



# Vermont Agency of Education **FY24 Budget Book**

**February 24, 2023**

## **Executive Summary**

The Agency of Education’s Fiscal Year 2024 Budget Book provides a recommended budget for the Agency’s work to support the learning and wellbeing of Vermont students and advance quality and equity in Vermont’s education system.

Secretary French’s budget request emphasizes the importance education recovery and reflects the rapid pace of change in education. Vermont school systems are grappling with providing more personalized learning opportunities than ever, while still maintaining their local control structure, in a time of unprecedented stress on the system. New budget requests this year reflect important work begun in prior years, as well as small increases to support ongoing and future work

The Budget Book also provides the “ups and downs” in education spending as well as an overview of education funding generally. The Agency provides critical leadership, support, and oversight to a \$2.56 billion education system with an operating budget of just over \$51 million and 161 positions (in FY23). This report provides a breakdown of that system, and the many programs, offices, and initiatives that support it, and the students it serves.

## **State of Vermont**

### **Agency of Education**

Governor: **Phillip B. Scott**

Secretary of Education: **Daniel M. French, Ed.D.**

Deputy Secretary: **Heather A. Bouchey, Ph.D.**

Chief Financial Officer: **William T. Bates**

1 National Life Drive

Montpelier, VT 05620-2501

[education.vermont.gov](http://education.vermont.gov)

(802) 828-1130



**Table of Contents**

Executive Summary .....2

Table of Contents .....3

Introduction .....7

*How to use this Document* .....7

*Agency Purpose*.....7

Secretary French’s Budget Message .....8

*Agency Budget Request* .....8

Overview of Vermont Education .....9

*Education Outcomes*.....9

*Construction and School Facilities*.....9

*District Quality Standards (DQS)* .....10

*Education Recovery*.....10

*Special Education Funding Change*.....11

Agency Overview and Fiscal Year 2024 Funding Request .....16

*Figure: Agency of Education Organization Chart*.....17

*Fiscal Year 2024 Budget Overview*.....18

*General Funds* .....21

*Operating Budget*.....22

*Federal Funds*.....22

*Position Summary*.....24

*B.500 Education - Finance and Administration* .....25

*B.501 – Education Services* .....30

*Single Audit Findings* .....47

The Education Fund .....48

*Year-over-year changes in Education Fund Expenses:*.....48

*Education Fund Outlook* .....49

*What Vermonters Buy with Education Fund Dollars* .....49

*Carryforward* .....52

*B.502 - Special Education Formula Grants* .....55

## LEADERSHIP • SUPPORT • OVERSIGHT

<i>B.503 - State-Placed Students</i> .....	56
<i>B. 504 - Adult Education &amp; Literacy</i> .....	58
<i>B. 504.1 - Flexible Pathways</i> .....	59
<i>B.505 - Statewide Education Spending Grant</i> .....	61
<i>B. 506 - Transportation</i> .....	62
<i>B. 507 - Small School Support Grants</i> .....	62
<i>B. 510 – Essential Early Education</i> .....	63
<i>B.511 - Technical Education</i> .....	64
Results Based Accountability and Programmatic Performance Measure Report .....	65
<i>Dual Enrollment</i> .....	66
Vermont Education by The Numbers .....	68
<i>Public School Enrollment</i> .....	68
<i>Publicly Funded Students</i> .....	68
<i>Public Schools</i> .....	68
<i>Data Definitions</i> .....	69

# Vermont Education BY THE NUMBERS

Public School Enrollment (compared between SY21 and SY22)

GRADES  
KINDERGARTEN  
THROUGH 12

72,747

students  
(increase from 72,183)



PREKINDERGARTEN  
AND EARLY  
EDUCATION

7,358

students  
(increased from 6,680)



HIGH SCHOOL  
COMPLETION  
PROGRAM

61

students  
(decrease from 74)



TOTAL

80,166

students  
(increased from 78,937)



# Vermont Education BY THE NUMBERS

---

Publicly Funded Students  
(comparison of SY21 to SY22 data)

