Center for an Urban Future

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BAD ENGLISH

Communities from Albany and Syracuse to Queens and Staten Island are experiencing an influx of immigrants, many of whom lack English proficiency—but the number of state-funded ESOL classes has declined in recent years

Number of immigrants in NYS, 2009	**4.2 million**
Number of adults in NYS who speak English less than very well	**1.7 million**
Change in immigrants in NYS, 2005-2009	**+181,000**
Change in % of New Yorkers who speak English less than very well, 2005-2009	**+6 %**
Change in state-funded ESOL enrollment, 2005-2009	**-17 %**
Change in NYC adults lacking English proficiency, 2005-2009	**+3 %**
Change in state-funded ESOL enrollment in NYC	**-6 %**

Counties with Large Gains in Immigration, 2005-2009

Albany	**53 %**
Dutchess	**37%**
Erie	**22 %**
Onondaga	**21 %**
Rockland	**15 %**
Bronx	**7 %**

BETWEEN 2005 AND 2009, THE NUMBER OF FOREIGN-BORN RESIDENTS in New York State grew by nearly 5 percent, building on a consistent tide of new immigration to New York over the past quarter-century. While just under half of the 181,000 new immigrants between 2005 and 2009 settled in New York City, many of the largest spikes occurred elsewhere in the state—with Albany, Erie, Onondaga, Dutchess and Rockland counties all experiencing double-digit gains in their foreign-born populations during this period.

This latest wave of immigration has brought significant benefits to the state. The new arrivals have replenished lost population in many communities, provided an entrepreneurial spark and served as a growing part of the labor force. But while these new New Yorkers are becoming increasingly critical to the state's economic future, New York is not leveraging their full potential.

A large number of these individuals lack the English proficiency needed to fully integrate into the workforce, but only a fraction of them have been able to enroll in state-funded English for Speakers of Other Languages (ESOL) classes. Between 2005 and 2009, the number of adults in New York State who speak English "less than very well" grew by 6 percent, but enrollment in state-funded English instruction dropped by 17 percent. Appallingly, as of 2009, there were state funded ESOL classes available for only one in every 25 adults lacking English proficiency.

The good news is that the state's ESOL programs have grown more effective in recent years. But the impact of those gains is blunted by the fact that most New Yorkers who could benefit from English-language instruction are simply unable to access ESOL programs. Increasing English instruction capacity would almost certainly yield benefits for the state economy.

This report serves as an update to our 2006 *Lost in Translation* report, jointly published with the Schuyler Center for Analysis and Advocacy.[1] That study found that there was a severe gap between the demand for English-language instruction in communities across the state and the availability of state-supported ESOL classes. Funded by the Mertz-Gilmore Foundation, this report finds that the gap has continued to widen in the absence of decisive state action.

During the course of our research for this study, we did identify a few green shoots, mainly in the creativity and commitment of the state's ESOL providers and state and local oversight agencies. The rate at which ESOL students make educational gains has gone up dramatically, and the State Education Department's network of Literacy Zones shows great potential for breaking down silos between adult education and other supportive services. Overall, however, we found that the problems identified in 2006 remain largely unaddressed, and policymakers have failed to show the will to tackle the ESOL's system's structural deficiencies.

We reviewed three areas covered in our 2006 study: the demographic role of immigrants in New York; the match of ESOL supply to the demand of immigrant adults with low English proficiency; and the funding trends and structural features of statewide ESOL funding sources.

The need for expanding ESOL instruction has only grown more urgent in the last half-decade. The state added 181,000 immigrants between 2005 and 2009, an increase of 4.5 percent, according to our analysis of data from the federal American Community Survey (ACS). And not all of the new immigrants unpacked their bags in New York City. While the city has long been the state's primary destination for immigrants, during this period the foreign-born population in the five boroughs actually grew slower than the rest of the state. Roughly a third of all new immigrants during this period settled upstate, 22 percent came to the downstate suburban counties and 45 percent settled in New York City.

During this period, the state experienced an even larger growth in the number of adults who speak English "less than very well", according to the ACS's proxy indicator for adults who need English-language instruction. Between 2005 and 2009, the number of these adults grew by 6 percent statewide—bringing the total number of New Yorkers who speak English "less than very well" to 1.7 million. The growth in adults lacking English proficiency was especially high in Nassau, Suffolk and Albany counties. At the same time, state-funded ESOL enrollment fell by 17 percent, to 71,497 in 2009. Enrollment dropped by another 4,000 students in the following two years.

The gap between the supply of ESOL instruction and the demand for English-language instruction has widened since 2005. In that year, the benchmark year for our *Lost in Translation* report, state-funded ESOL instruction reached only 5 percent of the state's low English-proficiency adults. As of 2009, the coverage rate has dropped to 4 percent, one out of every 25 eligible adults in New York State.

Alarmingly, growth in the number of adults needing English instruction (103,844) between 2005 and 2009 was 40 percent greater than the *entire* 2009 enrollment of state-funded ESOL services in New York State. The most serious drops in ESOL capacity took place in New York City and the downstate suburbs. In New York City, the population of adults lacking English proficiency rose by 3 percent while ESOL enrollment dropped 6 percent; in Westchester, that population rose 3 percent while ESOL enrollment dropped 15 percent; and on Long Island, their ranks grew by 12 percent while ESOL enrollment dropped 25 percent.

One driver of falling ESOL enrollment appears to be a deliberate (and wise) emphasis on more intensive instruction, which means providing longer continuous instruction for fewer students. The amount of class time received by the average ESOL student in a year has increased by 9 percent since 2005, from 115 hours to 125 hours. With more class time has come more effective English-language instruction, a tradeoff well worth making.

