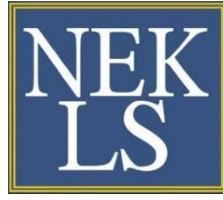


TO: House Education Committee
FROM: Vermont Adult Education & Literacy Network
RE: FY24 Budget
DATE: February 28, 2023



Dear Chair Conlon,

Thank you for the opportunity to testify in your Committee on Wednesday, February 22. The Adult Education & Literacy Network respectfully submits this memo to answer specific questions that came up during our testimony. As your Committee works on its budget memo to the House Appropriations Committee, we hope you will keep our funding request in mind and support including the full request of a \$1,500,000 base increase to Adult Education & Literacy services within the Agency of Education's budget. Please see our [FY24 Funding Request Handout](#) for more information regarding our request for state appropriations.

Vermont's four Adult Education & Literacy service providers receive funding from the state and federal government through the Vermont Agency of Education, and funding comes from a variety of different sources. Additionally, two of the four AEL service providers have received minimal non-federal, non-state funding through independent fundraising in past years. Funding sources for AEL service providers include:

State Funding (Agency of Education):

- Adult Basic Education (ABE) grant funding - base funding
- Adult Diploma Program (ADP) grant funding - base funding
- State General Funds - FY22 & FY23 only
- High School Completion Program - fee for service

Federal Funding:

- Workforce Innovation and Opportunity Act (WIOA) Title II grant funding
- Integrated English Literacy and Civics Education (IELCE) funding

Non-Federal, Non-State Funding:

- Since Fiscal Year 2017, 2 of the 4 AEL service providers have raised funds through independent fundraising to cover operational costs and address deficits. This income helps immensely, but is unable to meet the entire need.
- All 4 AEL providers receive minimal appropriations from the towns they serve. The funding is small compared to each Center's overall budget, and is mostly used as match for greater federal funding. Below are the total amounts each Center received from municipalities in FY22:
 - Vermont Adult Learning - \$27,403
 - Central Vermont Adult Basic Education - \$58,560
 - The Tutorial Center - \$17,000.
 - Northeast Kingdom Learning Services - \$12,400

Base Funding - \$3,500,000. The Adult Education & Literacy Network (AELN) considers the ABE and ADP grant funding from the Agency of Education as the Network's base funding. The Adult Basic Education grant program is funded with state general funds, and the Adult Diploma Program is funded out of the Ed Fund. Funding from these two programs totals around \$3,500,000 for Vermont's 4 AEL service providers. While we consider this our primary base funding, it is important to note that this funding is still restricted in that it relies on reaching specific deliverables. **The funding amount for these two programs has been level funded at \$3,500,000 since 1992, despite significant increases in costs of providing Adult Basic Education services.**

Federal Funding. Both WIOA Title II and IELCE grant funding from the federal government passes through the Agency of Education to AEL service providers. The majority of federal funding for AEL services comes from WIOA Title II, and the amount Vermont providers receive varies from year to year. IELCE funding is specifically for English Language Learners (ELL), and the amount also varies from year to year. Currently, only two of the four AEL providers in Vermont receive federal IELCE funding due to an outdated state analysis. Despite two AEL providers not receiving federal funds for this service, all 4 Centers in the AELN serve ELL students.

- **English Language Learners.** From FY22 to FY23, all 4 AEL providers in Vermont have seen a significant increase in their ELL student population. This is largely due to the increased population of Afghan and Ukrainian refugees as well as other New Americans. As you'll see in the table below, the **AELN has served a total of 427 ELL students in year to date FY 2023 alone, including 18 Ukrainian and 39 Afghan refugees, representing a 48% increase over fiscal year 2022.**

High School Completion Program - Fee for Service. Through a competitive RFP process with the Agency of Education, AEL providers administer the HSCP for the State. This RFP process occurs every two years, and the AEL providers have secured the contract to administer this program since it was opened to adults over the age of 16 in 2013. The last bid was in calendar year 2021, and the Network is currently working on its bid for the next two year cycle, which is due in April 2023. This is a fee for service program that comes out of the Ed Fund, and while the fee schedule has remained flat over the years, costs of providing this service have increased significantly.

