
TESTIMONY

Testimony To: House Committee on Ways and Means
Senate Committee on Finance
House Committee on Education
Senate Committee on Education

Respectfully Submitted by: Heather Bouchey, Ph.D., Interim Secretary of Education

Subject: Act 127

Date: January 25, 2024

Good afternoon and thank you for the opportunity to testify at your joint hearing today.

As expressed in the letter from Chairs Kornheiser and Cummings, AOE is also concerned about the current implementation of Act 127. It is disconcerting to receive communications from districts such as Winooski who express frustration that the very law that is meant to correct longstanding inequities for historically marginalized populations of students is, in fact, potentially penalizing them through regional budgeting decisions. To assist in addressing the broader issue of local budget expansion, AOE can report some information we have collected that is germane to conversation and potential action. We stand ready to assist and collaborate with the General Assembly on this critical work.

Here are some bullets from education finance that I hope answer your request.

- December 1, 2024 education spending estimates were a 12% year-over-year education spending increase. AOE is in the middle of performing a one-time warned budget collection, wrapping up this week. The goal of this is to provide updated fact-based education spending numbers to our legislators.
- One component of the tax rate has been frozen and that is the first year of Long Term Weighted Average Daily Membership (LTWADM) i.e.: pupils. Statewide total of 142,809.77. An increase of 1,620 from December 1 estimates.
 - The pupil collection, using data reported from the districts, does have a significant increase to the economically disadvantaged counts as compared to prior years. This was expected as Medicaid direct certification and the household income form allow districts to accurately optimize their counts.
 - Enrollment does continue to decline with FY23 average daily membership of 83,600.57 and FY24 average daily membership of 82,611.30. Both values include early college phantoms.
 - The decreases in membership are buried in the FY25 LTWADM by the increases in economically disadvantaged counts.



- Special education costs and extraordinary reimbursement are rising. AOE projects needing funding of \$264M in FY25.
 - The census block grant is slowly growing as districts transition to the universal base amount in FY2027.
 - Extraordinary funding needed has grown from \$21M in FY22 to a projection of \$65M in FY25.
- Tax rate review committee update
 - A small group of volunteers from the field are helping inform AOE as we stand up this committee.
 - To get reviews completed before tax rates are released, this is pushing up the AOE's final budget collection process to early April. We are keeping districts informed of budget collection deadlines as the early collection is a change from previous years.
 - The AOE has received a myriad of concerns about tax rate review. This being a new process, and as noted we are crafting this now, we don't have all the answers yet. Information will be shared with the field as it becomes available.