grant funds that can be used for *state leadership activities* and inclusion of professional development activities in the category of state leadership activities (54 percent of states; 93 percent of these states said the impact was negative);
- the award of *multiyear competitive grants* to local grantees (36 percent of states; 88 percent of these states said the impact was positive);
- the support of operation and maintenance of *one-stop centers* (24 percent of states; 58 percent of these states said the impact was positive);
- the classification of additional activities as *administrative costs* for local grantees (22 percent of states; 82 percent of these states said the impact was positive); and
- the limit on state expenditures for *corrections education* (20 percent of states; 50 percent of these states said the impact was positive).

**Local grant awards.** For many states, implementation of AEFLA brought about changes in the way that local grant applications are evaluated and awarded. Under AEFLA, states are directed to award multiyear grants or contracts on a competitive basis to eligible providers within the state. Changes in the application and funding process can potentially impact the size and distribution of adult education grants due to changes in the applicant pool and/or changes in state funding criteria. States evaluate local grant or contract applicants using 12 federally designated evaluation criteria that are specified in Section 231(e)(4)(B) of the Workforce Investment Act. While all twelve criteria are to be used by states in awarding AEFLA grants, states do differ in the importance they assign to each of the criteria. State adult education directors were asked to identify the three criteria used to evaluate and award AEFLA grants. The most frequently used criteria reported by states are the degree to which measurable goals for participant outcomes are established by the provider (33 states); the provider's past effectiveness in improving adults' and families' literacy skills (31 states); and the provider's commitment to serve individuals most in need of literacy services (28 states).

**State leadership activities.** Under AEFLA, state adult education agencies are directed to use no more than 12.5 percent (down from 15 percent prior to AEFLA) of their total state grants to fund one or more of 11 different state leadership activities, and states have considerable flexibility in the use of state leadership funds. State adult education directors have chosen to

support a variety of activities with these leadership funds. More than half allocate a small amount (25 percent or less) of their state leadership funds to activities such as technical assistance to local providers, technology assistance to state providers, literacy resource centers, monitoring activities, curriculum development, and activities of statewide significance. Of the 21 states that have targeted more than half of their funds to a single activity, 18 opted to focus on professional development. Very few state directors spent state leadership funds on state incentives (three states), coordinating with existing support services (four states), or fostering postsecondary linkages (eight states).

### **C. Accountability**

Section 212 of WIA establishes a performance accountability system “to assess the effectiveness of eligible agencies in achieving continuous improvement of adult education and literacy activities.” Annual levels of performance for the following three core indicators of performance are negotiated between each state and the Division of Adult Education and Literacy (DAEL) within the U.S. Department of Education:

1. Demonstrated improvements in literacy skill levels in reading, writing, and speaking the English language, numeracy, problem-solving, English language acquisition, and other literacy skills;
2. Placement in, retention in, or completion of postsecondary education, training, unsubsidized employment or career advancement; and
3. Receipt of a secondary school diploma or its recognized equivalent.

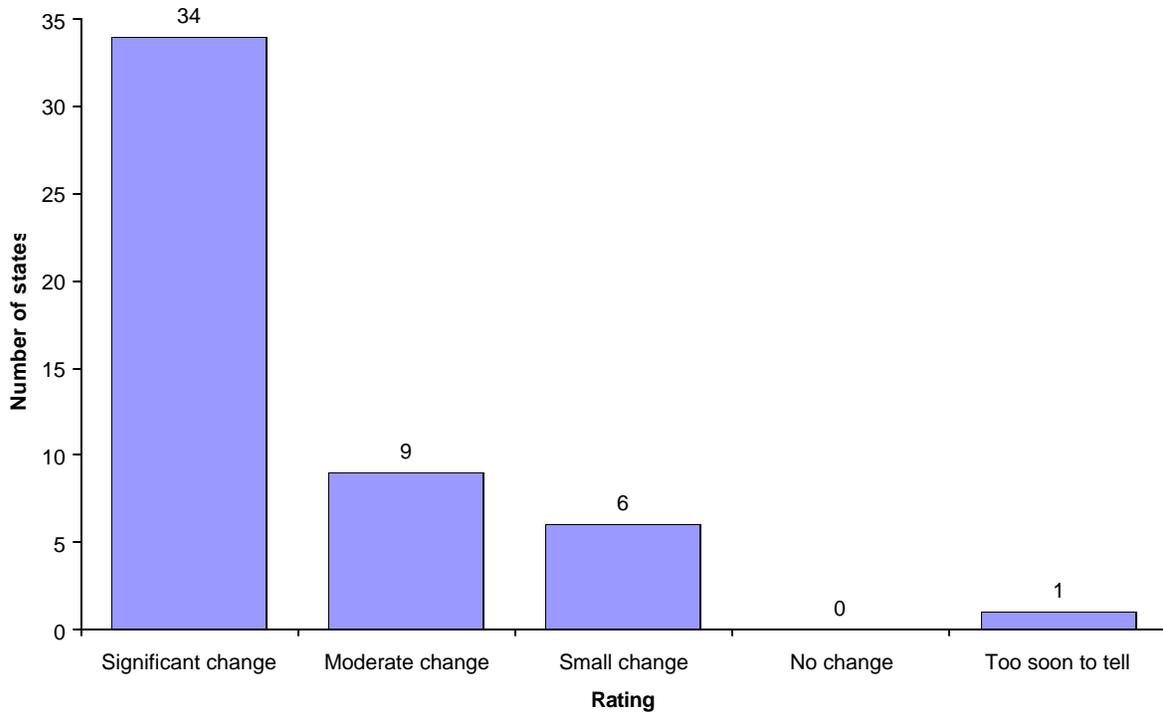
The National Reporting System (NRS) establishes specific definitions, methodologies, and reporting requirements that conform with WIA requirements. The guidelines set forth under the NRS became effective for the program year beginning July 1, 2000 and are intended to produce standardized information using comparable definitions and reliable data collection methods.

This study addressed state and local agencies’ experiences in implementing the NRS, performance targeting and reporting, appropriateness of the performance measures, and the use of performance information by state and local agencies.

**Responses to accountability provisions.** Thirty-four states reported that the accountability provisions in AEFLA “significantly changed” the way they collect data on participants in the adult education system (figure 1). At the state level, time was spent updating existing data collection efforts to comply with the NRS, or in some cases, implementing completely new systems. Infrastructure to support the new data collection activities and training sessions for local providers required substantial investments of state staff time and resources. At the local level, teachers and administrators required training on new data collection requirements, and more generally, about the need for and potential uses of accountability data. In some cases,

class registration procedures, as well as course curricula, had to be adapted to comply with the reporting requirements.

**Figure 1**  
**Overall Implementation:**  
**Extent to Which Implementation of AEFLA Accountability Provisions**  
**has Changed the Way States Collect Data on Adult Education Students**



**Source:** Urban Institute analysis of 2002 Survey of State Directors of Adult Education, National Assessment of Adult Education, Study to Assess Accountability, Funding and One-Stop Delivery Systems in Adult Education. See survey question B2.

**Core outcome indicators and performance targets.** Each state sets outcome targets for the following core NRS outcome indicators:

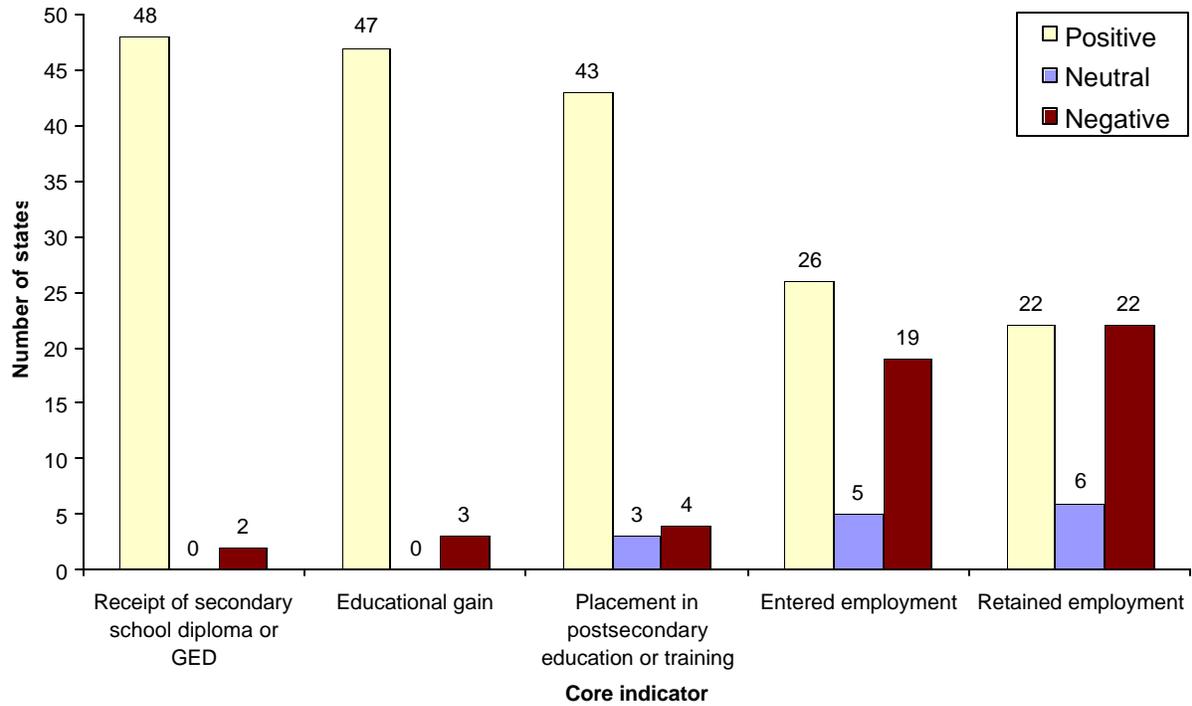
- educational gain—basic literacy skills,
- educational gain—English Language acquisition,
- high school completion,
- entered postsecondary education or training,
- entered employment, and
- retained employment.

Outcome targets for each indicator specify the percentage of students in the state expected to achieve each outcome. The Department of Education must approve each state's performance targets, taking into consideration how the levels specified compare with the levels of performance established for other states, characteristics of participants, when the participants entered the program, the services or instruction to be provided, and how much the levels of performance promote continuous improvement. According to state administrators we interviewed, targets are most commonly based on performance in the previous year. States are free to set targets separately for each local provider, or provide one standard set of targets applicable to all providers. In our survey of state directors of adult education, most states reported that all locally-funded AEFLA programs were able to submit data on each of the core outcome measures in the NRS as of December 31, 2001. Four states reported that a percentage of local programs were unable to provide data for *each* of the five core outcome indicators. These percentages ranged from 29 percent to 95 percent. Seven additional states reported that some percentage of local programs were unable to provide data on at least one of the core outcome indicators.

The vast majority of states rate educational gain and receipt of secondary school diplomas as appropriate performance measures (figure 2). The employment outcomes are rated much less favorably than the education outcomes. Nineteen states rated "entered employment" as an inappropriate outcome measure, and 22 states rated "retained employment" as inappropriate. Although states recognize the link between education and employment, many state officials believe that the core business of adult education is literacy, not employment, and that performance measures should be limited to this focus.

Both the WIA legislation and the NRS address additional or secondary measures of performance. Secondary measures identified in the NRS include reduction in receipt of public assistance, achieved work-based project learner goals, achieved citizenship skills, voting, and involvement in community activities. States may use these secondary measures and, if levels of performance for these secondary measures are identified in their state plans, these measures are considered in assessing performance. Twenty-two state directors indicated that they require or report data on additional indicators of performance (figure 3).

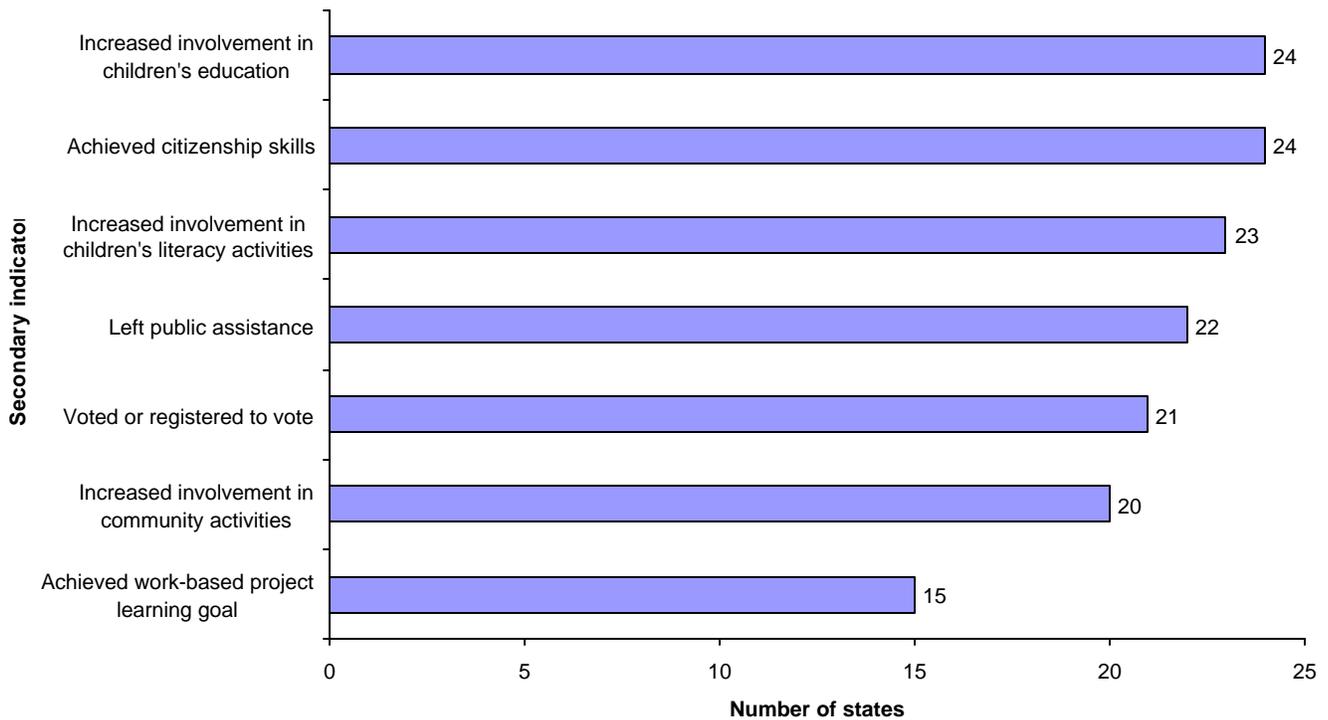
**Figure 2**  
**Ratings of the “Appropriateness” of National Reporting System Core Outcome Indicators**  
**for Tracking the Performance of AEFLA-Funded Programs**



*Source:* Urban Institute analysis of 2002 Survey of State Directors of Adult Education, National Assessment of Adult Education, Study to Assess Accountability, Funding and One-Stop Delivery Systems in Adult Education. See survey question B4

*Notes:* Data represent number of states. Total positive responses include those that indicated “very appropriate” and “somewhat appropriate” on the survey. Total negative responses include those that indicated “very inappropriate” and “somewhat inappropriate” on the survey.

**Figure 3**  
**Secondary (optional) National Reporting System Indicators**  
**Reported By States**



*Source:* Statistical Report Table 11, National Reporting System (NRS) for Adult Education, Office of Vocational and Adult Education, U.S. Department of Education, Program Year 2001–2002.

*Notes:* n=51 (all states plus the District of Columbia).

**Use of performance data.** AEFLA legislation includes important provisions that emphasize the use of program data to enhance student outcomes and the overall quality of adult education programs.<sup>7</sup> Although this study confirms that states are knowledgeable about these opportunities, use of the data by states and local programs to help improve services appears to be highly uneven.

About three-quarters or more of state directors indicated that they use performance data for reporting and program improvement. Considerably fewer indicated actual or planned use of

<sup>7</sup> Workforce Investment Act (WIA) Title II, Section 212.  
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data for targeting funds, making policy changes, or any of the items related to sanctions or incentives. Survey results do not reveal whether states simply fail to see the link between use of performance data and future decisions about reallocating funds among poor and high performing programs, or whether they have determined incentives or sanctions to be a premature, or possibly inappropriate, use of the information. Comments included by some survey respondents indicate that states are interested in using performance data for program improvement and funding decisions. Understandably, some states still lack confidence in the quality or reliability of their data, particularly data that are collected through follow-up methods, which in turn hinders states' confidence in using data to make certain types of decisions.

Despite interest on the part of state and local adult education agencies, as well as adult education teachers, in using performance information, data gaps and concerns about the quality and timeliness of reports sometimes limited the use of the performance data. Some local agencies and service providers expressed frustration with limitations of current data systems. Local agency opinions about the timeliness of reports from the state to local levels vary. In some cases, local providers have the ability to generate reports locally and do not need to rely as heavily on reports from the state. Another problem cited was the need to enter data into multiple systems (state and local) to retain local access to information. We also observed that data systems for adult education and workforce programs are not integrated (e.g., they use different information systems with different software platforms, are not accessible to providers of other agencies, and/or have restrictions against sharing individual-level data across agencies), which also contributes to the need for duplicate data entry.

Several state and local agency directors reported that receiving reports that tabulate enrollment and outcome data by student demographic characteristics would be helpful. Currently, the NRS standard reporting tables do not request that core outcomes be broken out by the student demographic characteristics that are collected. Local agencies understand that such cross-tabulations would be very helpful to program improvement efforts. These breakouts are likely to have great utility at all levels of reporting.

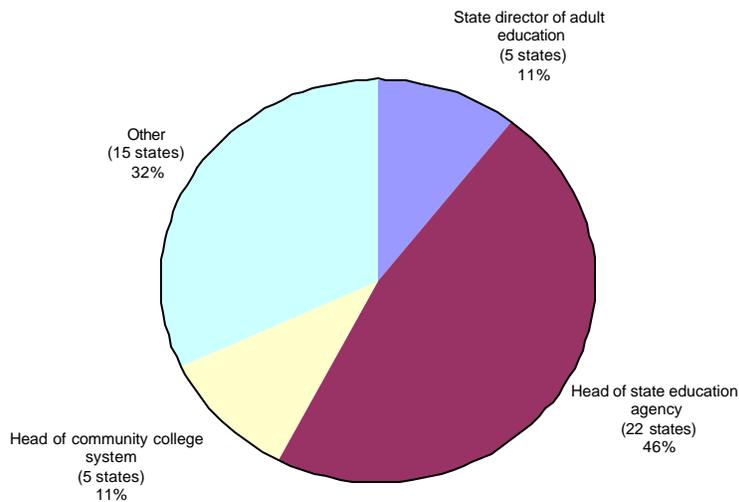
#### **D. One-Stop Operations**

Title II of WIA established a strong mandate for adult education providers to collaborate with other workforce development and education providers at the local level, with particular emphasis on partnering through the one-stop delivery systems within each state. Our survey results and visits to nine localities in five states suggest that WIA has helped to support and expand linkages between adult education programs and the one-stop delivery system, but state directors have mixed opinions on the one-stop provisions of WIA. The role of adult education in one-stops varies across localities, and one-stops are only one of many locations for the provision of adult education and literacy services.

**Representation of adult education on state Workforce Investment Boards.** Under WIA, the lead agency official for adult education and literacy must be a member of the state's

Workforce Investment Board (WIB) unless the state chooses an approved existing, alternative entity on which adult education is not represented. In such a case, the state plan must explain how the state will ensure an ongoing role for adult education and literacy. The adult education system is represented on state WIBs in a variety of ways (figure 4). In slightly less than half of the states, it is represented by the head of the state education agency. The state adult education director is the representative on the state WIB in one-tenth of the states, while the head of the state’s community college system serves on the board in another one-tenth of the states. In 15 states, a variety of “other” types of officials represent adult education interests on the state WIB, including the state director of vocational education, representatives of the workforce development agency (which includes adult education in some states), and local representatives appointed by the governor. Four states indicated that they had more than one representative on the state WIB, such as the adult education director and the head of the community college system.

**Figure 4**  
**Representation of State Adult Education/Family Literacy**  
**on the State Workforce Investment Board**



*Source:* Urban Institute analysis of 2002 Survey of State Directors of Adult Education, National Assessment of Adult Education, Study to Assess Accountability, Funding, and One-Stop Delivery Systems in Adult Education. See survey question D4.

*Note:* Two state directors did not answer this question on the survey, and two state directors responded “don’t know.”

**Local level coordination.** Adult education programs are partners with the one-stop centers in each of the nine local areas we visited in this study, although the nature of the

collaboration is quite different across the localities. Information about availability of adult education services within the community is made available in some form at all of the one-stops we visited. All of the one-stop centers we visited have established procedures for referring individuals with basic skills deficiencies to programs provided directly at the one-stop center or at other community locations. However, this information was not routinely integrated into existing data systems, making it difficult to track referrals and report outcomes by source of referrals.<sup>8</sup> Differences in the extent of partnership across the local sites we visited emerge in three main areas: (1) colocation or out-stationing of staff at the one-stop, (2) whether instruction is provided from a classroom located at the one-stop, and (3) whether the program makes financial and in-kind contributions to support the operations of the one-stop system.

State and local adult education program directors and staff were asked to identify common challenges to establishing an integrated one-stop delivery system. The leading challenge to the establishment of integrated one-stop delivery systems, noted by state adult education directors and local administrators, is limits on resources. Adult education programs, like other partners involved with one-stops, may contribute financially by paying rent or making direct transfers of funds to offset one-stop costs. Two-thirds of state directors indicated that their agencies either have not been involved (20 states) or only minimally involved (13 states) in funding one-stop development/operations. In the nine localities we visited as part of this study, we found cash contributions to one-stop operations to be the exception rather than the rule.

Often state and local adult education directors face difficult decisions about how much to support one-stop operations because they face already tight budgets, as well as limitations on administrative costs, that require careful decisionmaking and trade-offs, especially when making long-term commitments to the one-stop delivery system. In addition, in rural areas where adult education staff may be limited to just a few members (e.g., a program coordinator and a handful of part-time instructors), reassigning staff from an existing classroom location to a one-stop, even for few days a week, may be very difficult or impossible.

