

**ALAMEDA ADULT SCHOOL BALANCED BUDGET PLAN**

**BACKGROUND INFORMATION**

Adult Education funding is in Tier III of categorical flexibility and is based on the 2007-2008 Average Daily Attendance model minus 19.9%. The funding was \$1,289,879 for the 2008-2009 fiscal year. The current funding for this fiscal year is \$1,055,026 based on a 19.9% reduction from the 2007-2008 ADA block grant. This means that AAS must close a budget gap of \$234,853.

\$1,289,879  
\$1,055,026  
 \$234,853

**POLICY/CODE**

California State Budget Act 2009. [http://www.dof.ca.gov/budget/historical/2009-10/documents/Budget\\_Agreement\\_Full-Package-w.pdf](http://www.dof.ca.gov/budget/historical/2009-10/documents/Budget_Agreement_Full-Package-w.pdf). 2007-08 school year mandated program average daily attendance (ADA) has been established as the funding base year for the AAS programs for fiscal years 2008-09 through 2012-13. Adult Education funding was also moved to “tier three” allowing for categorical flexibility.

**FISCAL IMPACT**

AAS must close a budget gap of least \$234,853 this year by reducing the general fund expenditures and/or increasing revenue by at least that amount.

**REDUCTION PLAN SUMMARY**

Reduction Strategy	Total Approximate or Estimated Savings
Administrative Cost Reduction	\$10,000
Schedule Reduction	\$23,080
Student Fees (revenue)	\$201,820
<b>Total Balancing Objective</b>	<b>\$234,900</b>

**STAFF RECOMMENDATION**

Approve a policy for Alameda Adult School to achieve a balanced budget for fiscal year 2009-2010 that includes registration or course fees for all programs except concurrent high school and a suspension of instruction for six weeks (two weeks this fiscal year and four weeks next fiscal year).

**THE PROCESS**

The Principal’s Advisory Team (PAT) was formed to assist the Principal, Mr. Thomas Orput, in creating a balanced budget while preserving student services. The Team is comprised of members of the AAS Community that represent all mandated student services.

- Mr. Bill Garvine, Career Technical Education Student,
- Ms. Jackie Krause, Senior Services Manager, Mastick Senior Center,
- Ms. Jude Llamas, Office Manager,
- Mr. Marc Pence, Adult Secondary Education and Adults With Disabilities Teacher,
- Mr. Robert Reilly, Adults With Disabilities and Older Adult Teacher and
- Ms. Cynthia Wasko, Director, Alameda Family Literacy Program.

**GOAL**

The PAT meets bimonthly to investigate and analyze strategies relating to program costs and creating a balanced budget.

**MANDATED PROGRAMS**

The AAS provides student services in eight mandated areas and fee-based courses. Fee-based courses are not considered in this plan as they are sustained by student fees using a formula of \$70.00 per hour.

The mandated programs are:

- Adult Basic Education (ABE)
- Adult Secondary Education (ASE)
- Adults With Disabilities (AWD)
- Career Technical Education (CTE)
- English as a Second Language (ESL)
- Health and Safety (H & S)
- Older Adults – Lifelong Learners (LL)
- Parent Education (PAR)

Each program was reviewed to assess its effectiveness. Program indicator data including enrollment, average attendance, student critiques, graduation rates, test completion rates, student learning benchmarks and other achievement factors were reviewed.

**ADMINISTRATIVE/STAFF OVERVIEW SAVINGS APPROXIMATELY \$10,000**

The AAS will realize a savings of \$10,000 by reducing the mailing of the brochure from three mailings to two per year and other office modifications.

**The current administrative staffing is as follows:**

<b>Position</b>	<b>Full Time Equivalency</b>	<b>Work Year</b>	<b>Cost</b>
Principal	1.0	205 days	\$105,000
Office Manager	1.0	12 month	\$72,973
Office Manager	1.0	10 month	\$63,384
*Data Specialist	1.0	10 month	\$29,027
*CASAS Specialist	.5	10 month	\$23,765
Counselor –Teacher-in-charge	12 hours per week	10 month	\$18,144
		<b>Total Cost</b>	<b>\$312,293</b>

- Position partially funded by Workforce Investment Act/231 Federal grant. Data specialist salary based on a partial year (estimated \$68,000 for 2009-2010)

**REDUCTION BY SUSPENSION OF INSTRUCTION = \$23,080**

In the past, Lifelong Learners and Adults with Disabilities programs were provided 52 weeks of instruction per year, excluding 9 recognized holidays. Suspension of services during the summer is a common budget reduction measure that has been adopted by most of the adult schools in the county and state with very few exceptions.

Our other mandated programs and fee-based courses were offered on a 177 day contract year.

