## Adult Education Consortium—Emergency Meeting September 18, 2008 Utah State Office of Education—Room 241

Attendees: Katie Jensen, Kate Diggins, Loma Prince, Anita Craven, Marty Kelly, Wayne Mifflin, Shauna South, Steve Schofield, Murray Meszaros, Sandi Grant, James Anderson, Jeff Galli, Donica Bigelow, Norman Nakamura, Ted Heal, Becky Peters, Mindi Mortensen, Kellie Tyrrell

Welcome: Marty: Brian Olmstead has asked to step down from the consortium. Steve Schofield was graciously accepted the invitation to join us representing the Western Region. Dennis Crane also asked to be relieved from the consortium representing the Eastern Region and Donica Bigelow agreed to fill his position. Our thanks to Steve and Donica for accepting these positions and our thanks to Brian and Dennis for the time they gave the consortium. We recognize the time you all give to this consortium and we value your input.

The purpose for today's meeting is to talk about the legislative audit now that the findings have been publicly released. We need to move forward based on the recommendations from the audit and need your input. I sent a copy of the audit outcomes via email quite some time ago. I hope that you have had a chance to go through it. The audit, initially, was to look at duplication of services between us (adult education), DWS, and higher education. The audit was requested three years ago from Senator Stephenson and Representative Dayton. The audit found no duplication of services; however, it did not stop there. The auditors looked at what we do and who we serve. Findings focus on: not asking people to prove residency in the state, nor were we validating that people were citizens of the United States. Both items were concerns for the auditors, especially in light of Senate Bill 81 that passed last session. Senate Bill 81 focuses on the eligibility of undocumented people to claim benefits within the state of Utah. The auditors determined as stewards of state public funds that it was essential to ask people to validate their residency and that the state adult education section needs to determine what that is. Also important, we have to correct the notion of validating of whether students are documented or legal in the state of Utah. Those were two outcomes. The third outcome addressed was the duplication of funding. The auditors felt that paying programs for the outcomes of both a GED and a diploma was a duplication of funding. We tried to explain to the auditors the method used to equate GEDs and diplomas and the outcomes of those two issues. The auditors contend that the GED is equated to a high school diploma across the nation for adults and want to know why it is not equated as a diploma in our programs. Why is it not validated as a source of an outcome of an equivalency within our state for adult education if it is validated as a diploma for employers and the Department of Workforce Services and higher education? On September 12, 2008, adult education was on the agenda for the State Board of Education board meeting. You have the original memorandum to the Board of Education that we put together for Board discussion about the GED being recognized as a diploma equivalency. Given what is happening nationally with adult education this is really something that should be moving forward. We also looked at what the ramifications might be with this given that we service 16 year olds that are out-of-school youth. What happens with them? We also raised

the question about what happens with dropouts. This has bigger ramifications than what the State Board realized and what we had realized. Concerns regarding the UBSCT were first discussed. There was some discussion about how can the GED become a diploma during the Board meeting. We talked with Judy Park, the Associate Superintendent over Data, Assessment and Accountability determined that the UBSCT does not affect adult education. Dixie Allen, State Board member from Uintah Basin, made a motion that the GED be equivalent to a diploma and the formal name should be the Utah High School Equivalency Diploma. During the meeting, we talked about having a GED options type of program within the K-12 system for those students that are at risk of leaving the system or those students that don't want to be in the system for whatever reasons who would tend to leave because of other options; hopefully looking at the GED as a method of precluding kids from dropping out of school. The result of this meeting was that the Board committee gave us the responsibility to revisit items 2, 3, 4 and 5 and to develop a survey of constituents that addresses those issues about the 16 year olds. Would the GED test be a good dropout tool, etc? A study group was also approved. Murray put together a survey. He will talk about it in just a moment.

James: If a person takes the GED in Spanish or French and passes the GED, it is my understanding regarding the direction we are going; we are going to give them a high school equivalency diploma.

Marty: It would be.

James: That is contrary to getting a high school diploma in a district. They require an English language component. I just want to point that out. There are some things that don't fit very well.

Marty: I think that those are issues that we have to take back to the Board this coming meeting. We can talk about those options. I think that it is also looking at the person, where the person is, rather than looking at the system. We also need to look at solutions for adults not youth.

Shauna: These proposal discussion items were asked for by a committee of the Board, not the whole Board.

Murray: The survey's intent is to connect with major stakeholders; superintendents, school principals, school counselors, adult education administrators, and state board members. We asked a number of questions on the in-school GED preparation program which currently exists in 11 states. The goal is to catch individuals who are more than likely not going to make it through the system. Rather than have them dropout, this program tries to keep them in the school system in a singular focused track of education, a GED preparation program.

Marty: In the state of Utah we only have a three percent dropout rate, but when you equate that to actual numbers it is 5,500 kids per year that dropout statewide.

Murray: One of the questions asks for criteria for a preparation program. What would be some of the prerequisites that we would require of students to qualify for an in-school GED preparation program. One recommendation is that the student is at least one year behind in Carnegie units of credits which makes it obvious that this student is not going to make it in the current system. This would not be an option for those individuals who want to try to find the easy way through the system; who are not willing to put forth some effort. That is not our target and we are not promoting that. Arizona, who already uses the GED credential as a high school equivalency diploma, dropped the age of eligibility from 17 to 16. I checked with my equivalent in Arizona and the results were that only 600 individuals in Arizona chose that next year to go the GED route as opposed to the traditional route. (Utah's age of eligibility is 18. A 17-18 year old in the state of Utah must have two letters, one a permission letter from the parent or guardian and a letter from the district stating the student has formally withdrawn from school.)

Donica: Do they have it implemented that the student needs to be one full year behind?

Murray: No. Arizona's criteria allows anybody to take the GED test. Our criteria would be tighter. My hunch is that we would not have a big push. Worst case scenario is that we would have three or four students in a high school that want to go this way and we won't have anyone to provide this service.

