

**STATE BOARD OF COMMUNITY COLLEGES**  
**Proposed Title II Adult Education and Family Literacy Act (AEFLA) Allocation Formula**  
**FY 2018-19**

**Request:** The State Board is asked to approve a Title II AEFLA funding allocation formula for all Title II AEFLA funds awarded through a competitive RFP process for implementation for program years 2018-2021. Title II AEFLA funds for Section 231 - Adult Basic Education and Literacy Services, Section 225 - Corrections and Education of Other Institutionalized Individuals, Section 243 - Integrated English Literacy and Civics Education Programs.

**Rationale:** Under Workforce Innovation and Opportunity Act (WIOA), Title II AEFLA will compete its funds for program years 2018-2021. The proposed allocation method ensures funding equity for all providers. This formula is performance based and incents the meeting of state adjusted levels of performance for WIOA.

A Title II AEFLA Allocation Funding Committee convened in March 2017 with a cross representation of current providers including urban, rural, community based organizations and community colleges to develop and recommend this formula. The Committee used the following criteria in development of the formula:

- To incent program improvement
- To incent access
- To ensure equity in allocation of funds

G.S. 115D-5(a) directs the State Board of Community Colleges “to provide for the equitable distribution of State and federal funds to the several institutions.”

The proposed formula would supersede any formula currently used to allocate Title II AEFLA funds. Once the State Board takes action to approve a funding formula, the FY 2018-2021 Title II AEFLA funds will be calculated consistent with the approved funding formula.

**Proposed Title II Formula Methodology:** The revised Title II AEFLA formula has three components: Base, Access, and Performance.

Base (15% of allocation): Equal allocation amount that is distributed across providers. Providers only receive one base regardless of the number of awards. The base component is available to providers who received a FY 2017-18 allocation and new providers.

Access (50% of allocation): Allocations for each funding source (Section 231 - Adult Basic Education and Literacy Services, Section 225 - Corrections and Education of Other Institutionalized Individuals, Section 243 - Integrated English Literacy and Civics Education Programs) is determined by contact hours of participants within three weighted tiers:

Tier A - Weight 5: Beginning Adult Basic Education Literacy, Beginning Adult Basic Education, Beginning English as a Second Language (ESL) Literacy, Beginning ESL

Tier B - Weight 4: Low Intermediate ESL, High Intermediate ESL, Low Advanced ESL, High Advanced ESL, Low Intermediate Adult Basic Education, High Intermediate Adult Basic Education

Tier C - Weight 3: Adult Secondary Education Low, Adult Secondary Education High

The access component is available only to providers who received a FY 2017-18 allocation and submitted data. This limitation only applies to FY 2018-19 allocations.

Performance (35% of allocation): Allocations determined by the number and percentage of Basic Skills participant periods of participation with a Measurable Skills Gain (MSG). An MSG is associated with gains in educational functioning level, completion of adult high school credits, attainment of a high school equivalency credential, and postsecondary education enrollment. Providers only receive one MSG allocation regardless of the number of awards. The performance component is available only to providers who received a FY 2017-18 allocation and submitted data. This limitation only applies to FY 2018-19 allocations.

**Mitigation:** The allocations associated with this proposed new formula will be calculated using FY 2017-18 data and compared against the calculation using the FY 2017-18 formula and FY 2017-18 data. The comparison of these calculations will be adjusted by 50% (+/-) for FY 2018-19 allocations for providers who received an FY 2017-18 allocation. This mitigation does not apply to Section 243 - Integrated English Literacy and Civics Education Programs.

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