

TESTIMONY

Testimony To: House Appropriations
Respectfully Submitted by: The Vermont Agency of Education
Subject: AOE FY27 Budget Clarifications
Date: February 24, 2026

Background

The Agency of Education received a series of questions from members of the House Appropriations Committee regarding the Agency of Education's (AOE) FY27 budget. For transparency, the AOE has included the questions as drafted (with some minor edits for clarity and conciseness) with a response. In addition, the Agency has identified where it has taken a braided funding approach to support work with the intention of maximizing all available funding sources and Agency expertise.

Questions and Responses

1. **Would you please share a break-out of how the appropriations from Act 73 have been spent and/or obligated thus far? Specifically, the committee is hoping to understand:**
 - a. The spent and obligated funds associated with each appropriation
 - b. The remaining balance of each appropriation
 - c. Of the spent and/or obligated funds, how those funds have been used



Appropriation	VT Agency	Source	Type	Amount	Obligated	Status	Use (additional detail below for AOE-held funds)
Sec 4(h)	Leg Council	GF	One time	\$200,000	No	Won't be spent until new districts are established	Voting wards
Sec 4(g)	Secretary of State	GF	One time	\$15,000	-		Per diem for voting wards working group
Sec 3(i)(1)	AOA	GF	One time	\$50,000	Yes	\$50,000 spent	Administrative support for taskforce
Sec 3(i)(2)	ADS	GF	One time	\$100,000	-		Technical support for taskforce
Sec 3(i)(3)	AOA	GF	One time	\$10,000	Yes	\$9,334.91 spent	Per diem for taskforce members (non-leg)
Sec 3(i)(4)	General Assembly	GF	One time	\$10,000	-		Per diem for taskforce members (leg)
Sec 10(B)	AOE	GF	One time	\$200,000	Yes	Contracted executed. \$3,757 expended	State Board review and updates of SBE rules
Sec 31(B)	AOE	GF	Base	\$150,000	No	In Progress	SPED Strategic Planning position (see #2 below for additional detail)

Sec 32	AOE	GF	One time	\$2,865,000	Partial	Multiple contracts and RFPs, 5 limited service positions under recruitment	Support for education transformation and quality
Sec 45 (a-c)	JFO	GF	One time	\$400,000	Y	Contract executed with AIR	Foundation formula weights and base

Additional Detail for AOE-specific appropriations

Act 73, Section 32(3) appropriates \$2,102,500 for, "...contracted services to support school districts with administrative activities relating to consolidation...". In its [FY 26 budget request](#), the AOE identified specific activities related to Financial Transformation and Budgeting Support; Education Quality and Accountability to support Academic Transformation; and School Board Support and Transformation. The AOE views these as multi-year efforts to align funding, operations, accountability, high-quality instruction, and school board governance with evidence-based best practices. The goal is to support districts in ensuring equity, quality, and sustainability during the transition years.

Over the past several months, the Agency has developed a staged plan that is aligned with key policy decisions, the AOE's reorganization and [strategic planning pillars](#). The AOE is also utilizing other funding sources (federal and state) to maximize our limited resources and bring coherence to the field. The following is a progress report on bids and contracts underway using Act 73, Section 32(3).

Executed Contracts:

1. Act 73 Special Education Funding Report (Act 73, Section 3)
 - a. Selected vendor: APA & New Solutions K12

- b. Total cost: \$75,000
 - c. Total funds expended to date: \$0
 - d. Period of performance: 2/15/26-4/15/26
 - e. Scope of work: Identify considerations for delivery of special education in preparation for a proposed weighted funding model (see additional detail in Question and Response #3 below)
2. Implementing Act 173 (Special Education Blueprint): (Act 73 Sec. 30) (Best Practices in Instruction & Intervention)
- a. Selected vendor: New Solutions K12
 - b. Total cost: \$520,000
 - i. \$375,000 FY26 carry forward (Section B.501 Education Services, 5100070000)
 - ii. \$145,000 Act 73, Section 32(3)
 - c. Period of performance: 2/9/26-6/30/27
 - d. Scope of work: Develop a playbook and provide statewide training & coaching on improving core instruction & achieving the goals of Act 173 (2018). Provide “Scheduling Bootcamps” in the spring of ‘26 and ‘27. Please note that the AOE intends extend the period and reach of this contract as additional funding resources are identified to support implementation with fidelity and rigor across the education system.
3. Student Input Sessions on New Graduation Requirements
- a. Selected vendor: Up for Learning
 - b. Total cost: \$12,075 Act 73, Section 32(3)
 - c. Period of performance: 2/9/26-5/31/26
 - d. Scope of work: Student focus groups to provide input on AOE recommendations for new statewide graduation requirements, supporting State Board of Education rule-making

RFPs in Process:

1. Data Dashboard (data visualization)
 - a. Total cost estimate: \$500,000 Act 73, Section 32(3)
 - b. Timeline: Go live week of March 1, 2026, anticipated contract execution in May 2026
 - c. Scope of work: to develop data visualizations, reports and dashboards that provide transparent and accessible information on state, district, and school quality. These visualizations will use existing public data systems to support compliance and reporting requirements, enable comparative analysis, and support decision making for education transformation work.
2. Strategic Academic Leadership and System Readiness Initiative
 - a. Total cost estimate: \$1,220,000 Act 73, Section 32(3)
 - b. Timeline: RFP development underway, with anticipated RFP release in April 2026
 - c. Scope of work: The Agency must also prepare the field for the shift to new districts and boards by offering clear direction on academic standards and strengthening the tools and systems that support high-quality performance. Under the direction of the Chief Academic Officer and Chief Strategy & Accountability Officer, the AOE will advance this work by implementing an early warning system, strengthening data-driven instruction and curriculum alignment, redesigning special education monitoring, improving data collection and validation practices, providing targeted school improvement support, and establishing a teacher equity data monitoring system to ensure all students have access to high-quality teachers.
3. Strategic School Board Readiness and Support
 - a. Total cost estimate: \$150,000 Act 73, Section 32(3)
 - b. Timeline: RFP development underway, with anticipated RFP release in May-June 2026

c. Scope of work: The AOE will use contracted resources to support existing and newly formed school boards during the governance transition, ensuring boards are well prepared to minimize disruption to teaching and learning and to engage in strategic, data-informed planning that advances equity, quality, and sustainability. This work includes training existing boards on their revised roles and closeout responsibilities, as well as developing aligned curriculum and training for new boards to support strong oversight and compliance with state and federal requirements.

2. On a similar note, would you please provide a status of the new positions established in Act 73, Section 32(2)? Please include both the new permanent position to support the special education Strategic Plan development, as well as the limited-service positions. I believe AOE testified to HAC that the five new permanent positions requested in FY27 are a conversion of the five Limited Service positions in Sec. 33 of Act 73.

Through Act 73, Sect 32(2) and 33 the Legislature created five limited-service positions, through the position pool, with an appropriation for approximately 8 months of funding (\$562,500). The Governor and AOE have requested that these five positions become permanent, field-facing positions to support education transformation and district quality. To date, the Agency has undertaken recruitment for three of the positions and the remaining two are under active recruitment. It has been a challenge to secure final candidates for these roles due to the temporary nature of the positions. The AOE has failed one search (Data Integration Specialist) and is in active conversation regarding the Business Operations Specialist and Facilities Integration Specialist roles. We strongly urge the Legislature to make these critical positions permanent through an appropriation in the FY 27 budget.

The AOE has completed the recruitment process for the Special Education Strategic Plan Project Manager (Act 73, Section 31) and an offer has been made. In addition, the AOE has utilized FY 26 carryforward and Act 73, Section 32 funds for a consulting and training contract to support the implement of Act 173 (described above under “Implementing Act 173”).

3. I understand that AOE is under contract with APA and K-12 solutions for a contract related to the special education strategic plan. Could you share:

The Agency has published the [Special Education Strategic plan](#) and will provide a follow up analysis specific to the weighted funding formula. This subsequent report will satisfy Section 30 of Act 73, directs the AOE to develop a strategic plan for the delivery of special education services that includes clarification of, "...the supports and processes that need to be in place for the transition to a weighted funding model for special education to succeed, including a suggested transition timeline, with benchmarks for success." Following an RFP, the AOE has contracted with Augenblick, Palaich and Associates (APA) and New Solutions K-12 to support this requirement. To support the shift from the current census-based funding model to a proposed weighted formula, the vendor will identify key considerations and assess the necessary conditions for a weighted special education funding formula. The results of this study, which will be finalized by May 2026, will be shared with the JFO and their contracted partner (AIR) tasked with making recommendations regarding a finalized foundation formula in December 2026.

- a. The total cost of the contract. \$75,800
- b. Which appropriation is covering the cost of the contract? Act 73, Section 32(3)

4. AOE's [budget presentation](#) (slide 27) references \$1,083,000 for Contracts under the Special Education Formula Grants, which appears to be an up from FY26 based on AOE's budget detail. Can AOE provide more detail about this item?

- a. The \$1,083,000 increase in contracts is fully offset by a \$1,083,000 decrease in grants. However, this decrease is not visible in the overall grants line because it is absorbed within the total increase in grants for this appropriation.

This \$1,083,000 shift relates to the BEST (Building Effective Supports for Teaching) and Act 230 programs. We are budgeting these funds under contracts to better reflect how the funds are being spent, rather than budgeting the full amount under grants.

The total budget for Act 230 and BEST remains \$2 million and is level funded for FY2027.

5. Finally, AOE's presentation materials to HAC included slides on the agency's chronic absenteeism work and related statutory language changes. Are there any FY27 budget requests related to chronic

absenteeism, for contracting or otherwise? If so, could you provide cost information and point me to the relevant sections of the AOE budget request?

Thank you for this question. There are no specific budget requests in the FY 27 budget related to chronic absenteeism. The AOE is resourcing this work through existing staff and a combination of federal and state grants. Once the strategic plan is finalized, the AOE will identify if additional resources will be necessary to support system-level implementation of evidence-based practice to reduce chronic absence.