James: I think you are being very hypothetical when you say that there are going to be three or four students that will want to go this route. I think it will have a huge impact on students leaving high schools and the WPU following them and FTE fallout.

Murray: These are all things that need to be looked at. With this survey, we are asking if the respondents like this type of idea. There are two things that I would like you to do. I would like you to take a look at this survey first, in terms of questions and second, in arrangement of questions. Basically, we are asking if they are in favor of the concept of having an alternative preparation program for those students that are going to be dropping out.

James: I have a question on number one. There is going to be an impact on 16-17 year olds getting the GED and there will be an impact on community colleges throughout the state, because they will now be eligible for Pell grants and eligible to attend college. If we give diplomas and the colleges won't accept them en mass, we could be creating issues.

Discussion of GED survey: The consortium went through the proposed GED survey question by question, discussing the content, language, intent, and expectations for each question and its answers. Topics discussed included: 16 year olds taking the GED, in-school GED preparation programs, the option for a GED diploma student "walking" with a graduating class, who should issue the GED High School Equivalency Diploma, and the impact of GED completion on AYP (Annual Yearly Progress).

Break

Marty: We will take the results of the GED survey back to the Board for the October meeting for further discussion and direction.

Jim: There are two issues that I see. One is with the 16-17-18 year old high school aged student returning to their traditional high school to get a high school diploma. That was the question that Murray just posed. The issue that Jeff was posing, I have an adult high school completion student that needs fourteen credits to graduate but wants a diploma. Now he takes the GED, which we do counsel, and say that counts 5 credits towards your diploma. He has the option to not accept the GED as a diploma so he can continue to get his high school diploma. Jeff says that's a double standard, and yes it is. There are a lot of double standards in the adult world vs. the kid's world. Adults earn credit at a little faster rate than youth.

Jeff: So if you are a kid and you take the GED as an equivalency diploma, you're done. It's just automatically comes to you. But if you are an adult and take it or in the adult education program and take it, its' an option for you to have, even though you have passed the test? If we allow the board rule to say they are equivalent, you take it, you pass it, you are done, that certainly changes the way we are going to do business.

Marty: Attorney Carol Lear questioned "What does the board mean as 'viewed'. —I am not sure, but when a GED is a type of diploma that means something different for graduation rates. What about students who want to go back to high school after earning a GED because there is still something further and better for students to earn? If a GED is diploma-equivalent, we really can't insist that public schools take students back after they earn them." Remember she is talking K-12—students are certainly not eligible for extracurricular activities, etc. "Are we certain that the Board has considered what this means and what about individuals who've previously received GEDs, what does that mean? If all of this has been processed by the Board we must have a provision in a rule. The question becomes for a youth or an adult, in my mind, do we counsel students, 'don't take the GED, don't accept it as a diploma, stay in the program get your high school diploma'? However, if it is viewed as a diploma, which we have said a GED in 40 states is considered a diploma, then civil rights—are they done? I am not a civil rights attorney."

Donica: What if there was something in policy, GED credits can only be applied toward an adult diploma?

Marty: That is already in Board rule and state policy. However, GED Testing Services policy is you cannot issue Carnegie units for a diploma. That has come up as recently as this summer. There are 2 states, Nevada and Utah, that still do and GED Testing Services is taking us to task. We will have to stop giving Carnegie units for successfully completing and passing the GED.

Jim: The only reason the military is accepting the GED as a diploma is that they cannot get the number of recruits they used to get by just going with a diploma.

Marty: The military is accepting GED outcomes, but only as tier 2. I don't know how you can say a GED should not be considered a diploma when nationally 40 states accept it as a diploma.

Jim: A reason a lot of those states do is that they do not put any money into adult high school completion like the state of Utah does.

Marty: The other side of this is, given our audit, programs will get funded on which ever happens first.

Jeff: Does it have to be awarded or does it come by simply taking the test and passing it?

Marty: I don't have an answer.

Jim: If the decision is made that the district awards the diploma, then when am I going to award the diploma? Then I still have the option right? If the state board awards all the diplomas then there is no option.

Marty: Murray and I have talked about having an examiner at a testing site give the examinee a GED certificate and another document that lists all the options: GED Equivalency diploma, adult education high school diploma. It would list the requirements needed to get the adult education high school diploma, the requirements to get a GED Equivalency diploma, and the contact information for both.

Jeff: Let's take Shauna's view that this is a hard line, you pass the GED and you've got the diploma. Jim, what does your program look like? What are you going to do with your program? Are you going to be counseling people in adult education not to take the GED?

Jim: I will be counseling them to take the GED, if I still get five credits at the end. That additional five credits may get them the diploma.

Donica: Then adult education turns into GED prep.

Jeff: But they already received a diploma. What I am saying if they take it and pass it, they automatically get it. That is the hard line approach.

Jim: You are assuming there is no credit for the GED. If they take away the credit for the GED, then the whole issue is burnt.

Loma: What is the intent of the legislature on this double dipping? Do they want them to just have the GED/diploma and that's it?

Marty: The auditor's take is a GED is recognized across the nation as a diploma and thus you should not be paid for the GED outcome and the adult education high school diploma outcome for a single individual; that is the double dip.

Jim: You should get paid for one or the other. In their mind you can still take the GED apply it toward a high school diploma, but you only get credit for one.

Marty: What they indicated was the first achieved.

Jeff: In can't be in reverse. You can't achieve the diploma and then get a GED.

Marty: The auditors wrote that the AEP (Adult Education Program) funding formula be adjusted by combining the GED and diploma into one outcome and awarding funding to a school district/program for a students' first successful completion of their GED or diploma (pg. 31 of the audit review). That is pretty much determined.

Donica: Does the funding formula already take in to account credits? If I issue a credit there is funding right?

Marty: Yes, but not for GEDs.

Donica: I know there needs to be an adjustment to the funding formula, and I think we can comply with what the auditors are saying but still receive funding for counseling, encouraging and having people earn a high school diploma, it is just now the funding flips over to credits instead ....not GED credits.

