
TESTIMONY

Testimony To: Senate Committee on Appropriations

Respectfully Submitted by: Vermont Agency of Education

Subject: Fiscal Year 2027 Budget (H.951)

Date: March 27, 2026

Thank you for the opportunity to provide feedback on the proposed provisions within the FY27 budget. The Agency of Education remains committed to working collaboratively with the General Assembly to ensure that Vermont's education system is responsive, effective, and focused on improving outcomes for students.

Over the past year, the Agency has undertaken a significant effort to strengthen statewide leadership through strategic planning and organizational realignment. This work has been designed to better align our structure, resources, and programs with the priorities that matter most for students—improving academic outcomes, expanding pathways to postsecondary success, and supporting safe and healthy learning environments. These efforts reflect both legislative direction and feedback from educators, communities, and policymakers across the state.

The Agency appreciates the provision in the current House budget draft that elevates the five limited-service positions included in Act 73 of 2025 into full-time roles at the Agency. However, several provisions within the current House budget draft will complicate the Agency's ability to effectively carry out this work and deliver on statewide priorities, including improving literacy outcomes and empowering the field with actionable data.

In particular, proposals that withhold, restrict, or prescribe the use of previously appropriated funds introduce a level of uncertainty that undermines the very efforts the Legislature has asked the Agency to lead. As we have seen at the federal level over the last year, abrupt changes to funding availability or allowable uses can disrupt planning, delay implementation, and create confusion for the schools and districts we are responsible for supporting. The General Assembly adopting a similar strategy and applying similar constraints at the state level risks slowing progress on initiatives that are already underway and aligned with legislative intent.

In addition, statutory direction that limits the Agency's ability to conduct analysis, develop data tools, or determine how best to deploy resources that have



already been appropriated for this use by the Legislature constrains the Agency's capacity to provide informed, responsive leadership. The Agency's role is to translate legislative policy into effective implementation, which requires the ability to analyze data, adapt to changing conditions, and support the field with timely and relevant information. Overly prescriptive requirements risk shifting the focus from outcomes to process, reducing the flexibility needed to respond to the needs of students and schools.

This is particularly important in areas where the Agency has clear responsibilities under state and federal law, including ensuring equitable access to education and compliance with requirements related to students with disabilities. Limiting the Agency's ability to evaluate and improve systems in these areas creates risk not only for implementation, but for meeting the state's legal obligations.

Finally, the AOE was deeply disappointed to discover that the budget does not include an important provision related to literacy. The Agency had requested a reversion and reappropriation of \$700,000 to support ongoing efforts to improve literacy outcomes statewide. The Agency has provided testimony on this request to multiple committees and has explained both the urgent necessity of these funds and that they do not represent any new funding or burden on taxpayers. As the AOE has identified on multiple occasions, Act 139 did not include any additional funding resources, but placed a significant demand on the Agency and districts to transform the delivery of literacy instruction. The AOE has been resourceful in braiding funding to support professional development for the field (including the use of ESSER and GEER federal funds in FY 25). The absence of the \$700,000 reversion and reappropriation reflects a concerning lack of support for work that must be sustained if schools are going to achieve gains in literacy outcomes for students.

The Agency remains committed to transparency, accountability, and partnership with the Legislature. We have consistently responded to requests for information and will continue to work collaboratively to ensure that policymakers have the information needed to support decision-making.

At the same time, it is important to preserve the Agency's ability to manage its work effectively within the framework established by the Legislature. The progress we have made over the past year—largely within existing resources—has depended on aligning our efforts, reducing fragmentation, and focusing on clearly defined priorities. Maintaining that momentum will require a stable and predictable policy and funding environment.



We appreciate your consideration of these concerns and look forward to continued partnership in strengthening Vermont’s education system for all students.

