Funding 101 – How do I get the MONEY?

AGENDA

- History
- Guidelines and Underlying Principles
- Base Funding
    - Components
    - Example
- Performance Funding
    - Components
    - Example
- EL/Civics Funding
    - Components
    - Example

History

- Adult Education and Family Literacy Funding Task Force established in May 2002

- Charged to:
    - Review, assess and evaluate the current methodologies used to allocate financial resources to providers
    - Make recommendations, regarding changes, modifications, deletions, and/or additions the Task Force concludes should be made

- Membership widely representative of Adult Education Providers and Stakeholders

History

- Membership
  - Three Co-Chairs
  - Twenty Seven Voting Members
  - Five Ex-Officio Members
  - Twelve ICCB Staff
  - One Outside Consultant

- Four Sub Committees which addressed
  - Need/Access
  - Base Competitive Funding
  - Performance Funding
  - Data Collection

History Continued

- Recommendations
    - Illinois must aggressively seek additional resources for Adult Education and Family Literacy Programs from various sources

- Principles –
    - Position Illinois for the future in delivering high quality needed services
    - Include performance funding that focuses on continuous improvement
    - State legislation and policies should be aligned with Federal legislation when appropriate with the funding policies supporting the National Reporting System
    - Processes should be as simple and straightforward as possible
    - Data should be collected in a uniform manner and should contribute to accountability, program management and program improvement

Recommendations Continued

- Data System –
    - Current, consistent and comparable data from all providers is a high priority Adult Education data must be available to be used both externally for accountability at the state and federal levels and internally to address service and management needs
    - Because of the importance of data to a new funding system, an internet-based, centralized data system be fully implemented as soon as possible

- Audit and Review of the Funding System –
    - Funding and monitoring should be linked and data used in the formula and performance funding processes be verified and audited
    - Monetary disincentives should be used for programs not performing to ICCB standards

Recommendations Continued

- Communication and Design of the Funding System –
    - Funding criteria, definitions, and performance indicators should be communicated to local programs in advance and should be consistent for an number of years
    - RFP process serves as a "qualifying process" to determine which providers meet quality standards and are eligible for state and federal funds
    - RFP should be used to request funds and provide a justification for requested funds

- Funding Process –
    - Base funding formula established that will determine allocations for State Basic, State Public Assistance and Federal Basic Funds
    - Criteria for funding of EL/Civics and Performance funds will not be determined by the Base Funding Formula

Recommendations Continued

- Transition to Base Funding –
    - Transition plan be adopted for the new base funding strategy that includes a 5% reduction cap in any given year for a program
    - Length of time transition plan in effect determined by ICCB
    - In any instance of statewide reduction in funds, programs would experience the 5% reduction in addition to the % loss caused by a statewide reduction in available funds

- Improvement Focus –
    - Performance funding should reward a program's increasing impact on learners
    - Benchmark approach is recommended where performance funding is awarded when benchmarks are met
    - If benchmarks are not met for three consecutive years a remediation plan is developed and program may lose some portion of its performance funding

Recommendations Continued

- Exceptional Performance –
    - To be awarded to programs exceeding the baseline benchmarks
    - To be funded with additional resources rather than reallocating the current performance funds

- Performance Indicators –
    - Recommended establishment of new set of performance funding indicators
    - New indicators-
        - Educational outcomes including level advancement
        - Test Score Gains
        - Secondary, Citizenship and Vocational completions

Guidelines and Underlying Principles

- Funding contingent upon –
  - **availability of funds,**
  - **demonstrated effectiveness in serving the target population during the previous year and**
  - **ability to meet the grant requirements**

- Funds must be distributed throughout the state

- Funds must be allocated based upon need of the target population in the designated area

- No program will receive more funds than requested in the RFP process

The Base Funding Grant consists of four components:

- o Index of Need
- o Foundation Component
- o Units of Instruction component
- o Enrollment Component

Index of Need

- Based on a formula developed by Southern Illinois University Edwardsville that uses Census Data from the American Communities Survey to account for the target population in each APC

- Allocates funds for distribution within each Area Planning Council

- Ensures that funds are distributed throughout the state and allocation amounts are proportionate to the level of need in the defined area

Foundation Component

- Purpose is to recognize there are some fixed costs for programs that are necessary to just "Open The Doors" to provide services

- Provides some minimal, predictable funding for smaller programs

- Scale was established based on weighted Units of Instruction

- Foundation Component cannot amount to more than one third of a program's total AEFL restricted grant funding