Jim: We have never gotten funding for GED credits.

Donica: We get funding from the rest of the credits. We will get credit for that completion. The USOE is going to give me \$200 because somebody in my program passed a GED. Now I am not going to get any funding because they got a diploma, but I can get funding on every credit I issue them on top of the GED, correct?

Jeff: No, because they already have a diploma.

Jim: Can you get attendance hours? They pass the GED, they come in and take the TABE and they score under a 12.9 in math, which makes them eligible to take the math class. Now they take a math class, they are not earning credit, but they earn attendance and are counted as an enrollee after 12 hours.

Marty: The whole focus has to be on literacy. So whatever that less that 12.9 grade level is, whether it be reading, writing or math. That has to be where the focus is because you are focusing on the federal definition of literacy.

Donica: The GED is a diploma that's fine; I got \$200 or whatever it is for it. But what if the student wants to take some additional classes to raise their skills?

Marty: As long as they are academically lower than a 12.9 grade level.

Donica: Right. We can still get funding for those credits right?

Marty: Not credits. Only contact hours and level gains. You would not get an outcome of a diploma, because you already had a GED.

Jim: You could take the GED, the diploma, and credits off the table. They aren't earning credits but you are counting level gains, attendance, and enrollee status.

Marty: We will come back to the funding formulas. Let's talk about Senate Bill 81. The other part of the auditors' discussion was about providing proof of residency in Utah, why are we serving people from out of state, how are we proving those people actually live in Utah. We say that people live here in the state of Utah if they come into our classes—they are either living here in Utah or they are from a border area. This became an issue for the auditors because our board rule or policy, says that students must be domiciled in the state of Utah and that they are citizens of the U.S. We had a question in our questions and answers section of the Adult Education Policy and Procedures manual that said that you could use federal funds if you could prove that students were legally here. We will adjust our Board rule and our policies. SB81 was passed in the last legislative last session and is a big issue with the auditors. The future of SB81 is in flux until July 1, 2009. The issue is the law states that you have to be able to prove benefit. There was a motion made by one of the board members in the curriculum committee and he said "we move that the Board has determined that adult education services be at a secondary level of instruction" and that was passed. This was in the committee. Dixie Allen also made a motion that we have a study group formed to focus on the impact of SB81, not only on adult education but the implications for the entire education system. She recommended that we invite to the study group CMAC, the Hispanic communities, representation from school districts, PTA etc... It was also recommended that we add definitions to our state board rule to clarify policies to define adult education as secondary education. The Board also asked questions about the Baccalaureate program, Centennial Schools, and about 16 year olds that are in K-12 and concurrent enrollment. We don't ask the parents of high school aged students if they are residents or not. What about these people? These are questions that had not yet been asked. We will start addressing SB81 this coming Monday. We have formed a committee and it consists of three adult education program directors, three people from CMAC, and persons from the Board's curriculum committee. We will bring the

committee together to address this, to ensure that they agree with a definition defining adult education as less than post-secondary.

Kate: I have been reading the front page of Patti Harrington's memo to the auditors. Does it not clearly say what the definitions of secondary education are? If this is already codified, I am mixed up as to what the problem is.

Marty: Co-chairperson Cluff's statement was, as was the Auditor General's, that because adult education provides services to persons age 18 or older, the students are adults and therefore services are defined as post-secondary. Now if you read your copy of Senate Bill 81 on page 16, line 429, it talks about benefits, where we are exempt by federal law, "an agency or political subdivision of the state shall verify lawful presence of an individual 18 years of age who applied for a state and/or local benefit as defined." We have reviewed the codes which define a federal benefit. Those are included in your handouts. One definition of benefits is post-secondary education which is not adult education. Again Co-chairperson Cluff wants to define that persons 18 years of age and older as post-secondary, regardless of functioning level. The auditors are going back to the law, the law our legislative body cast this last session. Auditor General John Schaff as a result of our audit said our people are not eligible and are considered post-secondary simply because of age.

Norman: You can rebut that.

James: There are hundreds of 18 year olds at East, West, and Highland that I know of, and I don't think that we are allowed to go ask them for proof, for birth certificates.

Loma: Nobody really knows what adult education is and they think that because the students are 18 and older that they are in, not the Utah State Office of Education arena, but they are in something else. It is just a given perception of who we are; they don't know.

James: They can't move adult education anywhere else if you need to issue a diploma. Only school districts can issue a diploma. Only accreditated schools can issue acceptable credit. So to me it doesn't make any sense that these rules apply to adult education and they say adult education services are not part of the State Office of Education.

Marty: Nationally, the adult education is under K-12 in the Boards of Education, community colleges, or the Department of Labor. Again, the GED is recognized in 40 states as an equivalency diploma; we have to be careful when we talk about the credit issue. What is more important, and I asked Carol Lear very clearly, "does federal law trump state law?" Her response is yes. So we went back to our federal law, the Workforce Investment Act of 1998, Title II, public law 105-220, Sec. 203 for the definition of adult education. It is defined as: "A) individuals who have attained 16 years of age; B) who are not enrolled or required to be enrolled in a secondary school under State law; and C) who—(i) lack sufficient mastery of

basic educational skills to enable the individuals to function effectively in society, (ii) do not have a secondary school diploma or its recognized equivalent, and have not achieved an equivalent level of education; or (iii) are unable to speak, read, or write the English language."

We will conduct our study group and move forward.

Norman: I think it is a no-win for the other side. If the auditors hold a position because of age, we have federal statute that says otherwise.

Marty: The other thing they have to say with SB81 in place which you are going to have to address is the concern that we don't ask for residency requirements of our people.

James: I have students sign that they are a legal resident of the state of Utah.

Marty: It is not proof.

Katie: It also comes down to the fact that is it legal to force people to disclose their social security number.

Marty: True

Kate: Again, federal law.

Katie: I had a lawyer visiting our center one day and he said if he came in here to register and was told that you had to have his social security number, he would walk out the door. So those individuals having to prove residency do not have to use a social security number.

