

Northeast Kingdom Learning Services, Inc. (NEKLS)

Funding Formula Overview and Support of AOA AEL Funding Formula Recommendation

Written Testimony Submitted by Michelle Faust 01/22/2026

The goal is to achieve a funding formula that ensures equity across the State, simplicity/transparency, and predictability. Historically, all four AEL providers have agreed that the former weighted funding formula under State Board Rule provided more funding for Counties that served few students, namely Essex and Grand Isle which resulted in those areas of the State receiving more funding than was deemed "fair". Additionally, it should be a formula that can hold the test of time and the ebb and flow of students. Each provider is given targets of the number of students to serve annually in ABE, ASE, and ESL through our grant agreements.

Engaged Learning and Instructional Hours Matter — and Here's Why:

Grant Compliance and Performance Measures

Instructional hours are directly tied to multiple federal and state performance measures under the **Workforce Innovation and Opportunity Act (WIOA)** and are essential to demonstrating program success.

- Performance Measure: 80% of Students Qualified for Federal Reporting**

To be counted as a "reportable individual," each student must complete **at least 12 hours** of instruction (including goal setting, assessment, and instruction) within the fiscal year.

- Performance Measure: 45% of Students with Progress Assessment**

To qualify for a progress assessment, a student must receive **a minimum of 40 hours of instruction** and allow **at least 31 days** to pass since the previous assessment. Each student must be assessed at least once per fiscal year to count toward this measure.

- Performance Indicator 1: Measurable Skill Gain (MSG) — Target 37%**

One way a student can achieve a measurable skill gain is through **demonstrated improvement in Educational Functioning Level (EFL)** in reading, writing, numeracy, or English language acquisition. To meet this indicator, the student must:

1. Qualify for federal reporting (minimum 12 hours);

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2. Receive at least 40 additional instructional hours with 31 days between assessments; and
3. Show measurable improvement on subsequent assessments.

Often, multiple assessments are required—each still dependent on the same instructional hour and time requirements of 40 hours instruction and 31 days between assessments.

Learner Engagement and Persistence

Engaged, face-to-face instructional time builds **trusting teacher–student relationships** and **peer connections** among learners. These relationships enhance student motivation, confidence, and persistence—critical factors in helping adult learners stay engaged long enough to achieve measurable skill gains and reach their goals.

Instructional Hours Matter

Citation (APA 7th ed.):

Yin, M., Cronen, S., Condelli, L., & Ogut, B. (2022). *Teacher effectiveness in adult education: The relationship between teacher characteristics and student test gains and transitions into postsecondary education*. *Adult Education Quarterly*, 72(3), 262–283.

<https://doi.org/10.1177/07417136221088341>

According to *Adult Education Quarterly* (2022, Vol. 72, No. 3, pp. 262–283), Yin et al. identified a clear relationship between **instructional hours** and **learner outcomes** in adult education programs.

Under other control variables, the authors reported:

“Average attendance hours, at around 111 hr, were slightly higher in the achievement subsample, whereas the average was about 99 hr for the other two samples. This is consistent with our expectation, given that students who are more

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engaged are less likely to drop out of the program and therefore more likely to complete a posttest." (p. 271)

In the **Results** section, they further noted:

"...the number of student attendance [hours] was positively correlated with student test score gains and was correlated with slightly higher odds of transitioning to postsecondary education..." (p. 277)

Additionally, the authors concluded:

"These results imply that employment and postsecondary education are potential, complementary options for adult students. When students are employed full time, they have less time to attend classes and commit to the time it takes to achieve a postsecondary credential. The reduced time may be reflected in lower test scores and fewer postsecondary credentials achieved due to the longer time such gains would take for employed students to achieve them. For adults who are unemployed or underemployed, however, adult education programs successfully assist them in improving their academic learning and reaching higher educational attainment." (p. 278)

Interpretive Summary

Yin et al. (2022) provide strong empirical evidence that **the amount of instructional time matters** in achieving measurable skill gains and successful transitions to postsecondary education. Learners who accumulate more instructional hours—averaging roughly 111 hours in the achievement subgroup—demonstrate higher test gains and greater persistence. The findings affirm that sustained, engaged learning time is a critical determinant of student success in adult education programs and should be recognized as a key factor in any equitable funding formula.

Toward an Equitable and Sustainable Funding Formula

The goal of Vermont's Adult Education and Literacy (AEL) funding modernization effort should be to create a formula that achieves **equity across the state**, ensures **simplicity and transparency**, and provides **predictable and sustainable funding**. The formula must be

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designed to **withstand fluctuations in enrollment** while continuing to meet the needs of adult learners and communities over time.

