

Testimony of Michelle Faust, Resident of Irasburg, Vermont
Executive Director of Northeast Kingdom Learning Services, Inc.
January 22, 2026 1:00 p.m.
House Committee on Commerce and Economic Development
RE: Adult Education and Literacy Funding Report

Attachment: Tables A and B

Good Afternoon, and thank you for this opportunity to provide testimony on the AEL funding report.

For the record, my name is Michelle Faust, I'm a resident of Irasburg, and I'm the Executive Director of Northeast Kingdom Learning Services. NEKLS provides Adult Education and Literacy services to residents of Caledonia, Essex and Orleans counties.

We support the recommendation submitted by the Agency of the Administration in Section 2 of their Recommendations for Adult Education & Literacy Funding in Vermont.

As you are aware, the recommendation is for a county base of \$80,000 with 85% of the remaining funds being allocated per county based on the 2 yr. average of students served and the remaining 15% based on the instructional hours delivered.

I have included a Table (Table A) for your reference, that clearly reflects the county allocations based on the recommended funding model as compared to the compromised funding that was agreed upon for FY 26. The compromised funding was offered up by the three AEL providers who make up the Adult Education and Literacy Network. This funding recognized that while the SBE Rule was outdated and disproportionately allocated funds to rural counties serving fewer students while ignoring the influx of students in other counties creating an inequitable distribution of funds, the funding formula that resulted due to the legislative language in statute also created operational challenges and another inequity in funding for those same rural counties. The goal for a revised funding formula was that it would be **simple, transparent, predictable, and equitable**.

When comparing the compromised FY 26 funding levels with the AOA's recommendation in Table A, several positive and important outcomes emerged:

1. **AEL funding for FY 27 increased \$652,212 (9.89%)**, driven by an increased base education rate and growth in the two-year average of 105 additional students served statewide. This supports that the 26% of the base education rate x the 2-yr average of

students served is responsive to the level of student needs and is **predictable** because as AEL Providers we have access to our own and statewide database information to know what our student numbers are in comparison to the State total.

2. **NEKLS's share of the funding increase (2.95%) is significantly lower than that of the other three providers**, directly addressing prior legislative and other provider **equity** concerns that NEKLS and the Northeast Kingdom had been disproportionately funded under the previous SBE Rule.
3. **Two of the three counties experiencing funding reductions - Essex and Grand Isle - (see lines 4 and 13 on Table A) were specifically cited by legislators last year as being disproportionately funded** due to the very low number of students being served as compared to the funds received, indicating that the revised funding formula is responding appropriately to those **equity** concerns. While the base allocation allows for **predictability** in funding for serving those rural and low populated counties at a minimum level for consistency of minimum services.
4. **The third county experiencing a significant reduction - Franklin County - (see line 12 on Table A) also shows the greatest decrease of 32.5 students in its two-year student average**, demonstrating that the funding formula is **responsive** to changes in the number of students served.
5. **Despite Washington county having a decline of 16 students in its 2-yr average** (see line 9 on Table A), the revised funding formula is responding to the inequity of the SBE Rule by the emphasis of the 2-yr average students served. Washington County was one of those counties that experienced a large influx of students in prior years without aligned funding. Additionally, Vermont Adult Learning's (VAL) overall funding increase of 12.46 % corresponds with its substantial growth in its 2-yr average of students served of 95, reinforcing the formula's responsiveness to actual program reach.
6. **For comparison purposes**, I pulled **Addison, Franklin, and Grand Isle counties** out as a subtotal of Vermont Adult Learning's service area. These three counties are similar geographically to **Essex, Caledonia and Orleans counties** and also had identical 2-yr students served averages of 217. **When comparing the cost to serve students in rural counties, the cost per student in the tri-county region of Addison, Franklin and Grand Isle is \$4,018 per student as compared to \$4,226 per student in the tri-county**

region of Caledonia, Essex and Orleans. This is the reality of delivering services in rural communities with low population density and limited resources such as access to public transportation, reliable hi-speed home internet, and workforce training opportunities. The revised funding formula contains the cost per student to within \$579 - \$787 of the \$3,439 average with the difference being directly related to more instructional hours delivered in the Northeast Kingdom. **This is further evidence of the recommended funding formula responding equitably to the concerns brought forward last legislative session.**

7. I have also included an additional table - Table B - that compares the old SBE funding formula to the recommended AOA funding formula. At the bottom it identifies the 4 major issues with the old funding formula and the way the AOA funding formula is responsive to those issues.