But the most significant cause of declining enrollment is the decrease in state funding for ESOL, adjusted for inflation, which has dropped every year since 1995. That year, the state capped funding for the largest adult literacy program, Employment Preparation Education (EPE) at $96 million. Since costs of overhead expenses rise every year, providers of English-language instruction find that the resources available to teach students shrink over time. In addition, the State Legislature has shifted some of the EPE funding allocated to the New York City school system's adult education program to a private organization, the Consortium for Worker Education. This set-aside has grown from $2 million to $13 million over the past two decades, reducing EPE resources available for ESOL instruction in New York City. Another program that funds ESOL instruction across the state, Adult Literacy Education (ALE), has seen its budget enhanced and then harshly slashed over the past five years. The overall funding squeeze is putting enormous pressure on providers.

We also find that a destructive structural flaw in EPE has gone unaddressed. EPE funds school districts that provide services based on their property values. Providers in communities with low property values

receive the highest reimbursement rate, while providers in communities with high property values receive the lowest reimbursement rate. The perverse effect is that providers serving low-income communities located inside the borders of localities with high property values—such as in New York City or Long Island—receive funding at less than half the rate of providers in localities with low property values, even though their overhead expenses are typically much higher. This inequity, identified in our *Lost in Translation* report and the source of much frustration for adult education experts in the state, continues to lead to reimbursement well below the cost of providing services in New York City and the downstate suburbs.

The most positive development is continuing innovation at the New York State Education Department, as well as improvements in some of the localities. The rate at which ESOL students gain at least one literacy level has jumped by almost half between 2005 and 2010, from 38 percent to 55 percent. As a result, 37,049 students made progress, up from 33,431 in 2005, though the total number of ESOL students statewide dropped by 23 percent over the same time period.

The State Education Department's Office of Adult Education Programs and Policy has launched a network of "Literacy Zones" in low-income communities around the state. Literacy Zones are intended to provide one-stop services to low-literacy adults, ranging from access to public benefits to partnerships with community colleges, workforce development providers, independent living centers and other organizations with relevant expertise. The initiative is grant-funded and still at an early stage, but shows meaningful potential.

Nevertheless, the growing unmet demand for ESOL instruction is cause for great concern. While the state's budgetary woes have caused cuts in many important social services and workforce development initiatives, few programs provide such a high return on investment as ESOL. As we explore in this report, there are two main reasons why ESOL programs deserve greater investment.

To begin with, lifelong learning in all its forms has become an essential element of workforce readiness. Increasingly, employers need workers equipped with some combination of reading, writing and math competency, critical thinking skills, computer literacy, and specialized vocational training. Doing a better job of providing these skills in K-12 education is urgent but far from adequate. Almost half of America's workforce in the year 2030 is already in the workforce, putting them beyond the reach of the K-12 school system. If New York fails to support lifelong learning, the state's skilled workforce will fall behind other states that do.

Perhaps even more importantly, immigrants have become an increasingly important asset for communities in every corner of the state, especially if the barriers that obstruct their full economic contribution can be overcome. A recent study by the Fiscal Policy Institute found that immigrants are responsible for 22 percent of total New York GDP.[2] ESOL programs provide immigrants with the tools they need to become more effective employees and small business owners. Failing to meet the needs of these new New Yorkers could have a considerable negative effect on the state's economic competitiveness in the long term.

"The bottom line is that ESOL makes the employees more productive," explains Bob Nyman, a top executive at Crystal Windows, a Queens-based manufacturer of window and door products that was founded by first-generation immigrant Thomas Chen. "We're selling in 35 states across the nation, and we have an immigrant workforce—a lot of Chinese-Americans, a lot of Hispanics." Nyman worries that his company will lose ground to companies in other states who do not have to add the cost of English-language translation and instruction to their own bottom line.

Upstate companies are increasingly relying on an immigrant workforce as well. A 2009 survey we conducted in Syracuse in collaboration with the Greater Syracuse and Mohawk Valley Chambers of Commerce found that 40 percent of their member companies employed workers with limited English proficiency. More than two-thirds of those companies indicated that the English language skills of their workforce were very important to the success of their company.

"We need to look at the immigrant population in Syracuse as an asset to our business community and language training as an investment in our economy," declared Darlene Kerr, president of the Greater Syracuse Chamber of Commerce.

New York cannot afford to stand still when it comes to including immigrants in the state's economy and civic life. Yet at present, even standing still would be an improvement. The state is currently in the process of slipping backward.

THE SURGE CONTINUES

In 2006, the Center showed that the immigrant dream was still alive and thriving in New York State. More than one in four adult New Yorkers was foreign-born, and the state's immigrant population was growing even as the number of native-born residents declined. Furthermore, we found that while New York City was home to three out of four of the state's foreign-born residents, the demographic trend lines were much more visible in upstate communities. Quite a few of these towns were bleeding population as young adults left seeking other opportunities. But relatively large reinforcements of immigrants were

replenishing the workforce and bringing new energy to towns from Schenectady to Syracuse to Ulster.

Five years later, the state's immigrant and native-born populations are growing at the same rate. Between 2005 and 2009, the state's population grew by just under 5 percent, evenly spread between immigrants and native-born New Yorkers. Some localities have become immigrant magnets, others less so. While three out of four foreign-born adults live in New York City, the city's immigrant population grew by 3 percent, slightly lower than the statewide average, and less than half of new immigrants to New York State arrived in the city. Nonetheless, Bronx, Kings and Queens counties saw the largest number of new immigrants between 2005 and 2009 (about 68,000).

To see how even small numbers of immigrants can have an outsized impact, we must look upstate. In Albany County, foreign-born New Yorkers represented only 7 percent of the population in 2005, but their population expanded by 53 percent over the next four years. Meanwhile, the native-born population grew by only 3 percent over the same time period. As a result, new immigrants accounted for more than half of Albany County's population growth between 2005 and 2009. In Erie County, the native-born population did not grow at all. All net population growth in Buffalo and surrounding communities resulted from growth in the relatively small immigrant population, which jumped 22 percent, up to 55,000, in only four years.

For immigrants to maximize their economic and civic potential throughout New York, however, they need to be proficient in English. Unfortunately, the state is no closer to helping them achieve that goal than it was five years ago. Between 2005 and 2009, the number of adults who spoke English "less than very well" increased by 6 percent to 1.73 million.