## **E. Key Recommendations**

AEFLA required substantial changes in state and local operations, and implementation is an ongoing process. Many of our recommendations are intended to encourage the Department of Education and state agencies to provide additional assistance and guidance to help state and local programs overcome the logistical challenges of performance reporting and make full use of the performance information. This assistance, complimenting and building upon existing OVAE efforts such as technical assistance contracts and assessments of state data systems, can contribute considerably to making adult education a full federal partnership. Specific recommendations are included in the report—below we highlight a few key points.

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<sup>8</sup> Although the Department of Labor's Workforce Investment Act Standardized Record Data (WIASRD) system requires one-stops to record referrals to one-stop partners, WIASRD reporting is required only for registered one-stop users. Individuals who are referred to adult education or other services before registration for WIA services are not tracked.

- **Funding:** States need more flexibility in the allocation of administrative costs and more resources to support accountability requirements and coordination with one-stops.
- **Accountability—Employment Outcomes:** The federal government and state agencies need to facilitate the collection of more reliable, valid data on employment outcomes. Three suggestions are as follows: (1) The federal government should continue to work with states to assist them in overcoming data matching challenges. Data matching (between adult education records and state unemployment insurance data) appears to be the most efficient way to obtain employment outcome data. However, challenges exist, including the need to comply with the Family Educational Rights and Privacy Act (FERPA), legal barriers within some states, responsiveness and timeliness problems, and the need for alternative methods to obtain information for individuals whose employment is not covered in state unemployment insurance records. (2) The Department of Education should provide clarifying suggestions, technical assistance, and possibly requirements for states and their local programs in setting postsecondary education and employment goals for individual clients. (3) If surveys of former students are to be a viable option, states must provide local programs with explicit instructions on how to survey at low cost. States can ease the survey process by providing local agencies with appropriate software and perhaps doing the tabulations using the basic data provided by local programs.
- **Accountability—Use of Data:** The Department of Education should continue its efforts to identify ways local programs and state agencies can use performance data to improve delivery of services, including efforts to use performance information to identify examples of “best practices.” States that do not already do so should also be encouraged to implement performance incentives for local programs. Teachers and local administrators need training on how to interpret the information they receive from reporting systems. States should also offer more opportunities for local programs to access data quickly and customize reports. Finally, states should consider providing an incentive to any local program that achieves or exceeds its performance indicators.
- **Accountability—Improvements in Data and Measures:** Limitations in performance accountability systems include an inability to provide outcome information by demographic or other subgroups, an inability to identify funding at the local grantee level, lack of information or outcome measures on those enrolled in distance learning, and a lack of precision in the existing measures of improved literacy. States should disaggregate outcome data in separate reports by student demographic and status characteristics, and perhaps by participation categories, based on characteristics required by NRS as descriptive indicators. The Department of Education should encourage and support state efforts to build into their information systems demographic and participation characteristics for outcomes of their individual local programs.

- Other suggested improvements include (1) identifying and supporting ways to capture distance-learning adult education programs; 2) considering altering the literacy criteria, which progress from one level to the next, to require a specific amount of improvement in the test score; and 3) including student satisfaction ratings in any student survey.
- ***Coordination and One-Stop Service Delivery.*** Federal policymakers need to reduce any disincentives to coordination in the current law. There is no single best way to coordinate services, and the legislation should encourage local flexibility. For example, an integrated service network that includes adult education and a one-stop need not require classes to be located at the one-stop. State and local agencies need to be reminded of this fact and offered alternative strategies, based on best practices across the country. The federal government should also improve the compatibility of adult education and workforce development reporting requirements and encourage coordination of data collection and data systems.

## Acronyms and Definitions

ABE	Adult Basic Education
AEFLA	Adult Education and Family Literacy Act of 1998 (Title II of Public Law 105-220)
ASE	Adult Secondary Education
CASAS	Comprehensive Adult Student Assessment System
CBO	Community-Based Organization
DAEL	Division of Adult Education and Literacy, Office of Vocational and Adult Education, U.S. Department of Education
DOL	Department of Labor
EL/Civics	English Literacy and Civics Education
ESL	English as a Second Language
ETA	Employment and Training Administration, U.S. Department of Labor
FERPA	Family Educational Rights and Privacy Act (20 U.S.C. § 1232g; 34 CFR Part 99). A federal law that protects the privacy of student education records. The law applies to all schools that receive funds under an applicable program of the U.S. Department of Education.
FY	Fiscal Year
GED	General Educational Development test for certification of high school equivalency
JTPA	Job Training Partnership Act of 1982
LEA	Local Education Agency
MIS	Management Information System
MOE	Maintenance of Effort
NAAE	National Assessment of Adult Education
NAEPDC	National Adult Education Professional Development Consortium
NRS	National Reporting System for Adult Education
OVAE	Office of Vocational and Adult Education, U.S. Department of Education
PY	Program Year
SEA	State Education Agency

TABE	Test of Adult Basic Education
TANF	Temporary Assistance for Needy Families
TOPSpro	Tracking of Programs and Students System
UI	Unemployment Insurance
WIA	Workforce Investment Act of 1998 (Public Law 105-220)
WIB	Workforce Investment Board (in some states, also called Workforce Development Board)

## I. Introduction

An effective adult education system is essential to developing and maintaining a skilled workforce, promoting family self-sufficiency, and strengthening civic and community involvement. The Workforce Investment Act (WIA) of 1998 (P.L. 105-220)<sup>9</sup> recognized the relationship between adult education and workforce development and the need for accountability in all literacy, training, and employment programs. This study examines how states and selected localities have responded to funding and accountability provisions related to adult education as well as to the one-stop delivery system established under WIA.

### A. The Adult Education System

Adult basic and literacy education in the United States is largely organized through a system of state-administered programs that receive federal funding through the Adult Education and Family Literacy Act (AEFLA). Enacted as Title II of the Workforce Investment Act (WIA) of 1998, AEFLA created a partnership between the federal government, states, and localities to provide educational opportunities for adults over the age 16 and older who are not currently enrolled in school and who lack a high school diploma or the basic skills needed to function effectively in the workplace and in their daily lives. The specific goals of AEFLA-funded activities are to

assist adults to become literate and obtain the knowledge and skills necessary for employment and self-sufficiency; assist adults who are parents to obtain the educational skills necessary to become full partners in the educational development of their children; and assist adults in the completion of a secondary school education.<sup>10</sup>

AEFLA is administered by the United States Department of Education, Office of Vocational and Adult Education (OVAE), Division of Adult Education and Literacy (DAEL). At the state level, each state must assign responsibility for the program to an “eligible State agency for adult education and literacy.” In most cases this agency is the one that operates public schools or community colleges, and in the remaining states, it is a department of labor or workforce development.

States distribute federal AEFLA grants and state matching funds to local providers through a competitive process. Specific programs and services offered by these providers include adult basic education (ABE), adult secondary education (ASE), English as a second language (ESL), English literacy and civics education (EL/Civics), family literacy, workplace education, and workforce education. States may also use a portion of their AEFLA grants to provide professional and curriculum development (especially in the use of technology); to conduct

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<sup>9</sup> A major focus of WIA was to reform federal employment, adult education, and vocational rehabilitation programs to create an integrated, “one-stop” system of workforce investment and education activities for adults and youth. Programs and agencies that carry out activities under AEFLA are mandatory partners in this one-stop delivery system. Title I of WIA authorizes workforce investment programs and activities administered by the Employment and Training Administration (ETA) of the U.S. Department of Labor (DOL).

<sup>10</sup> Workforce Investment Act of 1998 (P.L. 105-220) Title II, Section 202.

monitoring and administration; to negotiate performance levels with local agencies; and to deliver technical assistance as indicated by local provider performance.

Testimony concerning reauthorization of AEFLA<sup>11</sup> lists the following key principles of the U.S. Department of Education's approach to adult education:

- stronger accountability for results (accountability),
- expanded flexibility and local control (local control),
- expanded options for participating students (customer choice), and
- emphasis on teaching methods that have been proven to work (performance).

The system for measuring results of adult education activities is an outcome-based reporting system known as the National Reporting System for Adult Education (NRS). The NRS identifies and defines student assessment measures for national reporting, establishes methods for data collection, and describes software and procedural standards for reporting to the Department of Education. By collecting state outcome data on student performance, states can document how well they meet federal policy and programmatic goals. Local providers can also use NRS data to help instructors and administrators develop instructional activities and services that result in the best student outcomes.

## **B. Workforce Investment Act and Reauthorization**

AEFLA-funded programs are part of a much larger national workforce investment system. The Workforce Investment Act authorizes three funding streams: adults, dislocated workers, and youth. Title I authorized the Workforce Investment System and Title II reauthorized Adult Education and Literacy Programs.<sup>12</sup>

The statutory authorization for WIA expired on September 30, 2003, and the program is scheduled for reauthorization.<sup>13</sup> The Department of Education has identified a number of "priority" issues for the reauthorization of AEFLA. These include *narrowing the achievement gap* by better targeting federal resources on effective programs and expanding the array of services available to support adult learners who are not currently served through AEFLA; *increasing accountability for student performance* by having core indicators that are appropriate measures of student performance, demonstrate the impact of federal investments, and can be reported in ways that are meaningful to the public, students, and policymakers; and *supporting the coordination of adult education with federal employment and training programs* through the one-stop delivery system meant to improve public access to adult education services, improve academic achievement, reduce duplication, and facilitate coordination.<sup>14</sup>

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<sup>11</sup> Testimony of Carol D'Amico before the Committee on Education and the Workforce, Subcommittee on 21st Century Competitiveness, U.S. House of Representatives, March 4, 2003.

<sup>12</sup> Summary of the Workforce Investment Act of 1998, prepared by the U.S. Department of Labor Employment and Training Administration, September 1998.

<http://www.doleta.gov/usworkforce/wia/Runningtext2.htm> Accessed 12/21/04.

<sup>13</sup> The U.S. House of Representatives passed H.R. 1261, the Workforce Reinvestment and Adult Education Act on May 8, 2003, and the U.S. Senate passed H.R. 1261 (in lieu of S. 1627) on November 14, 2003.

<sup>14</sup> Federal Register: May 28, 2002 (Volume 67, Number 102), pp. 37,315—37,317.

### C. Purpose of This Study

The purpose of this study, conducted for the Policy and Program Studies Service within the Department of Education, is to assess the effects of provisions under AEFLA on adult education providers and adult learners at the state and local levels by

- assessing current and expected changes in the allocation of state and local **funds** for adult education and literacy;
- summarizing the system of program **accountability** required under WIA Title II, the performance standards and measurement procedures developed by the states, and the use of the performance standards; and
- reporting on the relationship between adult education providers and learners and **one-stop delivery** systems.

This study provides important baseline information, both on current funding of local programs and on the capacity of state data systems to provide more detailed funding information in the future. The key **funding** questions that have guided this study include the following:

- What are the effects of the new AEFLA provisions on the distribution of funds at the state and local levels?
- How are AEFLA funds used, and how does the use relate to program improvement?
- How are AEFLA and state adult education funds allocated by states, what are the criteria used for allocation, and what are the priorities set by the states?

This study examined how states have been implementing the accountability requirements and what plans they have for using performance information in the future. In the area of **accountability**, the key research questions included the following:

- What performance standards and measurement procedures have been developed by states?
- What data are used to determine expected performance levels?
- What is the capacity of states and communities to measure outcomes?
- How are performance data used to manage and improve programs?
- How can the AEFLA accountability system be improved?

WIA mandates the development of comprehensive one-stop centers that bring providers of education and workforce development agencies together. **One-stop** issues covered by this study include the following questions:

- How are one-stop delivery systems being implemented from the perspective of the adult education system?
- How does the one-stop delivery system affect adult education providers and learners?

These study questions were addressed using a variety of data sources and data collection methods, including a mail survey of all state adult education directors<sup>15</sup> and site visits to nine local programs in five states (the study methodology and detailed survey findings are included in Volume II of this report). The following chapter provides background about the adult education system, AEFLA implementation, and the case study sites. Throughout the report, the study findings and recommendations represent a synthesis of the information gathered. Survey and site visit findings are integrated for each of the three main study areas: funding, accountability, and one-stop service delivery systems. Examples are drawn primarily from site visits, but relevant comments provided by survey respondents are included as well. The final chapter presents recommendations that may be appropriate for consideration in final WIA reauthorization discussions, oversight of AEFLA by the Department of Education, improvement of the NRS, state implementation and performance monitoring in adult education, and state and local coordination with the workforce development system.

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<sup>15</sup> The Survey of State Directors of Adult Education was sent in August 2002 to all directors of adult education (which includes the 50 states, the District of Columbia, and all eight outlying areas). New Mexico did not submit a survey. The following outlying areas also did not respond to the survey: Guam, Marshall Islands, Northern Mariana Islands, Micronesia, and Palau.

## II. Background

The education of low-literate and limited-English-speaking Americans is an important component of the larger educational system, and a key part of the lifelong learning continuum. AEFLA grants to states are the principal source of federal support to states for adult education and literacy programs and activities. The purpose of the grants is to provide educational opportunities for adults 16 and over, who are not currently enrolled in school and who lack a high school diploma or the basic skills to function effectively as parents, workers, and citizens. In this chapter, we provide background about the programs and providers that comprise the adult education system and the demographic trends that influence the demand for services, the service delivery system, and AEFLA implementation.

Basic grants to states are allocated by a formula based upon the number of adults at least 16 years of age who have not completed high school in each state. States distribute funds to about 3,500 to 4,000 local providers<sup>16</sup> through a competitive process. Eligible providers include local educational agencies, community-based organizations (including faith-based organizations), volunteer literacy organizations, institutions of higher education, public or private nonprofit agencies, libraries, public housing authorities, and other nonprofit institutions that have the ability to provide literacy services to adults and families.<sup>17</sup>

Local programs of instruction emphasize the acquisition of basic skills, including reading, writing, math, English language, and problem solving. Courses of instruction include Adult Basic Education (ABE), Adult Secondary Education (ASE), and English as a Second Language (ESL), which continues to be the fastest growing component of the adult education program<sup>18</sup> States prepare plans for providing adult education services over a five-year period. Under the Workforce Investment Act, adult education plans may be part of state unified plans for workforce development, or may cover only adult education.

### A. National Picture

In program year (PY) 2001–2002, over 2.7 million individuals received services funded in whole or in part by AEFLA.<sup>19</sup> The largest enrollment (42 percent of all participants) was in ESL programs, followed by ABE (38 percent). Twenty percent of participants are enrolled in ASE. Other participant characteristics include the following:

- The majority of participants (53 percent) are female.
- Hispanics/Latinos comprise the largest group of participants (40 percent) by race/ethnicity. Thirty percent are white, 20 percent are black/African-American, 7 percent are Asian, 1 percent are American Indian/Alaska Natives, and 1 percent are Native Hawaiian/ Pacific Islanders.

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<sup>16</sup> U.S. Department of Education, Office of Vocational and Adult Education. 2003. *Adult Education and Family Literacy Act: Report to Congress on State Performance Program Year 2000–2001*.

<sup>17</sup> Workforce Investment Act. P.L. 105-220, Section 203(5).

<sup>18</sup> U.S. Department of Education. <http://www.ed.gov/fund/grant/find/AdultED/f-ogrant.html>. Accessed 10/1/03.

<sup>19</sup> Source for PY 2001–2002 data: Analysis of Statistical Reports submitted to OVAE as required by the National Reporting System.

- Youth 16–18 comprise 14 percent of participants; about one-fourth of participants are between the ages of 19 and 24; adults between the ages of 25 and 44 are the largest group of participants by age (44 percent); and individuals 45 and older comprise 15 percent of participants.
- With respect to employment status, 43 percent of participants are unemployed, 37 percent are employed, and 10 percent are in correctional or other institutional settings.

## **B. State and Local Context**

The system of adult basic and English literacy/civics education varies greatly from one state to another, and differences across states and localities are likely to influence state responses to AEFLA. Key sources of variation include population characteristics, administrative structure of the adult education programs, state support of adult education, management information/data reporting capacity, and the status of one-stop career center implementation. Most states (52 percent) had implemented AEFLA by the end of calendar year 1999, with 9 states implementing AEFLA in 1998, and an additional 23 states by July 1999. Seven states did not implement AEFLA until July 2000.<sup>20</sup>

The socioeconomic and demographic characteristics of state populations also have underlying differences likely to affect the demand and need for adult basic and English literacy/civics education, such as the share of individuals who live in households where a language other than English is spoken, who are poor, who have dropped out of school, who live in rural areas, and so on. For example, state populations range from under 500,000 in Wyoming to over 33 million in California<sup>21</sup> and the percent of the state population over 5 that resides in households where a language other than English is spoken ranges from 2.7 percent in West Virginia to 39.5 percent in California.<sup>22</sup>

The demographic characteristics of individuals receiving adult education and family literacy services have also changed (as reported by 28 states in our survey of state adult education directors). For example, Arizona reported that the percentage of ESL learners rose from 49.1 percent in fiscal year 1998 to 57.6 percent in fiscal year 2001. Florida's family literacy program recruited and enrolled large numbers of Haitian, black, and Latino men. The state also notes that ESL participants have increased over the past two years. Indiana reported that their ESL population has more than doubled in the last five years, largely due to an influx of Hispanics. ESL now represents 20 percent of the total adult education population served in Indiana.

Other variation stems from the adult education system itself. Although AEFLA is a national program that provides federally-funded grants to states, adult education systems are

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<sup>20</sup> Urban Institute analysis of 2002 Survey of State Directors of Adult Education, National Assessment of Adult Education, Study to Assess Accountability, Funding and One-Stop Delivery Systems in Adult Education.

<sup>21</sup> *Source:* July 1, 1999 State Population Estimates, U.S. Census Bureau, <http://www.census.gov/population/estimate/state/st-99-1.txt>.

<sup>22</sup> *Source:* U.S. Census Bureau, 2000 Census of Population. <http://quickfacts.census.gov/qfd/states/54000.html>.

state-administered, with many variations in how they are administered, funded, and operated within a state. Some observers have noted that the state government system housing the adult education office (e.g., the K–12 system, the community college/higher education system, or the workforce development system) affects how adult education is handled within that state. For example, the system may affect how strong a voice adult educators have on Workforce Investment Boards (WIBs), what levels and sources of funding are used to support adult education, what subpopulations of potential learners are served, how adult education links to other state/local entities, and how accountability information is collected. The case study sites provide a closer look at adult education across these diverse characteristics.

### C. Description of the Case Study Sites

Site visits to local programs and in-depth discussions with state officials overseeing these programs were conducted from mid-December 2002 through early February 2003 to better understand how AEFLA is being implemented at the community level. Five states—California, Connecticut, Iowa, Kentucky, and Mississippi—were selected for state-level interviews, and within each state, one or two localities were selected for site visits.<sup>23</sup>

The states selected are geographically dispersed, with states included from each of the four Department of Education regions. Since southern states make up 40 percent of federal adult education expenditures, two states were selected from this region. In three of the states (California, Connecticut, and Iowa), adult education programs are administered by a State Education Agency (SEA); in Mississippi, adult education programs are administered by the community college system; and in Kentucky, adult education programs are administered by the state Department of Labor (DOL). Two of the five states (Connecticut and Kentucky) received a 2002 WIA incentive grant.

Fiscal year 2001 federal expenditures for adult education and cost per student<sup>24</sup> in the five selected states is as follows:

- California: \$68,900,462 (\$1,353 per student);
- Connecticut: \$5,970,444 (\$1,250 per student);
- Iowa: \$4,176,686 (\$642 per student);
- Kentucky: \$9,347,834 (\$541 per student);
- Mississippi: \$6,330,835 (\$239 per student);

Local sites were selected based on local grantee information, including local adult education provider types (e.g., community-based organizations [CBOs], local education agencies

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<sup>23</sup> Profiles of the nine case study sites are included in *Volume II: Detailed Methods and Findings*.

<sup>24</sup> Source: U.S. Department of Education, Office of Vocational and Adult Education, Division of Adult Education and Literacy, February 22, 2005. Funding for entire 27-month period that FY 2001 funds were available to states. State reports to OVAE do not disaggregate the sources of the state match. Cost per student is computed as follows: total federal and state expenditures excluding expenditures for state administration divided by total enrollment.

[LEAs], and community colleges); total enrollment in ABE, ESL, and ASE programs; location (i.e., urban or rural); and total population. Local sites visited and the total adult education enrollment<sup>25</sup> of each site are

- Los Angeles, CA (154,219),
- Riverside, CA (4,037),
- Hartford, CT (3,202),
- Bridgeport, CT (1,873),
- Des Moines, IA (4,028—Ankeny community college district),
- Ottumwa, IA (1,310),
- Lexington, KY (2,563),
- Shelbyville, KY (544), and
- Tupelo, MS (1,415).

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<sup>25</sup> Data obtained by states from Westat, Inc. includes enrollment in ABE, ESL, and ASE programs.

### III. Funding

Under AEFLA, the majority of federal funds (82.5 percent) are to be used by states to fund local grants and contracts. Federal funds may also be used for state leadership activities (12.5 percent) and state administration of adult education (5 percent). Of the 82.5 percent allocated for grants and contracts, a minimum of 85 percent must be used to fund adult basic education services, up to 10 percent may be used for corrections education, and a maximum of 5 percent may be used for local administrative costs. In fiscal year (FY) 2002, Congress appropriated \$505 million for AEFLA grants to states. Beginning in FY 2000, Congress reserved a significant proportion of the basic state grant for integrated English literacy and civics education (EL/Civics) services to immigrants and other limited-English-proficient populations—\$70 million was appropriated for EL/Civics in FY 2002.

A number of provisions under AEFLA changed how states can spend their federal adult education and family literacy grant monies, as compared to the prior legislation authorizing the adult education program, the Adult Education Act as amended by the National Literacy Act of 1991. But, there have also been changes in state budgets and policies affecting adult education, and so not all of the changes occurring at the state and local levels can be attributed directly to AEFLA.

This chapter provides background about state resources allocated to adult education, and discusses states' use of AEFLA funds and responses to specific funding provisions under AEFLA.