- **HSCP Funding.** Funding for the HSCP has decreased significantly due to lower student enrollment caused by the Covid-19 pandemic and policy changes at the Agency of Education. In FY2019, the Agency implemented a change regarding the standardized testing required to enter HSCP. We have found that this policy change increases the barrier to entry for this program.
- **What “High School Completion” Means.** A student must take a standardized test in Reading, Math and Language and have a signed graduation plan with a school in order to enter the HSCP. If they receive an adequate score on the test, then they are enrolled. Students who complete HSCP receive a high school diploma from the partnering high school.

Table 1. AELN Student Numbers Per Program

	High School Completion Program	English Language Learning	Adult Basic Education
Fiscal Year 2022	384	390	925
Year to Date Fiscal Year 2023	313	427	662

One-Time Funding from the State. Last year, the Vermont Legislature appropriated an additional \$350,000 in one-time funding to the Adult Education and Literacy Network in the FY22 Budget Adjustment Act, as well as another \$700,000 in one-time funding in the FY23 state budget. Both of these appropriations came from state general funds. Those additional funds have helped address chronic underfunding of Vermont’s AEL service providers, but there is still a significant need. Because this additional funding was one-time, action is needed to preserve this increased level of funding. Without action, AEL providers risk running a budget deficit at their Center.

AELN’s Role in Workforce Development for Critical Occupations. The grants that AEL providers receive from the state fall under the category of Integrated Education and Training (IET) programming. AEL providers are direct partners with the VT Department of Labor, HireAbility and local School Districts and get student referrals from these entities. An IET program includes the following three components:

1. Adult education and literacy activities
2. Workforce preparation activities
3. Workforce training in an in-demand industry

As the providers of IET programs, all AEL providers work directly with their local workforce development teams to address critical occupation needs in their region. For example, The Tutorial Center is a member of the Bennington County Regional Commission which has been working on an Integrated Education & Training program for early childhood education workers and LNAs in the Bennington area. NEK-LS also has an IET focus on early childhood. Vermont Adult Learning’s Energy Works program is an IET for weatherization, heat pump installation, and solar panel installation workforce needs. The program has trained 49 Vermonters in the skills needed to enter well-paying jobs in the emerging energy sector.

The AELN has recently received a Sanders earmark for workforce development programs across the Network, which will help all 4 AEL providers enhance their workforce development work specifically. It is worth noting that a tension exists between encouraging students to fill needed jobs in Vermont, and having those jobs be occupations that do not always provide a living wage in Vermont (i.e. early childhood), which can go against our mission of helping students achieve their full potential. This is a broader problem that needs to be addressed at the state level. Please see Appendix B below for language that currently exists in statute regarding the connection between AEL services and workforce development.

Students Served. The AELN served approximately **1,699** students in fiscal year 2022. From July 1, 2022 to February 24, 2023, the Network has served **1,396** students. Spring is often our busiest season, so we expect that number to grow to surpass the number of students served in FY22. Below is a breakdown of student demographics per Center:

Table 2. Student Demographics Per Center (FY22)

AEL Student Demographics		CVABE	NEK-LS	TTC	VAL
Age Group	16-18	120	71	53	343
	19-24	69	38	30	222
	25-44	100	21	25	364
	45-54	40	7	2	84
	55+	39	10	7	60
Gender	Male	170	58	54	430
	Female	198	89	63	641
Ethnicity	American Indian or Alaskan	7	3	1	12
	Asian	30	6	3	99
	Black or African America	19	2	4	158
	Hispanic or Latino	35	4	5	97
	Two or more races	16	3	6	32
	Total BIPOC	107	18	19	398
	White	261	129	98	672
Labor Status	Employed	147	61	30	457
	Unemployed	219	77	78	574
Barriers to Employment	Ex-offenders	17	1	2	16
	English language learners / low literacy levels / cultural barriers	368	147	117	1073
	Homeless/ runaway youth / foster care involved youth	11	3	3	36
	Low income	153	11	22	180
	Individuals with disabilities	191	16	11	180
	Single parents	34	8	9	63
Students that received <12 of schooling		258	125	97	801

NOTE: Each AEL provider has further demographic breakdown sheets available upon request. This table is extrapolated data that provides numbers for specific categories of people we were asked about in your Committee. If there is interest in receiving further information, for example regarding the specific type of disabilities we see in our students, that information can be provided.