In 2009, as in 2005, one in seven adults in New York State (14 percent) lacked strong English proficiency. In some areas of the state, the growth rate is considerably higher. Long Island, for example, saw a 12 percent increase in the number of adults with low English proficiency between 2005 and 2009, twice the statewide rate. In Albany County, the relatively small population of adults needing English-language instruction grew by a remarkable 65 percent.

As the tide of new immigrants continues unabated, New York should be redoubling its efforts to assimilate them and strengthen their role in the state economy. Unfortunately, the opposite has been happening.

TABLE 1: NEW IMMIGRANTS TO NEW YORK'S LARGEST COUNTIES, 2005-09

COUNTY	Foreign-Born Pop. 2005	Foreign-Born Pop. 2009	Foreign-Born Change 05-09	Native-born Pop. 2005	Native-born Pop. 2009	Native-Born Change 05-09
Bronx	418,643	446,136	6.6%	890,997	951,151	6.8%
Kings	916,682	935,824	2.1%	1,529,334	1,631,274	6.7%
New York	428,679	440,339	2.7%	1,101,095	1,188,715	8.0%
Queens	1,054,660	1,075,873	2.0%	1,160,679	1,230,839	6.0%
Richmond	97,058	98,408	1.4%	358,286	393,322	9.8%
Albany	18,735	28,655	52.9%	261,835	269,629	3.0%
Dutchess	25,516	34,975	37.1%	251,373	258,587	2.9%
Erie	45,898	55,795	21.6%	853,083	853,452	0.0%
Monroe	52,993	55,826	5.3%	652,000	677,877	4.0%
Nassau	261,428	266,512	1.9%	1,048,648	1,090,917	4.0%
Onondaga	24,974	30,114	20.6%	419,354	424,639	1.3%
Orange	36,840	40,252	9.3%	322,249	343,280	6.5%
Rockland	58,066	66,958	15.3%	227,022	233,215	2.7%
Suffolk	183,360	195,268	6.5%	1,261,282	1,323,207	4.9%
Westchester	228,796	229,908	0.5%	687,120	726,054	5.7%
Total NYC	2,915,722	2,996,580	2.8%	5,040,391	5,395,301	3.6%
Rest Of State	2,416,253	2,530,000	9.3%	11,011,645	11,559,922	7.0%
NY State	3,997,268	4,178,170	4.5%	14,658,007	15,363,283	4.8%

Source: American Community Survey, 2005 and 2009

FOUR PERCENT AND DROPPING

New York is caught between two diverging trends. The number of adult immigrants needing English instruction so that they can participate in the knowledge economy continues to rise. But the supply of English-language instruction continues to drop. The widening gap threatens the state's ability to tap the skills of immigrant entrepreneurs and workers to strengthen local economies.

In 2006, we found that state-funded ESOL instruction was reaching only 5 percent of the state's residents who speak English "less than very well," the standard marker for ESOL demand. Only one out of 20 immigrants needing English instruction could receive it. As of 2009, the most recent year for which detailed county-level population data was available, the coverage rate has shrunk to 4 percent, meaning that only one in 25 immigrants could receive instruction in that year. Between 2005 and 2009, even as the number of adults in the state with limited English skills grew by 6 percent to 1.7 million, total enrollment in state-funded adult ESOL courses dropped by 17 percent to 71,497. Federally-funded ESOL enrollment fell over roughly the same period. But New York State's drop was more than double the national rate of 8 percent.[3] Between 2009 and 2011, statewide ESOL enrollment fell to 67,121, a 23 percent drop from 2005.

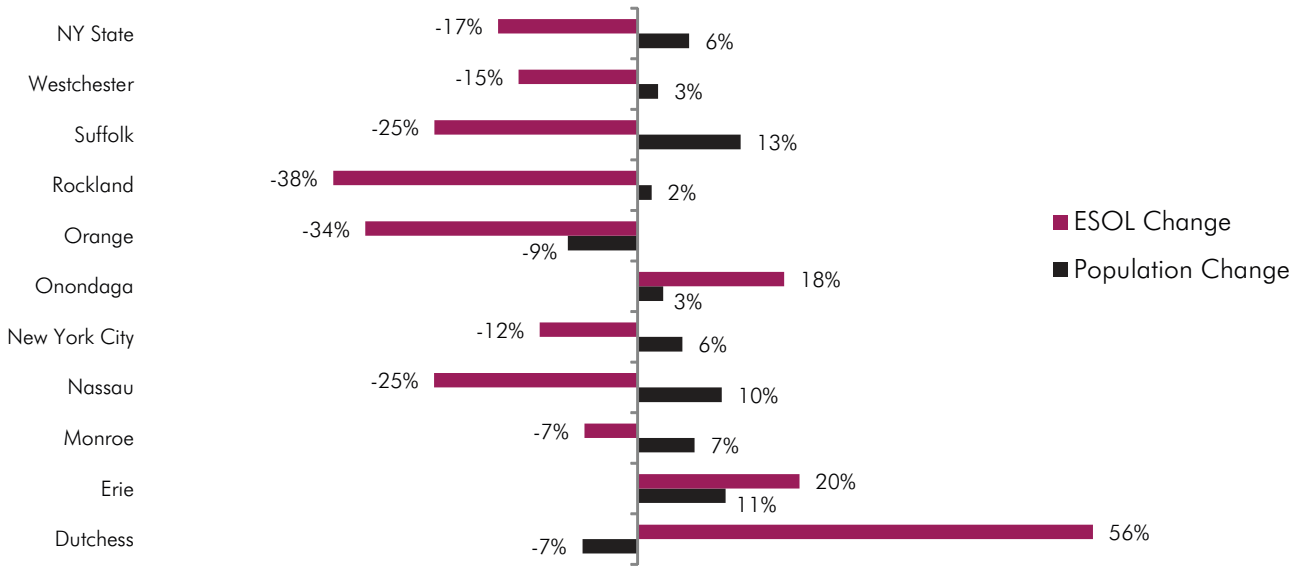
To say that state support for English-language instruction is failing to keep up does not quite capture the scale of the mismatch between demand and supply. Between 2005 and 2009, the population growth among adults needing English instruction (103,844) was 40 percent larger than the entire enrollment of state-funded ESOL services in New York State.

