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## TESTIMONY

**Testimony To:** Senate Committee on Appropriations  
Heather Bouchey, Ph.D., Interim Secretary of  
Education

**Respectfully Submitted by:** Education

**Subject:** **Afterschool - Budget Adjustment Act**

**Date:** February 7, 2024

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Thank you for the opportunity to testify on behalf of the Agency of Education today. I'm happy to clarify AOE's official position on the proposed BAA language and, of course, answer any questions committee members have.

To be clear, AOE supports and proposed the following language for inclusion in the BAA:

Sec. 52. 2023 Acts and Resolves No. 78, Sec. E.500.1 is amended to read:

Sec. E.500.1 16 V.S.A. § 4018 is added to read:

### § 4018. AFTERSCHOOL AND SUMMER LEARNING PROGRAMS

(a) Education Fund grants in an amount equal to the receipts from the sales and use tax imposed by 32 V.S.A. chapter 233 on retail sales of cannabis or cannabis products in this State, net of any administrative costs per subsection (b)(4) of this section, shall be used The Afterschool and Summer Learning Fund is created pursuant to 32 V.S.A. Chapter 7, subchapter 5 to be administered by the Secretary of Education to fund grant programs for the expansion of summer and afterschool programs with an emphasis on increasing access in underserved areas of the State. Monies in the fund shall be comprised of the following:

(1) All receipts from the sales and use tax imposed pursuant to 32 V.S.A. Chapter 233 on retail sales of cannabis or cannabis products in Vermont; and

(2) Any proceeds transferred from another State fund as directed by the General Assembly

(b) The Secretary of Education shall administer the grant programs, as follows:

(1) Grants shall be used to support a mixed delivery system for afterschool and summer programming. Eligible recipients can be public, private, or nonprofit organizations.

(2) Grants may be used for technical assistance, program implementation, program expansion, program sustainability, and related costs.



(3) Grants may be used to directly target communities with low existing capacity to serve youth in afterschool and summer settings.

(4) The Agency may use up to \$500,000 each fiscal year from the Afterschool and Summer Learning Fund for administrative costs to allow for the support of the grant program and technical assistance to communities. This could include subcontracts to support the grant programs.

Section b aligns with language that was passed by the Legislature in the Big Bill of 2023.

## **Rationale**

We requested the proposed BAA language simply to fix language from last year's Big Bill that, either unfairly or mistakenly in our opinion, restricted non-education (cannabis tax revenue) funds to LEAs only. The move of cannabis revenue funds, without a "notwithstanding" component, to the Education Fund made those funds available only to LEAs. This was not our understanding of the basic parameters of the legislated grant program, which had clearly specified that public, non-profit, and private applicants were eligible.

Jess DeCarolis, AOE Director of Student Pathways, and our fiscal team brought this to Interim Secretary Bouchey's attention, citing correctly that AOE would not be able to implement the program as written in law. Bouchey then alerted JFO and fiscal committee leadership to the problem. We all came up with the solution of a special fund as the best option for funding the program as intended.

## **Background**

The use of cannabis revenue funds for universal afterschool is the latest in a long line of collaborative work between the Administration and Legislature to ensure that all students have engaging, enriching experiences, involving not only academics, but play, outdoor exploration, social emotional learning and wellness, employment, and socially supportive relationship development with others. For the past several years, the AOE has been a central partner in this joint work. Through a combination of state and federal funding sources, we have launched or supported a number of initiatives:

In 2021, in partnership with Senator Sanders, a \$4M Summer Matters program (ESSER funds) to re-engage youth during the height of the COVID-19 pandemic.

In 2022-2023, \$4.7M Afterschool and Summer Expanding Access grant, ESSER II funds.

In 2023, \$2.8M in ARP ESSER for Summer and Afterschool grants to LEAs, including 21C programs.

In 2023-2024, \$3.5M from cannabis sales tax allocated in Act 78 of 2023, for schools and community partners (Act 78, 2023). Applications are currently open, due in March.