Sincerely,
Zoie Saunders
Secretary of Education

Section	Page	Topic	AOE Feedback
B.1100(o)	101	CACFP	The AOE has No position on the appropriation for healthy meals and snacks for children and adults received supervised care services. There is an existing grant process in place to support this.
C.103	104	Ed transformation	<p>The AOE Opposes withholding and restricting funds in FY26 that have already been approved and appropriated by the legislature. Withholding and restricting appropriated funds mirrors an approach by the current federal administration that has contributed to a culture of uncertainty and disrupted efforts to support schools and students. Utilizing the same approach with state dollars will exacerbate uncertainty and disrupt efforts that are already underway to implement laws passed by the General Assembly. In addition to general concerns about this approach, the AOE has specific policy concerns about the impacted funds:</p> <ul style="list-style-type: none"> • The funds in (a)(1) were appropriated to support the transition to new, larger school districts. This is a separate function from the role of CESAs/BOCES, which are designed to support service delivery. CESAs/BOCES are already eligible for startup grants, making this reallocation duplicative while undermining the intent of the funds appropriated in (a)(1). More generally, reallocating these funds to support an additional layer of governance rather than a new layer of governance undermines the broader intent of Act 73. • Restricting the funds in (a)(1) that have already been appropriated to the requirements in (c)(1) will stifle the AOE’s ability to communicate data analysis to the districts this appropriation was intended to support. Banning the development of



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			<p>“visualization tools, reports, or dashboards” is a strange and inexplicable restriction without precedent. The Agency has consistently heard feedback from education leaders, legislators, and Vermonters that increased access to educational data is a key tool to facilitate informed decision making.</p> <ul style="list-style-type: none"> Restricting the funds in (a)(1) that have already been appropriated to the requirements in (c)(3) will undermine efforts to serve students with disabilities and comply with state and federal laws. Banning “analysis” of the foundation formula as it relates to how special education services may need to be changed to ensure that students with disabilities are receiving services that are required by federal mandate is a similarly strange and inexplicable restriction without precedent. This is particularly concerning given that the AOE is responsible for ensuring federal compliance and the delivery of a substantially equal education. Understanding the conditions of success are critically important to the Agency’s leadership in implementing changes enacted by the General Assembly.
E.127	123	Special funds report (JFO)	The AOE has No position on the report in (b)(1) that will include “general education” among the special funds examined in the report.
E.307.2	145	School based Medicaid	The AOE Supports the overall shift from AOE to AHS; however, the AOE Opposes the current draft in the budget which removes the reinvestment provision. With the removal of this section, that explicit statutory connection is no longer present. Medicaid reimbursement to schools may continue under existing agreements; however, there is no longer language that directs or ensures that those funds are reinvested in school-based preventive health services and does not align with national best practices in the administration of these funds, particularly in light of district-identified need for resources to address student wellbeing and health. As a result, funds may be incorporated into broader



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			education funding structures without a defined expectation. This linkage provided transparency and clarity to both the State and school districts that funds generated through Medicaid participation were being used to support the conditions under which those funds are made available.
E.500	161	AOE budget	The AOE is unclear on the necessity of additional statutory language regarding AOE budget presentations. The majority of the requirements are already included in the Agency's annual budget presentation and the AOE follows the budget instructions provided by committees regarding additional detail or presentation of data. In addition, the AOE has been responsive to requests from legislators and has provided additional detail on all of the remaining elements that are not typically a part of the annual budget presentation. The Agency is committed to transparency and prefers to work collaboratively to meet the needs of committees.
E.500.2	163	Pool positions	The AOE Supports limited-service positions being made permanent to support education transformation efforts and improved support to our partners in the field.
E.500.3	163	Afterschool	The AOE Supports adjusting the allocation for administrative costs from \$500,000 to 5%. To ensure that the AOE maintains capacity to administer the program if there are diminished sales in a given year, the AOE recommends adjusting the language to ensure a minimum of \$500,000 for administrative costs, in addition to the existing language allowing administrative costs of up to 5%.
E.502	165	SpEd formula grants	Standard language
E.504	166	AEL	Standard language
E.504.1	166	Flexible pathways	Standard language
E.605.1	171	EC/DE	The AOE needs to review this section further.
N/A	N/A	Literacy appropriation	The AOE had requested a reversion and reappropriation of \$700,000 to support ongoing efforts to improve literacy outcomes statewide. This provision was not included in the House passed budget.