As we will show below, some of the decline may spring from provider-level decisions to offer more intensive instruction to fewer students, and this is a tradeoff that should be encouraged. But the bottom line is still the same: inadequate and shrinking availability of English-language instruction.

"Our ESOL system has made tremendous strides around quality and intensity of instruction, but more people are looking to improve their English proficiency than ever before," observes Tara Colton, executive director of the New York City Mayor's Office of Adult Education. (Colton formerly worked for the Center for an Urban Future, and authored our Lost in Translation report.)

Availability of English-language instruction differs dramatically from county to county, in some cases not for any clear reason. Onondaga County continues to show the most ESOL availability in New York, with 16 percent of the adult population lacking English proficiency. New York City, by contrast, has state-funded services available to reach only 3 percent of its immigrant population, the lowest rate in the state. Remarkably, the city has three-quarters of all immigrants with low English proficiency but only half of all state-funded ESOL enrollees. Between 2005 and 2009, the city's population of low English-proficiency adults rose by 6 percent while state-funded ESOL enrollment fell by 12 percent.

Chart 1: Change in Population of Adults who Speak English "Less Than Very Well" in Largest Counties and Enrollment in State-Funded ESOL Instruction, 2005-09



Sources: American Community Survey and NYS Education Department.
Note: Albany County excluded to preserve scale. See Chart 2 for Albany County trends.

The most serious deterioration in ESOL coverage seems to have taken place in the downstate suburbs. On Long Island, the population of immigrants with low English proficiency jumped by 12 percent while availability of ESOL instruction fell by 25 percent. In Westchester, ESOL need rose 3 percent while ESOL enrollment dropped by 15 percent. Rockland County saw a staggering 38 percent drop in ESOL enrollment unrelated to any change in the at-need population. The concentration of enrollment losses in these downstate suburban counties may well be related to a structural flaw in the funding structure of the Employment Preparation Education (EPE) program, the main state funding source for adult education. EPE rates are inversely related to property values. High property values result in low rates paid to providers, potentially penalizing suburban counties with high property values and growing immigrant populations. EPE's limitations are discussed below.

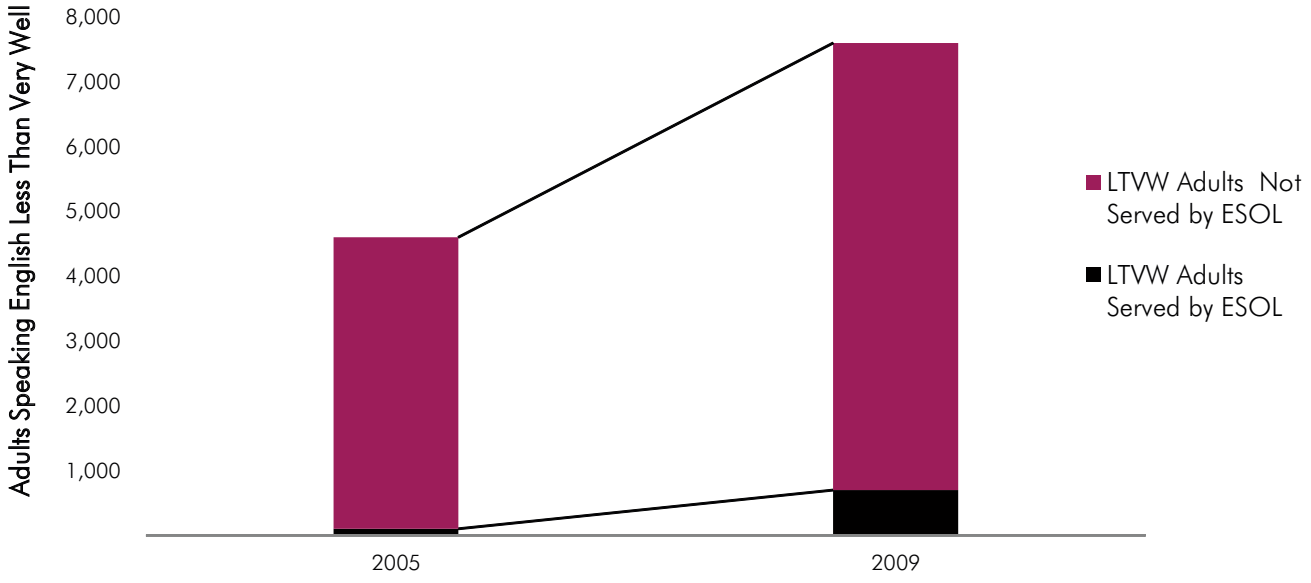
The severity of the mismatch between supply and demand is especially visible in Albany County. Albany should be an ESOL success story: the 583 percent increase in ESOL enrollment between 2005 and 2009 outstripped the 65 percent increase in the number of adults needing English instruction several times over, one of the few cases in which changes in ESOL capacity responded to county-level demographic trends. Yet Albany is still falling behind the likely demand for ESOL services because the total ESOL capacity is so small. As of 2009, 704 adults were receiving state-funded ESOL instruction, but 6,896 were not. See Chart 2.

It should be kept in mind that other factors besides funding influence enrollment. Most notably, the State Education Department (SED) has urged providers to provide more intensive adult literacy and ESOL services to their students so as to achieve greater educational gains. Considering that studies have found that a minimum of 100 contact hours are typically required to move a student up one grade level, such a policy makes sense.[4] "For a long time our programs were concerned that if their numbers went down that sent a message that they weren't doing as much work," says Rosemary Matt, the State Education Department's accountability specialist. "We tried very hard to reverse that line of thinking and get them to understand that sometimes less is more. A provider may need to serve fewer students so that those students will persist longer and have better outcomes."

