

## LEGISLATIVE COMMITTEE

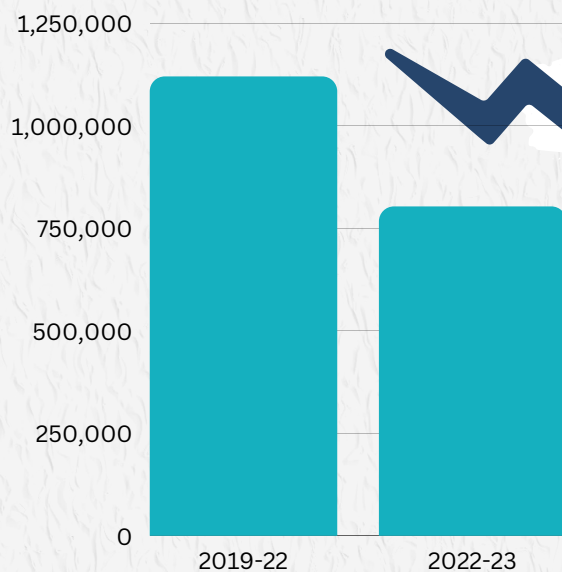
# Contact Hour Comparison

September 30th, 2022

Dear LAN Members,

For the current year so far, statewide contact hours are down 28.3% of what they were in 2019 when we stopped counting hours in March. If your individual program or consortium hours are down less than 28.3% of 3 years ago, things are looking really good - even if you are close, it's still probably good. If you are down more than 28%, you should start preparing for a reduction in funding beginning July 1st, 2023 (unless something changes in the last two-thirds of the year).

Many ABE programs have requested information regarding trend lines in terms of contact hours over the past few years. Scott Helland drew on SiD to prepare some (very unofficial) statewide data regarding total contact hours that may be of use to you. The numbers are from May 2019 to August 2019, which we have been funded on for the last 3 years, and the current period, May 2022 to August 2022, with numbers rounded to the nearest 1000:



If all of ABE hours statewide are down 28% the per hour contact rate would increase to approximately \$10.48 per hour.

Feel free to keep on reading more for extra credit.

So now you're comparing your program's rise or decline in hours to the entire statewide decline to figure out how much money your program will get. We will not know the whole state numbers till we have ended the year. But these updates are to help folks know where the state is approximately.

The big issue of this increase to \$10.48 per hour is that one-fourth of the ABE programs are already hitting the \$22.00 per hour allowable cap. Those programs will not access any additional dollars above the \$22.00 per hour. It will fast forward the negative effects of the \$22.00 per hour cap.

There is a 11% growth dollar cap. So a program with 100,000 contact hours would need about 71,700 contact hours to make about the same amount of money. The same consortium would need about 79,700 hours or a decrease no more than 20.3% from 2019 to see an 11% growth in dollars. After that point, additional hours will not generate additional money beyond 11% of what a consortium got last year in contact hour funding.

$$79,700 \text{ contact hours} \times \$10.48 \text{ per contact hour} = \$834,720.00$$

For smaller programs, let's use 10,000 hours as an example.

$$7,970 \text{ contact hours} \times \$10.48 \text{ per contact hour} = \$83,472.00$$

These programs are more likely to also hit the \$22.00 per hour cap.

#### **What does this mean for my program?**

As an example, I took my individual program at Harmony divided the hours from May 2019 to August 2019 by the hours from May 2022 to August 2022. Our percentage was down 18.4%.

This says to me that my growth rate is above the state average (so far this year). I breathed a small sigh of relief that says okay, I can probably expect the same or more funding from contact hours that I have received in the last 3 years. (Note: my program is not affected by an 11% growth cap which is of concern because that cap is figured in dollars paid not hours earned.)

I took another program in my consortium and their hours were down 81.4% pre-pandemic. They should begin planning for a reduction in funding starting July 1st, 2023 based on the May 1st, 2022 to April 30th, 2022 hours. This is of particular concern to the program as they are strictly a contact hour funded program and do not get any of the other pieces of the formula. This helps only because it lets folks budget for the upcoming change.

Again, I took a third program in the consortium and they were up 106% contact hours in contrast to pre-pandemic contact hours. However, since this is a school district program, with relatively low contact hours that rely primarily on their ELL and population aid for their funding, they should expect a bump in the contact hour portion of their funding as the contact hour rate increases as well.

Sally Welsh and Scott Helland would be happy to discuss your individual program in depth with you if you would like.

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