I caution Committee members that to follow the Agency of Education's proposal to further study the funding model and adult education system would require additional funding to be set aside to hire an outside consultant, as well as require AOE staff to provide time and effort to support the study which would take away from their ability to address the important day to day requirements of monitoring and oversight of the adult education and literacy grants and would push the decision out for another two years. This issue has been studied, discussed, and explored. It is important that the adult education funding formula issue be settled this legislative session to allow for the AEL providers to move forward with predictability. Settling the funding formula now will also allow the Agency of Education to move forward easily with the next round of open competition for the AEL funding for FY 2029. The Governor has been clear in his intention that education be resolved - this piece of the education puzzle can be resolved easily by approving this recommendation.

Overall, this funding model **promotes equity across counties**, is **predictable** by balancing a stable per county base allocation - critical for supporting the most rural regions - with **proportional funding** tied to both **the number of students served and the intensity of services provided**, with emphasis on the number of students served, using current, transparent and readily available data directly from the Agency of Education and the AEL Providers via the LACES

statewide data system. This funding model is **simple, transparent, responsive** to county needs, **current**, and **accountable**. NEKLS wholeheartedly supports the Agency of the Administration's recommended AEL funding formula and I urge you to support this recommendation.

I am happy to answer any questions at this time.

TABLE A													
	FY 2026 Compromised Funding	Change in 2-yr average of students served	AOA recommended funding formula 80K Base 85% Students Served 15% Student Hours	Difference	% change in funding FY 27 over FY 26	2-yr students served average	% of students served	2-yr instructional hours served	% of instructional hours served	Average cost per student	Allocation Less Base	% of Allocation Less Base	
1	BENNINGTON	\$400,919	0.5	\$31,282	7.80%	116	5.50%	225.6	7.13%	\$3,726			
2	TTC TOTAL	\$400,919	0.5	\$31,282	7.80%	116	5.50%	225.6	7.13%	\$3,726	\$352,201	5.75%	
3	CALEDONIA	\$287,027	15.5	\$316,073	10.12%	76.5	3.63%	161.8	5.11%	\$4,132			
4	ESSEX	\$197,033	2.5	\$116,975	-40.63%	12	0.57%	25.2	0.80%	\$9,748			
5	ORLEANS	\$406,780	8.5	\$484,108	19.01%	128.5	6.10%	297.9	9.41%	\$3,767			
6	NEKLS TOTAL	\$890,840	26.5	\$917,156	2.95%	217	10.29%	484.9	15.32%	\$4,226	\$677,156	11.05%	
7	LAMOILLE	\$340,550	-3.5	\$355,125	4.28%	98	4.65%	113.3	3.58%	\$3,624			
8	ORANGE	\$310,416	2.5	\$316,126	1.84%	83	3.94%	106.7	3.37%	\$3,809			
9	WASHINGTON	\$669,908	-16	\$747,605	11.60%	242.5	11.50%	235	7.42%	\$3,083			
10	CVAE TOTAL	\$1,320,874	-17	\$1,418,856	7.42%	423.5	20.09%	455	14.37%	\$3,350	\$1,178,856	19.23%	
11	ADDISON	\$336,335	6.5	\$368,881	9.68%	101	4.79%	135.2	4.27%	\$3,652			
12	FRANKLIN	\$514,320	-32.5	\$404,873	-21.28%	109.5	5.19%	186.8	5.90%	\$3,697			
13	GRAND ISLE	\$112,883	-2.5	\$98,101	-13.09%	6.5	0.31%	7	0.22%	\$15,092			
14	VAL subtotal #1	\$963,538	-28.5	\$871,855	-9.52%	217	10.29%	329	10.39%	\$4,018	\$631,855	10.31%	
15	CHITTENDEN	\$1,409,399	62.5	\$1,774,245	25.89%	569.5	27.02%	987.2	31.18%	\$3,115			
16	RUTLAND	\$619,574	7	\$635,858	2.63%	196.5	9.32%	241.7	7.63%	\$3,236			
17	WINDHAM	\$524,659	33.5	\$686,476	30.84%	213.5	10.13%	271.3	8.57%	\$3,215			
18	WINDSOR	\$467,439	20.5	\$512,807	9.71%	155	7.35%	171.2	5.41%	\$3,308			
19	VAL subtotal #2	\$3,021,071	123.5	\$3,609,386	19.47%	1134.5	53.82%	1671.4	52.79%	\$3,181	\$3,289,386	53.67%	
20	VAL GRANDTOTAL	\$3,984,609	95	\$4,481,241	12.46%	1351.5	64.11%	2000.4	63.19%	\$3,316	\$3,921,241	63.97%	
21	VERMONT	\$6,597,242	105	\$7,249,454		2108	100%	3165.9	100%	\$3,439	\$6,129,454	100.00%	
				\$652,212	Increase due to increase in base education amount as well as increase of 105 students in 2 yr average student count								
				9.89%									