VERMONT  
PUBLIC  
SCHOOLS

**80,166**  
students  
(increase from 78,937)



APPROVED  
INDEPENDENT  
SCHOOLS

**3,559**  
students  
(decrease from 3,574)



OUT-OF-STATE  
SCHOOLS

**738**  
students  
(increase from 443)



TOTAL  
PUBLICLY  
FUNDED  
STUDENTS

**84,463**  
students  
(increase from 82,954)



## Introduction

The purpose of the Agency of Education’s Budget Book is to outline the Agency’s FY 2024 budget request to the General Assembly. The Budget Book provides an overview of AOE’s FY 2024 requested spending, FY 2023 actual spending, results based accountability and programmatic performance reporting. The Budget Book also provides an in-depth summary of AOE divisions and units, federal and general funded positions, programs and state and federal grants. Finally, the Budget Book provides an overview of Vermont’s Education Fund.

This year, AOE’s budget request includes several increases related to positions established by the General Assembly in Act 127 of 2022, as well as several other initiatives to improve the Agency’s ability to advance and support Vermont’s education field.

## How to use this Document

The Budget Book is a companion document of the Agency of Education’s Annual Report. Written for a general audience, the Annual Report includes more narrative about AOE’s initiatives and programs, as well as current challenges and goals for the education system.

The Budget Book is structured similarly, but contains more in-depth budget and financial information, and is more narrowly focused on the Agency’s requested budget, current funding level, and the Vermont Education Fund.

Where appropriate, the digital versions of the AOE Budget Book and Annual Report refer to one another via hyperlink.

## Agency Purpose

The Agency of Education implements state and federal laws, policies, and regulations so that all Vermont learners have equitable access to high quality learning opportunities. The Agency accomplishes this mission through the provision of leadership, support, and oversight of Vermont’s public education system.

- By leadership, we mean developing a shared statewide vision and defining expectations for Vermont’s education system in order to achieve a coherent and consistent understanding of policy and its implementation at the local level.
- By support, we mean providing professional learning opportunities and technical assistance so that stakeholders can meet legal requirements, ensure fiscal accountability, and make data informed decisions.
- By oversight, we mean data collection and monitoring to verify that state and federal resources are used appropriately and effectively to establish a high-quality education system so that each Vermonter has access to high quality learning opportunities.

## Secretary French's Budget Message

Over the last year, the Agency of Education has primarily focused on Education Recovery.

We have worked together with the General Assembly, school leaders and our partners to build a coherent approach to Education Recovery that prioritizes the academic and social emotional needs of our students. Our school systems have made an unprecedented investment of federal funds, as well as an investment of time and ingenuity in addressing their needs. These efforts are undertaken despite significant staffing issues and ongoing supply chain barriers.

As the public health challenges of the COVID-19 pandemic recede, our first task is to make Vermont's educational system fairer and more inclusive. The second is to ensure it provides a high quality 21<sup>st</sup> century learning experience and values the ideal that students deserve to be happy, healthy, and successful adults in modern society. Our teachers, students, families, and school leaders have continued to give their best despite the challenging circumstances that the impact of the pandemic has presented to students. Now is the time to address this reality and bring our education system into a new era.

Expanding opportunities for students means creating more flexibility within and among our education programs. Part of doing this includes tending to the needs within the Agency itself that need to be addressed to implement this work. This year, the Agency requests increases to its General Fund appropriation to begin addressing these needs.

*For the Secretary's full message, please see [page 7 of the AOE Annual Report](#).*

## Agency Budget Request

This year the Agency requests increases to its General Fund appropriation to continue advancing this critical work:

- **\$504,000** to fund five (5) positions created in **Act 127 of 2022**. These positions will create valuable programmatic support, technical and data management capacity within the Agency which will be critical to implementing the pupil weighting factors transition, meeting the needs of English Language Learners, and supporting access to child nutrition programs. The positions include four data analyst roles in the Data Management and Analysis Division (DMAD), and one role on the division's Assessment team:
  - Two (2) Education Data Analysts to provide support for the development and implementation of the universal household income form pursuant to Act 127 of 2022, Sec. 9.
  - Two (2) Education Data Analysts to provide financial and data analysis to support the work of Act 127 and child nutrition projects.
  - One English Learner (EL) Assessment coordinator to provide critical guidance and support to school districts for English Learner students' data and assessments. As many school districts are serving EL students for the first time, this position will provide integral oversight.