SED data shows that ESOL students are staying longer and learning more. In fact, the number of adult students who advance by at least one literacy level has actually gone up, even as the overall pool of students has fallen dramatically.

Regardless, the precise reason for teaching fewer students does not change the underlying trend: fewer and fewer immigrants who need English-language instruction are obtaining it, even as their numbers grow year after year.

Chart 2: Albany County Adults Speaking English "Less Than Very Well" Served By ESOL Instruction, 2005 and 2009



Source: American Community Survey and New York State Education Department

THE HARD NUMBERS

Individual providers frequently speak of feeling overwhelmed with would-be students they cannot serve, but no evidence has been available – until now. In fall 2011, SED's Office of Adult Education Programs and Policy surveyed providers to find out, firsthand and systematically, their ability to accept new ESOL or adult literacy students. The answer came through loud and clear: the vast majority of ESOL instruction providers are overloaded and unable to accept new students. See Chart 3 for highlights of the NYSED survey.

Key findings include:

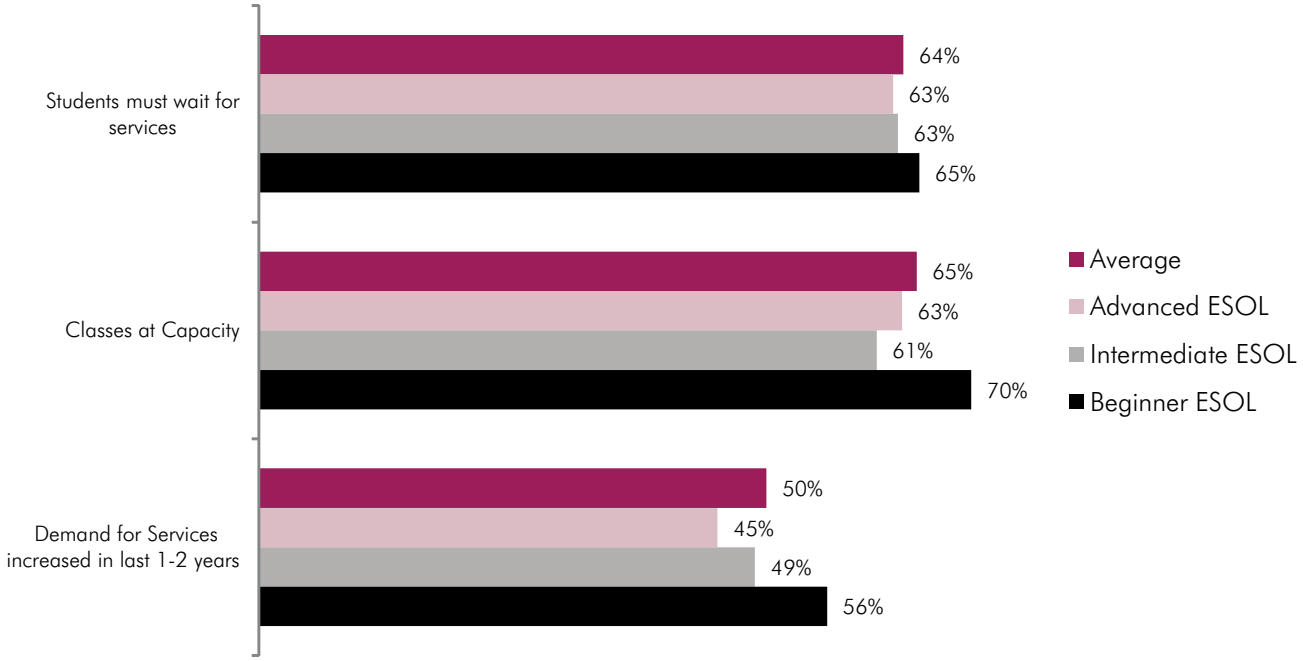
- Almost two-thirds of providers are at capacity: NYSED asked providers whether they were at capacity in beginner, intermediate and advanced ESOL courses. On average, 65 percent of providers reported being at capacity, including 70 percent of beginning ESOL providers.

- Almost two-thirds of providers keep prospective ESOL students waiting: 64 percent of ESOL providers reported that they are forced to keep adults seeking ESOL instruction waiting. Most use waiting lists, a handful use lotteries or managed enrollment procedures.

- Demand for ESOL services is rising: Approximately half of all providers report that demand for ESOL services has increased within the past 1-2 years. Only one out of 50 basic ESOL providers who filled out the survey reported seeing a decline in demand for services in the same time period.

Individual responses were more alarming than any summary could capture. "Right now we turn away 25-75 students at each of 12 lotteries per year," says a provider in northern Manhattan. A lottery in adult education refers to a system for randomly choosing a limited number of students from a large pool of applicants. "We see many more students than we can currently afford to serve; our 'real waiting list' are those students (about 10-15 per cycle) whom we promise to serve in the next cycle if they're not taken in the current cycle; others are simply turned away with recommendations of other programs or suggestion that they come to another lottery for a place in our free classes."

Chart 3: Responses to Selected NYSED Survey Questions by ESOL Instruction Level



Source: New York State Education Department

THE WIDENING FUNDING GAP

Enrollment capacity in any public program depends primarily on a combination of funding level and intensity of services provided. New York State's ESOL capacity suffers from inadequate and declining statewide funding levels. This is not merely a byproduct of the 2008 recession. Lost in Translation found that falling funding levels "meant that capacity to offer services has stayed essentially flat while demand has skyrocketed." In addition, design flaws in the state's primary tax-levied funding source, the Employment Preparation Education (EPE) are well-understood but have yet to be remedied.

No single source pays for English-language instruction in New York, but rather a diverse mix of federal, state, local and private-sector sources. At the federal level, the Workforce Investment Act (WIA) Title II supports adult education in all 50 states. The states are required to provide matching funds, and New York provides a higher level of funding than it is required to under the terms of WIA Title II.