#### A. Variation Across States in Resources Allocated to Adult Education

AEFLA funding has grown considerably over the past 10 years, but the biggest determinant of adult education funding within communities is *state and local* contributions. The percent state match is calculated by the Office of Vocational and Adult Education (OVAE) as the share of total (federal, state, and local) adult education funding that comes from state and local sources, which can include “in-kind” contributions.

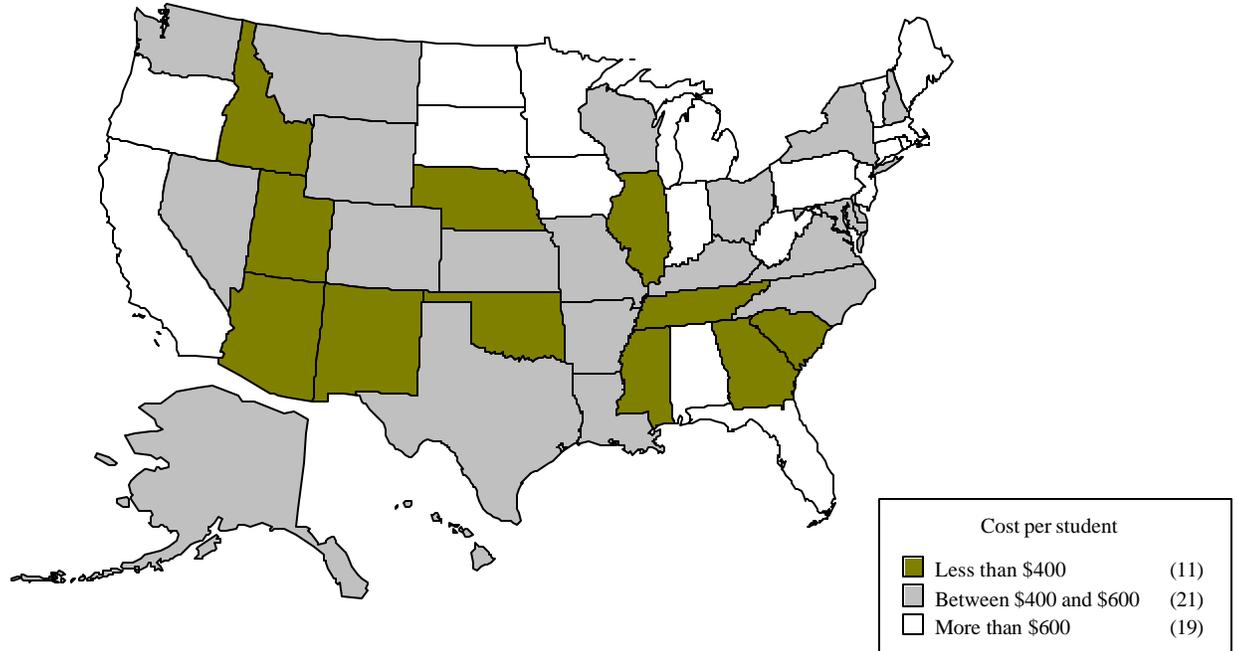
State and local funding commitments vary considerably, ranging from 91 percent of all adult education funding in California (California allocates over \$600 million of state funds to its adult education programs) to the minimum required 25 percent match in Texas, Tennessee, and Mississippi.<sup>26</sup> State and/or local dollars accounted for two-thirds or more of total adult education funding in 19 states. State and/or local funds made up one- to two thirds of total funding in 21 states, and less than one-third in 11 states. Exhibit III-1 compares states by cost per student. Cost per student ranges from \$175 in Georgia to over \$3,900 in Vermont, with an average per student cost of \$770 for all states and the District of Columbia. Often, state-level contributions reflect the state governor's (or legislature's) general level of commitment to adult education, but state economic conditions can also substantially impact state adult education funding.

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<sup>26</sup> *Source of funding data:* U.S. Department of Education, Office of Vocational and Adult Education (OVAE), Division of Adult Education and Literacy, February 22, 2005. Funding is for entire 27-month period that FY 2001 funds were available to states. State reports to OVAE do not disaggregate the sources of the state match.

### Exhibit III.1

#### State/Local Funding Commitment to Adult Education



*Source:* U.S. Department of Education, Office of Vocational and Adult Education Division of Adult Education and Literacy.

*Notes:* Data represent fiscal year 2001 funds. Cost per student is computed as follows: total federal and nonfederal expenditures excluding expenditures for state administration, divided by total enrollment.

States vary with respect to their staff resources devoted to adult education as well. The survey of state directors offers some new information on this issue. State adult education agencies reported staff time spent on adult education ranging from 1.5 full-time equivalent (FTE) positions (South Dakota) to 35 FTEs (Massachusetts). Staffing differences are not necessarily a function of state size. For example, staffing ranged from 0.3 FTE per 10,000 students (Florida) to 75.9 FTEs per 10,000 students (Vermont). Most of the staff time spent on adult education was supported by AEFLA (table III-1). States ranged from no AEFLA-supported staff positions (reported by 2 states) to more than 10 FTEs per 10,000 students (reported by 2 states). The use of positions supported by other funds for the purpose of adult education was less, with 17 states reporting no positions supported by other funds. Of the 33 states reporting using positions supported by other funds, 4 states reported more than 10 such positions per 10,000 students.

**Table III-1**  
**Estimated State Professional Staff Time Devoted to Adult Education,**  
**by Source of Support**

FTEs per 10,000 Students	AEFLA-Supported Positions		Positions Supported by Other Funds	
	No. of States	% of States	No. of States	% of States
Less than 1.0	13	26	35	70
1.0–5.0	34	68	10	20
5.1–10.0	1	2	1	2
More than 10.0	2	4	4	8

*Source:* Urban Institute analysis of 2002 Survey of State Directors of Adult Education, National Assessment of Adult Education, Study to Assess Accountability, Funding and One-Stop Delivery Systems in Adult Education. See survey question A5.

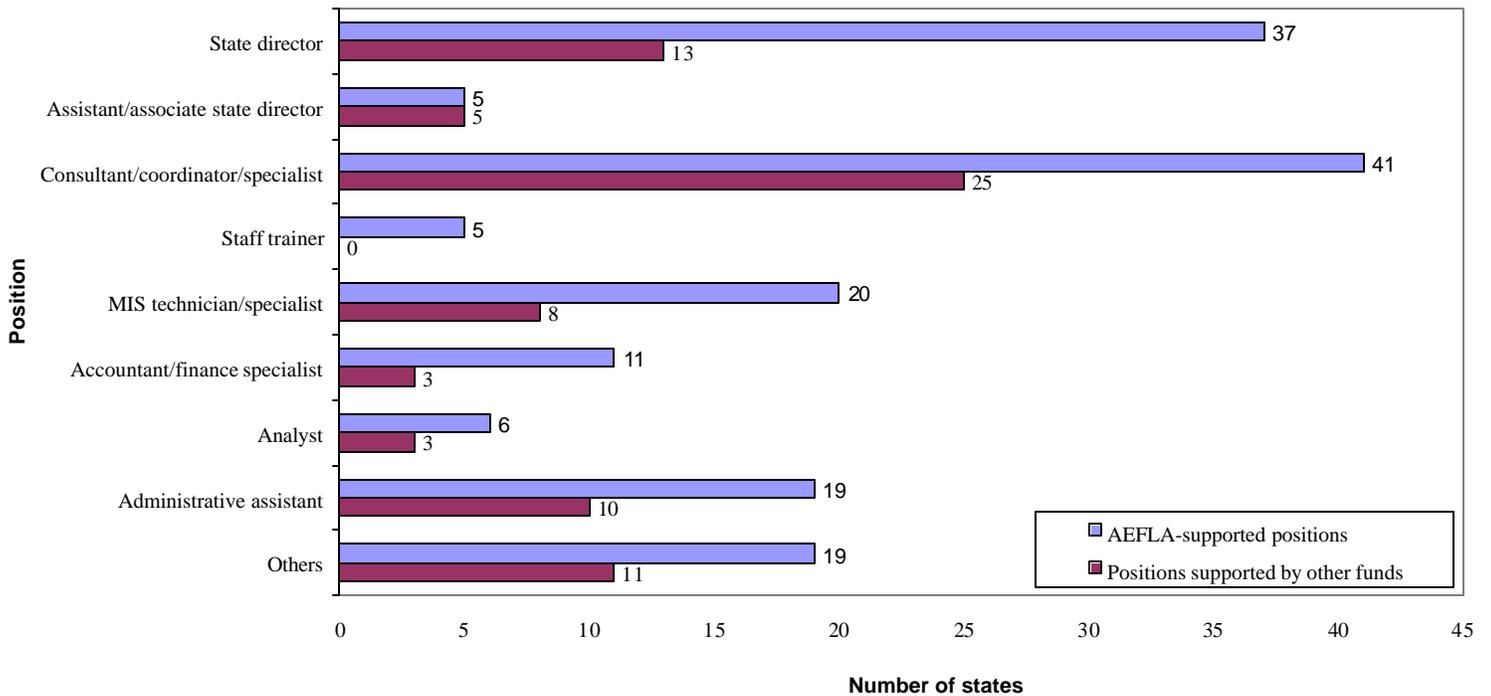
*Note:* Enrollment data are for FY 2000, U.S. Department of Education, Office of Vocational and Adult Education, Division of Adult Education and Literacy

The survey of state directors found that the most common AEFLA-supported staff positions in adult education agencies<sup>27</sup> are consultant/coordinator/specialist (reported by 41 states) and state director (reported by 37 states). AEFLA funds often support an MIS/technical specialist (20 states) and an administrative assistant (19 states) as well. Exhibit II-2 displays the types of adult education positions supported by AEFLA and other funds. Another variation in state staffing is the length of time the state director has served in his/her position. State directors reported being in their positions for a mean of seven years, with two years being the most frequently reported length of time on the job (reported by five state directors). Four state directors each had been on the job for three, six, and seven years, respectively.

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<sup>27</sup> The survey of state directors collected information on staff positions in adult education agencies only. The NRS collects information on employees of the program administered under the Adult Education State Plan who are being paid out of federal, state or local education funds (Statistical Report Table 7, National Reporting System (NRS) for adult education, Office of Vocational and Adult Education, U.S. Department of Education). State NRS reports indicate that most adult education funds are used to support local staffing, primarily teachers.

**Exhibit III.2**  
**Number of States Reporting AEFLA-Supported Positions**  
**and Positions Supported by Other Funds, by Job Title**



*Source:* Urban Institute analysis of 2002 Survey of State Directors of Adult Education, National Assessment of Adult Education, Study to Assess Accountability, Funding and One-Stop Delivery Systems in Adult Education. See survey question A5.

**B. AEFLA Funding Provisions**

AEFLA includes 11 provisions that change the federal allocation of adult education and family literacy funds at the state and local levels:

- The *maintenance of effort* (MOE) requirement was reduced from 100 percent to 90 percent of spending in the previous year.
- Not more than 10 percent of a state’s expenditures for grants and contracts can be used for *corrections education*. The previous legislation had no cap on corrections education and required that at least 10 percent of a state’s expenditures be reserved for corrections education.
- The 20-percent spending cap on the amount of a state’s allotment that may be used for *high school equivalency programs* was removed.

- Federal funds may be used for support services to children in *family literacy programs* after first seeking support from other programs.
- The 5-percent spending cap on *administrative costs* for local grantees applies to a broader range of specified activities than *local administrative costs* under the previous legislation.
- States may charge adult students a *tuition or fee* for some adult education services.
- The percentage of grant funds that can be used for *state leadership activities* was changed from a minimum of 15 percent to a maximum of 12.5 percent, and professional development activities have been added to this category of expenses.
- States are required to award *multiyear competitive grants* to eligible local grantees. The prior legislation did not specify the duration of grants.
- *For-profit entities* cannot receive federal funds for adult education programs.
- The state adult education agency must ensure that a portion of the multiyear grants or contracts awarded to eligible providers within the state or outlying area is used, by providing services or through other means, to create and maintain the *one-stop delivery system* and to provide applicable core services through the one-stop delivery system.
- States that exceed agreed-upon levels of performance for the adult education program, Title I of WIA, and the Carl D. Perkins Vocational and Technical Education Act can receive *incentive grants*. Eligible states must apply to receive incentive grants.

### ***Provisions with the Greatest Impact on States***

In the survey, state directors were asked their opinion of each of these changes (from “very positive” to “very negative”), and they were asked to indicate up to three provisions that have had the greatest impact. State directors’ opinions varied widely about which provisions have had the greatest impact on their state. Of the 11 provisions, 5 provisions were noted by at least 10 state directors to have had the greatest (positive or negative) impact on their state:

- the reduction in the percentage of grant funds that can be used for *state leadership activities* and inclusion of professional development activities (54 percent of states; 93 percent of these states said the impact was negative);
- the award of *multiyear competitive grants* to local grantees (36 percent of states; 88 percent of these states said the impact was positive);

- the support of operation and maintenance of *one-stop centers* (24 percent of states; 58 percent of these states said the impact was positive);
- the classification of additional activities as *administrative costs* for local grantees (22 percent of states; 82 percent of these states said the impact was positive); and
- the limit on state expenditures for *corrections education* (20 percent of states, 50 percent of these states said the impact was positive).

As compared to other AEFLA provisions, the provisions noted as having had the greatest impact generally represented more of a change in the way states administer their adult education programs. State directors' perceptions, gleaned from open-ended responses to the survey and interviews with state officials in the five case study states, are described in more detail below for each of the five provisions.

**Spending Cap for State Leadership Activities.** More than half of the respondents (27 state directors) indicated that the spending cap on funding for state leadership activities has had the greatest impact on their state, with most (25) noting this change as negative. At least three survey respondents noted that this provision reduced funding at a time when AEFLA changes require additional professional development, and another survey respondent noted that additional state leadership funds are needed to allow more flexibility for state agencies. In Connecticut, state administrators viewed this spending cap as "quite a hardship" because additional funding is needed for professional development and technology assistance. Fortunately, Connecticut has increased its state funding for adult education over the past few years, allowing administrators to implement this change with relatively few problems. Similarly, Iowa administrators believed the spending cap should be lifted or increased because of the resources needed to implement the new AEFLA performance accountability provisions. They reported that more money is necessary for the extensive training and technical assistance needed to collect accurate and reliable data. Kentucky, on the other hand, reported that the spending cap for state leadership activities has had no impact because local service providers receive most of their adult education funding from the state. This allows them greater flexibility because these resources can also be used to support some activities that could be considered state leadership activities.

**Mandatory Multiyear Competitive Grants.** Eighteen state directors indicated that mandatory multiyear competitive grants have had the greatest impact on their state, with most (16) favoring this provision. State administrators in Connecticut, for example, noted that multiyear competitive grants have been a "positive experience" and offer them the ability to fully understand a program and see its results over a considerable time period. Some states, including Iowa and Kentucky, have a history of awarding multiyear competitive grants to local service providers. In Iowa, the state contracts with community colleges to provide adult education services for a five-year period. The community colleges submit annual reports to the state that include their spending plans for the year. Local service providers in Kentucky continue to receive two-year grants because state legislation prohibits them from issuing contracts for longer than two years.

**Mandatory Support of the Operation and Maintenance of One-Stop Centers.** Twelve state directors reported that mandatory support for operating and maintaining one-stop

centers has had the greatest impact on their state. Of this group of respondents, seven state directors favored the change and three viewed it negatively.<sup>28</sup> One survey respondent added the comment that there is “too much focus on adult education and one-stops.” California administrators stated that federal funding for one-stop centers should be a “separate allocation” from the adult education funds. In the case of Connecticut, state administrators had mixed opinions regarding this provision. They believed that this provision has given the adult education system increased responsibility for helping adult learners become employed and has increased the importance of one-stop centers. However, they reported that, because their state dollars cannot be used to fund local one-stop operations and maintenance, they must set aside a portion of their federal adult education dollars designated for local grants and contracts for this purpose.

**Broadened Range of Local Administrative Activities.** Eleven state directors reported the increased range of activities allowed under the 5 percent spending cap on administrative costs for local service providers to be one of the provisions with the greatest impact. Of the 11 respondents, 9 state directors favored this provision. Other comments about this provision were offered during interviews in our case study states. In Mississippi, the state director noted that even if the federal 5 percent spending cap is lifted, sufficient state funding for administrative costs is still not available. Iowa staff noted that the spending cap has not had much effect within the state, in part because so much extra funding is provided to local community college grantees through the community college system. In the case of Kentucky, state administrators are capable of setting a 15 percent spending cap on administrative costs because approximately 65 percent of their total adult education funding is provided by the state.

**Spending Cap for Corrections Education.** Ten state directors indicated that the 10 percent spending cap for corrections education has had the greatest impact on their state. The group was divided in their opinion: five favored the provision, four saw it as negative, and one state said the effect was neither positive nor negative, although the provision had a great impact on their state.<sup>29</sup> For example, Iowa state administrators reported that the spending cap for corrections education would likely prevent the state prison system from reducing funding for its programs, which may have a positive impact on clients. In the case of Mississippi, this spending cap has made state administrators rethink overall correctional spending. The state prison system was convincing local jurisdictions to build new county jails that would also house state inmates, and concerns are that there will not be enough funding from the state adult education system for expanding adult education/literacy services in these new facilities. At the same time, Kentucky administrators noted that although greater flexibility is better, this spending cap has had no effect on the state.

A sixth provision, regarding incentive grants to states, was not noted as having the greatest impact by most states but is of interest because of its relationship to accountability and coordination with workforce development agencies.

### ***Incentive Grants to States Exceeding Expected Level of Performance***

State directors were more evenly split in their opinions regarding this provision—19 viewed this provision negatively, while 18 favored it. State administrators in Kentucky said that

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<sup>28</sup> While the majority of state directors had a negative opinion of this provision, most of these respondents did not rate this as one of the three provisions having had the greatest impact on their state.

<sup>29</sup> This provision was received positively, however, by the majority of survey respondents, although they did not rate it among the top three provisions having the greatest impact.

although they have received incentive grants for the past two years, all of the funding was allocated for one-stop centers, and none of it went to adult education programs. Iowa administrators agreed that there are no guarantees that the incentive funds will be spent on adult education programs. State administrators in Iowa were of the opinion that the effort involved in applying for incentive funds outweighs the small amount of funding they would potentially receive. (In addition to the adult education program, it is necessary to get other programs, such as WIA Title I and Wagner-Peyser, to agree to apply for the incentive dollars.) When state administrators in Connecticut were asked for their opinion of this provision, they said that while the idea of incentive grants is “great,” most of the states that receive these grants do not have a rigorous accountability system in place. They suggested that the criteria used to evaluate states and award incentive grants should be modified to include an objective accountability system. Some states have expressed concern that such grants provide an incentive to set easily reached goals and to “game” the system. Four state directors included comments about incentive grants in their surveys—one expressing the opinion that the rewards have been appropriate, two noting that incentive grants have done little to encourage collaboration, and one supporting incentive grants for states exceeding expectations, but suggesting that states should not be penalized when they are unable to meet standards.

### **C. Award of Local Grants and Contracts**

For many states, implementation of AEFLA brought about several changes in the way that local grant applications are evaluated and awarded. Under AEFLA, states are directed to award multiyear grants or contracts on a competitive basis to eligible providers within the state. The process by which funds are distributed must be designed to ensure “direct and equitable” access for all eligible providers, which has been interpreted by the Department of Education to mean that every eligible provider must have access to all AEFLA funds directly at the state level. Eligible providers cannot be required to form a consortium or go through an intermediary to obtain AEFLA services or funds, and states cannot set aside limited portions of AEFLA instructional funds for one particular provider type. Changes in the application and funding process can potentially impact the size and distribution of adult education grants due to changes in the applicant pool and/or changes in state funding criteria.

#### ***Funding Criteria***

With the implementation of AEFLA, states evaluate local grant or contract applicants using 12 federally designated evaluation criteria:<sup>30</sup>

- *Measurable goals:* The degree to which the eligible provider will establish measurable goals for participant outcomes.
- *Serving those most in need:* The commitment of the eligible provider to serve individuals in the community most in need of literacy services, including those with low incomes or minimal literacy skills.

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<sup>30</sup> These 12 criteria, which must be considered by eligible agencies in awarding grants or contracts, are specified in Section 231(e)(4)(B) of the Workforce Investment Act.

- *Past effectiveness*: The past effectiveness of an eligible provider in improving the literacy skills of adults and families. After the adoption of a state's performance measures, the state must also take into account whether the provider met or exceeded such performance measures, especially with respect to those adults with the lowest levels of literacy.
- *Intensity of services*: Whether the program is of sufficient intensity and duration for participants to achieve substantial learning gains.
- *Effective practice*: Whether the activities are built on a strong foundation of research and effective educational practice.
- *Use of technology*: Whether the activities effectively employ advances in technology, including the use of computers.
- *Real-life context*: Whether the activities provide learning in real-life contexts to ensure that an individual has the skills needed to compete in the workforce and exercise the rights and responsibilities of citizenship.
- *Staffing*: Whether well-trained instructors, counselors, and administrators staff the activities.
- *Coordination*: Whether the activities coordinate with other resources in the community, such as elementary and secondary schools, postsecondary educational institutions, one-stop centers, job training programs, and social service agencies.
- *Flexible schedules*: Whether the activities offer flexible schedules and support services, such as child care and transportation.
- *Management information*: Whether the activities maintain a high-quality information management system that has the capacity to report participant outcomes and to monitor program performance.
- *English literacy*: Whether the local communities have demonstrated need for additional English literacy programs.

While all twelve criteria are to be used by states in awarding AEFLA grants, states do differ in the importance they assign to each of the criteria. To better understand these differences, state directors were asked to identify the top three criteria used to evaluate and award AEFLA grants (table III-2). Among the most frequently used criteria are the degree to which measurable goals for participant outcomes are established by the provider (33 states); the provider's past effectiveness in improving the literacy skills of adults and families (31 states); and the commitment of the provider to serve individuals most in need of literacy services (28 states).

