

The Adult Education and Literacy Network respectfully asks the Legislature to support modified language in the FY26 Budget that provides a compromise solution for all AEL providers.

**The problem:** The surprise interpretation of statutory changes made last year around adult education has left the NEK facing 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 At the same time, reverting back to the outdated funding formula under the State Board of Education, without this formula being modernized as called for in the High School Completion Student Access Report, is also not equitable for all AEL providers.

For FY26, AEL providers have developed a compromise solution which includes 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 in the proposed language is 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 by the AELN. 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.

Below is a summary of the three options. Vermont Adult Learning, Central Vermont Adult Education, and The Tutorial Center all believe the average is the most equitable option for FY26, and presents a solid compromise for providers across the state.

Provider	Students Served (2-year avg)	OLD State Board Formula	Two-year Student Average	Average of the two (AEL recommendation)
CVABE	440.5	\$1,190,881	\$1,450,866	\$1,320,874
NEKLS	190.5	\$1,154,233	\$627,447	\$890,840*
TTC	115.5	\$421,418	\$380,420	\$400,919
VAL	1,256.5	\$3,830,708	\$4,138,507	\$3,984,607
<b>Grand Total</b>		\$6,597,240	\$6,597,240	\$6,597,240

\*The **average** allocation, recommended here for FY26, would reduce the budget cut to the NEK by **\$263,393**. It also ensures that the NEK continues to get significantly more \$ per pupil, as shown below.

#### Allocation per student

Provider	OLD State Board Formula	Two-year Student Average	Average of the two (AEL recommendation)
CVABE	\$2,703	\$3,294	\$2,999
NEKLS	\$6,059	\$3,294	\$4,676
TTC	\$3,649	\$3,294	\$3,471
VAL	\$3,049	\$3,294	\$3,171