An additional **\$178,500** of the General Fund will support the following projects:

- an Internship program
- AOE Resource Center
- Vermont's Teacher of the Year program
- New England Education Commission dues

These requested increases will help the Agency to keep moving forward and adapt to the rapidly changing educational landscape. By focusing on the goals ahead of us we will remain nimble in our capabilities to address the greatest needs of Vermont students. There is critical work ahead of us that cannot be done without the support of our communities. We will not be satisfied with the status quo and will continue to take strategic measures to set Vermont's education system up for success for many years to come.

## **Overview of Vermont Education**

As noted above, Vermont's education system is currently undergoing a period of change, with many significant challenges and education policy initiatives underway.

## **Education Outcomes**

Nationally speaking, Vermont's students consistently score among the highest performing states in the nation in standardized assessment, including on the National Assessment of Educational Progress (NAEP). However, Vermont's performance has declined somewhat in recent years, in a trend that predates the COVID-19 pandemic. By some measures, including NAEP, this trend of gentle decline dates back nearly a decade. Overall, Vermont has maintained strong performance outcomes on traditional measures of academic skills, even as the state has required school districts to broaden their focus to include flexible pathways, career pathways, health and wellness, technology education, and applied learning. However, the COVID-19 pandemic has had a significant impact on student learning and wellbeing, with the effects likely to be felt for some time to come.

## **Construction and School Facilities**

The quality of Vermont's school facilities is a major concern. With a now 15-year moratorium on Vermont's statewide school construction aid program, many Vermont school systems struggle with significant deferred maintenance, technical debt, and degraded and insufficient school facilities. There is ample evidence that the quality of school facilities influences educational outcomes; making Vermont's school facilities needs a critical problem.

In 2021, the General Assembly took action (Act 72 of 2021) to begin to address the problem, by addressing Vermont's school facilities needs as part of a broader focus on education quality. Act 72 contained provisions to inventory and assess the condition of Vermont school buildings, as well as updating school facilities standards and the elements necessary for a successful state school facilities aid program.

The school facilities assessment is ongoing, as are the investigations of potential funding constructs. This work will position Vermont to address our school facilities backlog and efficient and equitable manner, and in a way that crucially prioritizes the 2<sup>1st</sup> Century educational needs of our state, rather than our traditional educational footprints.

### **District Quality Standards (DQS)**

The General Assembly directed the Agency to establish district quality standards in Act 127 of 2022. The purpose of the District Quality Standards (DQS) rules is to improve school district quality as a means to support the State’s goal, set forth in 16 V.S.A. § 165(a), “that all Vermont children will be afforded educational opportunities that are substantially equal in quality.”

The State has ultimate responsibility for ensuring all students receive substantially equal access to a quality education. This responsibility originates from the Vermont Constitution. To fulfill its responsibility, the State delegates considerable authority to school districts, supervisory unions (SU/SDs) and superintendents. Therefore, the State has an obligation to provide public assurance that its delegated authority is being implemented in a manner that will likely achieve its responsibility.

The standards provided in these rules describe the core elements of a quality education delivery system. They also describe the role of the Agency of Education in providing the necessary support and oversight to attain those standards, so all students receive substantially equal access to a quality education.

### **Education Recovery**

To provide a high quality, equitable education to all Vermont students the Agency and our partners have focused on three main strategies. Those strategies include academic achievement, social emotional learning, and health and wellness for educators and staff. Our primary goals are twofold and are centered both on addressing the specific harms caused by the COVID-19 emergency and on improving the core functions of schools in our communities into the future to bring us beyond where we were pre-pandemic.

Our recovery efforts will focus on boosting the academic achievement of our students while also supporting their social emotional needs. We will also work on addressing the need for supports for the education workforce that has spent years battling stress and fatigue, leading to widespread educator burnout.

