

Testimony of Michelle Faust

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Good afternoon,

My name is Michelle Faust, and I have dedicated 25 years to adult education and literacy in the Northeast Kingdom of Vermont, with the last 15 as Executive Director of Northeast Kingdom Learning Services (NEKLS).

I am here today to address the negative financial consequences resulting from the February 27, 2025 release of the Adult Education and Literacy (AEL) Services Workforce Innovation and Opportunity Act (WIOA) Title II Funding Opportunity and Grant Application. This grant will dictate the allocation of AEL services in Vermont counties for the period from July 1, 2025, to June 30, 2028 and the negative financial impact will be felt for the next three years. I also want to address the lack of follow through on the Agency's part in responding to the recommendation of the Adult Education and Literacy Student Access Committee report released on January 18, 2024.

Vermont's WIOA Combined State Plan states that AEL services are funded through a competitive grant process managed by the Vermont Agency of Education. Historically, funding has been distributed based on the county funding formula outlined in State Board Rules Series 2400, specifically Rule 2410. It is important to note that this funding formula has not been revised in over 30 years. The formula allocated funds as follows:

- **Base allocation of \$30,000 per county**
- **70% distributed based on comparative need**, considering factors such as unemployment, lack of high school diplomas, and poverty levels, as well as the percentage of offenders, mothers without high school diplomas and persons for whom English is a second language.,.
- **30% distributed based on regional density of need**, using similar criteria.

This funding model, while imperfect, recognized regional disparities and attempted to ensure equitable resource distribution. However, the newly released RFP has abandoned this model, leading to significant funding shifts.

The RFP states that funding must now be allocated based on student enrollment numbers, rather than county-based need. While a legal conflict between State Board Rule 2410 and the newly amended funding statute was cited in the RFP, stakeholders—including AEL providers and the Adult Education and Literacy Student Access Committee—had previously identified the necessity of revising Rule 2410 to modernize the funding formula equitably as far back as the January of 2024 and more recently in November and December of 2024 the ongoing concern of a possible shift like this was raised again with the Agency leadership. Despite this, there was no response from the Agency and the RFP was released without further provider input or revision of the existing rule.

Nine counties will realize funding losses (some devastating), suffering from the per student funding model:

- Orleans County: **-\$25,671**
- Bennington County: **-\$45,295**
- Windsor County: **-\$53,989**
- Addison County: **-\$55,270**
- Orange County: **-\$99,473**
- Franklin County: **-\$102,613**
- Caledonia County: **-\$188,908**
- Grand Isle County: **-\$182,444**
- Essex County: **-\$363,243**

Total loss: \$1,116,905 across these counties.

Five counties will receive increased funding benefiting from the per student model:

- Lamoille County: **+\$7,598**
- Rutland County: **+\$9,424**
- Windham County: **+\$148,884**
- Washington County: **+\$427,353**
- Chittenden County: **+\$569,227**

Total gain: \$1,162,486 across these counties.

Since the mid-1960s, Northeast Kingdom Learning Services (NEKLS) has been a pillar of adult education and literacy in the Northeast Kingdom, providing life-changing opportunities to individuals seeking to improve their lives through education and workforce training. Our work is vital, and our impact is proven.

Under our current 3 year grant with the Agency of Education, In fiscal year 2025, our state grant requires us to serve 200 students. Currently, we are exceeding that target, serving over 200 individuals, with expectations to reach 220 by June. Our organization consistently achieves the highest performance measures in the state, demonstrating our effectiveness in delivering quality education and workforce training.

NEKLS alone faces a funding reduction of **\$577,822**, leading to severe consequences including::

- Closing our full-service center in Hardwick.
- Reducing services at our full service St. Johnsbury and Newport centers.
- Closing our satellite centers in Canaan and Island Pond.
- Eliminating staff (full and part time), including teachers, specialized tutors, support staff, and our community outreach and marketing position.

These cuts will severely hinder our ability to serve our target of 200 students, jeopardizing the progress and success of adult learners who rely on us for education and career development.

NEKLS has been at the forefront of workforce development, particularly in the mandated Integrated Education and Training (IET) initiatives. One of our most successful programs, *Step Up to Workforce*, provides pre-training models tailored to Vermont's workforce needs.