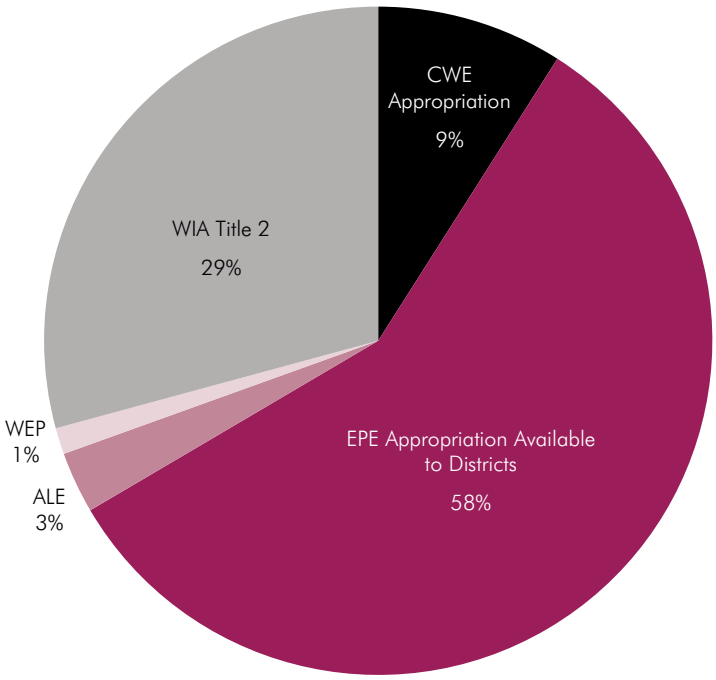
State-level funding sources include EPE, the Basic Adult Education/Welfare Education Program (WEP), and the Adult Literacy Education (ALE) program. State officials estimate that about 55 percent of all adult literacy funds go toward ESOL instruction, with the remainder devoted primarily to adult basic and secondary education for English speakers. The 2011 budget for ESOL in New York State is roughly $79 million. The major sources of support for ESOL are the state-funded EPE program and the federally-funded WIA Title II. See Chart 4.

Overall, state and federal funding for adult education fell by 4 percent over the past decade, from $150 million to $144 million. Out of the 2011-12 budget of $144 million, 55 percent (about $79 million) was spent on ESOL. Adjusted for inflation, funding dropped by 20 percent, a much sharper decline. See Table 2.

Employment Preparation Education (EPE) is New York State's primary program funding stream for English-language instruction. EPE provides State aid to public schools and Boards of Cooperative Educational Services (BOCES)—organizations that provide educational services across multiple school districts—to support ESOL and adult education. In 1995, the State Legislature capped EPE funding at $96 million annually. Since the cost of goods and services continually rises, flat EPE funding essentially imposes an annual funding cut on all adult education services.

Not all EPE funding is available for school districts to use in strengthening adult literacy. In 1992, the Legislature set aside $2 million of New York City's EPE allocation to the Consortium for Worker Education (CWE), the workforce and economic development arm of the New York City Central Labor Council. Over time, that allocation has risen to $13 million, reducing the city's adult literacy budget by a comparable amount. The funding goes toward CWE's Workforce Education Program, which

Chart 4: Adult Education Funding in New York State, 2011-12



Source: New York State Education Department. N=$144,297,948.

TABLE 2: ESOL FUNDING TREND IN NYS, IN MILLIONS OF DOLLARS, BETWEEN 2002-03, 2011-12

	2002-03	2011-12	Nominal Trend	Inflation-Adjusted Trend
EPE Appropriation to Districts	$47.4	$45.7	-4%	-20%
EPE CWE Appropriation	$5.5	$7.2	23%	8%
ALE	$1.8	$2.4	23%	7%
WEP	$2.8	$1.0	-171%	-69%
WIA Title II	$25.0	$23.2	-8%	-23%
Total	$82.5	$79.4	-4%	-20%

Source: New York State Education Department. Table is based on ESOL ratio of 55 percent of all adult literacy funding in New York State. Total adult literacy funding in New York State was $149.9 million in 2002-03 and $144.3 million in 2011-12. Note: the "nominal trend" represents the change in funding in actual dollars without adjustment for inflation.

provides a variety of foundational, pre-vocational and vocational training services to New Yorkers.

In a 2011 report card based on federal Department of Education outcome measures, the State Education Department (NYSED) found CWE's adult literacy outcomes to be unsatisfactory compared to other providers. But the agency later disavowed that assessment on the grounds that only a small fraction of the services provided by CWE were actually adult literacy services. However, NYSED has yet to disclose what services CWE provides, what outcomes they are accountable for, and whether they are meeting those outcome standards. NYSED is reportedly in the process of developing an accountability system for CWE, so information may be forthcoming in the near future.

Adjusted for inflation and excluding the CWE set-aside, EPE funding declined by 20 percent between 2002 and 2011.

ESOL funding for the Adult Literacy Education (ALE) program, the primary state funding stream for non-profit organizations, has gone from $1.8 million in 2002 to $2.4 million in 2011, a 7 percent increase when adjusted for inflation. But the apparent stability of this funding source is an illusion. Over the past decade, concerted efforts were made to expand ALE funding. In 2007, ALE supported $4 million in ESOL instruction, but then dropped by more than 40 percent to $2.4 million in 2011. Work Experience Program (WEP) support for ESOL has also deteriorated, going from $2.7 million in 2002 to $1 million in 2011.

Hardest hit, however, was federal funding for adult education. WIA Title II, also known as the Adult Education and Family Literacy Act (AEFLA), took the largest proportional cut, dropping by 23 percent over the past decade. The U.S. House of Representatives has proposed even deeper cuts to AEFLA, foreshadowing grim declines in publicly-funded English-language instruction for years to come.

The steady squeeze on adult literacy funding has created tremendous pressure on providers of ESOL and adult education. "What has changed in five years is that programs do more with less," says Elyse Barbell, director of the Manhattan-based Literacy Assistance Center (LAC).