Note: These resources are all **in addition to** continued, ongoing state funding sources through 21<sup>st</sup> century community school programs, regulated by the AOE, and licensed afterschool programs regulated by the Child Development Division of DCF. There are also additional funds (GEER, Act 112 funds, etc.), not listed here, that were leveraged to support public and non-profit afterschool models as well.

Funding this mixture of public schools and non-profit organizations, each collaborating jointly at the local level to offer the best programming for students in their community and region, has been widely and jointly supported to date by both the Administration and Legislature. Indeed, the model directly aligns to the recommendations of the Legislature's own report from its Universal Afterschool task force committee. The model has also received positive national attention.

## **Cannabis Revenue Funded Program (Current program of interest)**

This grant is currently live, and applications will be accepted until March 6th. More can be found, here: [Grant Announcement: Act 78 Afterschool and Summer Learning Programs | Agency of Education \(vermont.gov\)](#).

Applicants must meet at least two of following three Absolute Priorities:

**Absolute Priority 1:** The Agency of Education will prioritize awards for applications that utilize school-community partnership model to deliver programming.

**Absolute Priority 2:** The Agency of Education will prioritize awards for applications where there is evidence of no or limited afterschool program options currently available for children and youth in the applicant community(s).

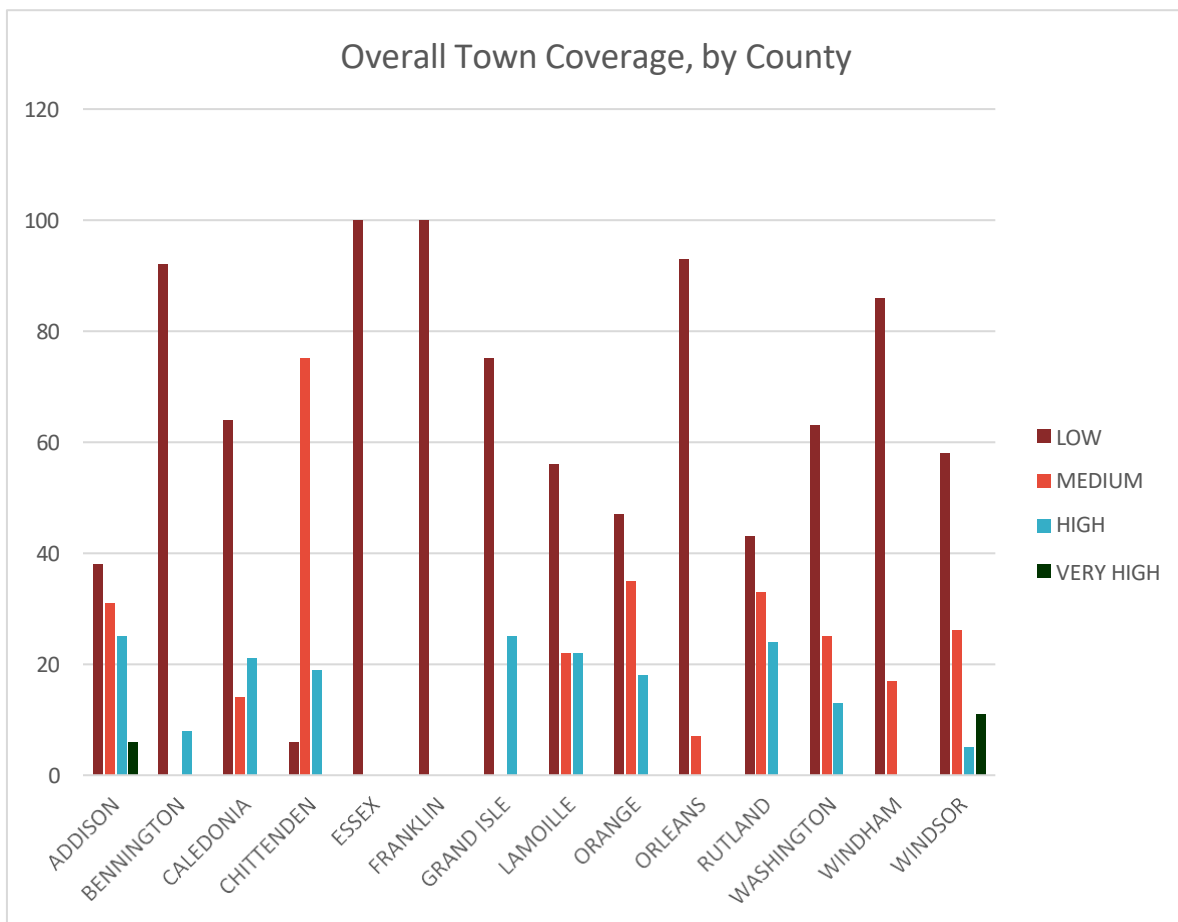
**Absolute Priority 3:** The Agency of Education will prioritize awards to applications designed to improve access and remove barriers to participation for students from Historically Marginalized Groups.