Another significant factor contributing to this recommendation is our school's staffing. We are reduced to one classified position during this period and no longer have the resources to award hourly pay, overtime pay or compensatory time to perform the necessary administrative tasks associated with these programs on a year-round basis.

The impact of this reduction effects students in our Lifelong Learner and Adults with Disabilities programs which represents 897 students during a six week period who attend approximately 100 courses of study. We are exploring possibilities for other programs during this period.

**Scheduling Reduction of all Older Adults and Adults with Disabilities**

<b>Suspension of services</b>	<b>Number of weeks</b>	<b>Total Savings</b>
June 18 – July 31	Six (6)	\$23,080 this fiscal year (\$69,240 next fiscal year)

**ESTIMATED REVENUE BY STUDENT FEES = \$201,620 (FY 2009-2010)**

**Efforts to address the change in Adult Education Funding**

Adult Schools across the state are facing similar issues related to the changes in the funding structure mandated by the California State Budget Act of 2009. The reduction of funding means that Adult Schools have two options: cut programs or increase revenues through other sources. In order to minimize the impact on students, asking for a modest and reasonable fee is seen by the PAT as being the preferred alternative to eliminating services.

Leadership from all Adult Schools in Alameda (and Contra Costa) counties met during the 08-09 program year to strategize and agree on comparable and fair practices for fee based programs. All the Adult Schools wanted to work collaboratively rather than trying to undercut each other with variable fees. Fees for instruction in mandated programs are now a part of Adult School programs throughout California.

The impact of collecting fees on our staff has the potential to be somewhat significant. In anticipation of this, we have district approval and have entered into an agreement with Bank of America so that we can accept credit and debit cards for walk-in registration in lieu of cash or checks. In addition to a more efficient and safe collection method of processing student fees of this magnitude, the credit card machine has been requested by students on a frequent basis. We may also for example, realize a student benefit by taking the card-swipe device to Mastick Senior Center and process student registrations on site.

As a point of reference, the table below shows the estimated fee structure for local Adult Schools and could have a variance of plus or minus 10%. Programs that are providing services with no fees have reduced their program offerings to be aligned with the new budget. Feedback from adult schools in the county has been positive in that no administrator reported any notable decreases in enrollment when fees were introduced.

### Alameda County Adult Education Fee Study

Prepared by Thomas Orput, Principal, Alameda Adult School

Last Edit – November 4, 2009

Fees charged by Alameda County Adult Schools - Rough Draft						
School	ABE	ASE/GED Prep.	GED Test	ESL	Older Adults	Adults W/Disabilities
<b>Albany</b>	no diploma classes	No classes	No test offered	\$35 per qtr	\$35 per qtr	Discontinued
<b>Amador Valley</b>	No ABE Classes	No Classes Independent studies no charge	105. 15.retakes	2 semesters 55.ea	no fee	Discontinued
<b>Berkeley</b>	\$30 annually	\$30 annually	\$120 \$10 retake	\$30. annually	\$15 per class	\$600 per class per semester
<b>Castro Valley</b>	\$25. per qtr	\$25 per qtr	\$130. 15 retakes	\$25.per qtr	varies some no charge	\$90 per student per quarter
<b>Fremont</b>	\$30 per qtr	\$20	\$125 15.00 retakes	15 registration Class 30	no program	Discontinued
<b>Hayward</b>	\$30 qtr	\$30 qtr	130 Retake 15.00	30semester	no program	Discontinued
<b>Livermore</b>	No ABE Classes	\$23 per qtr / \$20 per semester	No test offered	\$20 per semester	Art classes \$42 (6 week sessions) or Senior cntr pays 1/2	Discontinued
<b>Newark</b>	\$25	\$25	\$25	ELD Evenings all levels \$35 per qtr	most \$20 - \$25	Discontinued
<b>New Haven</b>	\$25 per year	\$10 per qtr	no test offered	\$25 per year after Mar 14th \$15	most classes free computer classes \$20	Discontinued
<b>Oakland</b>	no fee	no fee	\$120 \$20 retakes	no fee	no fee	Discontinued
<b>Piedmont</b>	no classes	no classes	no test offered	no fee	no fee	Discontinued
<b>San Leandro</b>	\$20 registration	\$20 registration per class	no test offered	\$20 reg. each semester -	\$20 reg. each semester	Discontinued
<b>San Lorenzo</b>	no fee	\$20 reg. each semester	no test offered	\$20 per term	\$50 per class	Discontinued

**Alameda Adult School Fee Structure**

The PAT discussed the options of program reduction versus increased program fees. It was agreed that increasing program fees was more effective than reducing programs because the impact on students would be minimized.