Who Are Our Students? (Network Wide Key Data - % of Total Network Student Population):

58% Female	53% Unemployed
22% BIPOC (variable by county)	100% with barriers to employment
46% with at least 1 disability	76% No high school credential

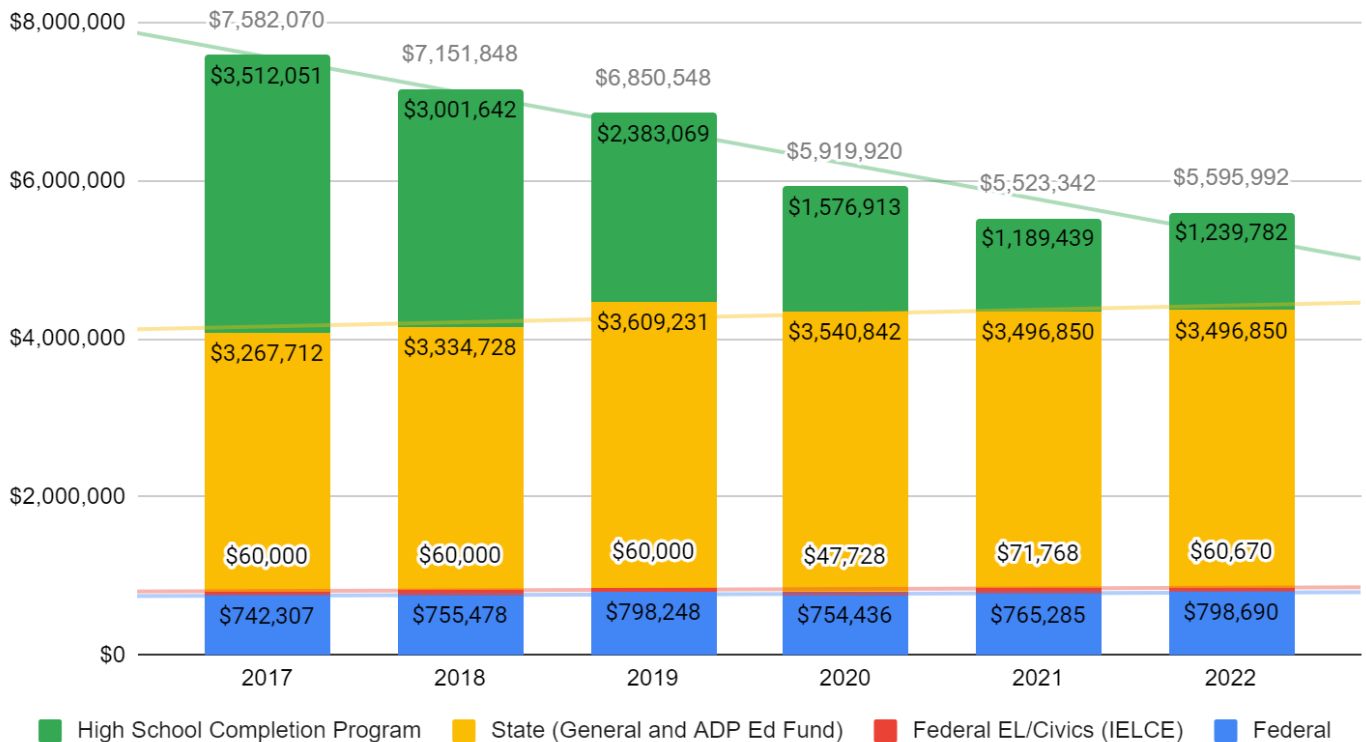
APPENDIX A - TOTAL FUNDING FOR AEL SERVICES IN VERMONT

NOTE: Organizational expense budgets are attached as separate pages under Appendix D.

Funding for AEL Services, Fiscal Year 2017-2023

Adult Education & Literacy Network Funding	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Federal WIOA Title II Grants	\$742,307	\$755,478	\$798,248	\$754,436	\$765,285	\$798,690	\$795,915
Federal IELCE Grants	\$60,000	\$60,000	\$60,000	\$47,728	\$71,768	\$60,670	\$61,470
State (ABE & ADP grants)	\$3,267,712	\$3,334,728	\$3,609,231	\$3,540,842	\$3,496,850	\$3,496,850	\$3,496,850
One-Time Budget Adjustment/FY24 funding (GF)	\$0	\$0	\$0	\$0	\$0	\$350,000	\$700,000
High School Completion Program (HSCP) - Fee for Service	\$3,512,051	\$3,001,642	\$2,383,069	\$1,576,913	\$1,189,439	\$1,239,782	Data Not Yet Available
Other (non-state, non-federal) AEL funding	\$400,508	\$412,903	\$402,544	\$473,427	\$362,955	\$422,256	\$215,794
Total AEL Funding	\$7,982,578	\$7,564,751	\$7,253,092	\$6,393,347	\$5,886,297	\$6,018,248	\$4,570,029

