

MEMORANDUM

May 5, 2010

TO: County Council

FROM: *CHP*
Charles H. Sherer, Legislative Analyst

SUBJECT: Recommendations from the Education Committee regarding the FY11 NDA for the Montgomery Coalition for Adult English Literacy (MCAEL)

Committee recommendation The Committee met on April 22 and recommends that the Council:

1. Approve the Executive's recommended budget of \$717,850.
2. Put \$65,600 on the reconciliation list to permit MCAEL to approve additional funding for grants, which will help reduce the number of potential students on the wait list, which is currently approximately 2,000. See the table below for a summary.

FY10 Approved budget	842,420	100.0%
Executive's net reduction	(124,570)	-14.8%
FY11 Executive recommended budget	717,850	85.2%
MFP reconciliation list	+65,600	+7.8%
MFP recommended, if reconciliation item is approved	783,450	93.0%
Reduction from FY10	(58,970)	-7.0%

Those expected to attend this worksession include:

Rachel Glass, Executive Director
Heather Ritchie, Program Manager
Briana Gowing, Board President-Elect
Clarice Somersall, Board member
Pooja Bharadwaja, OMB

The Council staff memorandum for the Committee's April 22 meeting follows.

The Executive's recommendation for this NDA in FY11 is \$717,850, down \$124,570/14.8% from the approved FY10 budget of \$842,420 (©1). As the budget states on ©1, "The County's appropriation is implemented by a contract between the Department of Public Libraries and MCAEL."

Overview

Before FY09, the Council reviewed and decided which specific grants to approve for adult literacy programs. Starting in FY09, the Council instead appropriates to MCAEL all County funding for adult literacy programs, including ESOL (resolution 16-354, approved on October 30, 2007). MCAEL will then decide how much to allocate to each of the various entities requesting County funding for such programs. In a memorandum dated February 5, 2008, Council President Knapp asked the Executive to establishing a separate non-departmental account for MCAEL (as there is for the Arts and Humanities Council) or place these funds in the base of a departmental budget.

In a reply dated March 6, 2008, the Executive stated that he would include a NDA in his Recommended FY09 Operating Budget, which he did.

As Mr. Knapp stated in his February 5, 2008 memorandum, MCAEL will use its administrative expenses to do **more** than administer the 15-20 grants on behalf of the Council: the budget will **also** "...allow MCAEL to move forward with its overall effort to work with the more than 50 organizations in the county that have already been identified as providing ESOL and to reach out to additional organizations in an effort to ensure that those attending classes are being taught with a quality curriculum."

The Committee has been meeting with MCAEL in the fall to review their progress. The most recent review was on November 9, 2009.

FY11 budget MCAEL's proposed FY11 budget for this grant (©4) was the same as the FY10 approved budget, \$842,420. Due to the lack of resources, the Executive had to reduce the request \$124,570/14.8%, to \$717,850.

MCAEL believes that

[Quote from MCAEL] "...there was an oversight made with regard to MCAEL's budget, because several contracts assumed by MCAEL late in the budget process last year were not taken into account when calculating funding for FY11. As a result, the Executive based his 7% reduction to MCAEL (consistent with similar reductions to other nonprofits) off of his initial proposed FY10 budget of \$745,000, rather than off of MCAEL's final FY10 budget of \$842,420. [After reducing his initial proposed FY10 budget of \$745,000 by 7%, he added \$25,000 for CASA.] **As a result of this oversight, MCAEL's current proposed FY11 budget of \$717,850 in fact reflects a 15% reduction from our total FY10 funding.** Had MCAEL received only a 7% cut off from our FY10 budget, our total budget would be \$783,451. The difference between these two figures is \$65,601, and we are requesting the Education Committee's kind consideration as to whether these funds might be restored."

MCAEL asks that their request be reduced only 7.0%, instead of 14.8%, as shown in the table below.