Scale for Foundation Component

Weighted Units	Dollars
0 to 2,500	$25,000
2,501 to 3,000	$23,500
3,001 to 3,500	$22,000
3,501 to 4,000	$20,500
4,001 to 4,500	$19,000
4,501 to 5,000	$17,500
5,001 to 5,500	$16,000
5,501 to 6,000	$14,500
6,001 to 6,500	$13,000
6,501 to 7,000	$11,500
7,001 to 7,500	$10,000
7,501 and above	$0

Units of Instruction Component

- Used to allocate resources to each ICCB funded entity within an APC based upon the number of weighted units of instruction provided

- Based on services provided two years before current year. (FY14 Funding based on FY12 Data)

- Units included in this component are those generated by students who have had their instruction funded with State Basic, State Public Assistance and Federal Basic Funds

- Units are divided into categories and weighted

Units of Instruction Component

- Beginning Literacy to Beginning ESL – 1.50
- Beginning Literacy to Beginning ABE – 1.50
- Vocational Units – 1.50
- Low Intermediate ESL to High Intermediate ESL – 1.25
- Low Intermediate ABE to High Intermediate ABE – 1.25
- Low Advanced ESL to High Advanced ESL – 1.00
- Low Advanced ASE to High Advanced ASE – 1.00
- Other Units generated from students not required to be tested – (Foreign Language GED) - 1.00

Enrollment Component

- Recognizes providers incur some costs with each student who enrolls regardless of the number of instructional units the student generates

- Based upon unduplicated headcount of students served with State Basic, State Public Assistance and Federal Basic Funds

- Students served **ONLY** with Federal EL/Civics Funds or non-restricted funds are not included in this headcount

Calculation of Units of Instruction and Enrollment Component

- Total Funds available for distribution within the APC
- Minus the total awards for the foundation component for all programs in the APC
- Balance multiplied by 50% to determine the amount available for distribution within the APC for both the Units of Instruction and the Enrollment Component

	Total Amount of Funds for Allocation within APC
-	Total Foundation Component Awarded in APC
x	50%
=	Amount Available for Distribution to individual Programs for Units of Instruction Component and for Enrollment Component

Calculation of Units of Instruction and Enrollment Component

Individual Program Calculation

- Units of Instruction
  - Individual Program weighted units of instruction divided by total weighted units of instruction generated by all providers in the APC = Percentage of Units of instruction component for individual program

- Enrollment Component
  - Individual program unduplicated headcount divided by total unduplicated headcount for all providers in the APC = percentage of Headcount Component for individual provider.

Program Base Funding is sum of:

- Individual Foundation Component = Determined from chart

- Program Specific Weighted Units of Instruction Component = APC allocation for Units of Instruction times the percentage of those units generated by the individual program

- Program Specific Unduplicated Headcount Component = APC allocation for Headcount times the percentage of that headcount served by the individual program

Funding Limits

- Foundation Limit
    - If the providers foundation component is greater than one-third of the providers total award then the provider is limited to one-third of their total provider award.
    - Any difference is reallocated within the APC.

- Funding Request Limit
    - No provider will be funded over the requested amount in their application.

Base Funding Example

- APC 101 is allocated 100,000 based on the Index of Need.

- There are two providers in the APC
  - Provider A
  - Provider B

Base Funding Example

	Provider A	Provider B
Beginning Literacy to Beginning ESL	600	1000
Beginning Literacy to Beginning ABE	600	1000
Vocational Units	600	1000
Total 1.5 Units	1800	3000
Weighted 1.5 Units	**2700**	**4500**
Low Intermediate ESL to High Intermediate ESL	600	1000
Low Intermediate ABE to High Intermediate ABE	600	1000
Total 1.25 Units	1200	2000
Weighted 1.25 Units	**1500**	**2500**
Low Advanced ESL to High Advanced ESL	600	1000
Low Advanced ASE to High Advanced ASE	600	1000
No Test	600	1000
Total 1.0 Units	1800	3000
Weighted 1.0 Units	**1800**	**3000**
TOTAL WEIGHTED UNITS	**6000**	**10000**

Base Funding Example

Foundation Component

Provider A has 6,000 Weighted Units
Gets Foundation Component of $14,500

Provider B has 10,000 Weighted Units
Gets no Foundation Component

Base Funding Example

Units of Instruction Component Calculation

	Weighted Units	Foundation Amount	Total APC Award
Provider A	6,000	$14,500	
Provider B	10,000	$0	
TOTAL	**16,000**	**$14,500**	**$100,000**

