

TO: Adult Education and Literacy HSCP Student Access Study Committee

FROM: The Adult Education and Literacy Network (AELN)

RE: Adult Education and Literacy Funding

DATE: September 25, 2023



## AEL Funding Background

The Vermont Agency of Education uses state and federal funds to contract with Vermont's four Adult Education & Literacy (AEL) service providers to provide the full range of adult education and literacy services across the State. AEL service providers also raise funds independently through other grants and private donations to help cover operational costs and address deficits. State and federal funding sources for the the AEL service Providers include:

### State Funding (Agency of Education):

- Adult Basic Education (ABE) grant funding - base funding
- Adult Diploma Program (ADP) grant funding - base funding
- One-Time State General Funds - FY22-FY24 Only
- **High School Completion Program - fee for service**

### Federal Funding:

- Workforce Innovation and Opportunity Act (WIOA) Title II (ABE) grant funding
- Integrated English Literacy and Civics Education (IELCE) funding

**Base Funding - \$3,500,000.** The Adult Education & Literacy Network (AELN) considers the ABE and ADP grant funding from the Agency of Education in Sec. B.504 of the state budget as the Network's base funding. The Adult Basic Education grant program is funded with state general funds, and the Adult Diploma Program is funded out of the Ed Fund. Funding from these two programs totals around \$3,500,000 for Vermont's 4 AEL service providers and has been level funded since 1992, while the cost of delivering Adult Basic Education services in Vermont has increased significantly since that time. While the AELN considers this "base funding", there are performance targets attached to these monies.

**Federal Funding.** Both WIOA Title II and IELCE grant funding from the federal government passes through the Agency of Education to AEL service providers. The majority of federal funding for AEL services comes from WIOA Title II, and the amount Vermont providers receive varies from year to year. IELCE funding is specifically for English Language Learners (ELL), and the amount also varies from year to year. Currently, only two of the four AEL providers in Vermont receive federal IELCE funding due to an outdated state analysis. Despite two AEL providers not receiving federal IELCE funds for this service, all four organizations in the AELN serve ELL students.

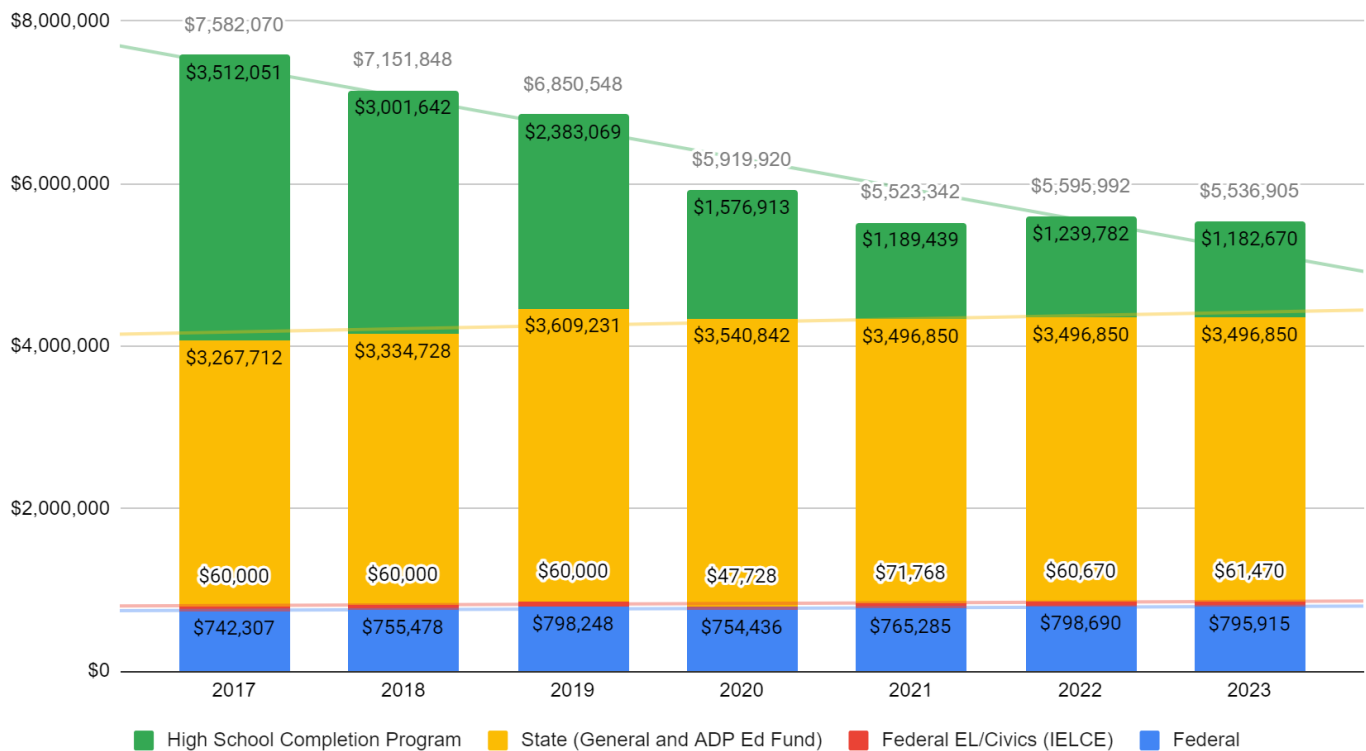
- **English Language Learners.** From FY22 to FY23, all four AEL providers in Vermont saw a significant increase in their ELL student population as immigrants and refugees from Afghanistan, Ukraine, Central and South America and other places from around the world resettled in Vermont. The AELN served a total of **547** ELL students in FY 2023 alone, **representing a 40% increase over fiscal year 2022.**