MCAEL's FY11 request, same as FY10 approved	842,420
7% reduction	(58,969)
Budget after 7% reduction from FY10 approved budget	783,451
FY11 CE recommended. 14.8% reduction from FY10 approved	717,850
MCAEL requested addition to Executive's recommended budget	65,601

MCAEL states that the higher amount would better enable them to continue to fund providers with the \$95,420 that the Council added to their budget in FY10 after they submitted their budget to the Executive, which the Executive approved for FY10. MCAEL estimates the economic impact of restoring funding "...at over \$400,000. based on State estimates that every \$1 invested in adult education yields a return of \$3.15 to the Maryland economy in increased wages." Also, there will be additional competition from the Korean Association of Maryland Metro Area for grants, as explained below.

For FY11, the Executive deleted an item in the DHHS Office of Community Affairs, and on April 12, 2010, the HHS Committee agreed to the reduction. The item was a request from the Korean Association of Maryland Metro Area for \$90,900 in funds that the Council approved in FY10 for English language instruction, computer training, and social services from the DHHS budget. The intent is that this organization would seek funding through MCAEL, just like other organizations providing community based ESOL. Roughly one-third of the request was for ESOL instruction. That organization has requested funds from MCAEL, but in the last two years, the request was not funded.

Last year, the Committee expressed appreciation for the impressive work that MCAEL has done, and thanks MCAEL for taking on the additional responsibility of administering the entire grants program for adult literacy. The Committee noted the improved accountability and oversight, and the development of measures of performance. The Committee will continue to receive periodic status reports from MCAEL.

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©	Item
1	Page from Executive's FY11 operating budget
2	Letter from MCAEL to the Executive
4	Detail of MCAEL's budget
5	Public hearing testimony, April 8, 2010

FY11 Recommended Changes	Expenditures	WYs
FY10 Approved	3,740	0.0
FY11 CE Recommended	3,740	0.0

Leases

This NDA provides the funds necessary to lease privately owned real estate to accommodate County programs. Real property leased by the County includes office, warehouse, and retail space; hangar facilities; child care space in schools; parking spaces; and space for communication antennas. Leasing property allows the County the flexibility to locate programs in the communities they serve and provides space for programs to operate when there is no County-owned space available. Further, it is an economical way to procure highly specialized, location sensitive, or temporary space. Currently, there are approximately 75 leased facilities. The inventory of leases is constantly shifting as new leases are added and existing leases are terminated.

FY11 Recommended Changes	Expenditures	WYs
FY10 Approved	19,225,800	0.0
Increase Cost: Edison Park	4,459,900	0.0
Shift: Part of Department of Liquor Control lease at Southlawn	242,390	0.0
Increase Cost: Move Outpatient Addiction Services to 981 Rollins	90,420	0.0
Decrease Cost: Move Silver Spring Regional Services Center to Silver Spring Civic Building	-43,490	0.0
Decrease Cost: Move Inspector General to Grey Courthouse January 1	-44,270	0.0
Decrease Cost: Move Sheriff's Office from 199 E. Montgomery to Grey Courthouse January 1	-98,010	0.0
Decrease Cost: Move Corrections from 51 Monroe to County-owned Space	-215,980	0.0
Shift: DEP Lease at 255 Rockville Pike to Water Quality Protection Fund	-381,370	0.0
Decrease Cost: Renegotiations savings	-400,000	0.0
Decrease Cost: Move Commission for Women to County-owned Space	-479,790	0.0
Decrease Cost: FY11 Lease Complement miscellaneous changes	-1,410,060	0.0
FY11 CE Recommended	20,945,540	0.0

Montgomery Coalition for Adult English Literacy (MCAEL)

This NDA provides funding for the Montgomery Coalition for Adult English Literacy (MCAEL). MCAEL's mission is to strengthen the countywide adult English literacy community of providers' network with resources, training, collaborations, and advocacy to support a thriving community and an optimal workforce. Funding for MCAEL supports program grants to organizations that provide adult English literacy services; technical assistance, training, and networking opportunities that improve program quality and coordination; information resources for the community; and operating expenses to administer the grants and provide the support services. The County's contribution is implemented by a contract between the Department of Public Libraries and MCAEL.

