

TO: House Committee on Commerce and Economic Development
FROM: The Adult & Education Literacy Network
RE: Adult Education funding
Written Testimony in Support of Scenario 1
DATE: January 22nd, 2026

Thank you for taking the time to hear testimony on this issue. We are grateful for this committee's continued attention to Adult Education and Literacy. We began working with the Legislature several years ago to modernize the funding formula used to appropriate adult education funds. Adult Education and Literacy has experienced historic funding inequities that have created an uneven playing field for both students and providers across the state.

We would like to begin with some background on how we arrived at this moment. Those of you who were in the Statehouse last year may recall that the session concluded with a Legislative Charge for Adult Education and Literacy in 2025 under Act 27 Sec. E.504.3. This charge directed the Agency of Administration, the Vermont Agency of Education, and local adult education and literacy providers to work collaboratively to develop recommendations to modernize the adult education funding formula so that funds are equitably distributed across all regions of Vermont. The charge also required a series of facilitated meetings and the submission of formal reports to multiple legislative committees.

The surprise interpretation of statutory changes made last year around adult education by the AOE would have left the NEK with a significant budget shortfall. At the same time, reverting back to the outdated funding formula under the State Board of Education, without this formula being modernized as called for in the High School Completion Student Access Report was not equitable for all AEL providers. For FY26, AEL providers developed a compromise solution which included specific appropriations to each provider in order to provide more equitable funding across the state, as well as language to really modernize AEL funding. The allocations for FY26 were based on taking the average of how the funds would have been distributed under the old State Board of Education funding formula, and how it would be distributed under current legislation based on the two-year average for students served. Our recommendation shifts some funds toward AEL providers that have been underfunded for many years while reducing the sudden impact that an allocation based purely on student numbers would have on other AEL providers.

As required, the reports requested under Act 27 were submitted to the Legislature. If you have had the opportunity to review them, you will see that the working group reached agreement on two core components of a modernized funding formula. The first is a base amount per county to support the basic infrastructure required to offer adult education and literacy services in each region. The second is a per-student allocation, with a student defined as someone who has completed the diagnostic portion of the program.

Where the group was unable to reach full agreement was whether additional factors should be included in the formula. As a result, the reports outlined four different scenarios for fund distribution.

The first scenario is a county-based system with a per-student allocation. This scenario is supported by the Adult Education and Literacy Network, three of the four adult education providers in Vermont. We believe this scenario is the most equitable for students statewide and the simplest to administer. The providers supporting this scenario are Central Vermont Adult Education, Vermont Adult Learning, and the Tutorial Center. Together, we serve 11 of the 14 counties in Vermont and approximately 90% of all Vermont's adult education students.

The second scenario is a county-based scenario with an allocation for student hours, coupled with a per-student amount. This scenario is supported only by NEKLS.

Using student hours as a funding metric adds unnecessary complexity and creates incentives that work against effective adult education practice. Adult education in Vermont is proficiency-based rather than seat-time-based. Our goal is to help learners reach their educational and career goals as efficiently and effectively as possible.

The Vermont Agency of Education has never indicated that seat time is an important metric for adult education providers to prioritize. It is not and has never been one of the student performance measures included in our contracts with the state. In addition, there is currently no mechanism for the Vermont Agency of Education to monitor or audit the accuracy of student hours entered into the statewide data system.

For providers that have historically been underfunded, reliance on hours of service further entrenches inequities. It is difficult to increase instructional hours when programs do not have sufficient funding to hire additional staff.

A third scenario proposed by the Agency of Education and outlined in the reports is to maintain the status quo and engage in further study. Vermont's adult education and literacy providers generally do not support this recommendation. We have operated under an inequitable funding system for decades, and additional study will not resolve the disparities that currently exist. The work has been done, the data is clear, and we can implement a fair and equitable solution now.

Finally, the Agency of Administration recommended a funding approach that includes a county base, a per-student allocation, and a student-hours component. Under this recommendation, total statewide funding would continue to be determined using the current statutory formula. Each county would receive a base payment of eighty thousand dollars. Of the remaining funds, 85% would be distributed based on the two-year average number of students completing diagnostic testing, and 15% would be distributed based on the two-year average number of student hours of service.

While this recommendation represents progress toward greater equity, it still includes the student hours metric, which raises the same concerns outlined earlier. Tying funding to hours of

service may inadvertently incentivize programs to retain students longer than necessary, rather than supporting efficient, goal-driven progress.

We have also included a handout with our testimony that contains a graph comparing the funding outcomes under each proposed scenario. We encourage you to reference this graph, as it clearly illustrates why Scenario 1 is the most equitable and predictable option for students statewide.

You will see that Scenario 1 includes a base amount per county to support the basic infrastructure required to offer adult education and literacy services in each region. This base is intentionally designed to promote geographic equity by ensuring that all regions, including rural and sparsely populated areas, have the minimum resources necessary to operate effective programs.

As a result, Scenario 1 may show higher per-student funding in regions with lower population density, such as the Northeast Kingdom. This is not an inequity in the formula but rather a reflection of the fixed costs required to deliver adult education services across the state. Without a meaningful base, providers in rural regions would be unable to maintain staffing, facilities, and program access, regardless of student demand.

Scenario 1 balances geographic equity with per-student funding so that adult learners across Vermont have access to comparable-quality services, while still directing the majority of funds based on the number of students served.

Against this backdrop, the Adult Education and Literacy Network supports Scenario 1, as defined in the legislative report, because our goal in reviewing the funding formula was not only to modernize it, but to create a system that is simple, transparent, predictable, and equitable. The current formula has not changed in more than three decades and no longer reflects how adult education operates or how adult learners succeed.

Equity, as we define it, includes geographic equity so that learners across Vermont have comparable access regardless of where they live, student-centered services that support individual goals rather than narrowly prioritizing federal reporting requirements, lowering barriers to access, integration with other educational and vocational pathways, and equity in program quality, provider capacity, and student outcomes.

Adding additional quality or performance indicators to the funding formula moves us away from this intent. Metrics such as hours of service introduce unnecessary complexity and create incentives that conflict with adult education best practices. Adult education in Vermont is proficiency-based, not seat time-based, and our work is focused on helping learners reach their goals as efficiently and effectively as possible. Tying funding to hours of service risks incentivizing programs to retain students longer than necessary rather than supporting timely, goal-driven completion.

While hours-of-service data exists, it has never been used as a core performance target in the past decade of federal and state reporting. If hours were tied to funding, the Agency would need to establish and staff a new auditing system to verify accuracy. Currently, providers self-report hours with no external verification. This creates an administrative burden and opportunities for misuse, directly contradicting the goal of a simple, transparent funding formula.

A seat-time-based metric is also inconsistent with Vermont's educational philosophy. Proficiency-based learning prioritizes demonstrated learning, personalization, flexibility, and authentic assessment over time-based measures. Applying seat-time metrics to adult education undermines these principles and places adult learners within a model that Vermont has intentionally moved away from in other parts of the education system.

In conclusion, Scenario 1 best achieves the shared goal of a modern funding formula that is clear, equitable, and aligned with Vermont's values. It supports student-centered, proficiency-based learning without adding administrative burden or distorting incentives. It provides AEL providers with predictability and preserves flexibility, allowing adult learners to move efficiently toward their educational and career goals.

Thank you for your time and consideration.

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