**One-Time State General Funds.** Since calendar year 2021 the AELN has approached the General Assembly with a request to increase our base funding by \$1.5million. In response, the Vermont Legislature appropriated \$350,000 in one-time funding to the AELN in the FY22 Budget Adjustment Act; \$700,000 in one-time funding in the FY23 state budget; and another \$1,000,000 in one-time "bridge funding" in the FY24 state budget. These one-time appropriations all came from state general funds and helped cover operational costs and budget deficits. Without continuing this additional support from the State, Vermont's AEL providers risk running budget deficits and cutting staff and/or services.

## High School Completion Program

Through a competitive RFP process with the Agency of Education, AEL providers have administered the HSCP for the State since its inception in 2006. The last bid was April 2023. This is a fee for service program that comes out of the Ed Fund, and while the fee schedule has remained flat over the years, costs of providing this service have increased significantly. As you can see in the graph below, decreased funding from the HSCP has been the AELN's primary source of budgetary strains.

AELN State and Federal Funding Sources (2017-2023)



**Funding for the HSCP has decreased significantly due to three primary factors: 1) lower student enrollment caused by the Covid-19 pandemic, 2) policy changes within the program, and 3) our student population is entering with lower literacy skills and taking longer to qualify for this funding source under current eligibility requirements.** In FY2019, the Agency adopted a revised federal standardized test that students are required to take before they can enter the HSCP. A student must take this standardized test in Reading, Math and Language and have a signed graduation plan with a school to qualify for HSCP. We have found that the policy change around required testing significantly increases the barrier to entry for the program and hurts AEL providers' ability to utilize the funding allocated by the General Assembly under Flexible Pathways to robustly serve students with the goal of earning their diploma. Students must score at least a 4 in all three areas in order for AEL providers to draw down any HSCP funds for a student (unless granted special permission by the AOE) and several of the most significant reimbursements are only available if a student scores 5 or higher in all three areas. Many of our students come to us with significant learning disabilities and other barriers that make it extremely difficult for them to demonstrate their skills and knowledge on standardized tests, and getting to a level 5 score can be extremely burdensome both on the student and the teacher.

## Drawing Down HSCP Funds

AEL providers are not able to draw down full HSCP funding until a student shows skill gains in the three standardized assessments and/or successfully completes the program and graduates by fulfilling their graduation education plan and scoring at least a 5 in all three test areas - reading, math and language. Because of this, HSCP has unfortunately become the least flexible of Flexible Pathways. It also takes a longer time for our students to get there, which corresponds to longer teaching times and higher provider costs. Furthermore, **the standardized testing for HSCP is more rigorous than the graduation requirements for our public school system, which causes a system where our most vulnerable Vermonters are actually held to a higher standard to earn their high school diploma than students in the public school system, who often do not face the same barriers to education.**

The combination of policy decisions and the fact that students are coming to us with lower skills and greater barriers have resulted in a decrease of over \$2,000,000 over the last 5 years for HSCP services. At the same time, our costs to deliver our services have increased significantly due to the longer teaching time required to get a student up to a level 5 score on a more difficult test and working with students with higher needs and lower literacy levels.