**Table III-2**  
**Criteria Used to Evaluate and Award AEFLA Grants**  
**(Criteria Identified as Among Top Three)**

Criteria	No. of states	% of states
Measurable goals	33	66
Past effectiveness	31	62
Serving those most in need	28	56
Intensity of services	14	28
Effective practice	13	26
Coordination	11	22
Management information	11	22
Real-life context	8	16
Staffing	6	12
English literacy	4	8
Other	3	6
Use of technology	2	4
Flexible schedules	2	4

*Source:* Urban Institute analysis of 2002 Survey of State Directors of Adult Education, National Assessment of Adult Education, Study to Assess Accountability, Funding and One-Stop Delivery Systems in Adult Education. See survey question C3.

States may also establish additional criteria for evaluating grant applications. For example, Alabama considers contact hours from the previous year, and Massachusetts looks for a demonstrated need for additional literacy services through adult education programs. There has been a slight increase in the number of states that encourage consolidated applications or applications from consortia. Currently, 34 states encourage such applications, as compared to 26 prior to the implementation of AEFLA.

#### ***Changes States Made to the Funding Process***

States varied in the degree to which their funding process changed in response to AEFLA. Examples from site visits or comments provided by survey respondents include the following:

- **California** has made significant changes in how it distributes AEFLA funds to local agencies. Prior to AEFLA, funding was almost an “entitlement.” All agencies that applied for funds and that were in good standing received funding. Since AEFLA, the state distributes federal funds to local agencies based on documented student performance and goal attainment in educational programs.

According to the state adult education director, the number of applications initially declined. While there were reductions in all categories of providers, CBOs and library/literacy organizations especially had difficulty with the accountability requirements of AEFLA. Since then the number of agencies applying for grant funds has increased as providers become more accustomed to the system. The state reports that before 1999, 42 CBOs applied for AEFLA funds; in program year 1999–2000 only 12 CBOs applied, but by 2000–2001 the number increased again to 26.

- **Arizona** moved from a federal funding formula to contract negotiations, which resulted in “larger/more appropriate” allocations. The state reported that their number of providers went from 67 before AEFLA implementation to 36 after.
- In **Kentucky**, more attention is now paid to setting enrollment and performance goals, and to how these goals will be attained.
- In **Connecticut**, a deliberate effort was made to expand the types of organizations applying for grants. The state director noted that their department provided funding on a formula basis to Workforce Development Boards to encourage service coverage throughout the state, maximize the types of organizations in the applicant pool, and encourage partnerships among service providers.
- **Texas**, which has seen an increase in applicants since AEFLA implementation, reported that they are committed to inclusiveness in the types of literacy providers funded—they are providing technical assistance to new programs and information about grants to potential grantees.

#### **D. State Leadership Activities**

States have broad discretion in choosing how they spend state leadership funds. Under AEFLA, states are directed to use no more than 12.5 percent (down from 15 percent prior to AEFLA) of their total state grants to fund one or more of 11 different adult education and literacy leadership activities. These activities include the following:

- *Professional development*: The establishment of professional development programs to improve the quality of instruction, including instruction incorporating phonemic awareness, systematic phonics, fluency, and reading comprehension, and instruction provided by volunteers or by personnel of the state or outlying area;
- *Technical assistance*: The provision of technical assistance to local providers;
- *Technology assistance*: The provision of technology assistance, for example computers for distance learning to eligible providers, including staff training;

- *Literacy resource centers:* The support of state or regional networks of literacy resource centers;
- *Monitoring:* The monitoring and evaluation of the quality of, and the improvement in, adult education and literacy activities;
- *State incentives:* Incentives for program coordination and integration and performance awards;
- *Curriculum development:* Developing and disseminating curricula, including curricula incorporating phonemic awareness, systematic phonics, fluency, and reading comprehension;
- *Statewide significance:* Other activities of statewide significance that promote the purpose of this title;
- *Support services:* Coordination with existing support services, such as transportation, child care, and other assistance designed to increase rates of enrollment in, and successful completion of, adult education and literacy activities;
- *Linkages with workforce investment:* Integration of literacy instruction and occupational skill training, and promoting linkages with employers; and
- *Postsecondary linkages:* Linkages with postsecondary educational institutions.

State adult education directors have chosen to support a variety of activities with these leadership funds (table III-3). More than half allocate a small amount (25 percent or less) of their state leadership funds to provide technical assistance to local providers, provide technology assistance, support literacy resource centers, monitor activities, develop curricula, and conduct activities of statewide significance. Of the 21 states that have targeted more than half of their funds to a single activity, 18 opted to focus on professional development.

- **Connecticut** allocated 60 percent of state leadership funds for professional development, including a series of workshops and conferences, a web site, and an information and resource guide.<sup>31</sup>
- **California** used their state leadership funds to continue supporting four ongoing projects—the California Adult Literacy Professional Development Project, the California Distance Learning Project, the Comprehensive Adult Student Assessment System (CASAS), and the Outreach and Technical Assistance

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<sup>31</sup> Connecticut State Department of Education. “Federal End of the Year Report FY ’02.” 2002.

Network. These projects are “responsible for providing professional development, training and technical assistance.”<sup>32</sup>

- The Office of Adult Education in **Tennessee**, which allocates 80 percent of its funds to professional development, organized special instructional and training initiatives for practitioners working with three target programs: ESL, workplace, and family literacy.
- **Kansas** uses about 70 percent of its state leadership funds for professional development. Most of these funds are disseminated to local programs for site-determined professional development.
- **Iowa** state leadership funds were used for activities that related to the CASAS implementation, supporting activities conducted by the Iowa Literacy Resource Center, NRS workshops, and a state staff development leadership project.<sup>33</sup>
- **Mississippi’s** state leadership funds were used for activities that included supporting an online GED class and teacher resource center; developing a GED Fast Track course syllabus, interdisciplinary lesson plans, a manual to help teachers improve students’ writing skills, and teacher evaluation instruments; and providing learning disability training.<sup>34</sup>

Very few state directors spent state leadership funds on state incentives (three states), coordinating with existing support services (four states), or fostering postsecondary linkages (eight states). Only eight state directors reported spending state leadership funds on activities beyond those outlined in Section 222(a)(2) of AEFLA. These additional activities include funding pilot projects, technology, and publications and materials.

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<sup>32</sup> CASAS. 2003. “California Annual Performance Report: Federally Funded Adult Education WIA/Title II Programs: Program Year 2002 (July 1, 2001–June 30, 2002).” Prepared for the California Department of Education.

<sup>33</sup> Iowa Department of Education. 2002. “Iowa’s Annual Narrative Report for Program Year 2002 (July 1, 2001–June 30, 2002).”

<sup>34</sup> Mississippi Department of Education. 2002. “2002 Annual Narrative Performance Report.”

**Table III-3**  
**State Leadership Activities Funded by AEFLA State Leadership Funds**

State leadership activities	State Leadership Funds Allocated to Activities		Percentage of State Leadership Funds Used for Activities	
	No. of states	% of states	Over 25%	
			No. of states	% of states
Professional development	48	96	36	72
Technical assistance	38	76	5	10
Technology assistance	35	70	3	6
Literacy resource centers	30	60	3	6
Monitoring activities	30	60	2	4
State incentives	3	6	0	0
Curriculum development	29	58	2	4
Statewide significance	29	58	3	6
Support services	4	8	0	0
Linkages with workforce investment	16	32	0	0
Postsecondary linkages	8	16	0	0
Other	8	16	0	0

*Source:* Urban Institute analysis of 2002 Survey of State Directors of Adult Education, National Assessment of Adult Education, Study to Assess Accountability, Funding and One-Stop Delivery Systems in Adult Education. See survey question C2.

*Note:* Two state directors did not answer this question on the survey.

### **E. Local Grantee Funding Information**

Local grantee funding information is needed continuously to track the impact of AEFLA changes on the distribution and mix of adult local education providers. Currently, states are not required to report local grantee funding information to the U.S. Department of Education. The purpose of the local grantee questions in our survey was twofold: (1) to assess the capacity of states to provide local grantee funding information, including the time periods and level of detail available; and (2) for those states that could provide local grantee data, to provide baseline information for the early postAEFLA period.

At the time of the survey, more than half of the states (28) had electronic financial information systems, and only three were still using a manual (or paper) system (table III-4). Eighteen states had systems that were a combination of manual and electronic, or hybrid. All of the state systems include local grantee funding information, and all but one separately identify information on federal and state funding at the local grantee level. Fewer than half (22 states) separately identify information on local funding at the grantee level.

There are also variations in the ability of these systems to link funding data to other program information. For example, a link between local grantee funding information and data on

student characteristics (reported by 22 states) would permit analysis of local grantee funding by students' age, race, or ethnicity. A link between local grantee funding information and program performance data (reported by 22 states) permits analysis of local grantee outcomes by funding amount and source. That fewer than half of states have the capability to link information in these ways poses a limitation to the use of data for accountability, incentives, instructional improvement, and student performance.

Fifteen states had local grantee funding information as far back as program year 1998 or earlier; an additional six states had local funding information as far back as 1999, and an additional five states had the information as far back as 2000.

**Table III-4**  
**Local Grantee Information in State Financial Information Systems**

State adult education agencies reporting that their current system...	No. of states	% of states
is electronic (computerized)	28	56
includes funding information for each local grantee	49	98
separately identifies information on federal funding at the local grantee level	47	94
separately identifies information on state funding at the local grantee level	47	94
separately identifies information on local funding at the local grantee level	22	44
can link local grantee funding information to data on student characteristics	22	44
can link local grantee funding information to program performance data	22	44

*Source:* Urban Institute analysis of 2002 Survey of State Directors of Adult Education, National Assessment of Adult Education, Study to Assess Accountability, Funding and One-Stop Delivery Systems in Adult Education. See survey question C10.

*Note:* Two state directors did not answer this question on the survey, either in part or in its entirety.

In the survey of adult education directors, states were asked to provide basic information about their local grantees (local grantee name and address, number of subgrantees [if any], and total AEFLA funding) for the program year beginning July 1, 2000.<sup>35</sup> Only 6 states responding to the survey did not do so.<sup>36</sup> The local grantee funding information provided by states yields some basic descriptive information on the types of local grantees and the size of AEFLA grants. For 17 states, the list of local grantees matched a list of enrollment by local grantee which was prepared by Westat, Inc., to develop the sampling plan for the National Adult Literacy Survey, and one state provided enrollment data with the local grantee funding information. For these states, it is possible to combine the funding information and enrollment information to compute a cost per student by provider type. Table III-5 shows the results of this analysis.

<sup>35</sup> Program year refers to July 1–June 30, the U.S. Department of Education's period for grant awards. Although respondents were instructed to provide local grantee information for the program year beginning July 1, 2000, some respondents provided information for a different time period, usually their fiscal year (FY). State fiscal years vary, and may or may not coincide with the program year.

<sup>36</sup> Respondents were instructed to skip the question if providing the requested local grantee information would take more than eight hours of staff time.

**Table III-5**

**Cost Per Student by Local Grantee Type for Selected States**

State	No. of local grantees	Average size of local AEFLA grant	% funding to LEAs	Cost per student LEAs	% funding to community colleges	Cost per student community colleges	% funding to CBOs	Cost per student CBOs	% funding to other	Cost per student other
Arkansas	85	\$262,818	57.4	\$572	39.1	\$601	3.5	\$601	0.0	NA
Connecticut	79	\$425,906	90.4	\$1,004	.2	\$938	8.8	\$2,282	.6	\$161
Georgia	37	\$285,814	17.8	\$98	82.3	\$98	0.0	NA	0.0	NA
Illinois	113	\$394,086	25.8	\$750	59.1	\$250	10.5	\$568	4.6	\$580
Iowa	15	\$235,969	0.0	N/A	100.0	\$176	0.0	NA	0.0	NA
Kansas	36	\$109,414	34.9	\$440	55.5	\$297	4.5	\$535	5.1	\$461
Maryland	33	\$203,050	67.2	\$344	23.7	\$192	9.1	\$701	0.0	NA
Minnesota	60	\$63,567	18.2	\$74	.5	\$55	37.7	\$117	43.0	\$82
Missouri	46	\$170,237	63.4	\$116	12.4	\$101	9.0	\$260	15.2	\$283
Montana	17	\$57,228	44.1	\$234	26.4	\$213	12.1	\$423	17.4	\$111
Nebraska	21	\$83,401	30.6	\$267	60.6	\$206	3.0	\$378	5.9	\$168
Oregon	19	\$163,800	0.0	NA	94.3	\$132	3.2	\$53	2.5	\$26
Pennsylvania	127	\$263,022	45.1	\$987	9.1	\$494	32.5	\$1,140	13.3	\$1,075
South Dakota	20	\$57,445	22.9	\$338	27.8	\$174	35.7	\$268	13.6	\$115
Utah	22	\$57,219	84.2	\$41	0.0	NA	6.6	\$235	2.6	\$458
Vermont	4	\$203,662	0.0	NA	0.0	NA	100.0	\$688	0.0	NA
Wyoming	10	\$67,821	2.8	\$247	91.3	\$285	5.8	\$236	0.0	NA

*Source:* Urban Institute analysis of 2002 Survey of State Directors of Adult Education, National Assessment of Adult Education, Study to Assess Accountability, Funding and One-Stop Delivery Systems in Adult Education (funding data). Table of Local Grantee Enrollment Data compiled by Westat, Inc.

N/A = Not available.

*Notes:* Includes states where it was possible to match local grantee funding and local grantee enrollment. "Other" includes correctional institutions. Utah provided enrollment as well as funding data on the Urban Institute's Survey of State Directors of Adult Education.

There is no discernable pattern across the states with respect to funding by provider type or per student costs by type of provider. Indicators such as the average grant amount and the mix of grantees (LEAs, community colleges, CBOs) will be useful to follow for individual states over time, but caution should be exercised in comparing these indicators across states, because states vary in the structure of their adult education delivery systems and in how often AEFLA funds are supplemented with state or local funds. Another important limitation to the local grantee funding data is that information about "grantees" does not necessarily describe the local service delivery options. Some grantees subcontract to others, and subgrantees may be different types of organizations than the prime grantee. For example, the information provided on our survey may indicate that all local grantees in a state are LEAs, but subgrantees may include CBOs or volunteer literacy organizations. Even when there are no subgrantees, the grantee may locate classes in a variety of settings, from public schools to churches to one-stop centers. Thus, the local grantee information is best used to track changes within a state over time and must be

considered within the context of state or local policy changes that might affect the mix of grantees (such as encouraging consolidated applications, changes in state-level administration of AEFLA funds, or changes in adult education's relationship with the workforce development system).

### *Changes Planned*

State directors were also asked if changes to the financial information system are planned in the next two years. Two of the states whose systems could not link local grantee funding data to data on student characteristics plan to implement that function in two years; three states plan to link local grantee funding data to program performance data. One state (California) that can currently link federal funding for local grantees with data on student characteristics is planning to link state funding data to this information in the future. Two states are changing their system from manual to electronic, two states from a combination of manual and electronic to solely electronic, and one state from electronic to a hybrid system.

In summary, how much states contribute to support adult education, the types of local providers receiving AEFLA grants, and the size of local AEFLA grants vary a great deal. The two AEFLA funding provisions reported by states to have the greatest impact are the reduction in the percentage of grant funds that can be used for state leadership activities, including professional development (most states said the impact was negative), and the requirement that states award multiyear competitive grants to local providers (viewed positively by the majority of states). Almost all states allocate some state leadership funds to professional development, and very few states use state leadership funds for state incentives. The availability and level of detail of local grantee funding information varies across the states, and local funding information must be interpreted in the context of each state's local service delivery environment.

## **IV. Accountability**

Section 212 of the Workforce Investment Act establishes a performance accountability system “to assess the effectiveness of eligible agencies in achieving continuous improvement of adult education and literacy activities.” This chapter describes the accountability requirements and their implementation by state and local adult education agencies and providers.

### **A. Overview of Program Accountability Required under WIA Title II**

The accountability system mandated under Title II is designed to assess the impact of adult education programs. Annual levels of performance for the following three core indicators of performance are negotiated between each state and the Division of Adult Education and Literacy (DAEL) within the U.S. Department of Education:

1. Demonstrated improvements in literacy skill levels in reading, writing, and speaking the English language; numeracy; problem-solving; English language acquisition; and other literacy skills;
2. Placement in, retention in, or completion of postsecondary education, training, unsubsidized employment or career advancement; and
3. Receipt of a secondary school diploma or its recognized equivalent.

The National Reporting System (NRS) establishes specific definitions, methodologies and reporting requirements that conform with WIA requirements (these are discussed in the section IV.B). The guidelines set forth under the NRS became effective for the program year beginning July 1, 2000 and are intended to produce standardized information using comparable definitions and reliable data collection methods. Additional provisions of the accountability system defined by the legislation include use of state leadership funds to identify areas for technical assistance, monitor and evaluate the quality of and improvement in adult education activities, and establish incentives or performance awards (Section 223); and consideration of eligible providers’ past effectiveness and their capacity to monitor and report participant outcomes when awarding grants or contracts (Section 231). These provisions emphasize the importance of using performance data based on academic achievement and employment outcomes to evaluate program effectiveness.

### **B. State and Local Implementation of Key Provisions**

Implementing the AEFLA performance accountability requirements was challenging for most states and localities but has improved over time. There is a “digital divide” among states: the requirement that states collect individual-level performance data represents a major change for many states, while others have already been doing this without difficulty for some time. There are many ongoing challenges with respect to the NRS, including training and technical

assistance needs, validity/reliability of data, verifying the quality and accuracy of the performance data provided by states, potential for “gaming” the system, how states are using (or intend to use) the information, and how performance measurement might be enhanced. This section describes state and local responses to overall implementation, performance measurement, and data collection and reporting.

**Overall Implementation**

Thirty-four states reported that the accountability provisions in AEFLA “significantly changed” the way they collect data on participants in the adult education system (table IV-1). The pattern of responses to this question did not vary by region, adult education administering agency, size of AEFLA grant, or foreign-born percent of the state population.

**Table IV-1  
Overall Implementation:  
How Implementation of AEFLA Accountability Provisions  
has Changed the Way States Collect Data on Adult Education Students**

<b>Rating</b>	<b>No. of states</b>	<b>% of states</b>
Significant change	34	68
Moderate change	9	18
Small change	6	12
No change	0	0
Too soon to tell	1	2

*Source:* Urban Institute analysis of 2002 Survey of State Directors of Adult Education, National Assessment of Adult Education, Study to Assess Accountability, Funding and One-Stop Delivery Systems in Adult Education. See survey question B2.

States were also asked to estimate the time that state staff spend collecting data and reporting performance measures for the NRS. Of the 35 states that responded to this question, the percent of total adult education staff time spent on accountability ranged from 3.1 percent to 79.4 percent. Twelve states reported that 10 percent or less of adult education staff time was spent on NRS accountability and reporting; 16 states spent between 10 and 25 percent on staff time on accountability; and in 7 states, adult education staff spent over 25 percent of their time on NRS accountability and reporting.

The survey findings are consistent with accounts of implementation heard during our state official and local provider interviews as well. At the state level, time was spent updating existing data collection efforts to comply with the NRS, or in some cases, implementing altogether new systems. Infrastructure to support the new data collection activities and training sessions for local providers required substantial investments of state staff time and resources.

At the local level, teachers and administrators required training on new data collection requirements, and more generally, they needed training on the need for and potential uses of accountability data. In some cases, class registration procedures as well as course curricula had to be adapted to comply with the reporting requirements. Some teachers and local administrators went took a leadership role in helping implement the new accountability requirements, while others went along more passively. A smaller number still decided to leave employment in the adult education services field altogether.

- In **Bridgeport, Connecticut**, teachers maintain paper records (registers) since there are no computers in the classroom. The reporting requirements are perceived as onerous and duplicative, since data from the registers later need to be entered into the statewide database. The adult education director in Bridgeport noted that the enhanced accountability requirements have resulted in the loss of teachers and classes, but the respondent could not determine whether this was a direct result of a reallocation of resources to satisfy reporting requirements, or frustration on the part of the teachers expected to meet these requirements.
- In **Tupelo, Mississippi**, several underperforming teachers chose not to continue in their jobs. Implementation is viewed much more favorably by local administrators and teachers now that many startup costs have been absorbed and data collection activities have become more routine.

Most of the current concerns expressed by local program administrators are about the logistics and efficiencies of data collection, such as duplication of data entry tasks, pre- and posttesting students at appropriate times, and assuring accuracy of information. Teachers are also concerned that accountability tasks be designed to minimize the distraction from classroom activities.

### *Performance Measures*

The National Reporting System (NRS) includes both core and secondary (optional) measures of performance. The core measures apply to all adult education students receiving 12 or more hours of service. Each state sets outcome targets for the following core NRS outcome indicators:

- educational gain—basic literacy skills,
- educational gain—English Language acquisition,
- high school completion,
- entered postsecondary education or training,
- entered employment, and
- retained employment.

Outcome targets for each indicator specify the percentage of students in the state expected to achieve each outcome. The Department of Education must approve each state's performance targets, taking into consideration how the levels specified compare with the levels of performance established for other states, characteristics of participants, when the participants entered the program, the services or instruction to be provided, and how much the levels of

performance promote continuous improvement.<sup>37</sup> According to state administrators we interviewed, targets are most commonly based on performance in the previous year. Respondents in Mississippi noted that statewide targets are created, in part, with feedback from local providers. States are free to set targets separately for each local provider, or provide one standard set of targets applicable to all providers. Administrators in Connecticut expressed concern that states have no incentive to set high goals. Instead, states can set low, easily achievable targets that will help them qualify for incentive grants.

In program year (PY) 2000–2001, the first full year of state reporting under all accountability requirements of AEFLA,

- 47 states met or exceeded the average performance targets negotiated for the basic literacy sub-measures for educational gain, with 5 states not meeting negotiated targets;
- 41 states met or exceeded the average performance targets negotiated for the English-literacy sub-measures for educational gain, with 11 states not meeting targets;
- 41 states met or exceeded their targets for high school completion measures;
- 44 states met or exceeded the performance targets for transitioning into postsecondary education or training;
- 48 states met or exceeded their performance targets for the employment measures of entered employment and job retention; and
- 13 states exceeded their performance targets for all five core outcome measures, including all educational gain sub-measures.<sup>38</sup>

National performance on each of the core measures for PY 2000 and PY 2001 is shown in table IV-2. States negotiated slightly higher targets for PY 2001 than for in PY 2000. The greatest improvement in performance in the one-year period appears to be in high school completion and entered employment.

