



219 North Main Street | Suite 402 | Barre, VT 05641  
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TESTIMONY PROVIDED TO: The House Appropriations Committee  
 FROM: Rebecca Holcombe, Ed.D., Secretary of Education (RH)  
 Bill Talbott, Deputy Secretary; Kathy Flanagan, Financial Director  
 SUBJECT: Agency of Education Budget Adjustment Explanation  
 DATE: January 10, 2017

**AOE Budget Adjustment Explanation**

AOE		
Dept. ID	2017 EF Reversion	
Special Education	5100040000	9,212,026.11
State placed Students	5100050000	593,810.48
Education Grants	5100090000	341,879.54
Essential Early Education	5100190000	209,218.79
Capital Debt Service	5100120000	100,447.00
Technical Education	5100200000	203,853.72
Adult Education	5100060000	1,397,949.90
		12,059,185.54
		2017 GF Reversion
Adult Basic Education	5100060000	1
Education Services	5100070000	245,000
		245,001

**Notes:**

- With respect to the \$245,000 GF that is reverting, these funds were identified for contract activity with our grants management vendor for required, unanticipated upgrades to the system which would have required a significant investment of resources. The vendor has since decided to de-support the product and the upgrades were not completed.
- The \$9 million (SPED) we think they were double counting in their service plans as they worked to unify special education at the supervisory level, consistent with Act 153. We will level fund in the current year to let spending catch up with the money.



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- State placed spending is erratic based on the year. \$593k
- AEL and flexible pathways used to be combined. This was confusing, so last year we began a two-step process to separate, so that we could better track expenses in both. So, this is step two - \$1.4 million represents carry forward that is partially high school completion, partially dual enrollment and partially carryover for flexible pathways. This step simply moves it from the wrong appropriation to the new flexible pathways appropriation. This has nothing to do with community high school. This assures that AEL appropriation in FY17 and going forward is for AEL activities.



AGENCY OF EDUCATION

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FY17  
BAA

				As Passed	BAA	BAA Recommend
Education						
B.500	5100010000	Education - finance and administration	Personal services	9,135,219	36,500	9,171,719
B.500	5100010000	Education - finance and administration	Operating expenses	2,507,191	23,500	2,530,691
B.500	5100010000	Education - finance and administration	Grants	15,810,700		15,810,700
B.500	5100010000	Education - finance and administration	Total	27,453,110	60,000	27,513,110
B.500	5100010000	Education - finance and administration				
B.500	5100010000	Education - finance and administration	Source of funds			
B.500	5100010000	Education - finance and administration	General fund	3,621,946	230,000	3,851,946
B.500	5100010000	Education - finance and administration	Education fund	1,014,007		1,014,007
B.500	5100010000	Education - finance and administration	Special funds	16,821,588		16,821,588
B.500	5100010000	Education - finance and administration	Global Commitment fund	958,735	(340,000)	618,735
B.500	5100010000	Education - finance and administration	Federal funds	5,036,834		5,036,834
B.500	5100010000	Education - finance and administration	Interdepartmental transfers	-	170,000	170,000
B.500	5100010000	Education - finance and administration	Total	27,453,110	60,000	27,513,110
				-	-	-
B.504.1	5100891702	Education - Flexible Pathways	Grants	4,750,000	1,397,950	6,147,950
B.504.1	5100891702	Education - Flexible Pathways	Total	4,750,000	1,397,950	6,147,950
B.504.1	5100891702	Education - Flexible Pathways				
B.504.1	5100891702	Education - Flexible Pathways	Source of funds			
B.504.1	5100891702	Education - Flexible Pathways	General fund	4,750,000	1,397,950	6,147,950
B.504.1	5100891702	Education - Flexible Pathways	Education fund			
B.504.1	5100891702	Education - Flexible Pathways	Special funds			
B.504.1	5100891702	Education - Flexible Pathways	Federal funds			
B.504.1	5100891702	Education - Flexible Pathways	Total	4,750,000	1,397,950	6,147,950

These changes are primarily associated with the global commitment appropriation changes. AHS had to change this due to federal requirements, so the GC goes down and is backfilled with other dollars. Global commitment went down \$340,000 and was offset by a \$170,000 increase in General Fund (which comes down for AHS in the AHS budget, so there is a net zero impact on state GF) and a \$170,000 interdepartmental transfer from AHS. This will be annualized in our FY18 budget.

The total increase, practically and substantively speaking, is \$60,000 to cover anticipated costs associated with Burlington College.