- *Step Up to Childcare*: Our first approved IET program has trained 20 participants in our most recent co-horts, with 14 now employed in the childcare sector. Several have pursued higher education in early childhood at the Community College of Vermont (CCV) and several realized child care was not the field for them. This program not only fills critical childcare workforce gaps but also provides a no-risk, no-cost trial for participants and host child cares. This program has also been approved as eligible for VSAC grants.
- *Step Up to Paraprofessional*: With AOE approval of this as an IET,, we are launching a pilot program at Hazen Union High School, with plans to expand regionally. This initiative will meet an immediate need identified by schools and serve as a potential pipeline into Vermont's teaching workforce. Also, will be eligible for VSAC grants.
- *Step Up to Health Careers*: In collaboration with Allied Health Career Education (AHEC) of Northern Vermont, yesterday we held our first of two stakeholder meetings in St Johnsbury, where we are hearing directly from the health care providers in our regions what they need most right now. Our second stakeholder meeting will take place on March 31 in Newport. With their input we will collaboratively create the first Step Up to Health Careers to address their urgent needs. Our first cohort is slated for January 2026.
- *Step Up to Construction*: NEKLS was awarded a highly competitive \$20,000 national grant to launch this program, using Vermont CTE's NCCER curriculum to provide pathways into trades such as plumbing, HVAC, electrical, and carpentry. This program will allow us to support the CTE programs with a meaningful pre training program for their higher level trainings. However, due to potential funding cuts, we are unable to confirm acceptance of this grant, jeopardizing future workforce development in these critical fields.

Beyond workforce development, NEKLS plays a critical role in providing adult learners with opportunities to earn high school diplomas through the Adult Diploma Program. The proposed budget cuts would reduce the personalized instruction and support that have led to exceptional student outcomes.

Additionally, our partnerships with One Stop career centers under the Workforce Innovation and Opportunity Act (WIOA) would suffer, affecting not only our students but also the broader network of workforce participants who rely on NEKLS for academic support.

Allocating funds solely based on student enrollment destabilizes adult education in Vermont's most rural counties and is inconsistent with how the State has historically funded education - including even in the Administration's current education proposal. Rural populations often have lower student numbers but greater barriers to education, including limited transportation, fewer employment opportunities, and higher poverty rates. NEKLS has consistently demonstrated success in meeting employer needs, fostering student success, and achieving the best performance measures in the state.

Act 78 (2023) Sec. E.504, established the Adult Education and Literacy HSCP Student Access Committee (Committee) to "provide recommendations in its report to the Joint Fiscal Committee and the House and Senate Committees on Education **on how to increase equity and education access to Adult Education Programs.**"

Page three of the Committee report states, "*The recommended changes outlined in this proposal will support and sustain an adult education and training system that is rigorous and accessible to every adult Vermonter so that they can earn a secondary credential, prepare for*

post-secondary education, develop the skills and training necessary to enter or advance in the workforce, and be an active, engaged, and informed citizen in their communities.”

Nothing about the actions of the AOE are achieving either the legislative goals outlined in Act 78 for increasing “equity and education access,” or the goals of the legislatively convened Committee to “support and sustain an adult education and training system.”

Furthermore, the Adult Education and Literacy Access Committee report made additional recommendations for next steps because as was acknowledged by the Committee and the AOE it was understood that this system was complex with decades of different legislation and rules and policy to unwind; and thus that this needed to be an iterative process built on collaboration and cooperation.

The AOE and AELN proposes the following activities to occur if the Legislature were to adopt the recommended legislative changes to support access, equity, and quality of adult education and literacy activities in Vermont:

- *Convene a collaborative design team comprised of school district and AEL provider staff to inform the development of an updated common statewide assessment program as described in 16 V.S.A. §945. Currently, the AOE has set aside funds to support stipends and submitted an amendment to a current contract to support facilitating this group and the development of a common AEL Portrait of a Graduate and Graduation Proficiencies for this assessment program.*
- ***Revise State Board Rule Series 2400 to reflect recommended legislative changes, align with State Workforce governance and WIOA Combined State Plan, and modernize formula for distributing funds equitably.***

I will note, that in one of the many documents produced by Secretary Saunders when explaining the proposed funding changes to the K-12 system she has stated that the foundation funding formula includes:

- *An evidence-based per-pupil funding amount as the base, which represents the resources needed for a student with no special needs, in a district with no special circumstances, to receive a quality education;*
- ***Weights to target additional resources to support student needs, including for economically disadvantaged students, English Learners (ELs), and Career and Technical Education (CTE) students; and***
- ***Weights to address school and district circumstances, including scale and geographic sparsity***

There is nothing about the decision that has been made, and the manner in which it has been made and communicated (e.g., through the release of the RFP) that suggests the use of (1) an evidence base, (2) weights based on student need, (3) weights based on geographic scarcity, (4) consideration for the customer – one of the most vulnerable learner populations in this state, or (5) impact on the workforce education and training system.

I urge policymakers to urge the Agency to repeal the RFP immediately, to reconsider the implications of this funding shift and work toward the creation of an equitable allocation model that reflects regional disparities. Please support amended language in Statute to clarify the distinction between appropriation funding calculations and allocation funding calculations as well as providing language to call for a legislative study committee to include Legislative, AOE and AEL representation to modernize the funding formula by a certain date in FY 2025 to ensure an

equitable funding allocation formula for FY 27 and beyond. The abrupt abandonment of a long-standing, need-based formula in favor of per-pupil funding places Vermont's most vulnerable populations at risk and undermines the effectiveness of adult education services across the state.

Thank you for your time and consideration.