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TO: Chairman Botzow and Members of the House Commerce and Community Development Committee  
FROM: Dr. Heather Bouchey, Deputy Secretary, Agency of Education  
DATE: February 13, 2018  
RE: Appropriations Committee's Policy Review Request (Next Generation Fund)

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Good morning and thank you for the opportunity to testify today. The Agency of Education (AOE) appreciates the Committee's support and continued interest in our efforts to better align education systems with state workforce needs. More specifically, I am speaking of our work in career technical education (CTE), work-based learning, and dual enrollment. Each of these programs represent Flexible Pathways toward high school graduation for Vermont's students and are bridges to a well-prepared workforce for Vermont.

As requested, I will frame my testimony today around the Next Generation fund. I hope that I may come back to talk with the Committee in detail about the Agency's work in CTE, Career Pathways and our intentional collaborative efforts with other state Agencies and the State Workforce Development Board.

#### 1. Adult technical education

In Vermont State Board of Education Rule 2370, adult technical education is defined as "technical education provided to an adult student that is not part of a course of study leading to a diploma or degree." Adult student(s) are defined as "resident(s) of Vermont, of any age, who have received a high school diploma." The focus here is on whether the student's program culminates in a diploma (for adult technical education, it should not) and whether students already have a diploma (for adult technical education, they should).

We find these two pieces important when distinguishing between adult and secondary CTE. For secondary CTE, the curriculum should focus on completing a high school diploma and ensuring readiness for postsecondary endeavors, in addition to developing critical skills and work-based learning linked to specific careers. For adult technical education, the focus should be on training experiences after the high school diploma has been received; such training may vary in terms of the length of training program and the credentials of value that are earned. It is also important to note that adults who have *not* completed the high school diploma are eligible to (and do) attend secondary CTE programs. This is funded through the Education Fund; such students are part of the K-12 educational system.

I provide this information to better clarify why AOE supports oversight of state adult technical education by the Department of Labor. We currently lack a cohesive system of oversight and

accountability for adult technical education within state government. In addition, the bulk of the state dollars that are available for adult technical education come from the Next Gen Fund (i.e., \$360K) administered by VDOL. (Note: \$211K from Gen Fund goes toward salary assistance for adult technical education). Finally, we hear frequently from employers about the need for a more nimble training system that can better meet *immediate* employer demand. We propose assigning the adult technical system to a clear “home” with oversight and monitoring by DOL to begin to meet this need. The adult technical education director group appears to agree with this plan.

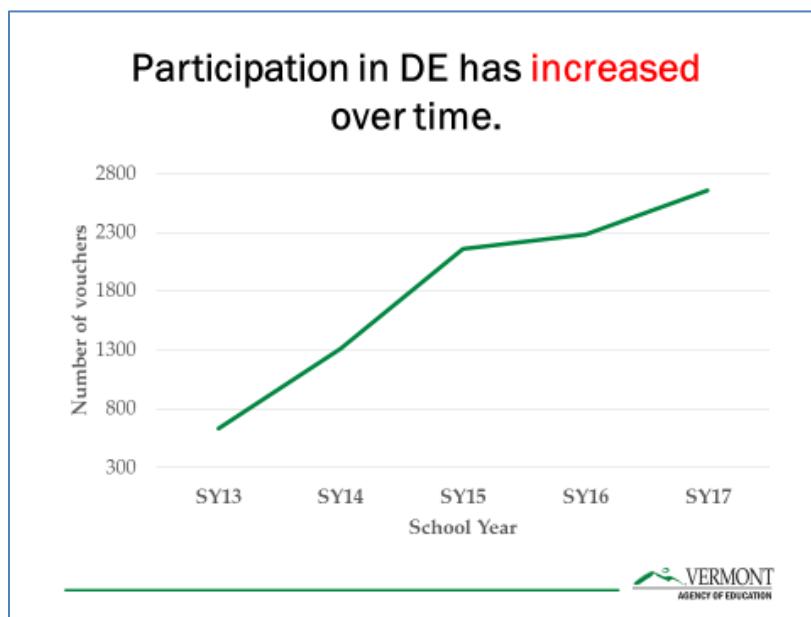
## 2. VSAC non-degree grant program

AOE supports continued funding of this initiative. It is a critical source of financial support for adult technical education students, especially as they cannot currently access federal financial aid such as Pell grants and student loans for postsecondary training outside of the college system.

## 3. Dual enrollment

This program is open to Vermont residents who have completed grade 10 and have not received a high school diploma. The Program pays for up to two college courses either offered on the campus of an accredited postsecondary institution or by an accredited postsecondary institution on the campus of a secondary school. This may include online college courses or components. AOE pays established tuition rates to the postsecondary institutions. Course credit counts toward both high school completion and college credit on transcript.

AOE strongly supports level funding of Dual Enrollment through the Next Gen fund. As indicated in the graph, the demand for dual enrollment statewide has continued to grow.



Data indicate that participation in DE is associated with increased college enrollment (11% jump from baseline level in spring 13), although we cannot infer a causal relationship.

Number and percent of students who participated in DE and enrolled in postsecondary education (as of Fall 16) <sup>1</sup> .								
<u>1st semester in DE</u>	<u>Total # students in DE</u>	<u>Total # of DE students in NSC, 0-3 mos<sup>2</sup></u>		<u>Total # of DE students in NSC, 0-12 mos<sup>3</sup></u>		<u>Total # of DE students in NSC, 12+ mos</u>		
			<u>%</u>		<u>%</u>		<u>%</u>	
SPRING13	193	108	56%	118	61%	128	66%	
SY14	1215	796	66%	849	70%	910	75%	
SY15	1687	1124	67%	1200	71%	1238	73%	

Appendix A provides a fiscal summary of the Dual Enrollment program. The funding structure has been historically set up so that half comes from the Ed Fund and half comes from Next Gen.

However, the Dual Enrollment appropriation has not kept up with actual demand for services. The FY 2019 budget begins to address this issue through the addition of \$160K Education Fund to the appropriation. No additional funding from the Next Generation fund is requested.

Need based stipends, administered through VSAC and funded 50% through Ed fund and 50% through Next Gen, are a critical source of financial support for students from economically disadvantaged backgrounds who are participating in dual enrollment. These funds are available to students eligible for Free and Reduced Hot Lunch in order to offset transportation, course materials, fees, and other associated costs of dual enrollment participation.

This concludes my prepared testimony on Next Generation funding. Thank you for your time and attention.

**Appendix A  
Fiscal Summary**

<b>Dual Enrollment Summary</b>					
<b>Fiscal Year</b>	<b>EF</b>	<b>Next Gen (GF)</b>	<b>Total</b>	<b>Annual Change</b>	<b>% Difference</b>
2015	480,936	480,936 <sup>1</sup>	961,872		
2016	681,835	600,000	1,281,835	319,963	25%
2017	883,419	600,000	1,483,419	201,584	14%

<b>Early College Summary</b>					
<b>Fiscal Year</b>	<b>EF</b>	<b>Next Gen (GF)</b>	<b>Total</b>	<b>Annual Change</b>	<b>% Difference</b>
2015	306,012	0	306,012		
2016	1,252,012	0	1,252,012	946,000	76%
2017	1,276,950	0	1,276,950 <sup>2</sup>	24,938	2%

<sup>1</sup>Not appropriated to AOE. Payments made by Vermont State Colleges.

<sup>2</sup>\$628,225 of FY17 total cost was paid in FY18