FY11 Recommended Changes	Expenditures	WYs
FY10 Approved	842,420	0.0
Increase Cost: Rent for ESOL classes at Eastern <i>CASA</i>	25,000	0.0
Reduce: Reduce Operational expenses and grants	-149,570	0.0
FY11 CE Recommended	717,850	0.0

-124,570 / 14.8%

Motor Pool Fund Contribution

This NDA funds the acquisition of new, additional Motor Pool fleet vehicles, as opposed to replacement vehicles, which are financed through an established chargeback mechanism.

FY11 Recommended Changes	Expenditures	WYs
FY10 Approved	30,000	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY10	-30,000	0.0
FY11 CE Recommended	0	0.0

Municipal Tax Duplication

The Montgomery County Tax Duplication Program, authorized by Chapter 30A of the Montgomery County Code, reimburses municipalities for those public services they provide that would otherwise be provided by the County. County Council Resolution No. 9-1752, enacted April 27, 1982, increased the scope of program coverage from street-related expenditures to include other public services, such as police supplemental aid; animal control; elderly transportation; parks maintenance; Board of Appeals; and Human Rights.





MCAEL

Montgomery Coalition for

Adult English Literacy

The Montgomery Coalition for Adult English Literacy

December 18, 2009

The Honorable Isiah Leggett
Montgomery County Executive
Executive Office Building
101 Monroe Street
Rockville, MD 20850

Dear Mr. Leggett,

I am writing to share my appreciation for your past support for the work of the Montgomery Coalition for Adult English Literacy (MCAEL) and our partners, and to respectfully request continued funding in your FY11 budget for Adult English Literacy programs.

During the past year, English literacy programs funded by MCAEL, thanks to your support, helped **more than 4,000 County residents and workers** to develop English and literacy skills that are enabling them to improve their **employment prospects**; support their **children's education**; **access health care** and other vital social services; and **integrate effectively** into the community. In addition to the 4,000 learners served directly by MCAEL programs, our work through our larger network of 60 community programs touches the lives of more than 20,000 Montgomery County residents and workers who – because of language and literacy – are likely to be those most greatly impacted by this economic crisis.

During these times of unprecedented economic hardship, we appreciate that the County is confronted with difficult decisions about where to invest scarce resources. And yet, at no period in our County's history has it been more imperative that we invest in the English and literacy skills of our workforce and get underemployed and unemployed residents back to work and on a path toward self-sufficiency. At no time has it been more crucial that community members integrate effectively, and gain the skills and confidence to access vital services and participate in schools and civic life.

Investments in adult education are essential to our economic recovery and can yield excellent returns. According to the State, every dollar invested in adult education yields a return of \$3.15 to Maryland's economy. Based on this figure, your current investment in MCAEL may **yield as much as \$1.8 million in net revenue** to the County.

With more than one in seven residents of the County identified as limited English proficient, and more than 1,500 individuals still on waiting lists to take classes, additional resources could address this demand and generate an even greater net fiscal impact. Our attached proposed budget details our **request for level funding** at \$842,420, in recognition of the tough economic and budgetary crisis. However, we thought it would be useful to also share with you what could be accomplished with an incremental

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The Montgomery Coalition for Adult English Literacy

investment through MCAEL to address the increasing demand for services and achieve an even greater fiscal impact.

We would also like to take this opportunity to highlight our efforts based on the principles you recently identified in your State of the County address, specifically the need to:

"Prioritize our budgets to protect as much funding as possible for critical services such as education, public safety, and assistance for our most vulnerable residents."

We applaud your prioritization of these vital and complementary services, and want to underscore how essential English literacy classes are as both the *gateway to* and the *exit ramp from* our social safety net. *The gateway*, because English classes are in many cases the first and only place that isolated and economically vulnerable adults **gain access to the safety net** and the knowledge to navigate social services. *The exit ramp*, because English language and literacy skills place adults on a pathway toward **reduced dependency** on social services and toward **obtaining family-sustaining wages**.

"Operate our County government in the most efficient and effective way possible, with greater accountability measures."