AELN State and Federal Funding Sources (2017-2021)



APPENDIX B - AEL FINDINGS LANGUAGE IN ACT 183 of 2022

Last year, the Legislature passed a big economic and workforce development bill (S.11) that was enacted as [Act 183](#) after the Governor signed the bill on June 8, 2022. [Here is a summary of Act 183](#). Sec. 41 of the bill is findings language regarding Adult Education & Literacy. Here is the language of Act 183 Sec. 41:

Sec. 41. ADULT EDUCATION AND LITERACY; FINDINGS

The General Assembly finds:

(1) Adult education and literacy services are a key piece of the workforce development system and serve as the entryway into career readiness and workforce development for tens of thousands of our most vulnerable Vermonters, those with low literacy, undereducation, or those simply in need of increased skills so that they can succeed.

(2) 36,000 adults in Vermont do not have a high school credential, and tens of thousands more lack the skills to matriculate into and be successful in college, in career training programs, or both. Adult education and literacy providers are the first stop on the path to the transformative opportunities that Vermont is offering for these individuals.

(3) Adult education and literacy services help people build the assets they need to move out of poverty successfully, as well as the confidence to continue to move toward success throughout their lives. Students are supported to identify concrete goals and then break those goals down into steps. Students set goals in the domains of:

- (A) family and life;*
- (B) academics; and*
- (C) career and college readiness.*

APPENDIX C - ECONOMIC BENEFITS OF AEL SERVICES

“Low Literacy Levels Among U.S. Adults Could Be Costing The Economy \$2.2 Trillion A Year”

<https://www.forbes.com/sites/michaelnietzel/2020/09/09/low-literacy-levels-among-us-adults-could-be-costing-the-economy-22-trillion-a-year/?sh=7170d72e4c90>

A new study by Gallup on behalf of the Barbara Bush Foundation for Family Literacy finds that low levels of adult literacy could be costing the U.S. as much \$2.2 trillion a year.

According to the U.S. Department of Education, 54% of U.S. adults 16-74 years old - about 130 million people - lack proficiency in literacy, reading below the equivalent of a sixth-grade level.

Income is strongly related to literacy.

The average annual income of adults who are at the minimum proficiency level for literacy (Level 3) is nearly \$63,000, significantly higher than the average of roughly \$48,000 earned by adults who are just below proficiency (Level 2) and much higher than those at the lowest levels of literacy (Levels 0 and 1), who earn just over \$34,000 on average.

Eradicating illiteracy would yield huge economic benefits.

If all U.S. adults were able to move up to at least Level 3 of literacy proficiency, it would generate an additional \$2.2 trillion in annual income for the country, equal to 10% of the gross domestic product.

-
- A literature summary on Health.gov states: “Individuals who do not graduate high school are more likely to self-report overall poor health. They also more frequently report suffering from at least 1 chronic health condition — for example, asthma, diabetes, heart disease, high blood pressure, stroke, hepatitis, or stomach ulcers — than graduates. Ultimately, finishing more years of high school, and especially earning a high school diploma, decreases the risk of premature death and increases employment prospects and lifelong earning potential.
 - Full-time workers with a high school degree earned approximately 24 percent more than their counterparts without a high school degree. In 2020, the median weekly earnings for full-time workers with a high school degree but no college was \$781. This is \$162 higher than the median weekly earnings for full-time workers without a high school degree.” (<https://health.gov/healthypeople/priority-areas/social-determinants-health/literaturesummaries/high-school-graduation>)
 - There is a direct correlation between socio-economic status, academic achievement and high school completion which is widely documented. In 2020, the poverty rate for those without a high school diploma was 24.7%. That figure dropped to 13.2% with the attainment of a high school credential and dropped further to 8% for those with some college and to just 4% for those with a BA or higher. (<https://www.statista.com/statistics/233162/us-poverty-rate-by-education/>)

Low literacy and under-education has systemic effects on society and plays into cycles of generational poverty:

- 43% of low literacy adults live in poverty, and 70% of adult welfare recipients have low literacy levels. (The National Institute for Literacy)
- Children of parents with low literacy skills have a 72% chance of being at the lowest reading levels themselves (National Bureau of Economic Research)
- 47% of adults on welfare have not graduated HS, and are 3x more likely to receive public assistance than HS grads with no college (National Assessment for Adult Literacy)



Central Vermont Adult Basic Education, Inc.