Marty: Proof of residency does not have to be a social security number. The reason we ask for social security numbers is for our data matching so you folks don't have to do surveys.

Kate: But they (the auditors) became very obsessed with the five people that they determined were not legal residents of Utah.

Marty: What they were concerned about was non-residents in Granite School District receiving adult education services that were not asked to prove residency. They were concerned about the border towns, Blanding and Wendover where individuals will cross borders to attend adult education programs. They wanted to know why Utah adult education is serving those people who live on the other side of the border. We have a gentleman's agreement with the directors of surrounding states to provide service if the potential student lives closer to a Utah program. The other states offer the same services to Utah residents that live closer to their programs. K-12 does the same thing with the boundary states. Deputy Superintendent Larry Shumway made that very clear to the legislative review committee that we do not want to be held to the letter of the law on that. They pushed it aside. The audit came back to the

undocumented, proof of residency, domiciled in the state of Utah, what Board Rule says, what statute says, etc.

Kate: Has anybody raised the issue of the cost of maintaining records and determining legal residency in the United States and the fact that our federal funding is already pretty lean on administration? Therefore, could we argue that this is basically an unfunded mandate?

James: The problem is that a lot of adult education students tend to be transient. They have multiple last names, especially the women. Their birth certificate is not going to match their current name. I can think of women that come out of the YWCA battered women shelter, they are lucky to have the shirts on their back. They don't have anything to prove they are a resident. When you ask adults to provide proof, some of them, the ones that need the service the most, are going to turn around and walk out.

Marty: What happened in Arizona when they put this law into practice was that their ESL numbers went down, but surprisingly their ABE numbers went up. The director of adult education in Arizona indicated that there was an impact of approximately 600 people statewide that she lost as far as students. It wasn't that much of a discrepancy.

Kate: Once this I-9 form is obtained from a student, which is what Arizona is basically requiring, you need to check that you saw it, maintain a copy, and do you need to verify it?

Marty: You do not need to verify it.

Kate: Then what is the point.

Sandi: If you ask one student, you have to ask all students.

Kate: What about non-profits, because there actually is a clause in SB81 that talks about an exception for federal agencies and departments which deliver in-kind services at the community level, including through public or private non-profit agencies. So would that make Guadalupe Schools exempt?

Katie: If you are receiving federal and state funds you are not delivering "in-kind" services.

Jeff: SB81 quotes two federal statutes: you have a copy of those. They didn't quote Title 20 US Code 9202, which defines adult education. We should pull that out for the meeting so they have clean copy of what that really is. That may in fact solve some of the problems. The ones that they do quote looks at the federal benefit and defines what the federal benefit is. Co-chairperson Cluff referred to this part: a benefit being any retirement, welfare, health, disability, public or assisted housing, post-secondary education, food assistance, and unemployment benefit. Co-chairperson Cluff added "or any other similar benefit". He viewed adult education as a similar benefit. If we can trump that with Title 20, then that is that.

Kate: But is not the phrase "similar benefits" open to interpretation by whoever reads it?

Jeff: Yes, and he interpreted it as adult education as being a similar benefit.

Norman: But there are other laws that define otherwise.

Jeff: Exactly. I think that once we pull this one out, that puts that to bed.

Kate: Does the clarification of secondary education versus post-secondary education make the illegal immigration issue go away because we are then no longer wrapped up in SB81 right? We have untangled ourselves from it.

Jeff: Adult education has.

Kate: Then that frees us from the constraints of SB81. So really, that is the only thing that needs to be proven. After that do we walk away?

Marty: I think we will be able to walk away. We also need to make sure that we have taken care of the education system.

Norman: The K-12 issue is going to still exist because you accept students and you don't question.

Marty: Okay, so now I have a student that is 15, withdrawn from K-12 because they are a super genius and they go to the University of Utah. Now he is post-secondary; what happens there?

Shauna: That authority and purpose in Board Rule 277-733-2 authorizes the Utah Constitution Article X, Section 3, general control and supervision of the public school system to the Board, Section 53A-15-401, places the general control and supervision of adult education under the Board.

Kate: One of the things that concerns me, is that even if we, in defining secondary education and post-secondary education and clarifying that point, even if we make SB81 as currently written go away, I think that they are planning on doing amendments or possibly rescinding this bill before it is put into practice in 2009. In fact, United Way has been lobbying heavily to have them rescind the whole thing. That means that if they really felt like it and wanted to, they could add another line to this legislation targeting adult education.

Marty: They already have said adult education too. That is the auditors slant and the auditors have the legislative ear. We will have to report to the appropriations sub-committee and the legislative education committee at some point in time.

Shauna: That is exactly where I thought this would lead.

Loma: For many of the states it is federal funding and not state funding. Are we putting our federal funding at risk? Every year we wonder what will the legislature do with our funding.

Marty: We are at risk.

Kate: If we drop clients for whatever reason, we will get less federal funding, so in a way it is cutting off our noses to spite our faces.

Norman: It is not the first time they have done that.

Wayne: It is not only that though, the state auditors are also talking about the outcomes being down. We (the legislation) gave you more money, should we take the money back. That is the implied threat.

Marty: They have said that they have given us money and since our outcomes are down we have to rebut to that too. This committee has been formed. We will meet next week. You are welcome to come, if any of you feel so inclined, 9:00 a.m. in the blue room.

Norman: There are some other dangers with SB81, for instance right now the State Office of Education contracts with a number of CBO's and so forth. The labor portion of SB81 says that anyone who contracts with any public entity must now verify that each employee is an eligible-to-work employee. So not only do you have to get a copy of the I-9, but you have to verify the I-9 electronically. E-verify. I am talking about anybody who contracts with any public entity is going to have to provide that verification. For example, Cannella's. They have entered a contract to provide catering. All of those employees have to be verified. Any new employee that is hired after July 1, 2009 has to be verified. No longer can you fill out the I-9, according to state law—you can fill out the I-9 and say you saw the documents and put them away, but you will also have to go and view all the information on the I-9 and then verify it through the electronic system.