MCAEL's **lean and efficient model** for building sector-wide collaboration, coordination, and capacity ensures that resources invested by the County are maximized to the greatest extent possible. In addition to ensuring that more than 93 cents on every dollar go directly to programming, MCAEL has taken critical steps over the last year to minimize overhead costs, including a move to the Nonprofit Village to reduce costs, and the use of over 2,500 volunteer hours at a value of \$50,000 and \$12,000 in recorded pro-bono and in-kind donations. MCAEL also successfully leveraged over \$40,000 in federal grant funds and local partnership resources to support expanded programming at a local mosque; an up-county HOC residence; and a volunteer-led worksite program at the County's largest employer, NIH. And, as detailed in our attached community report, MCAEL is focused on demonstrating measurable results. Our grantees submit rigorous data to MCAEL and in FY08, demonstrated performance outcomes consistent with state benchmarks. MCAEL is also committed to fiscal accountability, as reflected in our recent audit which received an unqualified opinion.

We appreciate your pointing to the fact that, "*the key to our county's success has been our highly educated workforce, attracted here by our outstanding quality of life.*" Yet these key indicators for economic recovery will be unattainable if we do not continue to invest in the more than 100,000 adult residents who may lack the skills to complete a simple job application; speak with their healthcare provider; understand basic public safety information; or communicate with a child's teacher.

We are proud of our partnership with the County and appreciate your continued leadership and investment in adult English literacy through MCAEL. With your continued support, we can ensure that adults in Montgomery County are employable, engaged, and empowered by literacy to achieve their full potential, and that our county reaches its own social and economic potential as a thriving and just community for all residents.

Sincerely,



Aryani Ong
Chair, Board of Directors



Rachel Glass
Executive Director

CS 14

**Testimony before the Montgomery County Council
on the FY 2011 Operating Budget
By Rachel Glass, Executive Director
Montgomery Coalition for Adult English Literacy
Thursday, April 8, 2010**

President Floreen and Members of the County Council:

Good evening; my name is Rachel Glass, and I am the Executive Director of MCAEL, the Montgomery Coalition for Adult English Literacy.

Our organization has its roots in the work of this Council, and has succeeded because of your championship. On behalf of the Coalition and our Board of Directors, I want to thank you for your continued investment in MCAEL, and in our community's greatest asset: our people.

With resources, training, collaboration, and advocacy, MCAEL strengthens a vibrant, county-wide network of over 60 adult English literacy providers who collectively employ over 1,500 paid and volunteer instructors, and annually help over 20,000 adult learners improve their English literacy, language and workforce skills.

There has never been a period in our county's history when it has been more important for our community to benefit from the greater economic and social prosperity gained by developing language and literacy skills. Nevertheless, because of an administrative oversight, MCAEL is facing an unprecedented 15% cut in funding. This cut would disproportionately impact immigrant and low literacy adults and potentially increase our growing waitlist for classes – currently at over 2,000 individuals – to above 3,000.

We urge you and members of the Education Committee to please evaluate this administrative discrepancy and consider restoring a portion of MCAEL's funding. The economic impact of reduced funding actually represents a loss to our County's economy of nearly a half million dollars, based on State estimates that every \$1 invested in adult education yields a return of \$3.15 to the Maryland economy in increased wages.

This economic loss would be paralleled by further losses to our community, including:

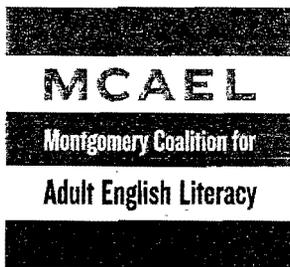
- Fewer skilled workers available to county employers
- Fewer parents able to support their children's education and literacy development
- Fewer adults and seniors able to communicate with neighbors, medical providers, or law enforcement officials.
- Fewer adults able to obtain citizenship, which will only be a growing need with immigration reform on the horizon.

With more than 1 in 7 residents of the county identified as limited English proficient, and 11% of county adults lacking the skills to complete a basic job application or read a newspaper written at an eighth grade level, we cannot expect to grow our economy and create a prosperous Montgomery without investing in the skills of the very residents who can make that prosperity possible.

According to the Urban Institute, a fluent English-speaking immigrant can earn nearly double that of a non-English speaking worker. That's good news not only for workers who can earn more to support their families, but good news for all of us when we can benefit from those wages coming back to our local businesses and tax base.