### HSCP Policy

**The High School Completion Program (HSCP) is unique to Vermont - it is not a federal program and to our knowledge no other state has this program.** As such, the VT Agency of Education sets the rules around testing, reimbursements, etc. The HSCP is a fee for service program and is entirely state funded. The program relates to federal guidelines only because the VT Agency of Education uses a federally approved Adult Education & Literacy (AEL) assessment as their eligibility criteria for providers to drawdown state HSCP funding. Programs that receive federal AEL funds are required to assess all students and the assessments are meant to evaluate the effectiveness of the program, not individual students. It is federal regulation that every AEL student has to take at least one subject of an approved assessment tests (either TABE or CASAS) in order for the state to access federal AEL funding. This federal funding passes through the Agency to AEL providers as grant funding and is separate from the HSCP.

It is a policy of the VT Agency of Education to use the federal AEL assessment requirements as eligibility criteria for a state funded program. In Vermont, we use the TABE assessment test to meet that federal “approved assessment test” requirement for Adult Basic Education broadly. The TABE has three test areas - Reading, Math and Language. While the federal government mandates that either TABE or CASAS or other approved assessment instruments be used to access federal AEL grant funding, there is no such federal requirement for the HSCP, since that is a state program. It is a policy of the VT Agency of Education to apply this test to the HSCP and to require that students must score at least a “NRS 5” for all 3 test categories to drawdown full state funding for the HSCP. At the federal level, the TABE assessment is only related to Adult Basic Education, not the HSCP. There is no “testing floor” for drawing down federal AEL funding for Adult Basic Education services. Additionally, there is no cap for AEL grant funding for any particular student.

The HSCP also requires a graduation plan that is developed with the student’s sending (local) high school and approved by a representative from that school, such as guidance counselor or principal. It can take years for a student to complete their graduation plan and get to a level 5 score, and that road is often too long and challenging for the population we serve. As a result, many students choose to instead take the GED test, which is often a simpler and shorter route to a high school credential. When a student makes that choice, we work with the student to prepare for the GED test and provide the test in-house, but we do not access federal AEL funding for GED test administration.

**Federal AEL funding is not used for the HSCP.** The issue around HSCP funding therefore needs to be addressed at the state level, and this is only relevant for a small percent of our overall student population. The AELN provides a wide range of services to a wide range of people, and we do not want to lose sight of our other student populations while working towards solutions for the HSCP specifically. The AELN served approximately **1,896** students in fiscal year 2023. Of this student population, **576** students were working towards a high school credential. Below is a series of tables to demonstrate our student numbers per program and student demographics.

**Table 1. AELN Student Numbers Per Program**

	High School Completion Program	English Language Learning	Adult Basic Education
Fiscal Year 2022	384	390	925
Fiscal Year 2023	407	547	941

**Table 2.** Total number of students served who are working towards a high school credential, with the % breakdown for GED vs. HSCP for this specific student population. Row 3 is the % of students working towards a high school credential (GED/HSCP combined) compared to our total student population.

	FY18	FY19	FY20	FY21	FY22	FY23
Total # of students	2,293	2,027	1,602	1,163	1,449	1,896
Total # of students working towards a high school credential with HSCP v GED % breakdown	796 86% HSCP 13% GED	767 83% HSCP 17% GED	684 89% HSCP 11% GED	505 84% HSCP 16% GED	645 75% HSCP 25% GED	576 71% HSCP 29% GED
% of total student population	35%	38%	43%	43%	44%	30%

**Table 3. FY23 AELN Student Demographics**

AEL Student Demographics		# of Students	% of Students
<b>Age Group</b>	16-18	510	27%
	19-24	473	25%
	25-44	632	33%
	45-59	187	10%
	60+	95	5%
<b>Gender</b>	Male	812	43%
	Female	1081	57%
<b>Ethnicity</b>	Asian	144	8%
	Black or African America	230	12%
	Hispanic or Latino	256	14%
	Two or more races	38	2%
	<b>Total BIPOC</b>	<b>668</b>	<b>35%</b>
	White	1204	64%
<b>Labor Status</b>	Employed	147	61%
	Unemployed	219	77%
<b>Barriers to Employment</b>	Ex-offenders	39	2%
	<b>English language learners / low literacy levels / cultural barriers</b>	557	29%
	Homeless/ runaway youth / foster care involved youth	37	2%
	<b>Low income</b>	419	22%
	<b>Individuals with disabilities</b>	469	25%
	Single parents	113	6%
<b>Students that received &lt;12 of schooling</b>		1354	71%

NOTE: Each AEL provider has further demographic breakdown sheets available upon request. This table is extrapolated data that provides numbers for specific categories of people we were asked about in your Committee. If there is interest in receiving further information, for example regarding the specific type of disabilities we see in our students, that information can be provided.

## Vermont's Four Adult Education and Literacy Providers Help Achieve State Goals