Kate: What were to happen if agencies were to apply for federal dollars without having them administered by the state?

Marty: They can't.

Norman: There are some grants that only the state can apply for.

Kate: So I can't just circumvent you guys then.

Marty: No.

Katie: What about funding functioning off of separate philanthropic grant donations? I have people come in that cannot prove residency. I am in a building where very little if any federal funds are going toward the rent or purchase of that building; can I serve these individuals in separate services through philanthropic funds?

Marty: That would be your decision.

Kate: Katie, I went there too, in my head. If my federal funds administered by the state are 38% of my budget and I only need to prove the documentation for 38% of my students and the other ones, I will fund in other ways.

Marty: It also becomes the issue that you wouldn't put those people in UTopia.

Katie: You also could not put them in classrooms where the teacher is being paid through state or federal funds. If CBO's receive federal funds only and not state funds does that exclude us from complying?

Kate: Because our federal funds are administered by the state that is where we get tangled up.

Marty: Because it is provided by a public agency. If Senate Bill 81 becomes effective you will have to declare. The one thing we do need to come up with though, putting SB81 aside, is proof of residency requirements.

Kate: That's not so bad. All we need is a paycheck stub or a piece of mail. We could work with that. It is the social security numbers that get us.

Katie: Could we do that? Proof of residency and that is it?

Jeff: No.

Marty: What does DWS require?

Jeff: A light bill proves that you are living here. I am okay with that. It just doesn't serve both. It doesn't prove that you are properly documented.

Norman: It does not prove that you are properly documented; it just proves that you are domiciled. That is all you are asking there. That is a separate piece of evidence.

Shauna: But they challenged that, because we've had that language in there, domiciled. The auditors challenged that.

Marty: It wasn't the challenge of being domiciled; it is where is the documentation that proves these people are domiciled?

Shauna: Our programs are not asking.

Marty: Because we haven't required them to do so. You live in Salt Lake City, you are not on a border—you live here.

Loma: If the bill is in my husband's name and I come to take a class, do I have to prove he is my husband?

James: They would have to bring their marriage certificate.

Marty: So what is it that the Department of Workforce Services requires for residency?

Norman: We only require it for certain programs; anything that has name and address on it—a bill, landlord's statement.

Marty: Does it need to be a notarized statement from a landlord?

Norman: No.

James: Homeless people are a very much protected group of people in this country. Homeless people can't produce what is being asked. Word will get around. False documents will spring up.

Marty: David Litvack understood exactly what we were talking about. He is pro adult education. If you look on page 18 and 19 of the audit report, it shows you what K-12 and higher education are asking for residency requirements.

Jeff: These documents are requested for a different purpose. They put it in because higher education is interested in tuition issues. That is the reason that it is in-state or out-of-state tuition. That is really not our purpose.

Marty: So what would be the minimal items that we would want to ask people for to prove residency.

Donica: Driver's license or driver permission card.

Jeff: Those are on this list. Norman says a piece of mail. That may do it. A light bill or a school record.

Kate: We should have a very long list because it makes it easier for people to access services.

Donica: What about a Utah school ID card?

Norman: The Utah school ID card could be argued since you do not know if they proved residency before the card was issued.

Marty: Could an adult with a child registered in a public school bring a copy of their child's registration?

Kate: Anything is fine. The K-12 requirements are next to nothing and we are not post-secondary education. We should follow K-12 rules which are very non-restrictive.

Marty: Can this consortium come up with what should be considered for proof of residency requirements so that we can present it to the directors' at the Directors' meeting in October?

Norman: Here is the list for proof of employment eligibility from an I-9 form.

Marty: A letter from an approved government agency, a payroll stub, a bank or credit card statement in their name, a utility bill or work order in their name would be acceptable.

Donica: I think we should add a current registration of your school age child or children and the Free or Reduced Lunch Application.

Kate: That would expedite some of the family literacy programs where you have children and parents enrolled in the same school.

Loma: I haven't heard one thing that our middle-aged women that are non-English speakers might be able to bring me off that list. Most of these women do not have these things in their name.

Marty: Loma, what could those ladies bring to you?

Norman: What about a library card.

Donica: It says that "proof of residency model does not apply to homeless students."

Marty: We will put that in there. I would like to be able to make an announcement at our Directors' meeting on October 7<sup>th</sup> of what people need to start gathering.

Donica: I think that for anybody that has difficulty, having a library card would suffice.

Norman: The library card does not have an address on it does it.

Donica: You have to list an address on the application.

Steve: I've been denied a library card, because I didn't have a home. I had just moved to Cedar City, went to the library and they said you can't check anything out until you are here 30 days. I couldn't prove that so I was turned away.

Marty: Loma, here is your charge. You are to go back and ask your ladies what they could provide to show that they live in Utah. In fact, I would ask all of you to check with your programs and ask your people what items they could provide to prove they live in Utah.

Wayne: This wouldn't take care of all of them, but if they had a marriage certificate showing that they are married to the person whose name is on the utility bill, would that suffice?

Marty: Yes. I will put out a memo to you that describes what I think that we have talked about here. I want you to add to it or delete if needed as to options for people to verify. Then if we could get some consensus before the Directors' meeting on October 7<sup>th</sup>, we will announce it. It needs to be announced because we need to move forward with this piece of corrective action.

Kate: What is the administrative procedure that you are going to recommend for this? The documents simply need to be copied and placed in the student's file? Does anything else need to be done?

Marty: Copy the document and place the copy in the student's file. The independent auditors will need that documentation for verification in next spring's audit.

Donica: Jail programs?

Marty: If they are incarcerated, proof of residency is not necessary as they are a ward of the state. However, when they are paroled, those individuals will need to provide the documentation for proof of residency.

Kate: Do we need two forms or one form?

Marty: One form.

Kate: Can we start this proof of residency with the new fiscal year? It is difficult to get this retroactive.