Our strategies for academic achievement include the following:

- Providing grants for Supervisory Unions (SU/SDs) to purchase software to support data reporting
- Expanding afterschool and summer programming
- Expanding the Vermont Virtual Learning Cooperative(VTVLC) remote capacity to support academic tutorial programs

Strategies for social emotional learning include:

- In partnership with Agency of Human Services (AHS), establishing metrics for student social emotional health
- Establishing mental health grants for schools and community partners to leverage multi-tier support systems and coordinated inter-agency services for addressing students' mental health needs resulting from the pandemic.
- Establishing a statewide school climate survey

Strategies for health and wellness for educators and school staff include:

- Providing park passes to educators with the partnership of the Agency of Natural Resources to allow educators to get outside and take time for themselves
- Establishing a baseline measure of staff wellness using PATH survey
- Creating a staff wellness program in cooperation with VEHI PATH

With all three of these goals in mind the Agency will focus on data, measures, and measurable goals, without forgetting the importance of supporting the data by telling the human stories of Vermont's recovery. We will focus on systems, without forgetting our moral responsibility to educate every child. We will focus on unified strategies to amplify statewide success, without forgetting the power of local innovation to meet local priorities. Most importantly, we will focus on transparency and equity.

### Special Education Funding Change

The General Assembly commissioned two studies in 2016 to review the funding and delivery of special education in Vermont. The first of the two studies, produced by the District Management Group (DMG), suggested five key areas in which Vermont could invest to improve outcomes for struggling learners. The second study, conducted by University of Vermont (UVM), compared the value of reimbursement versus census funding models for special education. The culmination of these two studies resulted in the implementation of a census-based funding model through Act 173 of 2018.

The shift in the funding model is anticipated to generate several benefits for Supervisory Unions (SU/SDs) including a reduction in state and local administrative burdens, and the more flexible use of funds. This change is expected to support Vermont school districts in their efforts to capitalize on the DMG findings and to improve outcomes for all students. The General Assembly subsequently delayed the implementation of the census block model, to begin July 1, 2022. We are now in the first year of the census block grant funding model and are no longer using the reimbursement model.

**Change in Funding**

The shift from reimbursement to census-based funding models will occur gradually over a number of years beginning this current year, FY 2023, when SUs will receive an amount based on historical funding. The census funding model will be fully implemented in FY 2027, where each SU/SD in the state will receive the same per student funding amount to support special education, known as the uniform base amount. Beginning in FY 2027, each SU/SD will receive a grant equal to the uniform base amount multiplied by the SU's average daily membership (ADM).

**Special Education Spending**

The following chart provides the budget vs. actual spending on special education by the state and local SU/SDs since FY 2010 through FY2022. The estimates were based on service plans (budgets) submitted to the Agency every fall. In FY 2015 and FY 2016, divergence between the projected budget for special education and the actual local spending generated significant reversions to the Education Fund. This window coincided with the final, legislatively mandated push to consolidate special education services at the SU level from the district level. A possible explanation for this divergence is that districts had trouble predicting costs under the state-mandated transfer of special education services to the supervisory level from the district level, which resulted in an overestimation of local budgets.