Each AEL provider receives annual targets for the number of students to be served in Adult Basic Education (ABE), Adult Secondary Education (ASE), and English as a Second Language (ESL) under state grant agreements. However, when student enrollment decreases, programs that continue to deliver **high-intensity instruction and engagement** should not be penalized. A formula that recognizes both **the number of students served and the intensity of instruction delivered** ensures that funding remains aligned with the true cost of providing quality education in every county.

Balancing Reach and Depth

A fair and effective AEL funding model must measure not only **how many** students are served, but also **how deeply** they are served.

- **Enrollment shows reach**—how far programs extend their services.
- **Instructional hours show depth**—how much meaningful learning and engagement occur.

Relying solely on enrollment rewards programs that register large numbers but fail to account for the **time and instructional investment** required for students to make measurable progress toward earning a credential, improving English proficiency, or developing workforce skills. A student who participates in 200 hours of instruction demands and deserves more support than one who attends 10 hours. The cost difference is substantial—in staff time, instructional materials, and individualized support.

Promoting Equity for Rural and High-Need Regions

Equity in funding means recognizing that **the cost of service delivery is not uniform across Vermont**.

In rural and less populated counties such as **Bennington, Caledonia, Essex, Orleans, Lamoille, Orange, Addison, Franklin, and Grand Isle**, programs often operate with smaller class sizes or one-on-one instruction to meet learners' needs. Instructional hours more accurately reflect this reality than enrollment numbers alone. Table A submitted with my testimony reflects that the cost to serve a student in these counties is higher than the average whereas in the higher populated/more densely populated counties such as Washington,

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Chittenden, Rutland, Windham, and Windsor the cost to serve a student is lower than the average.

Because providers are assigned enrollment targets proportional to population, rural counties naturally have lower targets. Without accounting for instructional hours, such regions risk being underfunded despite their ability of providing **high-quality, intensive instruction**. A blended formula—one that balances student count with instructional hours—creates true equity by ensuring that all counties receive funding reflective of their service intensity and population realities.

Aligning with Federal Performance and Accountability Goals

Federal **Workforce Innovation and Opportunity Act (WIOA)** performance measures—such as **Measurable Skill Gains (MSG)** and **Credential Attainment**—are directly linked to **time on task**.

Students who receive more instructional hours are significantly more likely to achieve these federally mandated outcomes. A funding model that includes instructional hours incentivizes programs to **prioritize engagement and persistence**, rather than focusing solely on enrollment metrics.

This alignment between state funding and federal accountability ensures that Vermont's AEL system continues to deliver measurable outcomes, comply with reporting standards, and demonstrate the value of every public dollar invested.

Ensuring Predictability and Sustainability

A **base allocation of \$80,000 per county** establishes a consistent foundation for maintaining essential AEL services statewide and supports predictability of a minimum of funding for all counties.

Building on this foundation, the proposed formula—distributing the remaining appropriation **85% based on the two-year average number of students completing the diagnostic portions of AEL programs** which emphasises the 2-yr student average, which is of great importance to CVAE, TTC, and VAL and **15% based on the two-year average of instructional hours delivered per county**, which while a much smaller percentage values the merit of instruction towards outcomes and performance measures, which is important to NEKLS. —balances efficiency, quality, and equity.

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This dual metric provides the predictability necessary for long-term planning while rewarding the **depth of instruction and student engagement** that can lead to lasting learning outcomes. It creates a funding structure that values both **access and achievement**, ensuring that every Vermont adult, regardless of location, has the opportunity to reach their educational and career goals.

Conclusion

In conclusion, a funding formula that combines a **base allocation of \$80,000 per county** with the remaining appropriation distributed **85% based on the two-year average number of students completing the diagnostic portions of the adult education and secondary credential program and 15% based on the two-year average of instructional hours delivered per county** represents a fair, equitable, and data-informed approach.

This model recognizes both the **breadth of access**—the number of Vermonters reached—and the **depth of service**—the instructional time required to meaningfully support adult learners in achieving measurable skill gains and educational progress. Research confirms that student outcomes improve significantly with increased engagement and instructional hours. By aligning funding with these realities, the State will strengthen the foundation of Adult Education and Literacy services, ensuring every county has the resources needed to meet the needs of its learners and advance Vermont's commitment to opportunity, equity, and lifelong learning.