

# ABE Funding Basics

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# What are the Sources of ABE Funding

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- Federal ABE funding
- State ABE funding
- Grants
- Donations
- Testing fees
- Materials fees

# Federal Funding

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- Minnesota ABE receives funds from the federal Department of Education as authorized by the Workforce Innovation and Opportunity Act ([WIOA](#))
- In recent years, approximately \$4,000,000 of federal ABE funding was distributed annually to approved ABE providers/consortia
- Receive federal funding based on a formula comprised of two components:
  - Funding for the data system (SiD), testing and instructional technology
  - The remainder is distributed based on the provider's share of state-wide contact hours

# State ABE funding

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- The largest percentage of funding in MN by far
- In recent years approximately \$47,000,000 in state ABE funding was distributed annually to approved ABE providers/consortia (approval annually + every 5 years)
- MN statute provides funding based on a formula comprised of 4 components:
  - **Prior year contact hours** -- the majority of funds being allocated,
  - School district member community education **census count**,
  - School district member **LEP (Limited English Proficiency) count**,
  - School district member **over-25 no-diploma count**

# What are Contact Hours?

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- One ABE student receiving one hour of instruction = one contact hour.
- Classroom instruction by teacher or trained/supervised volunteer
- Distance Learning programs (approved) earn proxy contact hours based on various formula
  - **Can** be entered as contact or proxy hours: • Deliver ABE instruction using Skype, Zoom or another video conferencing tool • Online learning with approved distance learning platforms • Instruction via phone
  - **Can't** be entered as contact or proxy hours: • Online learning using distance learning platforms that are not currently approved • Emails • Text messages • Snail mail (handouts, worksheets, textbooks, packets, etc.)
- New process to determine contact hour time frame in future via stakeholder group
  - Likely that May 2020 hours will not be used in the formula for 2021-22 funding
  - Already adjusted time frame for contact hour reporting this year

# Contact Hour Timing

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- Consortia submit their contact hours June 1 in annual application/report
- Contact hours usually counted May 1- April 30
- This year adjusted to March 14 2029- March 13, 2020
- Contact hours used to set contact hour reimbursement rate to divvy up State and Federal funds
  - State informs us of rate and \$ in June/July
  - Federal Official Grant Notification OGAN in August/September

# Funding Considerations

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- Still encouraged to maximize contact hours and be efficient (lower than \$22 of state funds per contact hour)
  - Currently not as crucial as quality and equitable education
- Contact hour reimbursement rate is how they divvy up the funds among consortia
  - When contact hours go up then the contact hour reimbursement rate goes down
  - **When contact hours go down the rate goes up**
  - If you are doing the **same or better than your peers you will likely increase your funding**
  - 11% cap on increases

# Appropriate use of funds

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- 5% Administrative cap
- Only for ABE approved programs
- Federal funds must be used in the year allocated
- State funds: Consortia can carry over up to 20% to be used in the fifth quarter (no new additions to reserve)
- Documentation must show appropriate use of funds (turn in with your invoice)

# State Funding Change

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- Historically ABE State funding pot went up up to 3% per year based on the ten year moving average of contact hour growth
- In recent years the ten year moving average was low because of downward enrollment so our pot of funding was not increasing (but costs increased)
- The legislature always appropriated a 3% increase --in case
- Recently approved: ABE funding will be based on the appropriation and thus **go up 3% annually regardless**

# Other Funding Sources

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- A number of other grants are available to support ABE programs:
  - Recurring grant opportunities such as Integrated English Literacy Civics Education grants
  - One-time grant opportunities such as the MN Job Skills Partnership grants (MJSP), Pathway to Prosperity Grants (P2P), etc. (usually in partnership)
- ABE programs may accept and use donated funds
- ABE programs may charge a reasonable materials fee of students
- ABE programs can obtain funds from offering services such as GED testing

# Bottom Line

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- This is great news for ABE funding for next year and probably beyond!
- Probably good news for Metro North ABE
  - We are up 6% over last year in contact hours
  - Final rate depends on how others did last year