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<sup>37</sup> See section 212 of the Workforce Investment Act.

<sup>38</sup> *Report to Congress Program Year 2000–2001*. U.S. Department of Education, Office of Vocational and Adult Education, 2003.

**Table IV-2**  
**National Performance on Core Outcome Indicators in**  
**National Reporting System, PY 2000–2001 and PY 2001–2002 (percent)**

Core indicators	PY 2000–2001 performance target	PY 2000–2001 actual performance	PY 2001–2002 performance target	PY 2001–2002 actual performance
Educational gain—basic literacy skills	25	36	26	27
Educational gain—English language acquisition	25	32	26	34
High school completion	30	33	31	42
Entered postsecondary education or training	18	25	20	29
Entered employment	21	31	22	42
Retained employment	28	62	29	63

*Source:* OVAE Summary of NRS performance data.

The national summary does not capture the extent of variation in the targets and actual performance of individual states. Table IV-3 shows the targeted and actual performance for the five case study states. Exhibits IV-1 and IV-2 display the differences between targeted and actual performance, by state, for the two core indicators of educational gain. Since states negotiate their own targets, exceeding targets may reflect conservative goal-setting or high performance, or a combination of the two.

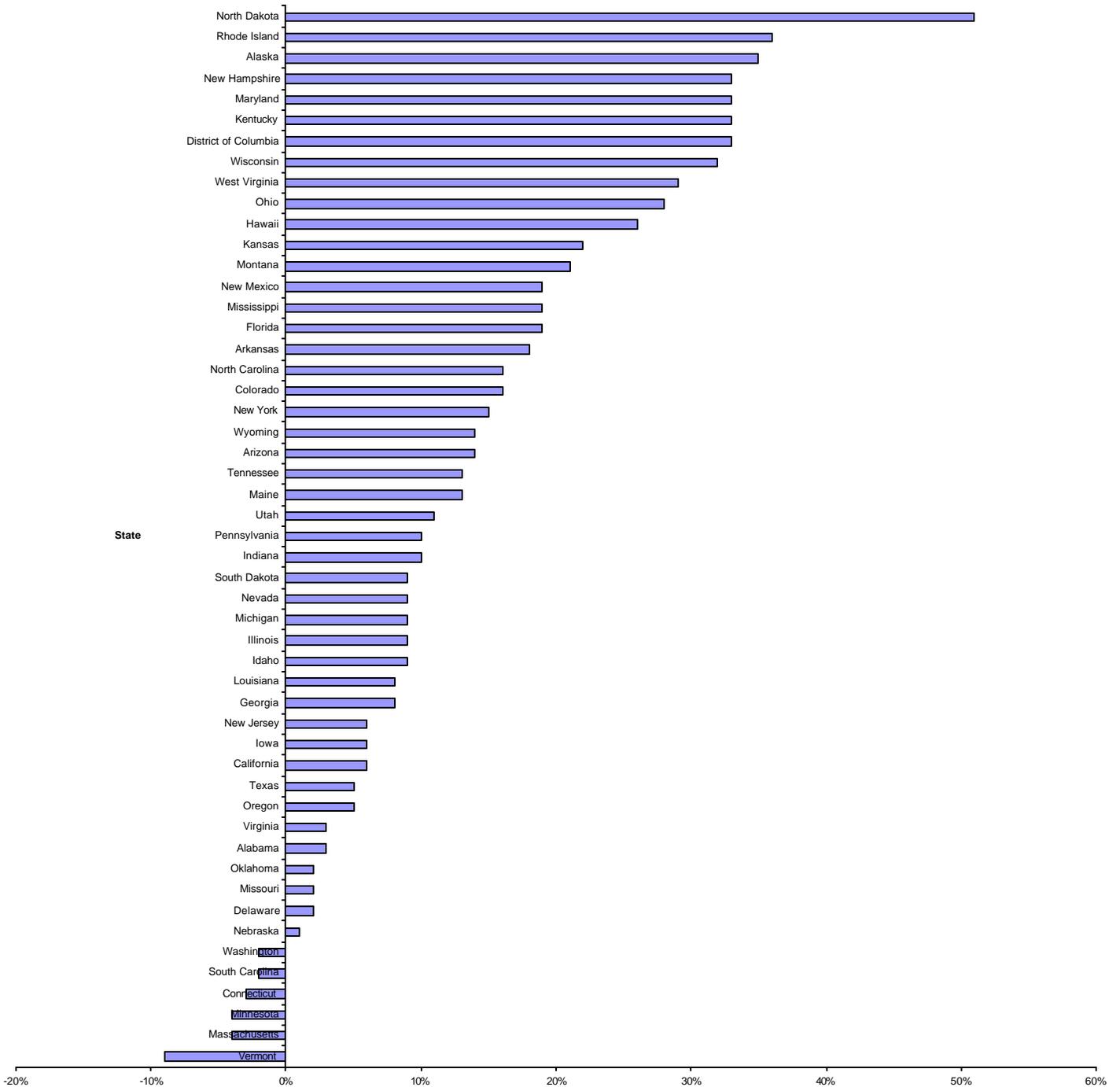
**Table IV-3**

**Performance Targets and Actual Performance on Core Outcome Indicators in National Reporting System for Case Study States, PY 2000–2001**

Core Indicators	California	Connecticut	Iowa	Kentucky	Mississippi
	Difference Between Target and Actual Performance				
Educational gain-basic literacy skills	+6%	-3%	+6%	+33%	+19%
Educational gain-English Language acquisition	+9%	-3%	-24%	+14%	+15%
High school completion	+19%	+51%	+11%	+16%	+9%
Entered postsecondary education or training	+6%	+35%	-2%	+43%	+15%
Entered Employment	+9%	+34%	+25%	+47%	+5%
Retained Employment	+23%	+44%	-4%	+50%	+5%

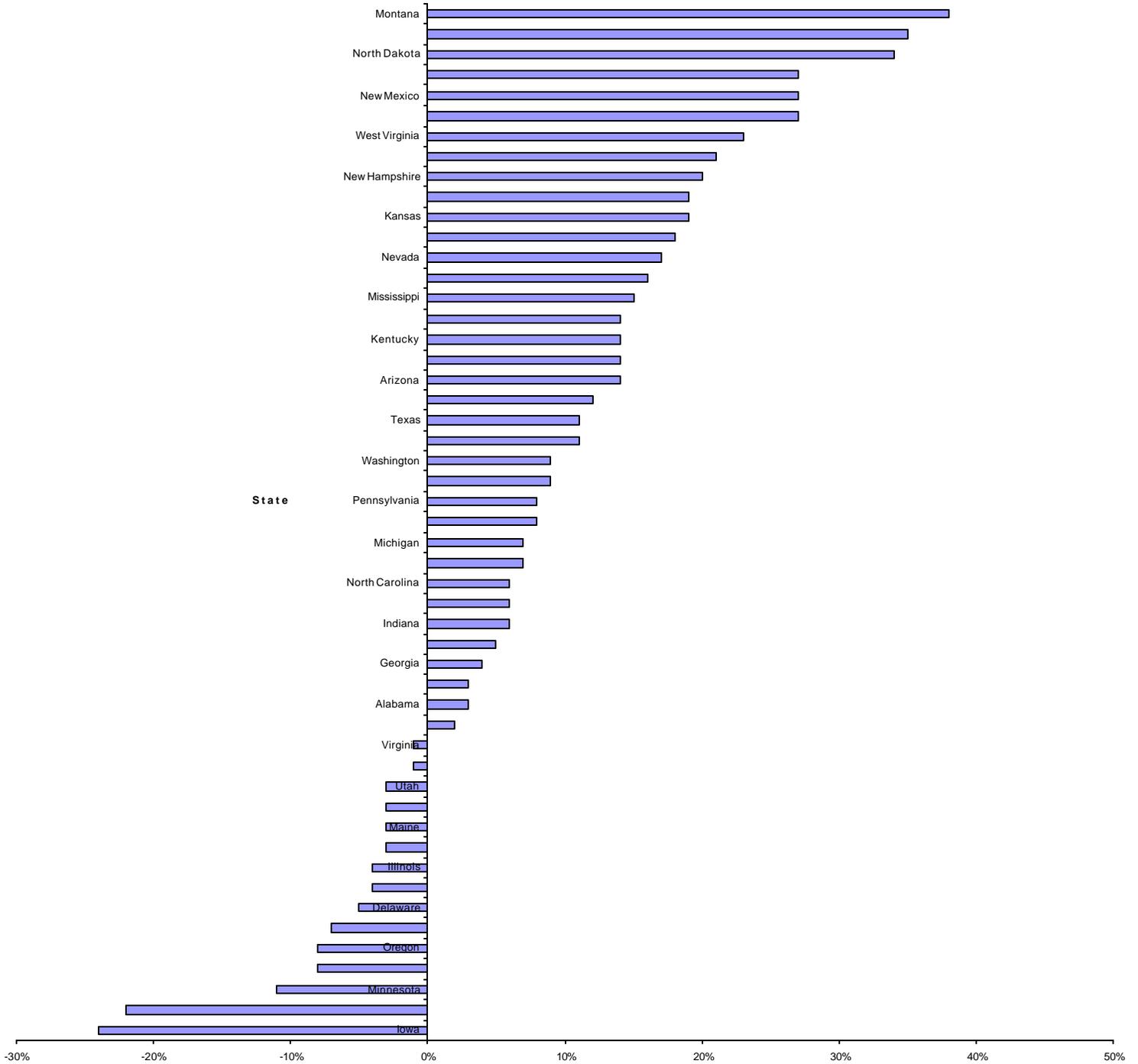
**Source:** Report to Congress Program Year 2000–2001. U.S. Department of Education, Office of Vocational and Adult Education. 2003.

**Exhibit IV-1**  
**Percent Difference Between Actual and Target Performance Levels**  
**for Educational Gain-Basic Literacy Skills Core Indicator**



**Source:** Report to Congress Program Year 2000-2001. U.S. Department of Education, Office of Vocational and Adult Education, 2003.

**Exhibit IV-2**  
**Percent Difference Between Actual and Target Performance Levels**  
**for Educational Gain—English Language Acquisition Core Indicator**



Source: Report to Congress Program Year 2000-2001. U.S. Department of Education, Office of Vocational and Adult Education, 2003.

In our survey of state directors of adult education, most states reported that all locally-funded AEFLA programs were able to submit data on each of the core outcome measures in the NRS as of December 31, 2001 (table IV-4). Four states reported that a percentage of local programs were unable to provide data for *each* of the five core outcome indicators. These percentages ranged from 29 percent to 95 percent. Seven additional states, including California, reported that some percentage of local programs were unable to provide data on at least one of the core outcome indicators.

**Table IV-4**  
**Number of States Reporting that All Local AEFLA-Funded Programs Submitted Data on Core Outcome Indicators in the National Reporting System**

Core indicators	Yes		No	
	No. of states	% of states	No. of states	% of states
Educational gain	46	92	4	8
Entered employment	41	82	9	16
Retained employment	40	80	10	20
Receipt of secondary school diploma or GED	44	88	6	12
Placement in postsecondary education or training	43	86	7	14

*Source:* Urban Institute analysis of 2002 Survey of State Directors of Adult Education, National Assessment of Adult Education, Study to Assess Accountability, Funding and One-Stop Delivery Systems in Adult Education. See survey question B3.

*Note:* As of December 31, 2001.

States have divergent views about the relative “appropriateness” of these core indicators in tracking the performance of AEFLA-funded programs (table IV-5). As expected, the vast majority of states rate educational gain and receipt of a secondary school diploma as appropriate. Overall, while a majority of state directors also agree that placement in postsecondary education or training is an appropriate indicator, more states (7) were either neutral or negative about this indicator.

The employment outcomes are rated much less favorably than the education outcomes. Nineteen states rated “entered employment” as an inappropriate outcome measure, and 22 states rated “retained employment” as inappropriate. Smaller states (as measured by the size of the federal AEFLA grant) were more likely to report that employment-related measures were inappropriate. Comments from survey respondents revealed concerns about the timeframes for reporting employment outcomes, unreliable data collection methods, and the limited control that adult educators have over employment outcomes. These views are consistent with observations from the case studies. State and local respondents repeatedly commented that employment-

related outcomes are not viewed as primary to the mission of adult education<sup>39</sup> and expressed concern that their use may reflect poorly on state and local programs. For example, Connecticut reported that they are experiencing significant increases in non-English-speaking populations and are thus focusing primarily on ESL programs. There is concern that these services will not translate (at least in the short term) into employment outcomes, and that a focus on employment- and training-related outcomes will result in the state adult education program looking inefficient. In Kentucky, employment-related indicators are believed to be too difficult to measure and beyond the responsibility of the adult education program. Although states recognize the link between education and employment, many state officials believe that the core business of adult education is literacy, not employment, and that performance measures should be limited to this focus.

**Table IV-5**

**Ratings of the “Appropriateness” of National Reporting System Core Outcome Indicators for Tracking the Performance of AEFLA-Funded Programs**

Core indicators	Positive		Neutral		Negative	
	No. of states	% of states	No. of states	% of states	No. of states	% of states
Educational gain	47	94	0	0	3	6
Entered employment	26	52	5	10	19	38
Retained employment	22	44	6	12	22	44
Receipt of secondary school diploma or GED	48	96	0	0	2	4
Placement in postsecondary education or training	43	86	3	6	4	8

*Source:* Urban Institute analysis of 2002 Survey of State Directors of Adult Education, National Assessment of Adult Education, Study to Assess Accountability, Funding and One-Stop Delivery Systems in Adult Education. See survey question B4.

*Notes:* Data represent number of states. Total positive responses include those that indicated “very appropriate” and “somewhat appropriate” on the survey. Total negative responses include those that indicated “very inappropriate” and “somewhat inappropriate” on the survey.

Open-ended responses on the survey and our field interviews revealed a variety of additional opinions about the core indicators. Three issues mentioned more than once were accounting for unintended outcomes, the lack of process measures, and the number of reporting categories. Since the NRS outcomes are measured with respect to student goals, if a student identifies attainment of a high school diploma as a goal, but during the course of the program gets a job and fails to receive a high school diploma, the NRS will only record that the student

<sup>39</sup> Adult education funds may not be used for job placement activities.

exited the program without obtaining a high school diploma. Conversely, the documentation of student goals (particularly employment goals) is subjective and subject to manipulation. Other disposition categories, such as the number of students who exit for a job or the number who exit with a diploma, might help to remedy this concern.

Secondly, some respondents noted that the lack of process measures and the lack of any reporting on those who have received fewer than 12 hours of service means that the adult education program is not getting “credit” for all of its work or for positive outcomes achieved with fewer than 12 hours of service. For instance, one respondent pointed out that sometimes an adult learner needs to be exposed to the learning environment several times before being able to commit to a class. The respondent suggested that a measure such as the number who exit before completing  $x$  number of hours might help to address this concern. For example, for its internal incentive program, the state of Kentucky does not use a minimum number of hours of service when counting enrollments or determining whether adult education/English literacy participants have achieved goals. The state screens out those clients with less than 12 hours of service when preparing its report to the Department of Education.

Third, both the open-ended responses in the questionnaire and feedback during our visits indicate a preference to reduce or collapse the number of categories of reporting educational gain. Currently, there are six categories of ESL and ABE levels and several respondents suggested that fewer categories would simplify reporting (e.g., the advanced ESL category was mentioned several times).

In addition to these core outcome measures, the NRS requires states to report annually on a set of core descriptive and participation measures. These include demographic characteristics (ethnicity, gender, and age); status and goals (labor force status, public assistance status, rural residency, disability status, and main and secondary learner reasons or goals for attending); and student participation (contact hours and program enrollment type). Such breakouts, however, are not requested for the performance measures and states do not disaggregate any outcomes by demographic or other characteristics in their reports to the Department of Education.

### ***Additional and Secondary Measures of Performance***

Both the WIA legislation and the NRS address additional or secondary measures of performance. Secondary measures identified in the NRS include reduction in receipt of public assistance, achieved work-based project learner goal, achieved citizenship skills, voting behavior, involvement in community activities, involvement in children’s education and children’s literacy-related activities, low-income status, displaced homemaker status, single parent status, dislocated worker status, and learning disabled adult status. States may use these secondary measures and, if levels of performance for these secondary measures are identified in their state plan, these are considered in assessing performance.<sup>40</sup>

Twenty-two state directors indicated that they require or report data on additional indicators of performance, regardless of whether they are the secondary indicators identified in the NRS or other state-defined indicators. For the most part, these states are collecting data on the optional secondary measures defined by the NRS (table IV-6). However, a small number of states are collecting data on program process and quality.

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<sup>40</sup> See Section 212(b)(3)(B) of the Workforce Investment Act.

- **West Virginia Process Measures:** The state adult education program has an advisory council in place and written strategies that are reviewed for program improvement. The program maintains a high quality management information system for student and program data. Students are given a skill assessment upon exit or have an up-to-date progress portfolio on file.
- **North Carolina Quality Measures:** Learners demonstrate progress through attainment of basic skills; learners advance in the instructional program or complete program educational requirements that allow them to continue their education; and students remain in the program long enough to meet their educational goals.
- **Texas Additional Accountability Performance Measures:** Texas is planning to add an additional indicator to its system to measure student retention. Local providers will calculate the numbers and percentages of students enrolled (who have participated in baseline assessment) who have attended at least 12 hours of instruction and the percentage of those who participate in progress assessment (after a specified time period).
- **Pennsylvania Administrative and Performance Measures:** In addition to program performance measures, Pennsylvania collects administrative performance measures including the percentage of required reports submitted on time and in acceptable form, and the number of students enrolled (as a percentage of the number contracted for in the grant application).

State directors were asked to identify additional measures that should be added to the NRS. Only a handful of states suggested additional measures, which include number of learners enrolled by program, distance learning (number enrolled and outcomes), computer literacy, workplace skills achievement, and client satisfaction ratings.

**Table IV-6**

**Secondary (Optional) National Reporting System Indicators  
Reported By States**

<b>Secondary indicator</b>	<b>No. of states reporting</b>	<b>% of states reporting</b>
Achieved work-based project learning goal	15	29
Left public assistance	22	43
Achieved citizenship skills	24	47
Increased involvement in children's education	24	47
Increased involvement in children's literacy activities	23	45
Voted or registered to vote	21	41
Increased involvement in community activities	20	39

*Source:* Statistical Report Table 11, National Reporting System (NRS) for adult education, Office of Vocational and Adult Education, U.S. Department of Education, Program Year 2001–2002.

*Note:* n=51 (all states plus the District of Columbia).

***Data Collection and Reporting***

The NRS has three methods for collecting data: direct program reporting, local follow-up surveys, and data matching. The NRS offers considerable flexibility to states and local adult education agencies in determining which methods are best suited to local circumstances. For example, the NRS does not specify the type of software, design of student record systems, or management information system (MIS) that states are to use. Clearly, some states had more experience with accountability systems and reporting requirements prior to the NRS, while others had less. This section discusses state implementation of data collection requirements and some of the logistical challenges encountered by state and local adult education agencies.

**States varied in their reporting systems' capability prior to AEFLA.** Most states (42) report that they have an electronic (computerized) performance reporting system, 34 of which are fully operational. Of the 32 states that reported their MIS predated AEFLA implementation, 19 indicated that significant changes or modifications were needed to meet the new performance accountability requirements.

Forty states require local programs to submit performance data electronically. Two specific challenges described by states with systems in place prior to AEFLA were adapting to

the follow-up procedures, and moving from a sample to 100 percent reporting.<sup>41</sup> States already collecting data were often just sampling clients and were not using wide-scale surveys or data matches.

**The TOPSpro/CASAS system is used by many states.** The Comprehensive Adult Student Assessment System (CASAS) is an adult education assessment system approved by the Department of Education and used by adult education programs for over twenty years. CASAS skill level descriptors have been aligned with the NRS educational functioning level descriptors, and the “TOPSpro” software available through CASAS meets the NRS reporting requirements. Twenty-two states, including three of our five case study states, use the CASAS system, and two of these states (California and Iowa) use the TOPSpro software for NRS reporting—Connecticut uses CASAS but has its own reporting system, Connecticut Adult Reporting System [CARS], and does not use TOPSpro. The TOPSpro software system can scan student answer sheets for tests; collect demographic information; and provide needed reports for teachers, students, and administrators as well as for state and federal funding sources. The system produces agency, site, and classroom reports detailing student-learning gains, results of instruction, test scoring, and test results.

**Data collection procedures are described by respondents as “burdensome.”** Each state that we visited has some MIS for student record management (as required by NRS), though their sophistication varied widely, even within states. While there is not one consistent method or process for data collection, states follow the same general protocol, mandated by the NRS: collecting some student data at registration time, followed by some initial testing also during registration, and subsequent record updates and testing as part of classroom activity.

This is quite often a labor-intensive process. Local respondents in two states (California and Mississippi) noted that many of the state-required reporting forms are “bubble sheets,” which are unfamiliar to many seeking adult education services, particularly people from other countries. Registration can be challenging for non-English-speakers who often struggle with simple, but unfamiliar, American conventions such as writing the day after the month, or the last name first.

Another challenge for data collection is conducting the student registration process in satellite classes or at one-stops. This requires teachers to send student data back to the central adult school or administrative office promptly. It also requires that teachers, even those who might teach only one class at a satellite location, be properly trained to collect student information for measuring educational gains and to follow up with students as needed. If a form is missing or completed incorrectly, the central adult school or office must contact the field teacher so corrections can be made. It is a necessary but challenging flow of communications to establish, especially since local systems often include many part-time teachers in dispersed classroom locations to facilitate student access.

Whether intake/registration is managed on site at an adult school, or at a satellite location, teachers still must issue forms and conduct testing in class. Even the most efficient operation we visited required teachers to spend extra time outside of class cleaning and double-checking forms before turning them in.

**States provide training, but more is needed.** Our site visits confirmed that one way states addressed the early challenges of implementing AEFLA performance accountability

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<sup>41</sup> The NRS requires states to report the required measures on *all* students who receive 12 or more hours of service.

requirements was through training. All of the five states we visited held training sessions to update their staff on the new reporting requirements. Many of these trainings focused specifically on new data collection procedures, including the use of software.

