

State of Vermont
Agency of Administration
Office of the Secretary
109 State Street, 5th Floor
Montpelier, VT 05609-0201

Sarah Clark, Secretary

May 4, 2026

Vermont State House
109 State Street
Montpelier, VT 05602

Sen. Andrew Perchlik
Sen. Virginia “Ginny” Lyons
Sen. Richard Westman
Rep. Robin Scheu
Rep. Martha Feltus
Rep. Tiffany Bluemle

Via email

To the Members of the H.951 Committee of Conference:

Regarding H.951 – *An act relating to making appropriations for the support of the government* – as passed by the Senate on April 29 – we appreciate the areas of consensus between the Administration and both chambers, and the Senate’s work to address some of the concerns we raised with the House-passed version.

I write to share the Governor’s recommendations for the conference committee to maintain areas of agreement, and further address areas of concern.

Let’s begin by emphasizing the urgent need for education transformation for our children, our residents and our future. Act 73 of 2025 established the framework for that transformation and we must follow through on this bipartisan agreement. Act 73 establishes the necessary path to reform our broken funding and governance systems and improve the quality of education and Vermonters’ ability to pay for it. Without this transformation, the education system will continue to erode and have a dire impact on future budgets and our state.

We have plenty of time remaining this session to follow through on the education and affordability reforms Vermonters demanded. We are ready and eager to work with lawmakers to find a path forward that works for both chambers



and the Governor. It would be irresponsible to adjourn this session without an agreement.

I appreciate the Senate's changes in H.949, the "yield bill", to apply a \$100.9 million transfer from the General Fund to the Education Fund. Vermonters simply cannot afford their property tax bills, and this appropriation reduces the unacceptably high 7% increase passed by the House. This rate buy-down is part of a bridge to education transformation. To bolster this bridge, we also urge the passage of the cost containment provisions currently included in both S.220, *An act relating to the excess spending threshold*, and the Senate's yield bill.

I also appreciate the Senate's agreement to appropriate \$12 million to the University of Vermont (UVM) from the Higher Education Endowment Trust Fund (HEETF) to help finish work on their multi-purpose facility, which the Governor proposed and the House removed. Public support for Vermont's landmark public university will trigger substantial private donations to see this project through to completion. This investment is funded by the HEETF because of a one-time \$26M transfer from the estate tax last year. This was an unanticipated infusion of cash. Even with a \$12M investment in Vermont's largest higher education institution, the HEETF is still in a better financial position than before last year's surplus transfer. As such, we recommend you not repay this transfer using cannabis excise funds as it will create General Fund pressure in future years.

Transportation Reform:

The Governor's budget proposed structural reforms to strengthen the financial position of the Transportation Fund and address the long-term condition of our aging infrastructure. The Senate Transportation Committee voted H.944, the "T-bill", out of committee unanimously with these key strategic reforms included. Unfortunately, the Senate Finance Committee stripped the provisions needed to keep the phase in of all revenue from the Motor Vehicle Purchase & Use Tax in the Transportation Fund.

The Legislature must restore these provisions.

Overall Spending Concerns & Technology Modernization Special Fund:

Unfortunately, the Senate spends almost \$7 million more than the House and over \$24 million more than the Governor's proposed budget. The Legislature's higher level of spending will create base pressures and potential shortfalls in the future given uncertainty in federal funding and slowing revenue growth in our consensus forecast.

We continue to have significant concerns that this extra spending is being funded, in part, by a \$9.5 million transfer from the Technology Modernization Special Fund. The Legislature frequently raises concerns over IT modernization. Using money from the Fund designed to address our ageing systems for other purposes is, therefore, especially disappointing. The Senate's response to our request



to restore the Fund interest was to replace half this amount with a transfer contingent on a General Fund surplus at year-end.

It should be the other way around. The transfer out of the Fund should be eliminated and the additional new, one-time appropriations should be contingent on a year-end surplus.

Finally, while increasing spending on numerous other programs, H.951 cuts the Governor's appropriation for ReadVT, an impactful literacy program that provides job-embedded training to teachers in the science of reading. The Agency of Education, building on the literacy initiatives first introduced in Act 139 of 2024, has implemented this proven, evidence-based program to support literacy instruction in our schools, mirroring a strategy that has been fundamental to historic turnarounds in reading proficiency across the nation. Without additional funding, this program will end. Please restore this funding to help our children.

I look forward to working with the conferees to finalize a budget we can all support and that furthers education transformation.

Sincerely,

Sarah Clark
Secretary of Administration

Cc: Senator Philip Baruth, State Senate, Senate President Pro Tempore
Representative Jill Krowinski, House of Representatives, Speaker
Catherine Benham, Joint Fiscal Office, Chief Fiscal Officer
Emily Byrne, Joint Fiscal Office, Deputy Fiscal Officer
Aimee Pope, Joint Fiscal Office, Associate Fiscal Officer
Adam Greshin, Department of Finance and Management, Commissioner

