



The Bell Policy Center

STATE and LOCAL OPPORTUNITY NOTE

HB 14-1085



POSITIVE

Drafting Number: LLS 14-0156.01

Date: Jan. 27, 2014

Prime Sponsors: Rep. Rhonda Fields
Sen. Rachel Zenzinger

Bill Status: House Education Committee
Policy Analyst: Frank Waterous (303) 297-0456

Adult Education and Literacy Act of 2014

This bill represents an important opportunity gain for Colorado, and the Bell Policy Center strongly supports it. The state appropriation provided by the bill will fund adult-education providers that are part of collaborative “workforce development partnerships,” and will increase the number of low-literacy, low-skilled working-age adults who acquire basic literacy and numeracy skills and help them move as quickly as possible to additional skill acquisition, post-secondary credential attainment and employment. In addition, the bill will help employers meet their need to fill critical “middle-skill” jobs and bolster Colorado’s economic competitiveness.

Summary of legislation

House Bill 14-1085 was recommended by the Economic Opportunity and Poverty Reduction Task Force. It provides a \$1.2 million state General Fund appropriation to fund and refocus adult education and literacy programs in Colorado through a new grant program administered by the Colorado Department of Education. Adult education and literacy programs are defined broadly in the bill to include adult basic education, adult education leading to a high school equivalency credential, English-as-a-second-language instruction or integrated basic education and skills training.

Of the total appropriation, \$1 million will be awarded as grants to eligible adult-education providers. To be eligible, an adult-education provider must be part of a “workforce development partnership,” which must include at least one adult-education provider, at least one post-secondary education or training provider and at least one

workforce-development provider, as defined in the bill. Up to \$200,000 of the appropriation may be used by the department in any fiscal year to administer, evaluate and report on the grant program, and to convene meetings to strengthen collaboration and communication among partner organizations and agencies.

Background

HB14-1085 addresses two key education and workforce issues in Colorado. First, more than 430,000 working-age Colorado adults lack a high school diploma or the equivalent, representing 9 percent of the total population in our state.¹ Many of these adults do not have basic literacy and numeracy skills, and as such are unprepared for full participation in the 21st century workforce. Currently, only about 14,000 Coloradans – less than 4 percent of the eligible adults in our state – are enrolled in adult education and literacy programs.² Further, even though these programs work hard to serve low-literacy, low-skilled adults, they have traditionally not focused on preparing students for a transition to post-secondary education and employment.³

Colorado is now the only state in the nation that provides no state-appropriated funding to support adult education, instead relying on gifts, grants and donations from local private, non-profit and community organizations, as well as on federal funds received. In contrast, in 2013 Iowa for the first time invested \$5.5 million of state funds in adult literacy programs and Arizona restored \$4.5 million in annual adult-education funding to its budget.⁴ Further, each of the five states that are Colorado’s key economic competitors invests in its adult-

The Bell Policy Center believes a top priority of the General Assembly should be to expand opportunities for Coloradans to achieve the American Dream. In that spirit, we offer Opportunity Notes on selected bills. Similar to Fiscal Notes, Opportunity Notes reflect our best analysis of whether a bill, if implemented, will expand opportunities for Coloradans.

A POSITIVE analysis means our research suggests a bill will expand opportunity in a cost effective manner.

A NEGATIVE analysis means our research suggests the measure will restrict opportunities or will not cost-effectively achieve its goals.

education programs at similar or higher levels.⁵ In this context, the \$1.2 million requested in this bill represents a *meaningful but manageable* investment for Colorado.

Second, Colorado has a substantial “middle-skill gap” between the number of jobs available that require some post-secondary education but less than a four-year bachelor’s degree – so-called middle-skill jobs – and the number of workers with the skills and training to fill those jobs. As a 2011 report prepared for the Skills2Compete-Colorado coalition by the National Skills Coalition highlighted, our state has a structural shortage of middle-skill workers. These positions account for 47 percent of Colorado’s jobs, but only 36 percent of Colorado workers have the training to fill them – a gap that threatens to undermine our economic growth and innovation.⁶

Funding and refocusing adult education and literacy programs as proposed in HB14-1085 will directly address these critical statewide issues. It complements and connects with previous efforts passed by this committee, most notably last year’s I-BEST and Manufacturing Career Pathway legislation.

Simply put, Colorado cannot meet its workforce, educational-attainment or poverty-reduction goals without helping more working-age adults acquire the skills they need for success.

Research evidence of effectiveness

The investment of state funds in adult education through HB14-1085 is consistent with national trends, and will provide a significant return on investment for Colorado.

The Center for Law and Social Policy notes that “the goals of adult education are changing nationally, placing greater demands on states and local programs to help students reach longer-term goals, such as earning post-secondary credentials or advancing in the workforce.” As a result, **a key national trend in adult-education funding is that “states are tightening the focus on forging partnerships with community colleges, workforce development and career-technical education at the state and local levels.”**⁷ HB14-1085 is fully consistent with this trend.

Further, the return on investment associated with a better-educated population through adult education and training is substantial. Public benefits from such investments include

increased tax revenues, greater business productivity, increased consumption, increased workforce flexibility, decreased reliance on government financial support and reduced crime rates. Individual benefits include higher salaries, enhanced employment opportunities and stability, higher savings levels, improved working conditions, improved health and life expectancy and improved quality of life for children and dependents.⁸

It is often noted that “adults without a high school diploma or equivalency have by far the highest unemployment and lowest wages across all educational attainment levels. This poor earnings potential is typically carried to the next generation.”⁹ Adult education and literacy programs help to break this cycle, especially when partnered with post-secondary and workforce providers.