States also have ongoing training or in-service programs administered by the state to keep local providers current on NRS requirements. In addition, national trainings are attended by state service providers who return home to train their colleagues. For example, Mississippi conducts a series of trainings on a public access cable channel for providers across the state. For participating states, well-regarded training is also provided on the TOPSpro and CASAS procedures.

What we did not find in our sample of five states is any comprehensive “step-by-step” training program that encompasses all aspects of data collection. Many guidance and training materials produced by the Department of Education cover NRS implementation.<sup>42</sup> However, based on our site visits, much of the information in these trainings does not appear to have been transferred to teachers. Additionally, not all of these training programs are repeated regularly (e.g. once every year or every two years) as an introduction for new employees and a refresher for veteran employees. For many of the local providers we met with, the ease with which their data collection process operates is largely a function of the staffs’ longevity.

One specific problem noted in Kentucky was that staff received no formal training for helping clients set individual goals. This is notable, since goal-setting determines which, if any, of the four core follow-up indicators are tracked for a client. Another training gap relates to using performance data to improve programs. Many local program personnel, especially program directors, would benefit greatly from being trained to use performance data for improving their programs.

**States are seeking ways to address reporting and accountability for workplace and distance learning students.** Accountability requirements pose a challenge for providers of workplace adult education programs and providers of distance learning classes. Work-based project learners, as defined under NRS guidelines, are not included in the core NRS measures. Instead, they are tracked in secondary, optional measures. One state in particular identified this as a problem because the state was reaching out to people in ways nontraditional to adult education, yet these students are not included in core outcomes. The stumbling block is how literacy gains can be captured validly, even when the 12-hour rule for NRS may not be appropriate.

Distance learning presents measurement challenges as well. Current computer programs test learning gains, but these tests do not have the same standing as the formal literacy and GED tests. Given the need to expand overall enrollment and reach more people without incurring significant new costs, workplace and distance learning enrollment should increase in the coming years. The states would like to find ways to count enrollments and outcomes for clients involved in workplace and distance learning environments while minimizing barriers to service.

**Data matching is preferred by states but is not always feasible.** Four of the five core outcome indicators require following up with students after they leave the program: entered employment, retained employment, receipt of secondary school diploma or GED, and placement in postsecondary education or training. NRS guidelines detail two methods for obtaining data on clients after services are completed—data matching and surveys.

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<sup>42</sup> For example, see <http://www.nrsweb.org/>.

Data matching for the two employment indicators can be done by matching social security numbers with the state's Unemployment Insurance (UI) office. UI records cover about 98 percent of wage and salary workers. Employers are required to provide data to the UI office within 30 days of the end of each calendar quarter. The state agency should have the report ready by the end of the quarter following the reporting period. For example, if employment information is desired for January through March 2003, the information on whether or not there were any earnings and the amount of earnings is expected to be available by June 30, 2003.

Thus, for the core outcome indicator—"percent of learners who remained employed in the third quarter after the exit quarter"—the UI office that has the earnings records should be able to provide that information fairly readily. For example, to determine the number of students who exited in June 2003 who were employed during January through March 2004, that data should be available by the end of June 2004, and the state adult education agency should be able to get the data sometime in July–August 2004. Although this is a long lag time from exit, it complies with the NRS requirement.<sup>43</sup>

The core outcome indicator—"percent who obtain a job by the end of the first quarter after the exit quarter"—can also be provided by using information from the unemployment insurance files indicating whether the student had any earning during that quarter. (This is not the same as saying that individual is employed as of the *end* of the quarter, but only that the individual was employed at least *some time* during that quarter and received earnings.)

The potential for data matching for the other two follow-up indicators—"receipt of secondary school diploma or GED" and "placement in postsecondary education or training"—is a process that varies much more from state to state, based on the relationships between different education agencies (e.g., between the agency responsible for adult education and the agency responsible for postsecondary education). GED does not appear to be a substantial problem for the states because they can readily access that information.

Table IV-7 summarizes how extensively states are currently using administrative data in measuring these four indicators, as reported to the Department of Education in August 2003.<sup>44</sup> Whether or not data matching is even possible depends on state privacy laws and interagency agreements related to data sharing.<sup>45</sup> For example, if the state education agency deems that they cannot provide information on students by social security number, then there is no link to the employment system to report employment outcomes. This is a problem because a simple data match, done with appropriate privacy and security measures in place, is considerably less costly and yields more objective and reliable information than follow-up surveys.<sup>46</sup> Additionally, in our survey, several state directors noted that the highest-quality NRS data are data that can be verified through matching with other sources. However, at least one state (Kentucky), reported that their data matches for employment outcomes were not working and took too long. Another state noted that data matching was only yielding data on 25 percent of their former clients,

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<sup>43</sup> Information obtained in March 2003 from Wayne Vroman, Ph.D., the Urban Institute's Unemployment Insurance expert. Basic information on Unemployment Insurance wage records can be found in *ET Handbook 394, Unemployment Financial Data, Glossary*, May 1995 and updates, U.S. Department of Labor.

<sup>44</sup> Several states have indicated to the Department of Education that they expect to begin using unemployment insurance wage records within the next year.

<sup>45</sup> The Department of Education expects to work with the Department of Labor to identify barriers within each state to using wage records to identify employment outcomes.

<sup>46</sup> See U.S. General Accounting Office, February 2002, *Workforce Investment Act: Improvements Needed in Performance Measures to Provide a More Accurate Picture of WIA's Effectiveness*. (GAO-02-075).

possibly because not all workers are covered by the Unemployment Insurance system (self-employed workers, federal employees, postal workers, and seasonal and agricultural workers, for example, are not included), and because the state does not have access to Unemployment Insurance wage records for those employed in other states (an issue where local labor markets include bordering states).

**Table IV-7**  
**Methods States Use to Collect Data for Core Outcome Indicators**

Core indicators	Survey		Data Match		Both Survey and Data Match		Other	
	No. of states	% of states	No. of states	% of states	No. of states	% of states	No. of states	% of states
Entered employment	23	46	21	42	3	6	3	6
Retained employment	23	46	22	44	2	4	3	6
Receipt of HS diploma or GED	15	30	29	58	2	4	4	8
Placement in postsecondary education or training	28	56	17	34	4	8	1	2

Source: Office of Vocational and Adult Education, U.S. Department of Education, August 25, 2003.

**Use of student surveys.** For states that do not use data matching, follow-up surveys are the other major option for collecting data on former clients. Student surveys are a difficult and labor-intensive way to obtain data, and response rates tend to be low (which has implications for the findings' validity, due to nonresponse bias). Finding an accurate address to reach a client is a major challenge. Surveying clients is one area where rural service providers have a slight edge over their urban counterparts. Several of our respondents in rural areas noted that some of their follow-up/tracking data are gathered through informal reporting, such as teachers seeing their students in town and asking them if they are working.

The NRS includes state-by-state data on response rates for each of the core outcomes requiring follow-up via data matching or surveys. The “response rate or percent of participants available for match” ranged from 0 to 100 percent for each measure in PY 2001–2002. Ten states reported a 100 percent response or match for entered employment and for retained employment; eleven states reported a 100 percent response or match for entered postsecondary education or training, and fifteen states reported a 100 percent response or match for obtained GED or secondary school diploma. Fifty to sixty percent of the states reported over 75 percent survey response or matched data for participants (table IV-8) on the core outcome indicators.

**Table IV-8**  
**State Response Rate of Percent Available for Match for NRS Core Outcome Indicators**

Core indicators										
	0–25% Response		26–50% Response		51–75% Response		76–99% Response		100% Response	
	No. of states	%	No. of states	%	No. of states	%	No. of states	%	No. of states	%
Entered employment	7	14	4	8	2	4	18	36	10	20
Retained employment	10	20	1	2	9	18	21	42	10	20
Receipt of HS diploma or GED	7	14	3	6	9	18	16	32	16	32
Placement in postsecondary education or training	11	22	3	6	12	24	14	28	11	22

*Source:* Statistical Table 5, National Reporting System, Program Year 2001–2002.

*Note:* n=51 (all states and the District of Columbia).

**States are monitoring data quality, but additional support is needed.** Table IV-9 summarizes the various methods states use to monitor data quality. The data also suggest that a considerable proportion of states were engaged in various monitoring activities even prior to AEFLA implementation. This is consistent with many states having data reporting systems in place well in advance of AEFLA implementation.

Most states (48) also reported either conducting some sort of training or providing some technical assistance related to improving data quality. Additionally, our site visits revealed greater rigor and consistency in reporting educational outcome data than employment outcome data. State and local programs face challenges in obtaining accurate data on employment, and, in particular, on employment retention. Local programs relied on either surveys or informal follow-up with former students for information about employment status.

**Table IV-9  
Methods States Use to Monitor Data Quality**

Data monitoring methods	Site Visits		Formal Audits of Program Data		Validity Checks		Conduct Training/Provide Technical Assistance	
	No. of states	% of states	No. of states	% of states	No. of states	% of states	No. of states	% of states
What procedures, if any, are used to check data before they are sent to the U.S. Department of Education/Governor's Office?	30	60	20	40	38	76	46	92
Have any of these procedures changed since the implementation of AEFLA?	17	34	11	22	18	36	26	52
What activities do you engage in to improve the quality of data reported locally?	37	74	23	46	35	70	48	96

*Source:* Urban Institute analysis of 2002 Survey of State Directors of Adult Education, National Assessment of Adult Education, Study to Assess Accountability, Funding and One-Stop Delivery Systems in Adult Education. See survey question B18.

### C. Use of Performance Data

Implementing the accountability system established under AEFLA for adult education is not simply a matter of meeting NRS data collection and reporting requirements. Once high-quality data are available, they need to be used in ways that lead to improved student and related program outcomes. AEFLA legislation includes important provisions that emphasize the use of program data to enhance student outcomes and the overall quality of adult education programs.<sup>47</sup> Although this study confirms that states are knowledgeable about these opportunities, use of the data by states and local programs to help improve services appears to be highly uneven.

About three-quarters or more of state directors indicated using performance data for reporting and program improvement (table IV-10). Medium states are more likely to use their performance data for planning and targeting funds.<sup>48</sup> Considerably fewer indicated actual or planned use of data for targeting funds, making policy changes, or any of the items related to sanctions or incentives. During the early stages of AEFLA implementation and NRS development, we would expect that major uses of the information would center on reporting functions and program review. Though important, these functions alone fall short of realizing the full potential of the accountability provisions envisioned by the law.

<sup>47</sup> Workforce Investment Act (WIA) Title II, Section 212.

<sup>48</sup> For purposes of this analysis, size was defined by the size of each state's FY 2000 AEFLA grant, as follows: small is less than \$5 million (23 states); medium is between \$5 million and \$9.9 million (14 states); and large is \$10 million or more (13 states).

Survey results do not reveal whether states simply fail to see the link between use of performance data and future decisions about reallocating funds among poor- and high-performing programs, or whether they have determined incentives or sanctions to be a premature, or possibly inappropriate, use of the information. Comments indicate that states are interested in using performance data for program improvement and funding decisions. Ohio's survey respondents suggested more federal help to states on best practices for using data to improve performance, and for funding fairly based on performance. Utah's director noted that the state is moving from funding based on "seat time" to funding based on performance criteria. Understandably, some states still lack confidence in their data's quality or reliability, particularly data based on follow-up methods, which in turn hinders states' confidence in using data to make certain types of decisions.

The use of the performance data by local programs could not be captured in our survey. Our case study interviews reveal some creative uses of program information for reporting data, allocating funds, and making program improvements. Some of these are highlighted below:

- The **California** Department of Education uses learners' attainment of three approved core performance indicator benchmarks as the basis for AEFLA funding for AEFLA local provider programs. Agencies can earn up to three payments per learner within the annual grant period. These three "payable" benchmarks result when a learner achieves the following successes: (a) makes a significant gain (a five-point CASAS scale score gain for learners with a pretest score of 210 or below, or a three-point gain at post-test for learners with a pretest score of 211 or higher); (b) completes two instructional levels; or (c) receives a GED certificate or an adult high school diploma.
- In **Los Angeles, California**, data from CASAS, which are common across the state, are being used by teachers to plan what to emphasize in classes, identify weaknesses in curricula, and so on. At the Los Angeles Unified School District, local administrators have been revising course curricula to better address the CASAS benchmarks.
- In **Riverside, California**, teachers were looking at test scores to help determine what lessons needed to be emphasized in class. For example, a teacher's report revealed that a low percentage of her students were able to read maps or interpret clocks, and classroom instruction was being modified accordingly.
- **Riverside, California** teachers can request a report from their TOPS database coordinator and receive it the next day.
- In **Connecticut**, while the majority of state funds are distributed to towns through formulas, federal funds are allocated competitively. Core criteria for program improvement projects in adult education include past performance and agreement to use the Connecticut Competency System. Under this program, grantees are required to demonstrate success during their first year to be funded for a second.

- In **Iowa**, TOPSpro reports include such items as (1) ESL/ABE level started/ended; (2) hours of instruction; and (3) upgrades in proficiencies. Reports are generated to show demographics for those served and outcomes. Outcomes by demographic group can be generated (but would require special runs). The state disseminates (via web) comparisons of local programs on key outcomes. Local programs can also do their own data analyses and generate reports. Several reports may be sent out to instructors to help them monitor progress.
- In **Ottumwa, Iowa**, ABE coordinators at each school served by Indian Hills Community College were using data reports to monitor progress—in some cases, progress by individual teachers and/or students.
- In **Kentucky**, about \$750,000, or 4.6 percent of the state’s \$16.2 million adult education budget, was spent on performance awards in fiscal year 2002. The maximum state obligation is 10 percent of the total basic education budget. Any local program that has met a specified percent of its outcome targets for a program year receives the “bonus” of a percentage of its basic adult education funding for that program year. This latter percentage depends on the percent of outcome targets that the program has met. The outcome targets for each local program in the state are the same as the ones negotiated between the state and Department of Education, with the addition of an enrollment indicator. Meeting enrollment thresholds is required before a local program becomes eligible for a reward, regardless of its performance on the other performance indicators.
- Local program staff (usually instructors) in **Kentucky** enter data online into the state mainframe system; the state then generates summary reports. Data and reports are not generally distributed to local programs, though they may request data extracts. For example, the Lexington adult education program requested their data from the state and used it to produce additional analyses, to examine individual instructors’ performance.
- **Mississippi** administrators used their performance data to identify problems with how teachers were using the Test of Adult Basic Education (TABE) diagnostic profiling and have subsequently increased training. Inaccurate diagnostic (placement) systems were discovered to be a statewide problem. Significant staff development resources were committed to correcting the problem, as well as to new programmatic options such as the Fastrack—a quick “down and dirty” GED preparation curriculum for GED-ready clients. It is clear that the state (and local program directors, too) uses TABE scores and GED attainment data to allocate funds and improve programs.
- In **Tupelo, Mississippi**, the adult education director and lead teacher use NRS data to estimate future benchmarks and to make decisions on class placement, curriculum, staff development, and student recruitment. They also print the federal NRS reports monthly to see if a particular class or instructor needs additional help. The lead teacher sets up staff development programs, including in-service training on accountability issues, for teachers statewide.

**Table IV-10****Use of Performance Data by State Office of Adult Education**

State performance use	Actual Use (by 12/31/01)		Planned Use (after 12/31/01) <sup>a</sup>	
	No. of states	% of states	No. of states	% of states
Reporting to local service Providers	43	86	3	6
Determining training and technical assistance needs	40	80	9	18
Planning purposes	39	78	10	20
Reporting to state legislatures	37	74	11	22
Making program improvements	37	74	12	24
Identifying low-performing Programs	34	68	13	26
Identifying high-performing Programs	33	66	14	28
Making comparisons across programs, regions, etc.	31	62	13	26
Budgetary decisionmaking	30	60	16	32
Allocating funds for individual Programs	29	58	17	34
Reporting to other funders	28	56	12	24
Targeting of funds	20	40	17	34
Making changes to state education policy	18	36	14	28
Reporting to students	16	32	14	28
Making incentive awards	12	24	12	24
Sanctioning programs	12	24	18	36

*Source:* Urban Institute analysis of 2002 Survey of State Directors of Adult Education, National Assessment of Adult Education, Study to Assess Accountability, Funding and One-Stop Delivery Systems in Adult Education. See survey question B8.

*Notes:* As of December 31, 2001. Nine state directors did not answer this question on the survey, either in parts or in its entirety.

<sup>a</sup> This column represents states that were not actually using the data for a given purpose by December 31, 2001.

### ***Continuing Challenges: Data Gaps and Barriers to Using Performance Information***

Considerable potential exists for using performance information by local as well as state education agencies and by adult education teachers. However, data gaps and concerns about the quality and timeliness of reports sometimes limited the use of the performance data. In some cases, local agencies and service providers expressed frustration with current data system limitations. Local agency opinions about the timeliness of state reports vary. In some cases, local providers have the ability to generate reports locally and do not need to rely as heavily on reports from the state. In one state, which was transitioning from one MIS to another system, local providers said their ability to get individual data reports, as they had in the past, was disrupted. Another problem cited, as described earlier in this chapter in the sections that addresses overall implementation, was the need to enter data in multiple systems to retain local access to information. We also observed that data systems for adult education and workforce programs are not integrated (e.g., they use different information systems that use different software platforms; information systems are not accessible to providers of other agencies; and/or there are restrictions against sharing individual-level data across agencies), which contributes to the need for duplicate data entry.

Several state and local agency directors thought reports that tabulate enrollment and outcome data by demographic characteristics would be helpful. Currently, the NRS standard reporting tables do not request that core outcome characteristics be broken out by the demographic characteristics collected. Local agencies understand that such cross-tabulations would be very helpful to program improvement efforts. These breakouts are likely to have great utility at all levels of reporting. Presumably, states have the capability of generating such reports for local agencies based on the raw data available in the NRS.

In summary, implementing the AEFLA accountability requirements involved a significant change in data collection for most states. The logistics were described as burdensome by several respondents, especially for small school districts with limited resources and staff to devote to data collection and reporting. However, it appears that most states and local education agencies have worked through many initial challenges and can now turn to improving the quality and consistency of the data provided by local agencies. States and local agencies, and even individual teachers, respect the need for accountability in adult education, but they are concerned about being held accountable for performance measures that are not directly associated with educational attainment. They would like to use performance measures to improve the quality of their curricula and their classroom teaching, but need data system improvements and additional training to make the most of this information.

## **V. WIA Implementation and Adult Education Involvement in the One-Stop System**

Title II of the Workforce Investment Act (WIA) of 1998 established a strong mandate for adult education providers to collaborate with other workforce development and education providers locally, with particular emphasis on partnering through the one-stop delivery systems within each state. This chapter examines implementation experiences and the effects of key WIA provisions relating to collaboration between the adult education and family literacy programs and the one-stop delivery system.

### **A. Legislative Background and History of Collaboration**

Under Section 121 of WIA, adult education and literacy activities authorized under Title II were required to be offered through each state's one-stop delivery system.<sup>49</sup> For AEFLA programs, the entity responsible for fulfilling the one-stop participation requirements is the state agency responsible for administering and supervising the state adult education and literacy programs.<sup>50</sup> The adult education agency may designate one or more eligible providers in each local area to fulfill all or part of these responsibilities.<sup>51</sup>

WIA requires local workforce investment boards (WIBs) to establish at least one full-service physical one-stop center where a range of employment, training, education (including adult education), and other support services are made available to the public. OVAE guidance addresses the responsibilities of state adult education agencies, emphasizing that state agencies have considerable flexibility to determine how they meet these requirements. Each eligible agency must

- be represented on the state Workforce Investment Board.
- be represented on the local Workforce Investment Board.
- enter into a memorandum of understanding with the local Workforce Investment Board on one-stop system operation, including a description of services, how the cost of the identified services and operating costs of the system will be funded, and methods for referral.
- Ensure that the core services applicable to AEFLA are made available to participants through the one-stop delivery system within each local area, either in lieu of or in addition to making these services available at the site of an assisted program.

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<sup>49</sup> WIA established both required and voluntary one-stop partners—with adult education and literacy specified as a mandatory partner. See Section 121 of WIA for a complete listing of both required and voluntary one-stop partners.

<sup>50</sup> This agency is referred to in the law (section 203(4)) as the “eligible agency.”

<sup>51</sup> Workforce Investment Act 20CFR662.220(b)(1).

- Ensure that a portion of the funds available under section 231 is used, by providing services or through other means, to create and maintain the one-stop delivery system and to provide applicable core services through the one-stop delivery system.<sup>52</sup>

Prior to WIA's passage, adult education providers were not required to partner with workforce development programs, and the one-stop centers were still taking shape. The current status of collaboration between adult education and literacy programs and the workforce development system is at least partially a function of historic links between the two systems and how extensively state and local workforce development agencies had begun to develop their one-stop service delivery systems prior to WIA enactment. Collaboration between the workforce development system and other state and local programs was an important feature of WIA's predecessor, the Job Training Partnership Act (JTPA) program, particularly after the 1992 JTPA amendments were enacted. A number of studies completed in the late 1980s and 1990s documented the increasingly important role that coordination was playing among a variety of state/local programs in the delivery of education, training, employment, and other workforce development services.<sup>53</sup> In addition, during this same period, states and localities began to pilot test and develop one-stop initiatives—often with help from federal demonstration funds—intended to bring adult education, workforce development, and a range of other local partners together in one location. Studies conducted in the early 1990s and more recently have documented the proliferation of one-stop initiatives in various states and localities, as well as the wide variety of partners involved in such efforts and some of the potential benefits and costs of such integrated systems.<sup>54</sup>

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<sup>52</sup> Program Memorandum—OVAE - 99-14, "Responsibilities and Opportunities Created by Title I of the Workforce Investment Act of 1998," June 1, 1999.

<sup>53</sup> See, for example, J. Trutko, B. Barnow, and L. Bailis, *An Assessment of the JTPA Role in State and Local Coordination Activities: Final Report (Volume 1)*, prepared for the Employment and Training Administration, U.S. Department of Labor, 1990; and N. Pindus, R. Koralek, K. Martinson, and J. Trutko, *Coordination and Integration of Welfare and Workforce Development Systems*, The Urban Institute, prepared for the Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services, 1999.