Marty: No, but start at a point, such as November 1<sup>st</sup> with all new enrollees. Once this is finalized and approved it will have an effective date and that will be the date from which all new enrollees must have documentation of proof of residency on file. We do not need to go retroactive.

The next item for discussion is funding allocations for federal awards. In the next Federal competition there will be funding parameters set. The first year might be a flat base, but the second year may be based on outcomes from the first year. It may be that the funding base for the federal grants will be, you get X number of dollars for the first quarter and subsequent funding is based upon your outcomes of the first quarter. There will be changes on the parameters for the federal grants rather than the carte blanche that has been the norm. That is not the discussion for today; today's discussion is on the state funding formula. Kate and Katie are excused from this discussion.

Jeff: We are going to talk about the funding formula as it pertains to the audit. I know that you are concerned about what your funding is going to look like for next year. This is our first full year of UTopia statewide. It has been rocky and we recognize that. We are concerned that some districts did not understand the ramifications of having everything put into UTopia in the order that it was meant to be put in. They thought they had enrollees, but really they were only participants because they didn't enter a test or credits from the classes didn't count because the student didn't have enrollee status. We have run some of the scenarios with the data in UTopia and these appear to be somewhat catastrophic for some programs. Our idea was that since this is the beta year, we should just be magnanimous about this and count everything that you did this year regardless of what UTopia said you had to do. If you gave a credit, if the student was there for an hour, whatever, you got credit for it. This is the most relaxed UTopia data we can come up with.

Donica: Are things looking better this year with people following through on the data entry?

Jeff/Marty: Yes.

Donica: I really truly think that last year even though we thought we knew it, we really didn't.

Jeff: Early on in the year, even as late as last March, I suggested that we hold harmless the state and the districts and give them what they had in the previous year. A few people took exception to that saying that isn't right because we know that there have been abuses in the system and we would simply be rewarding those abuses for another year. I do not know if there is anything that would be subject to change on this report, maybe. As of this morning, this is what is in UTopia and what we have pulled out to run the report. For talking purposes the data is associated with this year's funds allocation. This is the funding formula for this year. Your current funding for this year is in column 14, the first column. We combined the participants and enrollees. A participant is someone with less than 12 hours or has more than 12 hours but is missing one of the other required components. You will get the 25% of the funding formula for both. What does that number tell us? It tells us that we are up enrollees over last year. Column 3, participation, is contact hours. Again, it includes both enrollee contact hours and participant contact hours. When you look at the hard and fast UTopia rules, you know that a participant can only get 11.99 hours. For this relaxed version we counted all hours, instructional and non-instructional. That is 16%

of the formula. The supplemental remains the same at 2%. The base percentage stayed the same at 7% but the actual dollar amount went down a little because we added two districts that did not get a base this year because of carryover. The next two things; diplomas ended up worth \$501.00 and GED's were worth \$646.00. This was a problem area for the auditors. Level gains were down 832 from last year, credits were off by 8000 over the previous year. These are not good things to be telling the auditor. Our enrollments are up, but virtually everything else is down.

Marty: I think our enrollments appear to be up because we have combined enrollees and participants. In the URAED we did not combine those two. It was only enrollees. If you look at enrollees only we are down.

Jeff: Contact hours were down. Credits were also down. Column 13 is the total, what the programs will generate. Assuming there are no changes, this is what your program will get next year. This is also assuming that we get the same state money from the legislature. The difference is in column 132 and the percent difference is in column 133. There are winners and losers; big winners and huge losers, when you look at the dollar amount. Comments?

Norman: What are these other scenarios that we were given?

Jeff: Those are scenarios based on the audit outcomes; combining GED's and diplomas only giving one outcome per student. So that reduces the amount of money districts can have as well.

Marty: This funding formula is looking at everything based on a 100% total is that correct? It is not looking at 50% of 50% as we have in the past. This just takes it straight across.

Norman: This is only the second or third reiteration of the formula that we worked on about 4 or 5 years ago. The whole idea was to improve performance. If you are performing well, you need more money to serve and attract more people. We also preserve in there the base line to make sure that programs have minimum operating money so they don't close the doors. I remember because I have been a part of this discussion for a long time about the funding formula. I think it is really starting to wake people up, you are here to do an added plus service, otherwise the old formula was mostly seat time.

Ted: A lot of money is going toward enrollees, just getting people there for 12 hours but it is not following the outcomes. You have 25% for enrollees and adult high school completion program is 7.5% for credit and 15% for level gains. To me, that is where the effort and the outcomes are.

Marty: Let me remind you that these are the percentages that we have used for the last several years. They have not changed. We took that as giving you everything we could give you.

Shauna: Let me just talk about contact hours. Adding together participant and enrollees is no different than we did in the past. Because of UTopia, we had some participants that only got counted at the 11.99

hours because they didn't have one of the requirements. So it benefits us to count all of those contact hours for participants.

Marty: Because this was a pilot year, people's understanding of the rules of enrollee status was shaky and the rules changed over time, we gave everybody the benefit of the doubt.

Shauna: What I am saying is wouldn't the benefit be by counting all the contact hours for participants and enrollees and not count headcount both participant and enrollee. The hours benefited them; you are counting all participant contact hours. So to me you have already counted those participants by counting the contact hours.

Jeff: So if you stripped this out, you make the value of an enrollee considerably higher. Should we look at that and see what it would do?

Loma: The participant really just needs to be funded for those services that were given. The data people may have entered in, but then service stops there, so we just have to have something to cover that basic expense. But then it is the enrollees that are really adding value to your program.

Norman: Scenario five just has enrollees.

Jeff: This is what it is. It is certainly catastrophic for some programs. When you have programs that are based solely on outcomes and the program is down in all areas that is what happens.

Loma: What can we do to help those programs that are so down? What was the thing that killed them?

Jeff: Outcomes.

Marty: We have gone back and looked at graduation lists and have argued with ourselves as to why this did not balance out.

Loma: It is just natural, if you are going to level the playing field there are going be to people who lose and who win.