On average, individuals with a high school credential annually earn over \$10,000 more than those without a similar level of education.¹⁰ And a well-recognized study by the Community College Research Center at Columbia University found that adult-education students who reach the “tipping-point” of completing a one-year post-secondary credential had an \$8,500 average annual earnings advantage over similar students who completed fewer than 10 credits.¹¹

Estimates of impact

Implementation of the grant program and funding proposed in HB14 -1085 will enable providers to reach more low-literacy, low-skilled Colorado adults and make it possible for more of these adults to move from skills acquisition to post-secondary credential attainment to successful entry into the workforce. This, in turn, will lead to more workers who are able to earn family-sustaining wages and contribute more effectively to the common good.

Additionally, by helping more adults move along this pathway to fill critical middle-skill jobs and close the state’s middle-skill gap, **HB14-1085 will help meet the needs of Colorado employers and bolster our state’s economic growth and competitiveness.** As the Metro Denver Economic Development Corporation notes, “Educational attainment is the single most important element in job and income growth” and is one of the chief underpinnings of a strong economy.¹²

The Bell Policy Center strongly supports HB14-1085 as a key bill that will expand opportunity in our state.

Endnotes

- ¹ *Tapping the Potential: Profile of Adult Education Target Population, Colorado*, U.S. Department of Education, Office of Vocational and Adult Education, accessed Jan. 24, 2014.
<http://www2.ed.gov/about/offices/list/ovae/pi/AdultEd/state-profiles.html>
- ² Hallgren, Kathleen, et.al., *Measuring Opportunities for Working Families*, The Bell Policy Center, Feb 2013.
<https://bellpolicy.org/content/measuring-opportunities-working-families-0>
- ³ Hilliard, Tom, *Graduating to College: Three States Helping Adult Education Students Get a College Education*, the Working Poor Families Project, Policy Brief, Summer 2012. The Bell Policy Center is the Working Poor Families Project's Colorado state partner in its efforts to better prepare America's working families for a more secure economic future.
http://www.workingpoorfamilies.org/wp-content/uploads/2012/10/policybrief-summer2012_2.pdf
- ⁴ *Governor Branstad signs legislation to provide \$10.5M for Adult Basic Education and Workforce Training*, United Way of Central Iowa News Release, Aug 12, 2013; Faller, Mary Beth, *Adult education in Arizona gets \$4.5 million*, The Republic/azcentral.com, Aug 5, 2013.
<http://www.unitedwaydm.org.aspx/newsdetail.aspx?nid=211>
<http://www.azcentral.com/community/phoenix/articles/20130730arizona-adult-education-funding.html>
- ⁵ The Metro Denver Economic Development Corporation cites Arizona, Texas, Georgia, New Mexico and Utah as Colorado's chief competitors in *Toward a More Competitive Colorado*, Ninth Edition, 2013-2014, Nov 2013.
<http://www.metrodenver.org/news-center/TMCC.html>
Each of these states appropriates between \$4.5 million and \$13 million annually to its adult education and literacy programs, according to budget documents and news sources – Arizona, \$4.5 million, Texas, \$9.4 million, Georgia, \$13 million, New Mexico, \$5.2 million and Utah, \$9 million.
- ⁶ *Colorado's Forgotten Middle-Skill Jobs: Meeting the Demands of a 21st-Century Economy*, National Skills Coalition, written for the Skills2Compete-Colorado campaign, October 2011. The Bell Policy Center is a member of the Skills2Compete-Colorado coalition.
<http://www.nationalskillscoalition.org/assets/reports/s2c-colorado-report-2011.pdf>
- ⁷ Forster, Marcie and McLendon, Lennox, *Sinking or Swimming: Findings from a Survey of State Adult Education Tuition and Financing Policies*, Center for Law and Social Policy, July 2012.
<http://www.clasp.org/resources-and-publications/publication-1/Sinking-or-Swimming-State-Adult-Education-Tuition-and-Financing-Policies.pdf>
- ⁸ McLendon, Lennox, Debra Jones and Mitch Rosin, *The Return on Investment (ROI) From Adult Education and Training: Measuring the Economic Impact of A Better Educated and Trained U.S. Workforce*, McGraw-Hill Research Foundation Policy Paper, May 2011.
<http://mcgraw-hillresearchfoundation.org/2011/05/09/roi-adult-ed-and-training/>
- ⁹ Forster and McLendon, *Sinking or Swimming*, 2012.
- ¹⁰ *Education and Training Pay: Unemployment Rate in 2012/Mean Earnings in 2011 by Educational Attainment*, Postsecondary Education Opportunity.
<http://www.postsecondary.org/commondetail.asp?id=1624>
- ¹¹ Jenkins, Davis, *A Short Guide to 'Tipping Point' Analyses of Community College Student Labor Market Outcomes*, Community College Research Center, Teachers College, Columbia University, April 2008.
<http://ccrc.tc.columbia.edu/publications/research-tools-3.html>
- ¹² *Toward a More Competitive Colorado: Executive Summary on Competitiveness*, Metro Denver Economic Development Corporation, November 2009.
http://www.metrodenver.org/files/documents/news-center/research-reports/TMCC_V_ExecSumm.pdf