<sup>54</sup> See, for example, M. Ragan, *Building Better Human Service Systems: Integrating Services for Income Support and Related Programs*, Rockefeller Institute of Government, 2003; D. Nightingale, B. Barnow, F. Kramer, J. Trutko, and M. Egner, *The Role of One-Stop Career Centers in Serving Welfare Recipients in 2002*, The Urban Institute, prepared for the U.S. Department of Labor, 2003; W. N. Grubb, N. Badway, D. Bell, C. King, et al., *Toward Order from Chaos: State Efforts to Reform Workforce Development Systems*, Berkeley, CA: National Center for Research in Vocational Education, University of California, 1999; J. Hyland, *An Update on State Workforce Development Reforms*, Washington, DC: National Governor's Association, 1998; P. Holcomb, K. Seefeldt, and J. Trutko, *One Stop Shopping Service Integration: Major Dimensions, Key Characteristics, and Impediments to Implementation*, The Urban Institute, prepared for the U.S. Department of Labor, 1993.

The results of our survey of state directors of adult education programs, as well as anecdotal evidence collected as part of our site visits to five states, indicate that at the time of WIA enactment, the extent of collaboration between adult education and workforce development programs varied widely across states and localities. About two-thirds of the responding state adult education directors indicated that prior to WIA, their state adult education office coordinated or collaborated either extensively (9 of 48 states responding to the question) or somewhat (24 states) with their state's workforce development board/agency. About one-third of state adult education directors (15 states) indicated that their states had very little or no prior collaboration with their state workforce development agencies.

Some states and localities were building upon a history of collaboration between the adult education and workforce development systems and/or were already well on the way to developing comprehensive one-stop delivery systems. For example, among the states we visited, Connecticut had begun to set up one-stop centers as early as 1993, and Iowa passed one-stop legislation in 1996. Other states were at the other end of the continuum—struggling with adult education and workforce development systems that were not closely aligned with one another (i.e., adult education and workforce development administrators at the state and local levels were not “talking with each other”) and lagging in their efforts to establish one-stop service delivery systems.

## **B. State Adult Education Program Involvement in the One-Stop System**

WIA envisions an active and supportive role for both state and local programs in the development and ongoing maintenance of the one-stop system. This section describes state adult education involvement in one-stop system planning and operations, guidance provided to local agencies, and representation on state WIBs, as reported by state adult education directors. Analysis of the survey data revealed some interesting patterns in state responses, by region and by size of AEFLA grant.<sup>55</sup>

### ***Involvement in One-Stop System Planning and Operations***

State directors were asked whether developing the one-stop plan (the state's WIA Title I state plan) generally involved key adult education providers, administrators, and consumers. The responses were mixed, with about two-thirds of state directors indicating that some or all of these key constituencies from the community were involved (18 states) or somewhat involved (15 states). However, about one-third of responding state programs indicated that they did not believe these key constituencies were involved in developing the one-stop plan. Smaller states (as measured by the size of their AEFLA grant) were more likely to report that key adult education stakeholders were involved in the development of the state one-stop plan.<sup>56</sup>

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<sup>55</sup> Survey responses were cross-tabulated by region as defined by the U.S. Department of Education (eastern, southern, midwestern, and western) and by size. Size is defined by size of each state's FY 2000 AEFLA grant as follows: small is less than \$5 million (23 states); medium is between \$5 million and \$9.9 million (14 states); and large is \$10 million or more (13 states).

<sup>56</sup> Of all respondents, 56 percent of small states answered “yes” to this question, as compared to 17 percent of medium states, and 28 percent of large states.

The extent of involvement and specific types of assistance provided for establishing and operating one-stops also varied substantially across states (table V-1). About half of the state programs indicated that they had either not been involved (13 states) or only minimally involved (12 states) since WIA implementation in planning the one-stop system. Planning has involved activities such as attending meetings with other partners, helping to define partnering agencies' roles and responsibilities, planning client flow and referral among partners in the one-stop system, making staffing commitments, and identifying/committing cash and in-kind resources for one-stop development and operation.

**Table V-1  
Level of Involvement of State Adult Education Office in the  
One-Stop Service Delivery System since the Implementation of AEFLA**

	Not Involved		Minimally Involved		Somewhat Involved		Very Involved or Fully Involved		Not Applicable	
	No. of states	% of states	No. of states	% of states	No. of states	% of States	No. of states	% of states	No. of states	% of states
Planning the one-stop system	13	26	12	24	13	26	11	22	0	0
Negotiating MOUs	13	26	10	20	8	16	17	34	1	2
Funding one-stop development/operations	20	40	13	26	6	12	10	20	0	0
Providing guidance/technical assistance	14	28	9	18	13	26	13	26	0	0

*Source:* Urban Institute analysis of 2002 Survey of State Directors of Adult Education, National Assessment of Adult Education, Study to Assess Accountability, Funding and One-Stop Delivery Systems in Adult Education. See survey question D7.

How extensively decisionmaking and other responsibilities associated with adult education's participation in the one-stop system were retained at the state level or delegated to the local level varied by state size (table V-2), with large states more likely to delegate responsibilities to the local level.

In contributing to the costs of the one-stop system, state and local adult education agencies must consider a number of factors. The contribution must be "proportionate to the use of the system by the individuals attributable" to the adult education program. Contributions to the operating cost of the one-stop delivery system are considered to be administrative costs under AEFLA, and are included in the 5 percent limit for noninstructional costs. In addition, adult education partners may only contribute toward costs that are allowable under AEFLA. For example, AEFLA does not authorize the use of funds for acquisition of real property or for

construction.<sup>57</sup> The survey reveals that state adult education agencies made limited financial commitments to the development and ongoing operations of one-stop systems. For example, two-thirds of state directors indicated that their agencies either have not been involved (20 states) or only minimally involved (13 states) in funding one-stop development/operations.

**Table V-2**  
**Levels at which Adult Education Decisionmaking and Other Responsibilities**  
**for the One-Stop System are Carried Out, by Size of State**

States Reporting	Small		Medium		Large	
	No. of states	% of states	No. of states	% of states	No. of states	% of states
State Level	7	14	1	2	0	0
Local Level	3	6	4	8	7	14
Both State and Local Levels	11	22	7	14	6	12
Don't Know	2	4	1	2	0	0

*Source:* Urban Institute analysis of 2002 Survey of State Directors of Adult Education, National Assessment of Adult Education, Study to Assess Accountability, Funding and One-Stop Delivery Systems in Adult Education. See survey question D10.

*Note:* One state director did not respond to any of the related questions on the survey.

Just one-fifth of states indicated that they had been either very or fully involved (10 states) in funding one-stop development/operations in their states. When asked whether the state office had made any kind of financial or in-kind contributions to one-stop center operations since AEFLA went into effect, 26 states (of 46 responding) indicated they had made some form of contribution—with five indicating monetary contributions (only), six states indicating in-kind contributions (only), and 15 states indicating a combination of monetary and in-kind contributions. According to state directors, monetary and in-kind contributions for one-stop operations have gone to (1) state labor agencies/departments (5 states), (2) other state agencies/committees overseeing one-stop centers (6 states), (3) directly to local one-stop centers (6 states), and (4) local AEFLA-funded programs who support one-stops (16 states). Local experiences with financial and other contributions to one-stops are discussed later in this chapter.

<sup>57</sup> Program Memorandum—OVA E - 99-14, “Responsibilities and Opportunities Created by Title I of the Workforce Investment Act of 1998,” June 1, 1999.

### ***Representation of State Adult Education on the State Workforce Investment Board***

Under WIA, the lead agency official for adult education and literacy must be a member of the state’s WIB unless the state chooses an approved existing, alternative entity on which adult education is not represented. In such a case, the state plan must explain how the state will ensure an ongoing role for adult education and literacy. Table V-3 displays state survey results regarding representation of the adult education agency on the state workforce development board. In slightly less than half of the states (22 states), the adult education system is represented on the state WIB by the head of the state education agency. The state adult education director is the representative on the state WIB in one-tenth (5 states) of the states, while the head of the state’s community college system serves on the board in another one-tenth (5 states) of the states. In 15 states, a variety of “other” types of officials represent adult education interests on the state WIB, including the state director of vocational education, representatives of the workforce development agency (which includes adult education in some states), and local representatives appointed by the governor. Four states indicated that they had more than one representative on the state WIB, such as the adult education director and the head of the community college system.

**Table V-3  
Representation of State Adult Education/Family Literacy  
on the State Workforce Investment Board**

<b>Representative</b>	<b>No. of states</b>	<b>% of states</b>
State director of adult education	5	10
Head of state education agency	22	44
Head of community college system	5	10
Other	15	30

*Source:* Urban Institute analysis of 2002 Survey of State Directors of Adult Education, National Assessment of Adult Education, Study to Assess Accountability, Funding and One-Stop Delivery Systems in Adult Education. See survey question D4.

*Note:* One state director did not answer this question on the survey.

### **C. Involvement of Adult Education Programs in Local One-Stop Operations**

The purpose of this section is to present a relatively early (site visits were conducted from December 2002–February 2003) snapshot of “on the ground” service delivery of adult education in the context of the one-stop system. Our site visits were purely descriptive—the researchers did not conduct audits, nor did they monitor compliance with WIA regulations or guidance. Our visits to local programs and one-stop centers lend support to the notion that states and local areas are arrayed at various points along a continuum in both establishment of one-stop delivery systems and collaboration between the adult education and workforce development systems. In all nine of the localities we visited, one-stop career centers have been operational for at least several years (some dating back to the early 1990s). Though these one-stops offer some of the

same types of core services—particularly labor market information, job search and placement assistance, and help with obtaining suitable job training—the structure and partners involved in each of the one-stops varies substantially. For example, Los Angeles (the largest metropolitan area we visited) has a network of 16 full-service one-stop centers and 10 satellite offices. Smaller metropolitan areas—such as Des Moines, Iowa; Lexington, Kentucky; and Ottumwa, Iowa—are served by fewer one-stop centers. Just one of the locations we visited—Shelbyville, Kentucky (with a population of under 25,000)—is served only by a satellite center that offers principally WIA and employment services, as well as by referrals to other service providers or full-service one-stops in nearby Lexington or Louisville.

Local WIBs typically subcontract out one-stop operation to a variety of organizations. For example, WIBs have subcontracted one-stop operations to (1) nonprofit organizations in Los Angeles, California; Bridgeport and Hartford, Connecticut; and Shelbyville, Kentucky; (2) community colleges in Ottumwa, Iowa and Tupelo, Mississippi; and (3) an economic development agency in Riverside, California. Regardless of the agency operating the one-stop center, the partners involved in and locating services at the one-stop centers vary considerably across the nine locations. It is these partnering agencies that determine the range of services available at each one-stop. WIA core and intensive services are offered at all nine of the one-stops we visited.<sup>58</sup> Beyond availability of WIA services, no two one-stops offer the same range of partners or services—even within the same states or localities. Among the most frequent partners in the one-stops we visited are the Employment Service (sometimes known as the Job Service), Job Corps, Temporary Assistance for Needy Families (TANF), adult education and family literacy, vocational rehabilitation, and older worker programs. What constitutes “partnership” and “involvement” of programs in one-stop operations also varies quite substantially. For example, some partners locate staff and provide full services at one-stop locations, while others out-station staff several days a week, primarily for the purpose of distributing program information and referring appropriate one-stop users to other locations for further assessment and service delivery.

As shown in Table V-4, adult education programs are partners with the one-stop centers in each of the nine local areas that we visited—though the nature of the collaboration is quite different across the localities.<sup>59</sup> Information about availability of adult education services within the community is made available in some form at all of the one-stops we visited. In addition, staff at all of the one-stop locations we visited have established procedures for referring individuals with basic skills deficiencies to programs provided directly at the one-stop center or at other community locations. However, how extensively referrals are documented or followed-up by staff varies from site to site and from program to program.<sup>60</sup> In the study sites, this

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<sup>58</sup> Core services in WIA consist primarily of self-service activities such as using labor market information, viewing job listings, and taking self-administered aptitude and interest batteries. Individuals who cannot use the system by themselves are provided assistance with core services. Individuals who cannot find a job using core services may receive intensive services with assistance from one-stop staff or contractors. Intensive services include individual counseling and case management and in-depth assessment activities.

<sup>59</sup> This is a function of our site visit process, where we specifically asked to visit one-stop centers that had some relationship to the local adult education program(s).

<sup>60</sup> Although the Department of Labor’s Workforce Investment Act Standardized Record Data (WIASRD) system requires one-stops to record referrals to one-stop partners, WIASRD reporting is required only for registered one-stop users. Individuals who are referred to adult education or other services before registration for WIA services are not tracked.

information was not routinely integrated into existing data systems, making it difficult to track referrals and report outcomes by source of referral.

Differences in the extent of partnership across the local sites we visited emerge in three main areas (1) co-location or out-stationing of staff at the one-stop, (2) whether instruction is provided from a classroom located at the one-stop, and (3) whether the program makes financial and in-kind contributions to support the operations of the one-stop system.

**Out-stationing staff.** In most of the localities we visited (with the exception of Shelbyville, Ottumwa, and Tupelo), there is at least one staff person out-stationed to work at the one-stop. In several localities we visited, staff are out-stationed several days a week, primarily to provide information to one-stop users about adult education services, perform educational assessments, and provide referrals to adult education programs in the local community.

**Adult education classes at one-stops.** In seven of the nine one-stops we visited, the adult education program outstations instructors on a full- or part-time basis to operate classrooms at one-stops. The adult education program serving Des Moines operates two classrooms at the full-service one-stop serving the city, outstationing two instructors full time to teach about 15 students (mostly TANF recipients involved in work programs) in each of the classrooms. The adult basic education (ABE) preparation program can provide 20–25 hours per week of activity to help each TANF recipient meet work requirements. Besides TANF recipients, small numbers of nonTANF individuals using the one-stop with basic skills deficiencies are also referred for ABE classes.

Even when adult education classrooms are established at one-stops, centers are only one of many sites where adult education programs locate classrooms (e.g., at public schools, libraries, community colleges, etc.), and the number of students enrolled in adult education classes at one-stops usually represents a relatively small proportion of those enrolled in adult education services locally. For example, in Lexington, the adult education classroom located at the one-stop career center is one of about 20 classroom locations serving residents with basic skills deficiencies in the county and serves about 100 of the nearly 4,000 students attending adult education classes in the county.

**Contributions to one-stop operations.** Adult education programs, like other partners involved with one-stops, may contribute financially by paying rent or making direct transfers of funds to offset one-stop costs. In the five states and nine localities we visited as part of this study, we found cash contributions to one-stop operations to be the exception rather than the rule. In just three of the one-stops we visited are adult education programs making cash contributions to one-stop operations—the two local sites in Connecticut (Hartford and Bridgeport) and Des Moines, Iowa. In Des Moines, the adult education program makes what it considers to be a “nominal” payment of \$300 per month (\$3,600 per year) to support one-stop operations, which covers only a small portion of the actual cost of the classroom space (if payment were assessed proportional to total space in the one-stop). However, adult education administrators (in Des Moines, as well as several other sites we visited) noted that they are able to secure other classroom space within their community rent free (e.g., at public schools or libraries) or at little cost—and, hence, given stretched resources, they would likely move out of the one-stop to other community locations should their required contribution be raised. As shown in table V-4, seven of the nine localities we visited indicated that they made some form of in-kind contributions to one-stop operations, such as paying for out-stationed staff at the one-stop center or paying for supplies and materials.

**Table V-4  
Types of Services and Contributions to One-Stop Operations**

Site	Disseminate information about AE services at one-stop	Refer from one-stop to AE services	AE staff out-stationed at one-stop	AE classroom located at one-stop	AE makes financial contribution to one-stop	AE makes in-kind contribution to one-stop
Los Angeles, CA <sup>a</sup>	Yes	Yes	Varies	Yes (but varies by one-stop)	No	Varies by one-stop (teachers and class materials)
Riverside, CA	Yes	Yes	Yes	Yes	No	Yes (teachers and class materials)
Bridgeport, CT	Yes	Yes	Yes	Yes	Yes	Yes (CASAS assessment materials and training)
Hartford, CT	Yes	Yes	Yes	Yes	Yes	Yes (teachers)
Des Moines, IA	Yes	Yes	Yes	Yes	Yes	Yes (teachers and class materials)
Ottumwa, IA	Yes	Yes	No	No	No	No
Lexington, KY	Yes	Yes	Yes	Yes	No	Yes (teachers and class materials)
Shelbyville, KY	Yes	Yes	No	No	No	No
Tupelo, MS	Yes	Yes	No	Yes	No	Yes (teachers and class materials)

<sup>a</sup> The city of Los Angeles has one of the largest workforce development systems in the country. Certified one-stops are called WorkSource Centers. Our site visit included three certified WorkSource Centers, one operated by a CBO, one operated by a large nonprofit organization, and one operated by a community college (this center is certified but does not receive city WIA funding). All have some adult education at the WorkSource Center.

#### **D. Challenges to Integration and Collaboration**

As part of the state survey and during local visits, adult education program directors and staff were asked to identify common challenges to establishing an integrated one-stop delivery system. State adult education administrators identified a considerable range of challenges, though just two of the challenges—“limited resources” and “turf issues”—were cited by more than half of the state adult education directors. The leading challenge to the establishment of

integrated one-stop delivery systems, and one that was also cited in our interviews with state and local administrators during our site visits, is limits on resources (identified by about two-thirds of state adult education directors). The development of an effective and comprehensive one-stop system in states requires workforce development and other partnering agencies to commit resources to support both establishment and ongoing operation of such facilities. Resources devoted by state and local adult education programs (and other partners) to one-stop systems include financial contributions to the establishment and operations of one-stop centers and/or other in-kind contributions, such as co-location of staff at one-stops, establishing and maintaining classrooms for adult education and ESL instruction, and staff attendance at regular meetings to facilitate development and ongoing one-stop operation. Often state and local adult education directors face difficult decisions about how extensively to support one-stop operations because they face already-tight budgets, as well as limitations on administrative costs, that require careful decisionmaking and trade-offs, especially when making long-term commitments to the one-stop delivery system. In addition, in rural areas where adult education staff may be limited to just a few members (e.g., a program coordinator and a handful of part-time instructors), reassigning staff from an existing classroom location to a one-stop, even for few days a week, may be impossible or very difficult.

Slightly over half of responding state adult education directors (28 of 49) say the second leading challenge to close collaboration with the one-stop system is “turf issues.”<sup>61</sup> Previous studies of coordination between workforce development and other agencies have often found that turf issues can block development of collaborative service delivery arrangements and keep them from reaching their full potential.<sup>62</sup> Turf issues can arise as agency officials come together and jockey for position over agency roles and responsibilities, especially decisionmaking authority. How often conflicts arise may be a function of a variety of factors—such as leading administrators’ personalities, compatibility of agency/program missions and goals, past history of collaboration, and availability of resources to support collaboration. For example, one state adult education director said that turf issues complicated the integration of adult education with the one-stops because the workforce system did not consider the existing adult education infrastructure in their planning. The workforce development system created new one-stops within blocks of existing adult basic education laboratories that were fully equipped for computer access and classroom settings. Other comments from state directors referred to a lack of clarity in defining the roles of their respective programs, duplication of effort, and lack of communication.

Aside from these two main challenges, a fairly close grouping of five other challenges was cited by between one-third and less than half of the state adult education directors: (1) different program goals (23 of 49 states); (2) space issues—e.g., location, long-term leases, inadequate space (23 states); (3) different forms and information systems (20 states); (4) different performance measures (19 states); and (5) different eligibility rules (17 states). None of these challenges come as a surprise—they are factors that have commonly been cited in past studies of coordination between workforce development programs and other state/local

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<sup>61</sup> The precise wording of this response choice on the survey instrument was “‘Turf issues,’ for example, competition over roles or decisionmaking authority.”

<sup>62</sup> In addition to the previously cited reports, see L.C. Burbridge and D. S. Nightingale (1989) *Local Coordination or Employment and Training Services to Welfare Recipients*. Washington, DC: The Urban Institute; and U.S. General Accounting Office (1992) *Integrating Human Services*. Washington DC: Report Number GAO/HRD-92-108.

programs.<sup>63</sup> Our interviews with state and local adult education program administrators and staff suggest that the challenge of overcoming different program goals stems, in part, from the perception of adult education program staff that adult education's focus on improving literacy and basic skills is sometimes at odds with a focus on employability and, particularly with being held accountable for job placement and retention. While there are overlapping goals between the adult education and workforce development systems, there are also somewhat different goals—a source of some conflict that complicates efforts at coordination between the two systems. This is closely related to the barrier of different performance measures. At the local level, these differences can create service delivery dilemmas. For example, a one-stop center concerned about meeting its employment goals may prefer to immediately refer an individual with low-literacy skills directly to an adult education provider rather than registering the individual at the one-stop. This prevents the inclusion of a probable hard-to-employ individual in the one-stop's statistics. Conversely, an adult education provider may delay discussing employment goals with a student because including these goals requires additional follow-up reporting. Our site visits revealed examples of both of these strategies, as well as situations where the two programs successfully found common ground. But different performance measures do send different messages to program staff and present a challenge to coordination.

The fourth leading factor cited by state adult education directors involves limitations on establishing a one-stop where adult education, workforce development, and other agencies can co-locate staff. Physical co-location is not required under WIA. DOL regulations, for example, state that core services “may be made available by the provision of appropriate technology at the comprehensive One-Stop center, by co-locating personnel at the center, cross-training of staff, through cost reimbursement or other agreement between service providers at the comprehensive One-Stop center.”<sup>64</sup> Nevertheless, state adult education directors responding to the survey, as well as local one-stop and adult education providers interviewed during site visits, viewed physical co-location (either individual staff members or a full-service classroom), as an important way to facilitate coordinated service delivery.

Finding a suitable and convenient location for all partners can be a serious challenge. Bringing together partnering organizations in one location can be further complicated by other factors: (1) partnering agencies may already be committed to long-term leases, (2) lack of resources to pay for space, (3) partnering organizations may be reluctant to move from a long-time location easily recognized by the target population, and (4) space in the one-stop location may be limited (e.g., in some areas, already-established one-stop centers may not have space to house classroom activities). The full-service one-stop centers visited as part of the site visits all had space that could serve as adult education classrooms, though (as discussed earlier) not all adult education programs chose to locate classrooms at their local one-stop centers.