Table: Special Education Spending Estimates vs. Actuals

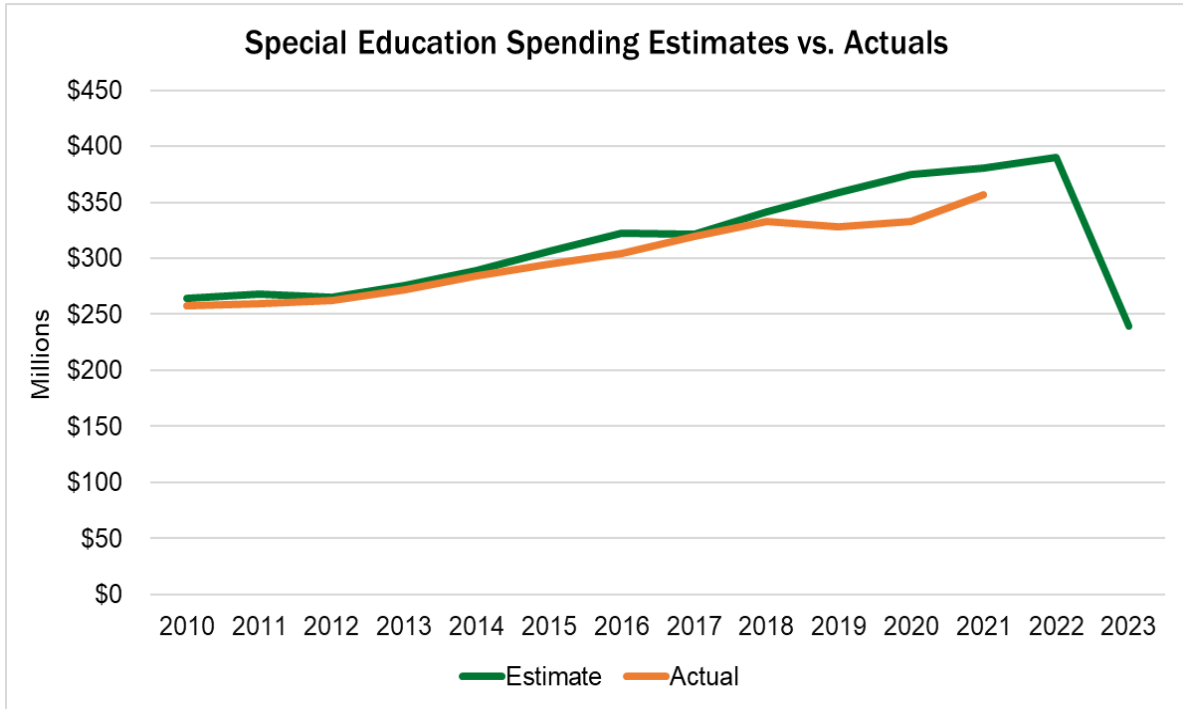
Year	Estimate	Actual
2010	\$264,277,011	\$257,153,025
2011	\$267,701,671	\$259,426,600
2012	\$264,924,313	\$261,833,268
2013	\$276,019,232	\$272,172,984
2014	\$289,463,574	\$284,608,080
2015	\$305,770,797	\$294,428,484
2016	\$322,519,860	\$304,488,839
2017	\$321,454,761	\$319,949,659
2018	\$341,024,035	\$332,802,930
2019	\$358,896,380	\$327,969,744
2020	\$375,090,998	\$361,110,741
2021	\$411,079,287	\$356,212,698
2022	\$409,881,177	\$378,755,033
**2023	\$239,428,490	No data

**\*\*NOTE:** 2023 is the first year of the special education census block grant. The figure above represents the State portion of special education costs and does not include the additional

costs the supervisory unions are paying. With the implementation of the census block grant, AOE no longer collects estimates of what supervisory unions expect to pay for special education.

FY 2023 data are not shown on the following graph as the graph represents estimates and actual costs for special education from both the State and the supervisory unions. Since supervisory union costs are not collected, the graph would be misleading, making it appear as though special education costs for the State had dropped precipitously.

