

TESTIMONY

Testimony To: Senate Committee on Education

Respectfully Submitted by: Zoie Saunders, Secretary of Education

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Subject: Adult Education and Literacy

Date: April 3, 2025

Purpose

Thank you for the opportunity to provide testimony to the committee about the Agency of Education's role in overseeing Adult Education and Literacy across the state. The Agency would like to provide clarification and recommendations specifically related to the language proposed in this year's budget, [H.493, Section 504.3](#). The Agency recommends the language in the budget be struck to honor the current grant competition underway and to allow the recent statutory changes to be fully implemented.

Background and Context

Vermont's Adult Education and Literacy (AEL) program offers essential services at locations throughout the state with trained professionals. Adult learners are defined as persons 16 years of age and older, who are not enrolled in school, and lack essential skills or a credential equivalent to high school completion.

The Vermont Agency of Education is the "eligible agency" for Title II of the Workforce Innovation and Opportunity Act (WIOA). Title II authorizes the Adult Education and Literacy program for states. The AOE, as the eligible agency, is responsible for

" . . . supervising policy for adult education and literacy activities in the State. . . "
which includes awarding multiyear grants to eligible Adult Education and Literacy providers on a competitive basis. [16 V.S.A. § 942](#) further defines "local education and literacy provider" as "an entity that is awarded federal or State grant funds to conduct adult education and literacy activities."

The awards are required to be competitive. State funds match the Federal funds and are integrated to expand services to include those programs described in [§ 945](#). "Adult education and secondary credential program."

Funding Changes

During the 2024 legislative session, the General Assembly passed Act 113, which repealed the High School Completion Program and established the Adult Diploma Program under [16 V.S.A § 945](#), providing adults with access to a high school diploma. Act 113 also changed how these programs are funded in [16 V.S.A. § 4011](#). Previously, funds were distributed to counties according to the funding formula in State Board of Education (SBE) Rule 2410.

However, the revised state statute changed the distribution formula to fund counties based on the number of students served, overriding the State Board of Education rules. Accordingly, the [AEL grant competition](#) describes estimated available funds based on the new statutory requirements.

The change in distribution primarily impacts Essex and Grand Isle counties due to the fact that these counties serve considerably fewer students. However, four Vermont counties will see a substantial increase in funding because they serve more students – Chittenden, Rutland, Washington and Windham counties. Lamoille and Orleans counties will receive small increases. Most of these counties have rural towns and communities.

FY26 Estimated Funding Allocation from the Current Grant Application

County	Two-Year Average of Students Served	Overall Estimated Percent of Allocation	FY25 Funding Totals ¹	FY26 Funding Totals
Addison	94.5	4.72%	\$368,285	\$340,740
Bennington	115.5	5.77%	\$429,430	\$416,460
Caledonia	61	3.05%	\$380,233	\$219,948
Chittenden	507	25.31%	\$1,170,740	\$1,828,096
Essex	9.5	0.47%	\$369,669	\$34,254
Franklin	142	7.09%	\$571,596	\$512,011
Grand Isle	9	0.45%	\$199,851	\$32,451
Lamoille	101.5	5.07%	\$353,383	\$365,980
Orange	80.5	4.02%	\$362,449	\$290,260

County	Two-Year Average of Students Served	Overall Estimated Percent of Allocation	FY25 Funding Totals ¹	FY26 Funding Totals
Orleans	120	5.99%	\$426,268	\$432,685
Rutland	189.5	9.46%	\$626,683	\$683,282
Washington	258.5	12.91%	\$497,684	\$932,077
Windham	180	8.99%	\$465,130	\$649,028
Windsor	134.5	6.71%	\$501,227	\$484,968
Totals	2003	100.00%	\$6,722,628	\$7,222,241

¹ There was an additional \$349,827 in Education Fund dollars that was not run through the funding formula, but distributed to the AEL providers by percentage of students served who graduated. Another \$108,684 was given to Central Vermont Adult Education, \$71,324 to Northeast Kingdom Learning Services, \$16,982 to The Tutorial Center, and \$152,837 to VAL. Funds awarded so far for FY25 are \$7,072,455 plus \$60,000 for a federal Integrated English Literacy and Civics Education (IELCE) grant. The IELCE grant is federal money that is not subject to the funding formula.

Budget Bill Language

H.493 states the following:

Sec. E.504.3 ADULT EDUCATION; FUNDING; REPORT

(a) On or before December 1, 2025, the Agency of Education, in consultation with local adult education and literacy providers, shall submit a written report to the House Committee on Commerce and Economic Development, the Senate Committee on Economic Development, Housing and General Affairs, and the House and Senate Committees on Education with recommendations to modernize adult education funding to ensure funds are distributed equitably across all regions of the State.

(b) For fiscal year 2026, the Agency of Education shall negotiate in good faith to extend the existing contracts with local adult education and literacy providers for a term of one year. The Agency shall endeavor to maintain the terms of the existing contracts to the greatest extent possible.

Regarding the funding formula in statute, (§4011(f)), it is important to note the following:

- State statute does not reduce funding to rural communities, rather it reallocates the funding among all counties to ensure that AEL students have access to equitable services and resources no matter where they live in Vermont. Currently some counties do not receive resources related to the number of students actually being served but instead receive less funding per student than counties serving significantly fewer students. Under the new funding formula four Vermont counties will see a substantial increase in funding to meet their greater demand for services.
- State statute provides an explicit funding formula followed by AOE to equitably address adult student needs. Neither the SBE rule nor state statute include funding weights. The formula does not result in reduced funding for adult education and literacy services in Vermont but rather redistributes the funding to address areas of greatest service need.

After consultation, the US Department of Education advised the AOE to continue the current grant competition to ensure continuity of services and compliance with the [Workforce Innovation and Opportunity Act](#) regulations and existing state laws. It is important to note the following:

- Any changes in local AEL providers as a result of the competition would not mean a lack of service to the students who reside in the area. As per the grant requirements, whichever provider is selected, they must still deliver the same services and resources to students within their grant service counties.
- To ensure continuity of service to students, AOE will complete the current grant competition and identify adult education and literacy providers for the three-year grant period starting July 1, 2025. Should the legislature pass a law requiring a reevaluation of the program, that process would likely result in revised criteria for the funding formula and an adjusted implementation period beginning July 1, 2026. In this scenario, the Agency would need to coordinate with its legal counsel to consider relevant factors, including the result of the competition and amended laws .
- AOE shares the legislative intent of broadening AEL services across the state and is pleased at the heightened interest of new eligible providers in the competition keen to help the state fulfill its mission to assist every student, including adult learners, to be college and career ready as a result of a quality education.

Finally, the budget language assigns local adult education and literacy providers to work with the AOE on “*recommendations to modernize adult education funding to ensure funds are distributed equitably across all regions of the State.*” Since these funds are allocated through competitive grants, developing recommendations on their distribution would require input from a broader range of stakeholders to maintain transparency and avoid potential conflicts of interest. The Agency must

ensure that implementation of AEL policies and procedures does not provide an advantage to any particular entity.