Operational issues, such as differing forms and information systems, eligibility criteria, and participation rules can also pose additional risks and challenges when establishing and maintaining one-stop systems with a broad range of partners. Forty percent of state adult education directors responding to our survey indicated that “different forms and information systems” have been one of the greatest challenges to establishing an integrated one-stop service

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<sup>63</sup> In addition to previously cited reports, see W.N. Grubb, N. Bradway, C. King, et al. (1999) *Toward Order from Chaos: State Efforts to Reform Workforce Development Systems*. Berkeley, CA: National Center for Research in Vocational Education.

<sup>64</sup> Workforce Investment Act; Interim Final Rule. 20CFR§662.250(b). *Federal Register*, April 15, 1999.

delivery system. As noted in chapter IV, the Family Rights and Privacy Act (FERPA) state privacy laws limit how extensively education records, including the records of students enrolled in adult education, may be shared. Some states and local programs are addressing this issue by requesting student consent to share specific information across programs.

At the local level, information systems are designed to meet the reporting requirements of a program's major funding source (e.g., Department of Education or Department of Labor). As a result, one-stop partners may be faced with multiple and duplicative data entry tasks to meet all of their reporting requirements. While the WIA system may offer opportunities for adult education students to obtain additional training, in our local site visits we learned that limits on WIA funding and requirements imposed on entry into WIA-sponsored training (including the use of voucher-like instruments called individual training accounts) may translate into referrals from the adult education system not being enrolled in WIA training.

In summary, the survey results and visits to five states suggest that WIA has helped to support and expand linkages between adult education programs and the one-stop delivery system, but state directors have mixed opinions on the one-stop provisions of WIA. The role of adult education in one-stops varies across localities, and one-stops are only one of many locations for the provision of adult education and literacy services.

## VI. Findings and Recommendations

This report synthesizes a wealth of information from almost all state adult education directors, as well as selected state workforce development officials and local adult education and workforce development administrators and service providers. Our findings relate primarily to the first 18 months of AEFLA implementation (most states report that they had fully implemented AEFLA by July 1999). AEFLA required substantial changes in state and local operations, and implementation is an ongoing process. The objectives of this study were to assess current and expected changes in the allocation of state and local funds for adult education and literacy; summarize the system of accountability, performance standards and measures, and the use of performance standards; and report on the relationship between adult education providers and learners and one-stop delivery systems.

States largely support AEFLA's basic concepts of funding, accountability, and one-stop service delivery in adult education. Despite early implementation challenges, states are actively engaged in implementing multiyear competitive contracts, upgrading data collection systems, and providing technical assistance and professional development to improve data quality and use of performance information. The adult education and workforce development systems share goals of program improvement and customer service. Many of our recommendations are intended to encourage the Department of Education and state agencies to provide additional assistance and guidance to help state and local programs overcome the logistical challenges of performance reporting and make full use of the performance information. Complimenting and building upon existing OVAE efforts such as technical assistance contracts and assessments of state data systems, such assistance can contribute considerably to making adult education a full federal partnership.

### A. Funding

***Finding: AEFLA provides an important source of funding for adult education, even in states with substantial state financial support.***

AEFLA funding primarily supports local adult education services. In some states, AEFLA is the mainstay of local programs, while in other states, AEFLA funds enhance program access and flexibility, for example, by supporting satellite classrooms or innovative teaching tools. AEFLA funding for state leadership activities is important to states for professional development and for providing technical assistance to local agencies. An AEFLA provision changed the percentage of grant funds that can be used for state leadership activities from the minimum of 15 percent under the National Literacy Act to a maximum of 12.5 percent, and added professional development activities to this category of expenses. This provision is reported to have had the greatest impact on states, with most states noting this change as negative. This change was considered to be particularly burdensome in light of the training and technical assistance required to support AEFLA reporting and accountability requirements.

***Recommendation to the federal government: Provide more flexibility to states that have met their outcome targets.***

A basic principle of a performance-based process is that organizations should be given more flexibility in how they work in exchange for greater accountability for results. The Department of Education should consider giving states more flexibility in the percentage of funding used for state leadership activities and administrative costs. There are trade-offs between using funds for these purposes and for direct services to adults, with no definitive answer regarding the appropriate balance of funding among state leadership, administrative, and direct service activities. The additional flexibility allowance might be limited to states that have achieved their outcome targets, perhaps over the two most recent years of performance data.

***Finding: Both accountability and coordination with one-stops require additional resources.***

Some state directors and local adult education providers expressed the opinion that AEFLA includes “unfunded mandates” for one-stop accountability and support. As described in chapter IV, the majority of state directors reported that the accountability provisions in AEFLA “significantly changed” the way they collect data on adult education participants. To comply with AEFLA, some states imposed data reporting requirements and/or the use of specific data systems as a prerequisite to applying for funds. State and local respondents said that the funding for state leadership activities and state and local administrative costs was insufficient to address the law’s requirements.

The requirement to support one-stop operation and maintenance is clearly new for local adult education agencies. Most states and localities are just beginning to address this issue. Two-thirds of state directors indicated that their agencies either have not been involved (20 states) or only minimally involved (13 states) in funding one-stop development/operations. As described in chapter V, section D, for some localities, it is a logical extension of a longstanding collaborative relationship, but for others, the requirement hinders collaboration and forces difficult choices (e.g., pay for space or out-stationed staff at the one-stop, which serves very few adult education participants, or use donated space elsewhere in the community to serve more students). Beyond direct support of one-stops, it is generally agreed that the process of collaboration also involves costs, including staff time spent attending meetings and traveling to and from the one-stop (generally, adult education instructors also teach at another location in the community).

***Recommendation– to the federal government: Consider strategies for providing funding specifically to support adult education participation in one-stops.***

Since a number of variables will determine the costs for each partner at both the state and local levels, we recommend that the Department of Education consider providing additional flexibility to states in the uses and allowable percentage of administrative costs for one-stops.

***Recommendation –to the states: To help local agencies address accountability system costs, increase local flexibility for coordinating existing reporting systems.***

Efforts should be made to facilitate the use of existing state reporting systems, as long as they can provide the data required by the state adult education agency. As described in chapter IV, some states implemented altogether new systems to comply with the NRS and some states required all local programs to adopt a new system. Infrastructure to support the new data collection activities and training sessions for local providers required substantial investments of state staff time and resources.

Investments in technology and technical assistance may allow adapting existing systems that reduce duplication of effort at the local level, yet still provide complete and accurate data to the state. States should examine the extent of duplication in reporting systems and strive to improve coordination between adult education and workforce development reporting systems.

## **B. Accountability**

***Finding: States and localities support increased accountability, but many think that adult education should be held accountable only for those outcomes directly related to their services.***

The breadth and depth of the adult education community’s “buy-in” to using accountability measures of educational gain and receipt of secondary school diploma or GED is impressive. At some of the sites visited for this study, adult educators at the state and local levels are using this information to revise curricula and improve the quality of teaching. Some teachers are interested in monitoring their students’ progress and adjusting teaching methods when warranted to improve student achievement. However, state and local adult education administrators, as well as local providers, are concerned that employment outcomes are not an accurate measure of the effectiveness of adult education services. Especially when students come into adult education programs with large deficits (e.g., immigrants who are illiterate in their native languages), adult educators believe that their focus must be on literacy and basic skills. While education does improve employment prospects, NRS data are not longitudinal, and for many adult students it may take some time before the employment benefits of education are realized (longer than the first quarter after exit, as NRS reporting requires). Concern about employment outcomes is exacerbated by local economic factors (such as downturns in employment) that are beyond service providers’ control. Furthermore, as discussed in chapter IV, current measurement procedures for at least some states do not appear to be yielding accurate data on these measures. The state and local programs in our site visits struggled with procedures for obtaining these data. Some used very informal data collection procedures. Many states believe that surveying former clients is difficult and costly, especially if the survey burden is placed on the individual local programs.

There are also concerns about the documentation of those outcome goals beyond measuring educational attainment. Since the NRS outcomes are measured with respect to student goals, if a student identifies attaining a high school diploma as a goal, but during the program gets a job and fails to receive a high school diploma, the NRS will only record that the student

exited the program without obtaining a high school diploma. Conversely, the documentation of student goals (particularly employment goals) is subjective and subject to manipulation.

***Recommendation— to the federal government: Facilitate state efforts to use data matching for reporting on employment outcomes.***

Data matching (between adult education records and state unemployment insurance data) appears to be the most efficient way to obtain employment outcome data. However, challenges exist, including the need to comply with the Family Educational Rights and Privacy Act (FERPA), legal barriers within some states, responsiveness and timeliness problems, and the need for alternative methods to obtain information for those whose employment is not covered in state unemployment insurance (UI) records. The federal government should sponsor an effort to examine the data-matching situations and experiences in state adult education and workforce development agencies, serve as a clearinghouse of state strategies for addressing data matching challenges, and develop recommended actions for states to alleviate problems. The Department of Education did provide guidance to states on this issue as it relates to FERPA in January 2001,<sup>65</sup> but more detailed discussion of state experiences is needed. The federal government should work with states to specifically address situations where state privacy statutes create barriers to data matching. For example, in California, the state education agency cannot match UI records to track employment outcomes because they are barred from accessing social security numbers. Some states have agreements with other states—often those that share a common border—to exchange UI information. Florida has developed agreements with the Department of Defense, the Office of Personnel Management, and the U.S. Postal Service to access annual employment and wage information for categories of workers not covered by the UI system.<sup>66</sup>

***Recommendation— to the federal government: Provide clarifying suggestions, and possibly requirements, for states and their local programs in the process of identifying students' postsecondary education and/or employment goals.***

Identifying and documenting student employment and educational goals seemed to be the source of some confusion and data collection inconsistency among local programs and states. Local providers differed in how extensively they elicited or measured progress towards these student goals. Concerns were expressed about the teachers' ability to affect the achievement of certain goals, depending on a student's circumstances. The variability in handling goal-setting can have considerable effect on the values of these particular performance measures. In March 2002, the Department of Education issued guidance, training materials, and evaluation tools for state and local administrators to improve goal setting.<sup>67</sup> Evidence from our site visits, conducted from December 2002 through February 2003, indicates that additional guidance and technical assistance would help promote more uniform handling of goal setting with students.

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<sup>65</sup> See Program Memorandum OVAE/DVTE 2001-2, Family Educational Rights and Privacy Act, January 18, 2001.

<sup>66</sup> U.S. General Accounting Office, February 2002, *Workforce Investment Act: Improvements Needed in Performance Measures to Provide a More Accurate Picture of WIA's Effectiveness*. (GAO-02-075).

<sup>67</sup> *Guide for Improving NRS Data Quality: Procedures for Data Collection and Training and Professional Development Manual: Improving the Quality of National Reporting System (NRS) Data* at <http://www.nrsweb.org>.

***Recommendation– to the states: Provide explicit guidelines and ground rules for local programs on how to collect information for the education status and employment outcome indicators.***

If unemployment insurance data matching is used by the state, this will be considerably less of a problem—states will need to assure that the required information for making matches is provided. If student surveys conducted by local programs are to be used to obtain these data, the state will need to provide explicit instructions on how to do this at low cost. These instructions should also include guidelines on setting educational and employment goals for individual clients—how this should be done and under what conditions. States can ease the survey process considerably by providing appropriate software and perhaps doing the tabulations on basic data provided by local programs.

***Finding: The use of data by states and local programs for program improvement, resource allocation, and policymaking appears to be highly uneven.***

About three-quarters or more of state directors indicated using performance data for reporting and improving their programs. Considerably fewer indicated actual or planned use of data for targeting funds, making policy changes, or any of the items related to sanctions or incentives. The focus on reporting functions and program review may be due to challenges implementing the NRS—this study may have captured a period too early for states to feel comfortable with the quality of the data for decisionmaking. To realize the full potential of accountability provisions envisioned by the law, states and local programs will need to take accountability to the next step, linking performance data to future decisions about program improvement initiatives and reallocating funds among poor- and high-performing programs.

***Recommendation– to the federal government: Encourage the expanded use of performance information to help state and local programs improve.***

The Department of Education has been providing national training sessions on the use of data to improve program quality and has produced professional development materials for states and local programs, but only since 2003, so our site visits may have occurred too early to capture the benefits of this training. Nevertheless, understanding the use of performance data is a continuous process that should expand as accountability systems improve. The Department of Education should continue its efforts to identify ways local programs and state agencies can use performance data to improve service delivery, including efforts to use performance information to identify “best practices.” The considerable amount of local program data becoming available to individual states can be a very rich source for this purpose. The Department of Education should focus on supporting a process for identifying successful programs across the country, examining why those programs achieved high levels of success, and then disseminating information on programs with successful outcomes that have introduced practices or procedures that appear potentially useful to other local programs. States that do not already do so should also be encouraged to implement performance incentives for local programs.

***Recommendation– to the states: Provide technical assistance on local use of data.***

Teachers and local administrators need training on how to interpret the information they receive from reporting systems. States should also offer more opportunities for local programs to access data quickly and customize reports. Based on our site visits, this area is just beginning to develop.

States can take several steps to assist local agencies in this regard. First, they can provide each local program with feedback on each performance indicator, broken out by demographic and service characteristics. Alternatively, states could provide local governments with the software to obtain such reports. The information will become much more useful for improving programs if such breakouts are provided. For example, one local Kentucky program found results broken out by individual locations and instructors to be quite useful.

Second, states should make sure that reports to local programs are user friendly. On site visits, we often found performance reports not adequately labeled or without explanations, having too many numbers on one table, and, in general, being difficult to understand.

Third, states should use local programs' outcome information to help identify "best practices" and local training and technical assistance needs. The state should identify those local programs that have been particularly successful in achieving their outcomes, examine why they have been achieving these successes, and, where success appears to be based on particular transferable practices, document those and disseminate them to all local programs within the state. At the other end of the spectrum, low performance on indicators, perhaps for particular student demographic groups, would be a major way for the state to help identify technical assistance or professional development needs. Programs that continue to perform poorly over several years should be provided special technical assistance or training, or if the condition continues, other corrective actions, such as requiring that the program provide a service improvement action plan, with states following up on the plan's implementation.

***Recommendation– to the states: Provide regular reports, monitoring, and incentives that foster continuous quality improvement.***

States can, and do, undertake a number of activities to ensure the quality of data and encourage the success of local programs. Our recommendation calls for more systematic application of these activities. First, states should periodically provide systematic quality checks of local programs' performance data, as most states currently do. They should make sure that their methods systematically examine (at least a sample of) performance indicators in (at least a sample of) local programs each year. Then states should consider providing selective comparisons of outcomes achieved by different local programs. These reports should provide overall statewide averages, perhaps grouped by demographic or other program characteristics, such as size of program and whether it is urban or rural. In other words, rural counties can be compared to each other, with urban counties compared separately.

With this information on hand, states should involve local programs in providing input into the targets established by the state for each local program. Whether the targets are to

be the same for all local programs or tailored to the demographics of each local program (probably a better, but more difficult, target setting process), the state should seek input before it makes final determinations. This will likely improve the relevance of the target-setting process and its acceptance by local programs.

Finally, states should consider providing an incentive to any local program that achieves or exceeds its performance indicators. State incentive funds might be used for this purpose. For example, the state might provide a bonus of five or ten percent of a local program's grant for the year if the program reaches particular levels of performance in the previous year.

***Finding: Limitations and challenges remain in collecting data and refining measures to improve accountability.***

Limitations in performance accountability systems include inability to provide outcome information by demographic or other subgroups, inability to identify funding at the local grantee level, lack of information or outcome measures on those enrolled in distance learning, and lack of precision in the existing measures of improvement in literacy.

The regular provision of outcome information by age, gender, race, or ethnicity appears to be rare. In the few cases where we found such information, the motivation came from a local program that found such data to be useful, including breakouts by individual site or individual teacher. In addition to the core outcome measures, the NRS requires states to report annually on a set of core descriptive and participation measures. These include demographic characteristics (ethnicity, gender, and age); status and goals (labor force status, public assistance status, rural residency, disability status, and learners' main and secondary reasons or goals for attending); and student participation (contact hours and program enrollment type). Such breakouts, however, are not requested for the performance measures. States report descriptive and participatory measures to the Department of Education in the aggregate, rather than breaking out core outcomes by any of these specific characteristics.

Local funding data is another shortfall of most state data systems. Fewer than half of states (22 states) separately identify information on local funding at the grantee level, making it impossible to develop a full picture of how AEFLA funds contribute to local programming overall. There are also variations in the ability of state data systems to link funding data to other program information. For example, a link between local grantee funding information and data on student characteristics (reported by 22 states) would permit analysis of local grantee funding by student age, race, or ethnicity. A link between local grantee funding information and program performance data (reported by 22 states) permits analysis of local grantee outcomes by funding amount and source.

Given the need to expand overall enrollment and reach more people without incurring significant new costs, distance learning appears likely to become an important option for adult education. Distance learning students are not currently included in the NRS measures. Current computer programs test learning gains, but these tests do not have the same standing as the formal literacy and GED tests. The states would like to find ways to count enrollments and outcomes for clients involved in these workplace and distance learning environments while minimizing barriers to service.

***Recommendation to the federal government: Require states to provide outcome data disaggregated in separate reports, by student demographic and status characteristics, and perhaps by participation categories, based on characteristics required by NRS as descriptive indicators.***

Such information seems critical for the Department of Education to examine which student groups have been successful and which have been less successful, and to design policies and professional development materials accordingly. The Department of Education should encourage and support state efforts to build into their information systems demographic and participation characteristics for local programs' individual outcomes. One federal role could be to provide software states could readily adapt to regularly provide such breakouts of outcomes to their local programs, and to provide real-world examples of how such breakouts have been used to improve programming and outcomes for adult learners. Requiring states to report disaggregated information involves costs in time and resources for state and local agencies. The Department of Education, in collaboration with state adult education agencies, should consider the cost and benefit trade-offs as well as the most appropriate categories and demographic categories to be included for reporting.

These breakouts are likely to have great utility at all levels of reporting. Although the numbers may be small for some categories, there are statistical techniques that can be applied to address this issue and provide valid and meaningful information. In light of the additional data collection burden this recommendation may present for states, proceeding carefully is important, so that any additional reports are useful at the classroom and program level to improve services.

***Recommendation –to the federal government: Identify and support ways to capture distance-learning adult education programs.***

The Department of Education, with input from the states, should develop a satisfactory way of obtaining reliable performance data for distance learning programs. It appears quite feasible for local programs to test such students before they begin the program and when students (or the computer) believe they have made the necessary progress. The pre- and posttests could be administered at a local program site using the program's tests. Other issues would need to be resolved as well, such as how to record the amount of time the student spent on the computer.

***Recommendation– to the states: Encourage performance information on distance learning programs.***

States should include additional performance information and credit for local programs using distance learning procedures—even if the federal government does not require such information. States should consider having such students take a pretest at a local program site and then return to a recognized testing facility under the local program to complete the follow-up test. On-line testing procedures could also be developed.

***Recommendation –to the states: For the literacy outcome indicators, include indicators that focus on the improvement in test scores, not only success in reaching upper levels.***

For example, the state might use an indicator such as that used in California for its payment benchmarks system, in which success for learners with a pretest score of 210 or below on the CASAS scale is defined as a five-point increase or better. Relying solely on the ranges can distort the findings, for example, when a local program's students are predominantly near the top of a level versus a program with student near the bottom of a level.

***Recommendation– to the states: Include student satisfaction ratings in any student survey.***

Students should be asked to rate program features, such as the usefulness of the materials, quality of the facility, accessibility of location and hours of operation, and helpfulness of the service. Former clients should also be asked to give reasons for any negative ratings and suggestions for improving the adult education services. All of this information can be useful to local programs for improving their services to students. Statewide, such information can also provide the state with guidance on possible local program needs for training, technical assistance, or other support.

### **C. Coordination and One-Stop Service Delivery**

***Finding: There are incompatibilities between WIA Title I and Title II.***

Adult education and workforce development agencies have been consumed with meeting WIA Title I and Title II requirements, and the interface between the two is not seamless. One-stops have been preoccupied with WIA implementation, including securing space and negotiation with multiple partners, and many are just beginning to turn their attention to adult education. Adult education agencies have been focused on accountability and reporting, and integration with one-stops has been a lower priority, except in settings with a history of collaboration with workforce agencies.

Adult educators are apprehensive about the employment focus of the WIA indicators. Workforce development providers are concerned that adult education students who are not readily employable will hurt their performance indicators. WIA and adult education have different reporting systems, even when they are co-located at a one-stop career center and share some of the same performance goals. Adult education providers are also concerned about the tradeoffs (because both staff and funding are limited) between locating classrooms and services at one-stops and assuring broad community access to classes. Even when adult education classrooms are established at one-stops, career centers are typically only one of many sites where adult education programs operate. The number of students enrolled in adult education classes at one-stops usually represents a relatively small proportion of those enrolled in adult education services locally.

***Recommendation– to the federal government: Facilitate coordination with one-stop centers while assuring flexibility.***

While most coordination with one-stops, appropriately, takes place at the local level, federal policymakers need to reduce any disincentives in the current law. There is no single best way to coordinate services, and the legislation should encourage local flexibility. For example, an integrated service network that includes adult education and the one-stop need not require classes to be physically located at the one-stop. State and local agencies need to be reminded of this and offered alternative strategies, based on best practices across the country. The federal government should also improve the compatibility of adult education and workforce development reporting requirements and encourage coordination of data collection and data systems.

***Recommendation– to the states: Include a field in administrative data systems for program- to-program referrals and provide report breakouts by referral source.***

A significant question for programs is how many referrals to adult education programs have come from the one-stop system or other sources. Such information will help both the local programs and the state as a whole to target outreach and to define relationships with one-stops in ways that maximize clients' access to services and programs. Coordination of data systems and reporting and coordination between adult education and workforce development agencies will help to provide more complete and accurate referral information.

**APPENDIX:**  
**MEMBERS OF THE**  
**PROJECT ADVISORY GROUP**

## **Members of the Project Advisory Group**

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