## **Concerns**

Running all funds through the LEAs, as has been advanced by some as a solution, would severely limit local options and hamper the flexibility that was called for in both the General Assembly's own legislative report on universal afterschool as well as the collaborative inter-agency work on afterschool that has been ongoing for several years now. The final statute from 2023 session, in fact, did not authorize the AOE to award LEAs any funds first, to force LEAs to be sole fiscal agents on behalf of non-profit or private entities (an unfair and tall order for them), or anything of the sort. It is clear that the intent of the program was always to have a robust set of applicants eligible for the program, in keeping with the goals of developing a universal tapestry of afterschool and summer options for all children and youth throughout the state, regardless of their geography. (see Background, above).

To argue now that the intent of this program was for LEAs to control the funding or contract with community partners as the sole fiscal agent is, at best, misguided and, at worst, intentionally revisionist. In addition, to use language such as “stripping the funds” from the Education Fund, as has been deployed, is an unfortunate choice of words that seems to imply the Administration and legislators—who are simply trying to implement the program that was already passed and legislated by the General Assembly—is somehow now “taking away” something from LEAs. This is untrue; we cannot support this approach or language. We believe restricting funds solely to LEAs would fundamentally change the nature of the mixed delivery program we have been jointly crafting for years and would set back the work that we have earnestly and in good faith endeavored on, and achieved together, during the past several years.

We also do not believe that the education system has the capacity to fully lift a universal afterschool system. These decisions are best left to local entities to come together and discuss who best is primed to apply for the funds, offer the programming, etc. Using data from 2020, AOE determined that a very high percentage of towns offered inadequate universal afterschool coverage (less than 25%) for their children and youth. Our analysis is far from perfect and relied only on licensed CDD slots and 21C participation data, but it is a window into the need that exists. We’d be happy to present it in further detail in future. Schools cannot do all this work on their own, nor should we expect them to.



In addition, concerns have been raised regarding applicant or awardee potential discrimination of families, children, youth, and/or specific populations. These are concerns that we share at AOE. In the [grant application currently posted](#), we include the following language:

### **Anti-discrimination statutes:**

Consistent with recommendations from the 2021 Task Force Report (pp. 21-22), grant-funded programs and activities must conform to state and federal legislation governing the administration/use of public dollars as well as state and federal anti-discrimination statutes.

We would also be more than happy to work with the Legislature on additional ideas in this space.

In summary, AOE strongly and vehemently supports the language proposed in the BAA to correct the funding stream for this mixed delivery program of afterschool and summer opportunities. It is only through a special fund accessible to both public schools and non-profit organizations alike that we can fully achieve the equitable, universal tapestry of opportunities that we are all hoping to secure for the children and youth of Vermont.