Marty: There were many that had problems entering data and learning the rules.

Donica: Getting the Program Outcome Measures report has been huge in helping us. That was part of our frustration, not having that information. It does take a lot more effort to keep data current.

Marty: It does. But also, if you don't keep it current and don't keep on top of it, you are going to burn yourself. Everyone worked hard, but people's understanding of what is important and what has to happen

was not solid. What they have reported in URAEDs in years past is a whole different ball game from procedures now. Programs that put the extra effort into training their people and working the extra hours to understand UTopia and the processes really made a difference in their outcomes.

Steve: Last year Wayne came and taught everyone about outcomes and how we all had jobs that we were responsible for. I thought that was very appropriate and with UTopia, we didn't really know what we were counting and what all the rules were. We still are learning. But I feel that we are doing better this year and the POM has really helped us keep track of where we are at.

Discussion on funding formula. Consensus of consortium liked not using headcount of participants and giving more value to enrollees.

Jeff: Please go to the last page of the next set of handouts. For this funding formula, we looked at the audit and narrowly responded to what the audit said we had to do, which was combine the GED and high school diploma and only give money for one of them. Now the auditors said they saw about a 30% double dip when they reviewed our data. We added the high school diplomas and GEDs together, took two thirds of that total, and that it is what is on this spreadsheet unless the program was under 25 total for both.

Sandi: We figure that by the time we use the new formula, the programs will have had enough practice with UTopia, that things will be correct. If we do the combination GED/high school diploma, those numbers will be more accurate. We took an educated guess as to how many of the graduates also used a GED for credits.

Jeff: Now this report is based on the un-relaxed POM. All things being equal, if we were really running it and doing it the way the audit said, this is the way it would turn out.

Sandi: We combined the percentages for the GED and the high school diploma. We left all other percentages the same for this scenario.

Jeff: So when we combine the GED and high school diploma, you will see the value now for the first outcome for an individual is \$845. The other scenarios look at changing some of the percentages of individual outcomes.

Sandi: The first three also include money for participants. The last two are the only two that do not include participants, scenarios 4 and 5.

Jeff: If it is decided that we really don't want to reward for a headcount of participants, but we do want to count contact hours we can fix that. Let's look at scenario 5.

Loma: How can you change those, if this is not a voted on thing, I thought that these percentages were the rule.

Jeff: We would not do this unilaterally. We would let all the directors look at this. As you represent them, we wanted to show you some of the options. On scenario five we increased the percentage for enrollees. We kept participation (contact hours) the same, the base is the same, supplemental is the same. We reduced the amount for diplomas and GEDs by 2 ½%. Level gains went down to 10% and credits went up to 10%.

Shauna: So this is rewarding programs more for credits and outcomes, but not level gains. So we are really driving the diploma/GED.

Loma: This penalizes the ESL programs. An ESL program can only get funding for level gains and enrollee status. I don't think we can do anything to harm ESL programs.

Jeff: We don't want to do anything that shuts the door on a program.

Loma: That is just an argument as to why level gains are so important to stay strong.

Sandi: The handout you are receiving now, 1-C, increases enrollees to 27%, participation, supplemental and base are the same, GED down to 20%, but level gains moved up to 20% and credits to 8%. We are using a straight 100% formula instead of 50% of 50% to make this easier to understand and compute. We are also using the un-relaxed data from the POM.

Jeff: So really, level gains do make a big difference.

Marty: The thinking on this was to reward people for working on level gains and contact hours—intensity and duration to get to the final outcomes of the GED or diploma.

Loma: I think we want it to look good nationally as well. You are reporting outcomes and we want to look good federally. If we do not have enrollees and outcomes then we are not looking good. We've got to look good for our own program and we have got to look good federally so we get funding for the state.

Shauna: I personally like the increase in the level gains.

Sandi: If you only run an ESL program, all you can get is level gains, contact hours and enrollees.

Jeff: The remaining scenarios have participants being rewarded and I think we are agreed that we don't like that. So there is not a reason to look at those. 4, 5, and 6 would be the ones that we would want to focus on. Keep 1c, 2,c 3c, and 3g.

Marty: We will go back to the rule and make changes to go before the Board.

Jeff: If we just make the changes required by the audit, this will be relatively simple. If we want to adjust the percentages for the funding formula that will require discussions with the directors and we will need to get a consensus to go forward.

Norman: I remember the discussion years ago when we proposed the percentage breakdowns. We knew eventually we would have to make some adjustments.

Jeff: So that it is firm in your mind how we fund these programs, we are in the 08-09 program year. That funding is based on the 06-07 data using the URAED. Next year's funding, program year 09-10, is based on the relaxed POM, with the current funding formula.

Now we get into the problem with the audit. We have to show good faith that we are moving toward their recommendations. We can't get to it until program year 10-11. We are suggesting that the program year 10-11 funding will be based on the 08-09 data and we are going to change the funding formula to include combining the diplomas and GED amounts, giving a program funding for the first achieved outcome. Because we have to look at data from 08-09, the year we are in, we would have to change the rules midstream. What we are suggesting is that from the period of July to the end of December, you would get paid for both a GED and a diploma. Then January 1 you will only get paid on for the first achieved outcome. This will allow programs time to prepare and counsel students.

Donica: From a counseling standpoint, I would counsel a student to get their GED under their belt and then work on credits. The counseling will be totally different with this scenario.

Jeff: The program year 10-11 is the first time that we are going to go with the combined diploma/GED which will be 27.5%. If we don't touch anything else that is what it will be. If you want to change any of the percentages, we would want to do this year.

Donica: I think you should increase the level gains to 20% and the diploma/GED should be 20% like on scenario 1c.

Loma: If this is state money, I think that we are unique in the fact that the state gives us money to have that diploma. Now the GED will be equivalent. That has been the focus of the state money. The focus for the federal money has been EL/Civics and so on. I think we ought to give a good percentage of this to the GED/diploma. I don't want to go lower than the 27%.