Data Source: Agency of Administration and Agency of Education

TABLE B	% of Funding	Old SBE Funding Formula	County	AOA Recommended Funding Formula	Change in Funding	% of Funding	Change in 2-yr avg	2-yr avg students	% of state students served	2-yr instruct hours served	% of state instruct hours served	Average cost per student	Over/Under Average cost per student
1	6.44%	\$466,733	Bennington	\$432,201	-\$34,532	5.96%	0.5	116	5.50%	225.6	7.13%	\$3,726	
2	6.44%	\$466,733	TTC	\$432,201	-\$34,532	5.96%	0.5	116	5.50%	225.6	7.13%	\$3,726	\$287
3	5.69%	\$412,138	Caledonia	\$316,073	-\$96,065	4.36%	15.5	76.5	3.63%	161.8	5.11%	\$4,132	
4	5.54%	\$401,322	Essex	\$116,975	-\$284,347	1.61%	2.5	12	0.57%	25.2	0.80%	\$9,748	
5	6.41%	\$464,479	Orleans	\$484,108	\$19,629	6.68%	8.5	128.5	6.10%	297.9	9.41%	\$3,767	
6	17.64%	\$1,277,939	NEKLS	\$917,156	-\$360,783	12.65%	26.5	217	10.29%	484.9	15.32%	\$4,226	\$787
7	5.34%	\$386,836	Lamoille	\$355,125	-\$31,711	4.90%	-3.5	98	4.65%	113.3	3.58%	\$3,624	
8	5.36%	\$388,805	Orange	\$316,126	-\$72,679	4.36%	2.5	83	3.94%	106.7	3.37%	\$3,809	
9	7.33%	\$531,270	Washington	\$747,605	\$216,335	10.31%	-16	242.5	11.50%	235	7.42%	\$3,083	
10	18.03%	\$1,306,911	CVAE	\$1,418,856	\$111,945	19.57%	-17	423.5	20.09%	455	14.37%	\$3,350	-\$89
11	5.48%	\$397,090	Addison	\$368,881	-\$28,209	5.09%	6.5	101	4.79%	135.2	4.27%	\$3,652	
12	8.42%	\$610,118	Franklin	\$404,873	-\$205,245	5.58%	-32.5	109.5	5.19%	186.8	5.90%	\$3,697	
13	2.95%	\$213,648	Grand Isle	\$98,101	-\$115,547	1.35%	-2.5	6.5	0.31%	7	0.22%	\$15,092	
14	16.85%	\$1,220,856	VAL Subtotal 1	\$871,855	-\$349,001	12.02%	-28.5	217	10.29%	329	10.39%	\$4,018	\$579
15	17.40%	\$1,261,241	Chittenden	\$1,774,245	\$513,004	24.47%	62.5	569.5	27.02%	987.2	31.18%	\$3,115	
16	9.32%	\$675,758	Rutland	\$635,858	-\$39,900	8.77%	7	196.5	9.32%	241.7	7.63%	\$3,236	
17	6.91%	\$500,905	Windham	\$686,476	\$185,571	9.47%	33.5	213.5	10.13%	271.3	8.57%	\$3,215	
18	7.44%	\$539,111	Windsor	\$512,807	-\$26,304	7.07%	20.5	155	7.35%	171.2	5.41%	\$3,308	
19	41.07%	\$2,977,015	VAL Subtotal 2	\$3,609,386	\$632,371	49.78%	123.5	1134.5	53.82%	1671.4	52.79%	\$3,181	-\$258
20	57.92%	\$4,197,871	VAL TOTAL	\$4,481,241	\$283,370	61.80%	95	1351.5	64.11%	2000.4	63.18%	\$3,316	-\$123
21	100%	\$7,249,454	VERMONT	\$7,249,454	\$0	100%	105	2108	100%	3165.9	100%	\$3,439	\$0

Issue with SBE Rule Funding Formula:

- NEKLS and the NEK received a disproportionate amount of funding.
- Essex and Grand Isle Counties received a disproportionate amount of funding in relation to the number of students served.
- Washington, Chittenden, and Windham county's all had significant increases in students served in prior years without aligned increase in funding
- Cost to serve a student varies significantly across the state from Provider to Provider.

Responsiveness of AOA Recommended Funding Formula:

- The new funding formula when applied, reduced the % of funding to NEKLS/the NEK by 4.99% (Line 6)
- Under the new formula, Essex county's funding was reduced by 3.93%, \$284,347 and Grand Isle county's funding was reduced by 1.6%, \$115,547 (Lines 4 and 13)
- Under the new formula, Washington county's funding increased by 10.31%, \$216,335, despite having seen a decrease in their 2-yr average of 16 students. Chittenden county's funding increased by 24.47%, \$513,004. Windham county's funding increased by 7.07%, \$185,571.
- The cost to serve a student by Provider is contained within a window of \$910.00 - with the low end being \$123 less than the State average and the high end being \$787 above the State average.