The following chart represents the fees that we recommend AAS implement beginning January 2010. Student fees considered for this fiscal year are based on Board approval for implementation before the spring semester begins.

The second chart represents the fees that we recommend AAS implement and continue annually from 2010-2011 until CDE changes the adult education funding structure.

Estimated Revenue Generated By Student Fees During the Spring Semester of 2009-2010 School Year							
Adult Basic Education	Adult Secondary Education	Adults With Disabilities	Career Technical Education	English as a Second Language	Health and Safety	Older Adults – Life Long Learners	Parent Education
\$30 Registration Fee	\$30 Registration Fee	Institutions will be charged \$40 per hour of instruction per week based on 36 weeks	Fees based on a minimum class enrollment – programs will be revenue neutral	\$30 Registration Fee	\$30 Registration Fee	\$15 Registration Fee / Includes all courses	\$30 Registration Fee
<b>\$60</b>	<b>\$4,920</b>	<b>\$160,740</b>	<b>NA</b>	<b>\$24,220</b>	<b>\$2,460</b>	<b>\$8,000</b>	<b>\$1,200</b>

Estimated Total Revenue Generated by Student and Institutional Fees 2009-2010 = \$201,620

Estimated Revenue Generated By Student Fees During The 2010-2011 School Year							
Adult Basic Education	Adult Secondary Education	Adults With Disabilities	Career Technical Education	English as a Second Language	Health and Safety	Older Adults – Life Long Learners	Parent Education
\$30 Registration Fee	\$30 Registration Fee	Institutions will be charged \$40 per hour of instruction per week based on a 36 week school year.	Fees based on a minimum class enrollment – programs will be revenue neutral.	\$30 Registration Fee	\$30 Registration Fee	\$30 Annual Registration Fee for all courses	\$30 Registration Fee
<b>\$900</b>	<b>\$7,800</b>	<b>\$336,160</b>	<b>NA</b>	<b>\$27,750</b>	<b>\$5,850</b>	<b>\$26,970</b>	<b>\$1,200</b>

Estimated Total Revenue Generated by Student and Institutional Fees 2010-2011 = \$405,460

**ADULTS WITH DISABILITIES - REDUCTION INCLUDED IN STUDENT FEES**

As identified in Alameda County Adult Education Fee Schedule, most of the local adult schools have discontinued their programs for Adults with Disabilities. These programs are typically offered at private for-profit businesses such as nursing homes and senior residential facilities. The PAT researched the corporate status, revenue and accreditation of the local facilities. All of the facilities served by the AAS are for-profit businesses.

The costs for providing services to the patients and residents of these institutions are approximately \$40 per hour which does not include administrative services. The PAT believes that these classes should be self-supporting and not be taken from the adult school block grant. The cost should be passed on to the owners of the for-profit licensed facilities.

### **Older Adults – Lifelong Learners**

The Lifelong Learner Program provides enrichment instruction for people over 50 years of age and must be maintained. Although this program ranks below literacy and career technical education in the State's *Needs Assessment*, I feel we must exhaust all possible means of revenue to supplement costs for this program. I believe we can meet the challenge of sustaining these programs by a combination of funding from student fees, partnerships with the City of Alameda and grants. Our goal is to gain financial self-sufficiency for these programs by January 2011.

### **ADULT SCHOOL THEORY OF ACTION - THE NEW DAWN**

It is a challenging time for adult education, as it is for most, if not all, local, state, and federal social programs. Yet it is also a time of opportunity for the adult education community to build on its track record of success and leadership in support of California's core needs.

I believe that Alameda Adult School has not realized our potential to serve students in literacy or career technical education. Looking ahead, literacy programs such as Adult Basic Education, Adult Secondary Education (includes GED and CAHSEE preparation and tests administration) and English as a Second Language are in need of improvements if we are to serve the concurrent or adult populations effectively. The Career Technical Education courses need to be developed and implemented as soon as possible if we are to meet the challenging labor market and economy demands. I believe we must also be continuously seeking new partnerships and revenue streams with the City of Alameda or available grants if we are to sustain Lifelong Learner programs without encroaching the general fund.

The compelling need to improve these offerings is fueled by the California Department of Education and my personal conviction to develop a quality programs that effectively serve the student needs.

Phase I of The California Department of Education strategic plan, *Adult Education in California: Strategic Planning Process Needs Assessment* ([http://www.otan.us/strategicplanning/pdf/AE\\_needs\\_assessment.pdf](http://www.otan.us/strategicplanning/pdf/AE_needs_assessment.pdf)) speaks extensively to these values and is looking at future funding, demographic statistics and feedback throughout the state to identify and address these core needs.