Donica: Do all programs get the federal money?

Marty: No, you have to apply for it. The majority do have federal money. To speak toward the diplomas and GEDs, without your level gains, you are not advancing your people really to get either. Pushing instruction is where you get the level gains.

Shauna: Loma, I would agree with you on that if our federal and state funding were the same. But our federal is so much less. Those that only get state money need to focus on level gains.

Marty: It is not only a matter of looking "good", it is a matter of improving students from a level to a level. Those factors determine whether or not they should continue our funding. When Utah ranks 51<sup>st</sup> out of 57 federally funded programs in most of our levels, it is a reality that we are static and not moving our students forward.

Jeff: If we are going to change things, we have to do it this year, certainly by March.

Marty: We can hand out these scenarios at the October meeting, have a good discussion, vote at the October, and possibly call for a final vote by December. We will have to rewrite the board rule.

Jeff: We will make copies of this for the October meeting if the consortium agrees. Now we are into program year 11-12. Whatever new funding formula we decide for this year will carry through.

Marty: Here is what I am really afraid of. The regional audit report that we reviewed had audit recommendations requesting the appropriations committee cut the adult education funding based upon lack of outcomes. This is still a concern.

Jeff: We are down in every area. We should be able to come up with an idea as to why that is that they will believe.

Wayne: UTopia is requiring districts to be a lot more exact in their reporting practices.

Marty: We have changed reporting practices, we've changed assessment tools and policy, the economy has been very good. We've changed the ramifications on all of the outcomes based upon set criteria where before it was loose. We have validated it by the way it is entered into the data base.

Jeff: So the legislature has been overfunding us for years?

Marty: I think so. Now I am afraid that they may say they will cut the funding because of that.

Shauna: Everyone is working; they are not going to school.

Jeff: We have been asked to come up with this 5% cut because the economy is less stable. If we believe what we say, then this year our numbers should increase.

Consensus: Most program numbers are going up.

Marty: Is there a consensus with this group? You are going to help drive this discussion in October. This will be delivered big group and perhaps split up in to areas, rural and large. Another thing to consider is regional funding formula.

Donica: I think the funding formula addresses this issue. It is based on enrollees and that takes care of it.

Loma: The purpose was to level the playing field and we think we are getting a level playing field at last.

Donica: Do you have something that shows that it costs more to educate someone in a rural setting? (Yes) Maybe the base for a rural program needs to be a little different.

Jeff: Yes. What about the urban districts not getting a base?

Marty: Let's think about that.

Loma: It is only \$19,000.

Donica: To a rural program that is huge, but to the urban areas it may not be that big.

Norman: If you redistributed the urban base back to the rural areas and did nothing else that would dramatically change how much money those small programs get.

Loma: Plus they get the supplemental grant. They have that opportunity.

Marty: Maybe what we could do is put together another spreadsheet that shows that. Is that too many to present? (YES)

Shauna: We looked at taking the base away from programs that had more than 100 enrollees. But that won't work.

Donica: I don't think you should base it on enrollees, I think you should base it on population. I might be a rural program who is doing an excellent job of recruiting so my numbers are high.

Marty: Do you just take it away from the top 5?

Jeff: What I told Shauna when she proposed this based on enrollees and set the cutoff at 100 is what happens when that 100<sup>th</sup> student shows up. Do you have to turn him away because he is going to cost you money? So that is probably not a good thing.

Donica: What if you look at the current funding and say whatever program receives X amount of dollars does not get a base.

Steve: What is wrong with using the population?

Donica: How is rural determined?

Marty: NCLB determines that if you have less than 2500 persons in that county you are rural.

Ted: I don't think you should take the base away and just give it to a rural program. I think you need to do it on a program to program basis. They should have a good reason to increase the base. If you give the money to a program that has 5 students, why would you increase their base? There are probably some good programs that could benefit.

Wayne: Maybe that money goes into the supplemental. Then the districts that are doing something and have a reason for doing it and can justify the reasons, they get the money.

Donica: I like that idea.

Marty: Here is the issue I have with the supplemental. Some programs are not declaring their carryover until October. One program has carryover in the amount of \$49,000. What do I do with that?

Wayne: Maybe it is a reduction from what they are going to get. The carryover is subtracted from what they would qualify for.

Marty: Youth in Custody does that. Carryover is taken off of your next allocation. We could do that very easily.

Norman: It can be an accounting nightmare.

Marty: I don't know who has carryover until after October 15.

Wayne: The reason they haven't reported it to the state is they go to the end of September and they close the books to cover the bills that are filtering in.

Jeff: You cannot do this across the board; you would end up rewarding programs that are doing nothing.

Donica: At first I said yes to adding to the supplemental, but I am rethinking it now. If I had extra money, I would use it for salaries and supplemental isn't something I want to ask for to use for salaries.

Marty: Should a base be given to programs that have more than 50 people that are still less than 1000 or 100? Maybe this is a discussion for your groups.

Wayne: Maybe look at UTopia data. One of the reports should show the increases in the area and we can show progress. You want to show progress and reward those programs that show progress.

Jeff: You have to have a fund to start with. That money has to be taken from somebody up front.

Donica: Now we have gotten away from the original discussion of does it cost rural programs more to educate someone than it does for an urban program. If you go the route you are talking about that may pull away from getting more money into a rural district.

Marty: One of the issues that I think has been successful in some of the smaller areas is our consortiums.

Donica: They are hard to put together.

Marty: I think this will be a good discussion for the directors' meeting in October. Any other feedback?

Wayne: Would you ask for some input on who would be either interested in hosting or having A+ training in their area. We need some suggestions.

Marty: We have consortium on the 8th. It is a full consortium with directors' in the morning and the rest will join us after lunch. We do need to meet because we will have more information from the Board meeting and we will have information from our Directors' meeting that we can use to try to move us forward.

Shauna: We are looking for presenters for Summer Institute. Please send us names or topics.

Marty: Thanks so much for your help and your input. It is greatly appreciated.