

---

## TESTIMONY

**Testimony To:** House Committee on Appropriations  
**Respectfully Submitted by:** Zoie Saunders, M.Ed., Secretary  
**Subject:** House Appropriations Follow Up  
**Date:** March 10, 2025

---

### Education Transformation Budget Request

**None of these requests represent work that is within the job duties of any existing Agency staff. These are one-time requests to support a transition and do not represent permanent work that would be undertaken by Agency staff.** However, we will structure these contracted resources explicitly to build capacity of the Agency to support the new districts in ensuring equity, quality, and sustainability beyond the transitional period. Part of our capacity building efforts will involve an evaluation of the need for permanent resources after FY28 to sustain operations – but only after we have done the hard work of reorganizing the Agency, reducing duplication of efforts, and maximizing existing staff resources.

### Financial Transformation and Budgeting Support

The Agency requests additional resources to provide critical support through the proposed transition period from FY 26-FY 28. This support will include timely modeling and adjustments as policy decisions are made, analysis of existing systems to measure viability and provide targeted and accelerated support to school systems during transition, and intensive budgeting support for LEAs in FY 27 and FY 28 as the state moves to a foundation formula.

#### FY26 Focus

- Model financial impact of FY27 state foundation grant and develop criteria to evaluate the need for adjusted funding based on special circumstances
- Evaluate the financial and operational viability of forming districts and develop a warning system to identify districts for accelerated intervention (early consolidation) to ensure continuity of educational delivery
- Provide targeted training and budget support to achieve short-term cost containment strategies in FY27, including implementation of new class size/student-teacher ratios
- Develop budget tools that support scenario planning within defined state budgeting parameters and education quality requirements
- Provide extensive training and on-the-ground support to support 119 districts in a critical transition year



- Develop budget dashboards and tools to support strategic budgeting and accountability to statewide financial and equity goals

## **Education Quality and Accountability: Academic Transformation**

The Agency requests additional resources to engage in a comprehensive review and strengthening of the state’s accountability framework, as well as to support the Agency’s development of a strategic plan that will better support schools and districts into the future. The education transformation could be disruptive to teaching and learning, putting our state at risk for a downturn in academic performance. The Agency needs to provide strong leadership and direction to ensure high-quality instruction during the transition and to build a foundation for educational excellence in the future. We have significant vulnerabilities related to academic quality, and the U.S. Department of Education has identified several findings during their recent monitoring visit related to teacher equity, statewide graduation requirements, continuous improvement, special education monitoring, parent engagement, and other mission critical process improvements. Lastly, the Agency needs to prepare the field for the transition to the new districts/boards by providing clear direction on academic standards and tools/systems to support high quality academic performance, while ensuring high quality instruction during the transition. All of this work will be conducted under the direction of the Chief Academic Officer.

### **FY26 Focus**

- Develop an early warning system to proactively identify schools requiring additional academic intervention and continuous improvement support
- Design tools and resources to support data-driven instruction and curriculum alignment across districts
- Redesign the Agency’s special education monitoring approach and provide targeted support to address Vermont’s “needs assistance” status under the direction of the Chief Academic Officer
- Evaluate data collection timelines and validation processes in alignment with national best practices to ensure compliance with federal guidelines and to improve data reporting
- Provide targeted, on-the-ground school improvement planning and support to address vulnerabilities and equip schools and districts with the tools and resources to promote high-quality instruction during a volatile year
- Design a teacher equity data monitoring system to ensure all students have access to high-quality teachers

## **School Board Support and Transformation**

The Agency requests additional resources to support existing school boards and new school boards through the transition process to ensure that the new, professional boards have the training that they need to reduce disruption to teaching and learning

throughout the education transformation, and to engage in strategic planning through the use of data to establish policies that meet state and federal requirements, while driving towards equity, quality and sustainability.

### **FY26 Focus**

- Train existing boards on their redefined roles and responsibilities during the transition period and provide resources and tools to support close out activities and oversight of educational quality during a disruptive time
- Develop curriculum and training for new boards in alignment with the district quality standards with consideration to the unique challenges of each new district

## **Title Funds**

### **State Title I Administrative Reservation**

The small state minimum for Title I administration is \$400K in statute. We will continue to get that amount unless Title I is eliminated legislatively, which looks very unlikely. (Our administrative set asides for the other Titles (II, III, IV) are based on 1% of the allocation, so if an allocation drops, our administrative funds also would drop.)

### **Federal FY25 Appropriations**

The funding situation in Washington is in extreme flux. This analysis is based on the latest information we have. We expect the details of FY25 and FY26 funding to become clearer after the CR deadline on 3/14 and especially in late March or early April when the majority is anticipated to unveil the details of their reconciliation bill.

March 14, 2025, is the deadline for Congress to either pass another Continuing Resolution (CR) to fund the government at current levels for a few more months or to pass a spending bill to fund the government for the remainder of federal FY25. Both appear increasingly unlikely by this date. If Congress and the President cannot pass either by 3/14, it would prompt a government shutdown.

With or without a CR, Congress must pass an FY25 appropriations bill before it can move on to FY26 funding. Republican leadership in the House and Senate are working toward a “reconciliation bill” to fund the government for the remainder of the FY25 federal fiscal year. They are looking for substantial savings to offset proposed increases in military and immigration enforcement funding, extension of the 2017 tax cuts, and lifting of the debt ceiling. Proposed cuts include a reduction in the federal share of Medicaid funding to states and increases in eligibility requirements for Medicaid. In addition, substantial cuts have been proposed to SNAP and school nutrition program funding and eligibility requirements. Both would have substantial impacts on our schools and school funding **in the future** because they would likely reduce the percentage of students qualifying for free or reduced-price school meals and therefore, increase the

state cost of meals programs. However, any specific cuts in a reconciliation bill would have to pass the scrutiny of the Senate Parliamentarian, and such a bill would also need majority votes in both houses of Congress where margins are very slim. Since these proposed changes are contested even among the Republican majority, it is unclear which, if any, might come to fruition, at least for federal FY25, even if the Parliamentarian approved including them in a reconciliation bill.

### Federal FY26 Appropriations

Federal FY26 budget discussions have not yet begun in earnest in Congress. Given last year’s House education budget proposal which called for substantial cuts to education programs (which ultimately were blocked by the Senate), we expect cuts to ESEA and possibly IDEA education programs in FY26, though to which programs and in what amounts is not at all clear. **In any case, because of forward-funding of education formula programs, any cuts that make it through the legislative process for federal FY26 would not impact schools until the 26-27 school year (see slide).** The same would not be true of any cuts to school nutrition programs or Medicaid in a federal FY26 budget.

Title Funds	FY25 Allocations for LEAs
Title I	\$38,889,577.00
Title I School Improvement	\$2,834,621.00
Title IIA	\$10,296,277.00
Title III	\$325,000.00
Title IV	\$6,326,559.00