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Testimony to House Education
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Thank you for taking the time to hear testimony on this issue. We know there has been a lot of communication and action taken around Adult Education, and we are grateful for this committee's continued attention to the issue.

I want to start with some background on how we got here. Those of you who have been on this committee will remember the original HSCP Student Access report which initiated a lot of the changes we've seen around adult education over the last few years. Many of these changes have been positive, and we have seen progress on adult education funding. This is the first year we did not have to ask the Legislature for more money, because the report's recommendations have resulted in the Agency of Education and AEL providers agreeing to the total amount that should be budgeted for adult education in the state budget, and that is a big success that we don't want to lose sight of.

Unfortunately, we currently find ourselves in a situation where some of the recommendations from that original report have NOT been realized. This has resulted in a disproportionate impact on providers and is the issue that brings us here today. The Agency of Education and all 4 providers agreed to the recommendations in the HSCP Student Access report. One of these recommendations was to modernize the funding formula currently under the State Board of Education, and this work has not yet happened.

Although the overall appropriation of funding for adult education was successful, the proposed allocation of those funds for FY26-FY28 is highly problematic. In February, the Agency of Education put out an RFP for adult education which completely replaced the State Board funding formula with the 26%, 2-year average that's in statute. While all AEL providers have long agreed that the funding formula needed to be updated - because it has been inequitable - no one knew the 26%, 2-year average appropriation would become the allocation to providers. Doing so does not honor the Study Committee recommendation to have a process to modernize the funding formula that includes provider expertise.

As you can see from the Funding Memo we submitted for this testimony, the RFP uses a per pupil served allocation. In doing so, NEKLS would lose over \$500,000 in funding. We rallied to support NEKLS because we recognize that cut that big would make it difficult to provide student services in the Northeast Kingdom. We do not want to revert back to the old State Board formula because as the Study Committee recognized, it is also inequitable. The three providers who collectively serve 11 of our 14 counties, Central Vermont Adult Education, The Tutorial Center, and Vermont Adult Learning, ultimately would like to see a per student funding basis. However, we recognize the need for a transition period so that NEKLS can continue to provide high quality services.

As a compromise the AELN has worked together to present a solution that allows all providers to move forward while minimizing the negative impact on NEKLS.

Please look at the Funding Distribution document posted on your webpage.

If you look at the top chart on this document, you'll see 3 possible allocation options.

1. One option reflected in the Column titled Old State Board Formula is actually quite inequitable. As you can see from the bottom chart that formula results in a per student funding range of \$2,700-\$6,000. The NEK has gotten significantly more funding per student under the State Board Formula for decades, as you can see in that bottom chart, and this is really what we want to move away from because it does not serve the majority of AEL students well.
2. The Two-Year Student Average column which is proposed by the AOE in the current RFP creates true equality in the student allocation (see bottom chart). However, as you can see in the top chart it will for the next few years make it difficult to provide services in the Northeast Kingdom .
3. The Average of the two column – represents AELN's recommended compromise. As you can see, NEKLS still gets the most per student, but it levels the playing field a bit (bottom chart). We recognize that NEKLS still faces a significant cut (top chart), however, we feel this is the most equitable solution for FY26, while we work over the summer and fall to formulate a final recommendation for allocations.

To be clear, the language in the House and Senate budgets currently DO NOT accommodate this compromise - the language reverts us back to the State Board funding formula. The budget language document posted on your webpage shows the edits we are proposing to the language that is currently in the Senate budget.

If we look at the budget language document, there are a few areas of agreement among all 4 providers that we see as critical to fix. First, adding the "completed fiscal" text in subsection (f) provides greater stability and predictability in our funding by relying on the last two years with complete data, which means we wouldn't have to come back for a budget adjustment every single year, like we did this year. All 4 providers agree that adding these two words is critical.

We are also all in agreement on subsections (a) and (b). We feel it's important to call for actual meetings with the two Agencies to get this work done. In the past the word "consultation" has been very loosely interpreted. The AOE has NOT been including the providers in any decision-making process even that which has been proscribed by a legislative study committee. We want to make sure we have the opportunity to meet with the Agencies to develop the recommendations together instead of only being asked provide feedback on something the AOE created. We represent the voices of over 2,200 Vermont students and have a deep knowledge of their needs and our needs as providers. Adding this final sentence calling for no less than 5 meetings is a very simple solution to this problem.

Our other changes in subsection (f) continue us on the path of progress we've been making, and do not revert us back to the State Board formula, which NEKLS is advocating for. This formula had not been updated for over 30 years, and we had no pathway to talk to the State Board about changing it. It is imperative that we extricate ourselves from the State Board. Our compromise language is proposed only for FY26 to reduce the cut to the NEKLS while we work with the AOE and Agency of Administration on a long term equitable solution.

To be clear, we do not want the current RFP pulled or the current contracts to be extended. The deadline for the RFP has passed, we have put in hundreds of hours of work on it and it has been submitted.

We realize we are in the final hour here. We are asking this committee to please support this proposed language to the Budget Conference Committee. They are aware that the adult education language is not perfect. In the Senate Appropriations Committee, there were a lot of comments about needing to fix the final language in the conference committee. We have heard from members on House Appropriations that they would prefer a recommendation to come from House Education, so we are asking you to recommend this language and have legislative counsel draft it.