The Center's Lost in Translation study also called attention to three structural failures of EPE, the state's largest ESOL funding pot. Two have yet to be addressed, while the third has become less critical.

- Payment rates based on property values: EPE determines compensation per contact hour based on property values in that particular school district. The higher the property value, the lower the rate. In 2011, a provider in White Plains or Port Washington received $4.82 per contact hour, less than half the $11.06 rate received by a provider in Jamestown. Yet the clients served by the White Plains provider may be as equally poor and deserving as those in Jamestown. Providers being paid at the lower end of the scale reportedly lose money on each client served, which must be made up from other funding sources. Furthermore, the low rates incentivize providers to pack as many students as possible into a classroom, reducing learning gains for each individual student. See Table 2.

- EPE excludes many important English-language instruction providers, such as libraries, community colleges and community-based organizations. Only school districts and BOCES, multi-district service organizations that serve school districts, are

permitted to receive EPE funding. The CWE set-aside is an exemption explicitly written into statute.

- EPE reimburses retroactively and bars providers from rolling funds over into the next fiscal year. Providers therefore deliberately underestimate their needs to avoid financial liability. Ironically, this practice resulted in legislative proposals to take back unspent funds (usually $6 to $8 million), despite massive unmet need for English-language instruction. However, the State Education Department reports that in recent years, all EPE funding has been used. It would nonetheless make sense to eliminate any temptation to lowball enrollment planning by revamping the EPE funding structure.

In 2009, CUF and 28 other organizations cosigned an "action agenda for ESOL," a key element of which was to discard or vastly overhaul the current EPE funding formula. Unfortunately, the Legislature has made no progress on the action agenda's recommendations.

TABLE 3: 2011 EPE RATES IN NEW YORK COMMUNITIES

EPE Recipient	2011 EPE Rate
Port Washington UFSD	$4.82
White Plains CSD	$4.82
Rockland BOCES	$5.57
Southern Westchester BOCES	$5.98
Yonkers CSD	$5.90
Putnam-Northern Westchester BOCES	$6.51
Nassau BOCES	$7.97
NYC Department of Education	$7.54
Consortium for Worker Education	$7.54
Dutchess BOCES	$7.65
Orange-Ulster BOCES	$7.82
Albany City School District	$8.71
Binghamton CSD	$10.45
Rochester CSD	$10.99
Buffalo CSD	$11.00
Jamestown CSD	$11.06

Source: New York State Education Department

POSITIVE VIBRATIONS: THE ESOL/ADULT EDUCATION SYSTEM ADVANCES

While the governor and state legislature have yet to make any progress in strengthening the state's ESOL system, there have been some improvements from the inside. In key areas, the status quo logjam has begun to break.

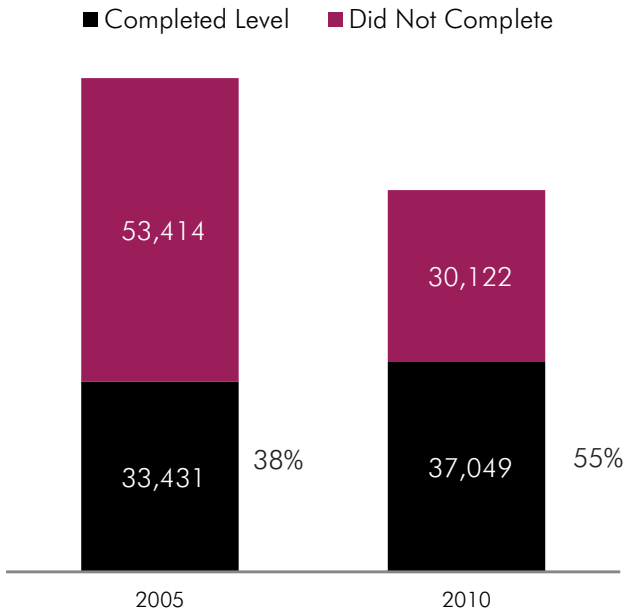
Outcome data collected by the State Education Department's Office of Adult Education Programs and Policy (AEPP) show clear gains in effectiveness during the past half-decade. Remarkably, the number of ESOL students advancing at least one literacy level is up by 11 percent though the student population has dropped by 23 percent. The rate at which students advanced to the next literacy level jumped by almost half, from 38 percent to 55 percent. Such a large increase in educational gains is five years is surprising and clearly significant. See Chart 5.

What accounts for the increased instructional effectiveness? AEPP officials say that they have encouraged providers to give their students more seat time in class, and the numbers bear out this claim: the average number of contact hours per student rose from 115 to 125 between 2005 and 2010. To put this increase in context, adult literacy experts have found that moving an adult student up one grade level requires about 100 hours of class time. The comparison to ESOL literacy levels is not precise, but an extra ten hours of time in class can make a significant difference for some students.

AEPP has also stepped up its support to individual programs. AEPP and the Regional Adult Education Networks have provided intensive technical assistance to programs around the state, especially those where performance lagged in the previous year. This data-driven, hands-on approach is new to NYSED, but it seems to be yielding results.

Perhaps the most ambitious statewide initiative is the state's emerging network of Literacy Zones. Developed by AEPP, the literacy zone model envisions an adult education provider who serves as a one-stop center for a wide variety of services. Just as an airline passenger assumes that the price of a ticket includes the airplane, the pilot, the air traffic controller and a comfortable seat by the gate, a client who walks into the literacy zone can expect other services besides ESOL or reading instruction. Intake counselors are trained to identify public benefits for which the client may be eligible (such as Medicaid or Food Stamps), mental health services that can help prepare the client for learning, or a local community college that can provide a next career step after completing the adult education curriculum and obtaining a GED.

Chart 5: ESOL Students Who Gained At Least One Literacy Level, 2005 and 2010



Source: New York State Education Department

Leveraging a combination of state WEP funding and federal WIA Title II dollars, AEPP has launched 35 Literacy Zones in low-income communities around the state. The project is still in the early stages. So there are legitimate questions to ask about expected outcomes, external evaluations, diversion of funding from other adult education providers, and prioritization of partnerships. But the initiative should be applauded for achieving liftoff in an extremely difficult budgetary and political environment.