Units of Instruction Component

Provider A
$100,000-$14,500 = $85,500

6,000 / 16,000 = 37.5%

$85,500 *50% = $42,750

37.5% * $42,750 = **$16,031.25 for Provider A**

Provider B
$100,000 - $14,500 = $85,500

10,000 / 16,000 = 62.5%

$85,500 * 50% = $42,750

62.5% * $42,750 = **$26,718.75 for Provider B**

Base Funding Example

Enrollment Component Calculation

	Enrollment	Foundation Amount	Total APC Award
Provider A	1,000	$14,500	
Provider B	2,000	$0	
TOTAL	**3,000**	**$14,500**	**$100,000**

Enrollment Component

Provider A

$1,000 / 3,000 = 33.3\%$

$100,000 - 14,500 = 85,500$

$85,500 * 50\% = 42,750$

$33.3\% * 42,750 =$ **$14,235.75 for Provider A**

Provider B

$2,000 / 3,000 = 66.7\%$

$100,000 - 14,500 = 85,500$

$85,500 * 50\% = 42,750$

$66.7\% * 42,750 =$ **$28,514.25 for Provider B**

Base Funding Example

Award Summary

	Foundation Amount	Units of Instruction Component	Enrollment Component	Subtotal Award	Foundation Limit	Total Award
Provider A	$14,500	$16,031.25	$14,235.75	$44,767.00	$14,907	$44,767.00
Provider B	$0	$26,718.75	$28,514.25	$55,233.00		$55,233.00

Performance Grant

- Funds should be used to encourage and reward programs to continue to improve the outcomes of the services they deliver

- Uses selected student outcomes from data entered into DAISI for students served with State Basic, State Public Assistance and Federal Basic funds to determine allocation

- Allocation based on the following:
    - Secondary Completions
    - Level Gains
    - Point Gains

Performance Grant

<u>Secondary Completions</u>

Three year average of the following:

- GED – Determined by Data Match
- High School Diploma – Self reported by provider in DAISi

Performance Grant

Level Gains

Three year average of the following:

- CITIZENSHIP Completions
- VOCATIONAL Completions
- BEST PLUS LEVEL GAINS
- BEST LITERACY LEVEL GAINS
- CASAS LEVEL GAINS
- TABE LEVEL GAINS

Performance Grant

Point Gains

Three year average of the following:

- BEST PLUS GAINS
- BEST Literacy GAINS
- CASAS GAINS
- TABE GAINS

Performance Funding Example

Secondary Completions allocation

Provider A has the following:

	FY10	FY11	FY12	Three Year Average
GED Completions	20	21	22	21
High School Diplomas	10	11	12	11

Total Average Secondary Completions	32
Dollar amount per Secondary Completions	$250
Secondary Completions Allocation	$8,000

Performance Funding Example

Level Gains allocation

Provider A has the following:

	FY10	FY11	FY12	Three Year Average
CITIZENSHIP - Completions	1	2	3	2
VOCATIONAL - Completions	4	5	6	5
BEST PLUS LEVEL GAINS	16	16	16	16
BEST LITERACY LEVEL GAINS	9	7	5	7
CASAS LEVEL GAINS	5	7	9	7
TABE LEVEL GAINS	10	10	10	10

Total Average Level Gains	47
Dollar amount per Average Level Gains	$135
Level Gains Allocation	$6,345

Performance Funding Example

Point Gains allocation

Provider A has the following:

	FY10	FY11	FY12	Three Year Average
BEST PLUS POINT GAINS	1	2	3	2
BEST LITERACY POING GAINS	4	5	6	5
CASAS POINT GAINS	7	8	9	8
TABE POINT GAINS	9	8	7	8

	Dollar Per Gain		Three Year Average Gain	Total
BEST PLUS GAIN	$5	x	2	$10
BEST GAIN	$4	x	5	$20
CASAS GAIN	$3	x	8	$24
TABE GAIN	$2	x	8	$16
Total Point Gains Allocation				$70

Performance Funding Example

Performance Grant allocation for Provider A

Secondary Completions	$8,000
Level Gains	$6,345
Point Gains	$ 70
Total Grant	$14,415

EL CIVICS Grant

Used to provide integrated English literacy and civics services to immigrant and other limited English proficient populations so they can learn to become active community members.

Allocated based on the following:

- Competencies Achieved
- Foundation Amount
    - 0 to 1000   = $10,000
    - 1000 to 2000 = $15,000
    - 2000 to 3000 = $20,000
    - Over 3000   = $25,000

- Not funded over request amount

EL CIVICS Funding Example

Provider A has the following

Competencies = 5000

Competencies are funded at $10 each

Allocation
Foundation Amount	$25,000	(over 3000 competencies)
Competencies Amount	$50,000	(5000 x $10)
EL CIVICS Grant	$75,000	

AEFL Funding Formula detail can be found in the AEFL Appropriation & Supporting Technical Data Appendix at
http://www.iccb.org/aefl.pub.reports.html