During these unprecedented economic times, as we work together to find solutions to lift families out of the cycle of poverty, as we work to envision Montgomery County as a vibrant place to live and do business, I urge you to please continue to invest in adult English literacy as the bridge that connects individuals, families and our community to greater economic and social prosperity.

Thank you.



Investments Needed in Adult Education, ESOL and Literacy Services for Maryland and Montgomery County

Investments in Adult Education are Essential for a Strong Maryland

- Statewide, almost one million Marylanders need literacy skills, a high school diploma, or English language skills (*Research Triangle Inst.*)
- Acquiring these skills will be critical to our economic recovery; to maintaining a globally competitive workforce and attracting business; to creating healthy and sustainable communities and to ensuring a strong democratic society.
- We all benefit from investments in adult education, which generate significantly greater revenue returns for state and local municipalities. Every dollar invested in adult education yields a return of \$3.15 to Maryland's economy in increased earnings within 18 months.
- Despite this, Maryland's per learner state investment is 78 percent below the average of the East Coast states.

Investments in Adult Education, Especially ESOL, are Critical for Montgomery County

- Approximately 130,000 individuals in Montgomery County - about 15% of the population or one in seven residents of the County- are LEP (limited English proficient). (American Community Survey 2008).
- For these individuals, *learning English is not a question of motivation, but of opportunity*. More than 2,000 adults in Montgomery County who want to learn English are on waitlists to enroll, and many more may be discouraged due to long waiting lists or lack of resources.
- Investments in adult English literacy can impact those priorities we care most about:

A Strong Workforce and Vibrant Economy : Currently, one in three workers in Montgomery County is an immigrant, and the County is home to more than 40% of the foreign born workforce in the state. According to the Urban Institute, **a fluent English-speaking immigrant earns nearly double that of a non-English speaking worker. That equates to higher spending and taxes paid - which benefits us all.**

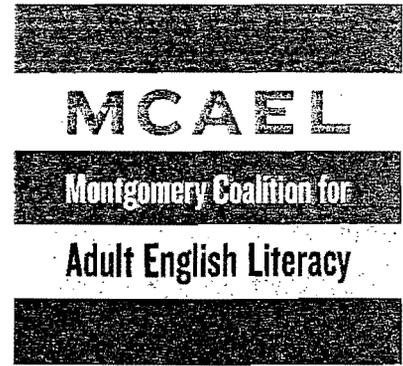
K-12 Education and School Readiness: Based on national averages, 12,000 MCPS ESOL students are likely to have parents who are limited English proficient. (MCPS, Urban Institute). These children are more likely to be "left behind" no matter what we do in the schools if we do not also help parents to develop the skills to become more involved in their children's education.

Healthy, Sustainable and Engaged Communities : When family members or untrained interpreters are used to assist with communication, an average of 31 translation errors are made in a single health care visit. (American Medical Association). In the healthcare sector, and throughout the community, addressing linguistic isolation and low literacy can reduce costs. More importantly, we strengthen the whole community by enabling all residents to become more effective family advocates, consumers, workers, life-long learners, and citizens.

MCAEL

Montgomery County Adult English Literacy

Fact Sheet



Updated April 2010

What is the need in Montgomery County for Adult ESOL and Literacy services?

- One in seven residents of the County (15% of the population, or about 130,000 individuals) are considered "limited English proficient. (American Community Survey 2008). This figure reflects more than a 20% increase from 2002 data.
- 11% of the County's adult population lacks basic prose literacy skills, or the ability to conduct simple tasks such as filling out a job application or reading a newspaper written at an eighth-grade level. (National Assessment of Adult Literacy (NAAL) – 2003)
- In FY2007, there were close to 15,000 ESOL students enrolled in MCPS – about 11% of school enrollment. (MCPS website) Many have parents that also are in need of ESOL services.
- Statewide, almost one million Marylanders need literacy skills, a high school diploma, or English language skills (*Research Triangle Inst.*) Despite this need, Maryland's per learner state investment is 78 percent below the average of the East Coast states.

How many people are on waiting lists?

- Over 2,000 adult learners are currently on waitlists to take English literacy classes. This figure does not include the many individuals who may have become discouraged by long waits, or who face additional barriers such as transportation and childcare.