AEPP is also working closely with other state agencies and the CUNY/SUNY systems to build stronger transitions from adult education to postsecondary education. The traditional adult education goals of obtaining a high school equivalency credential such as a GED or getting a better job no longer suffice in the new economy. Policymakers and providers are well aware that some form of education beyond the high school level is becoming more and more essential to earning a family-supporting wage. Accordingly, AEPP is working with programs to emphasize the importance of taking the next step to college, building partnerships with community colleges, and conducting professional development for adult literacy instructors around postsecondary transition.

"What the State Education Department has been able to do is take stock of the various initiatives that involve adult ed transition to postsecondary and career pathways, and lay out what those look like," says Judith Alamprese, Principal Associate at Abt Associates and a leading expert on adult education. Alamprese is providing technical assistance to New York as part of the Policy2Performance Project, a multi-state initiative supporting postsecondary transition. "Policymakers in New York are now tackling the next step, which is to help adult ed students reach the bridge level, where they're studying material that increases in rigor beyond the GED and preparing for postsecondary coursework."

SUMMARY AND RECOMMENDATIONS

In New York City, it has long been understood that immigrants are the future, the key to rejuvenating neighborhoods and local labor markets, one generation after another. From the Dutch, English and Germans, to the Jews, Irish and Italians, to the Dominicans, Chinese and Sri Lankans, New York City has put a high priority on assimilating new immigrants. Increasingly, however, immigrants have become important to the neighborhoods and local labor markets of upstate and suburban communities as well.

Yet a precondition of fully benefitting from immigrants moving to these communities is teaching them the English language. There New York fell short in 2011, just as it did in 2006. It is essential to break through the barriers of inertia and provincial self-interest that prevents change. Opportunity for over a million New Yorkers is at stake. And so is the state's economic prosperity in the 21st century.

The Governor and State Legislature should substantially increase funding for ESOL over time at the state and local level. With only 4 percent of the potential demand for ESOL instruction in New York being met, our current ESOL budget is just a drop in the bucket. The current fiscal climate makes increased state and local funding a heavy lift. But our state has repeatedly postponed investment in its human capital, and the bill will come due as the economy recovers and employers struggle to find qualified – and English-proficient – employees to meet consumer demand. Better to start strengthening New York's adult education system now. Removing or raising the EPE cap is long overdue, and would have a seismic impact on the availability and quality of ESOL provided in New York State.

Local governments should also step up support for ESOL instruction. Municipal and county governments also have a role to play, since they are closest to the immigrant communities that need English-language instruction. They should build support for ESOL instruction, especially in the form of partnership

arrangements with employers. Such a collaborative arrangement could make scarce dollars go further in shoring up immigrant workers' skills to meet the needs of the local labor market.

The Governor and State Legislature should discard or vastly overhaul the current EPE funding formula. EPE funding suffers from a badly outdated reimbursement system that pays providers according to a formula based on local property values rather than where the need is. While property values provide some measure of a community's wealth, they do not account for recent spikes in immigration and the enormous demand for ESOL services. Moreover, high local real estate prices and sharp differences in teacher salaries mean that the overhead costs for running a class in a community with high property values could be double that of another community with lower property values. Yet some of these areas receive less than half the funding available to other areas. The response could be two-fold: first, tie EPE funding to more relevant measures, such as the number of adults with limited English proficiency; second, set a minimum hourly reimbursement rate for EPE, so that all school districts are guaranteed a certain percentage of the maximum rate. It would also be worthwhile to develop a strategy to expand funding for community-based organizations, libraries and non-profit literacy providers that offer literacy and English-language instruction, either within or outside EPE.

The State Legislature should revise EPE regulations to allow providers to roll over unexpended funds from one fiscal year to the next. Providers must spend every cent of their EPE funds by the end of their local fiscal year and are unable to roll over funds from one year to the next. Allowing providers to roll over funds to the following fiscal year would require no additional resources and could strengthen the quality and continuity of service provision. What's more, EPE funding is often not dispensed in a timely manner, making this reform even more necessary. In 2009, some EPE grants were not received by providers until the fall, even though their fiscal year had begun several months earlier.

The State Education Department and Department of Labor should incentivize partnerships between workforce programs and literacy providers by giving high points for these joint ventures in the state's competitive RFP process. Some ESOL providers are eligible to receive funding from both Title I and Title II of the federal Workforce Investment Act (WIA). Title I supports workforce development and training services, while Title II funding is dedicated to adult literacy and ESOL programming. But few providers actively pool the two funding streams, a missed opportunity to provide literacy services that prepare students for obtain better jobs and launch careers. New York State should either mandate or incentivize collaboration between entities that receive Title I and Title II funds.

The state and localities should establish matching grant programs with Chambers of Commerce and other local business intermediaries to develop workplace ESOL courses. Many small- and medium-size employers lack the resources to provide or finance English-language instruction for their immigrant workers. They are at risk of falling behind in the competitive race with other companies, particularly those located in other regions of the country. New York could boost economic competitiveness by supporting an expansion of workplace ESOL instruction. But employers should have skin in the game too, by contributing to the cost of the programs, as well as providing release time to employees.

The State Education Department should be more transparent about the Consortium for Worker Education's role in the EPE system. The State Legislature has mandated that $13 million of the $96 million EPE fund should go annually to an organization called the Consortium for Worker Education (CWE) for its Workforce Education Program. CWE has a strong reputation in the workforce development community, but reputation is no substitute for evidence of effectiveness. It is highly unusual to set aside so much money for one organization, and the potential for inefficient or misdirected service provision is clear. The State Education Department should fully disclose the nature of services provided by CWE, the outcomes used to measure effectiveness in each area, and CWE's effectiveness in meeting benchmarks set in those areas.

END NOTES

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