Local Partnerships in Learning

Serving Washington, Orange and Lamoille Counties

FY2023 Organizational Budget

I. Personnel - Payroll Expenses

A. Salary & Benefits \$ 1,237,874

II. Non Payroll Expenses:

A. Purchased Professional & Tech. Services \$ 113,565

B. Purchased Property Services \$ 180,310

C. Other Purchased Services \$ 68,343

D. Supplies and Materials \$ 55,739

E. Purchase of Property \$ 26,000

F. Other \$ 3,450

Total Non Payroll Expenses: \$ 447,407

Total All Expenses \$ 1,685,281

Summary of Program Expenses

* *Direct Program Services*

85%

* *Administration*

9%

* *Fundraising*

6%

100%



Vermont Adult Learning
Learning Lasts a Lifetime!

FY23 Organizational Budget	
Salary	\$ 3,450,104
Employee Benefits	<u>\$ 897,027</u>
Total Salary & Benefits	\$ 4,347,131
Purchased Professional & Tech. Services	\$ 335,257
Purchased Property Services	\$ 323,268
Other Purchased Services	\$ 141,525
Supplies	\$ 165,020
Other Items	<u>\$ 30,430</u>
Non Payroll Expenses	\$ 995,500
Total All Expenses	\$ 5,342,631
Total Program Services	86%
Administration	12%
Marketing and Development	<u>2%</u>
Total	100%

Mailing Address

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802-560-4057

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99 Maple Street, #18
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802-388-4392

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Burlington, VT 05401
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Franklin & Grand Isle

5 Lemnah Dr., Ste. 5
St. Albans, VT 05478
802-524-9233

Rutland County

16 Evelyn St., Ste. 101
Rutland, VT 05701
802-775-0617

Windsor County

100 River St., Ste. 102
Springfield, VT 05156
802-546-0880

Windsor County

225 Maple Street, Unit 6
White River Jct., VT 05001
802-299-2469

Windham County

999 Putney Road
Brattleboro, VT 05301
802-257-9449



FY 2023 Organizational Budget

I. Personnel - Payroll Expenses

A. Salary & Benefits \$ 486,543

II. Non-Payroll Expenses:

A. Purchased Professional & Tech. Services \$ 45,000

B. Purchased Property Services \$ 79,000

C. Other Purchased Services \$ 28,900

D. Supplies and Materials \$ 18,000

E. Purchase of Property \$ 20,000

Total Non-Payroll Expenses: \$ 190,900

Total All Expenses **\$ 677,443**

Summary of Program Expenses

* Direct Program Services 85 %

* Administration 9.2 %

* Fundraising 5.8 %

100%

www.tutorialcenter.org

In Manchester: PO Box 1434 • 3511 Richville Rd • Manchester Center, VT 05255 • 802-362-0222 • 802-362-0707 fax

In Bennington: 208 Pleasant Street • Bennington, VT 05201 • 802-447-0111 • 802-447-7607 fax



Northeast Kingdom Learning Services, Inc.

Learning Happens Everywhere
Serving Caledonia, Essex and Orleans Counties

FY 2023 Adult Education & Literacy Organizational Budget

I. Personnel – Payroll Expenses		
A. Salary & Benefits	\$	1,015,034
II. Non Payroll Expenses:		
A. Purchased Professional & Tech. Services	\$	37,312
B. Purchased Property Services	\$	78,726
C. Other Purchased Services	\$	49,848
D. Supplies and Materials	\$	33,145
E. Purchase of Property	\$	26,000
F. Other	\$	<u>3,450</u>
Total Non-Payroll Expenses	\$	241,493
Total All AEL Expenses	\$	1,256,527

Summary of Program Expenses

➤ Direct Program Services	87%
➤ Administration	9%
➤ Fundraising	<u>2%</u>
	100%