Who provides Adult ESOL and Literacy services in Montgomery County?

- Montgomery College is the largest provider of services.
- In addition, more than 60 non-profit, faith-based and employer-sponsored programs are offered throughout the community.
- Collectively, these organizations engage more than 1,500 paid and volunteer instructors.

How many people are being served?

- Estimated number of annual enrollments (seats provided): approximately 43,000
- Estimated number of unique individuals served annually: over 22,000

Why should the community support adult literacy and ESOL programs?

English Literacy is a Key Workforce Development and Driver of Economic Development

In Montgomery County, one out of three workers is an immigrant. According to the Urban Institute, the average hourly wage of immigrant workers who speak English "well" or "very well" is much higher than that of immigrant workers with limited English skills. In fact, a fluent English-speaking immigrant earns nearly double that of a non-English speaking worker. (Urban Institute 2007) That equates to higher spending and taxes paid – which benefits us all.

Every dollar invested in adult education yields a return of \$3.15 to Maryland economy in increased earnings within 18 months (MAACCE Maryland).

Learners achieve significant annual wage gains within 18 months after program exit, ranging from \$1,817 to \$2,579, an 18 to 25 percent gain for minimum wage workers. (Source: U.S. Department of Commerce's *Educational Attainment in the United States*)

Literacy has a profound impact on family income. Forty three percent of adults at the lowest level of literacy proficiency live in poverty compared with four percent of adults with strong literacy skills. (The State of Literacy in America, 1998)

A rise in of 1% in literacy scores leads to a 2.5% rise in labor productivity and a 1.5% rise in G DP per person. (The Economist, August 28, 2004)

American businesses are estimated to lose over \$60 billion in productivity each year due to employees' lack of basic skills. (U.S. Department of Education, 1998)

English Literacy is a Healthcare Issue

Annual health care costs in the U.S. are four times higher for individuals with low literacy skills than they are for individuals with high level literacy skills. (ProLiteracy Worldwide)

The health care industry estimates \$73 billion per year of unnecessary health care expenses attributable to poor literacy. (Centers for Medicare & Medicaid Statistics, 2004)

In one U.S. study, having a ninth-grade reading level or less appeared to double the risk of mortality among elderly people over a five-year period. (National Institute on Aging, 2006)

When family members or untrained interpreters are used to assist with communication, an average of 31 translation errors are made per health care visit. (American Medical Association, 2005)

Adult Learners are the Parents of Child Learners

A parent's literacy level is one of the most significant predictors of a child's future literacy ability. Poor school achievement and dropping out before completing school are commonplace among children of illiterate parents. (REACH Educational Foundation, 2003)

Illiterate adult parents stand a much greater chance of parenting children who are less likely to succeed in school than those with literate parents. These children are more likely to be “Left Behind” no matter what we do in our schools, unless we help the parents to improve their own literacy and English language skills. Adults currently enrolled in Maryland adult education programs have about 22,000 school-age children (Source: 2007 Literacy Works Report).

There are close to 15,000 ESOL students in MCPS – more than 10% of the student population (MCPS website). Based on national averages, four out of five will have parents who are limited English proficient. Beyond this population, over half of foreign-born children who speak English “very well” have only limited English proficient parents (Urban Institute).

Literacy Makes for Good Citizens and Strong Communities

A 2003 Urban Institute study found that 60 percent of legal immigrants who were eligible to become citizens but had not done so were Limited English Proficient (LEP).

An estimated 30 million adults, or 14%, have "below basic" literacy skills. This means they cannot perform basic literacy functions like read a map, fill out a job application, or calculate the total cost from a purchase order. Of this 30 million, 11 million are considered "not literate in English" (National Assessment of Adult Literacy, 2002)

Foundations and Other Donors Must Play a Key Role

“The shortage of high-quality ESL programs poses one of the most difficult challenges for foundations interested in improving the economic and social wellbeing of communities with sizable or growing newcomer populations. Funders who have prioritized broader goals such as better health and education outcomes may want to consider addressing ESL needs as part of their grantmaking strategy. (Grantmakers Concerned with Immigrants and Refugees, 2008)