Figure: Special Education Spending Estimates vs. Actuals



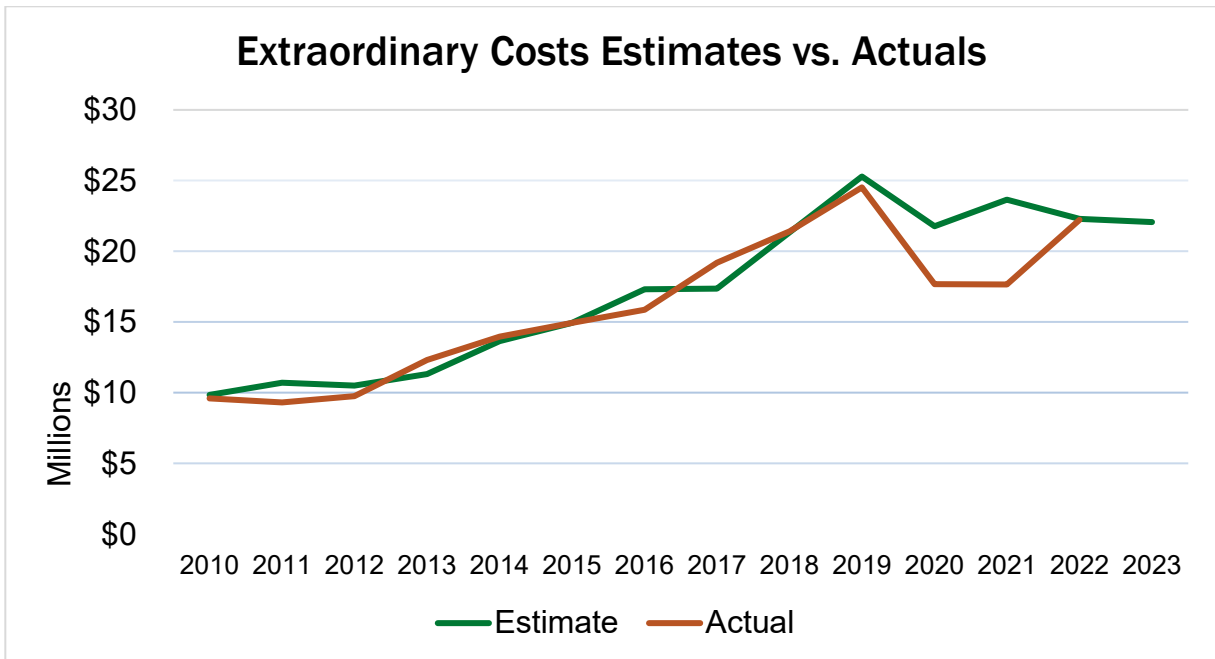
**Extraordinary Costs**

In addition to special education expenditure reimbursements, beginning in FY 2020, the State began reimbursing 95% of student specific costs over an extraordinary cost threshold of \$60K. The volume of such reimbursements has increased over time. This is due in part to the fact that the previous threshold of \$50K for extraordinary cost reimbursement had not changed since the late 1990s and may also be due, in part, to actual student need becoming more intense over time given other demographic and socioeconomic shifts in the state such as increased trauma, poverty, and opiate addiction. Beginning after FY 2023, the threshold of \$60K will be increased by the National Income and Product Accounts (NIPA). For FY 2024, the threshold is \$66,206. Additionally, the General Assembly included some modifications to the reimbursement formula to remove incentives to make funding decisions on the margin.

Table: Extraordinary Costs Estimates vs. Actuals

Year	Estimate	Actual
<b>2010</b>	\$9,850,128	\$9,604,735
<b>2011</b>	\$10,720,778	\$9,316,559
<b>2012</b>	\$10,501,937	\$9,767,381
<b>2013</b>	\$11,312,355	\$12,320,164
<b>2014</b>	\$13,649,458	\$13,979,778
<b>2015</b>	\$14,944,844	\$14,931,231
<b>2016</b>	\$17,327,074	\$15,871,707
<b>2017</b>	\$17,363,699	\$19,190,339
<b>2018</b>	\$21,353,838	\$21,423,279
<b>2019</b>	\$25,288,525	\$24,519,777
<b>2020</b>	\$21,775,724	\$17,668,551
<b>2021</b>	\$23,648,840	\$17,667,068
<b>2022</b>	\$22,301,752	\$22,237,504
<b>2023</b>	\$22,078,534	

Figure: Extraordinary Costs Estimates vs. Actuals



**Implementing Act 173**

It is important to note that the success of Act 173 is only partly about the implementation of a change to the funding mechanism. The only way the change in funding will be successful is if SU/SDs implement the changes in practice that are necessary to slow spending. The practice changes identified by the DMG report are not only best practices to ensure the best outcomes for students, but many of them have the potential to result in reduced spending.

Since the adoption of Act 173, the Agency has begun work to support successful implementation of the law. This work included the rulemaking process to realign the special education funding rules with the census-based funding model. The AOE has also been working on developing professional development and technical assistance resources to help SU/SDs implement the change in practice necessary to achieve the goals of the Act. Finally, the Agency is working to align the work of Act 173 with other work underway at the AOE.







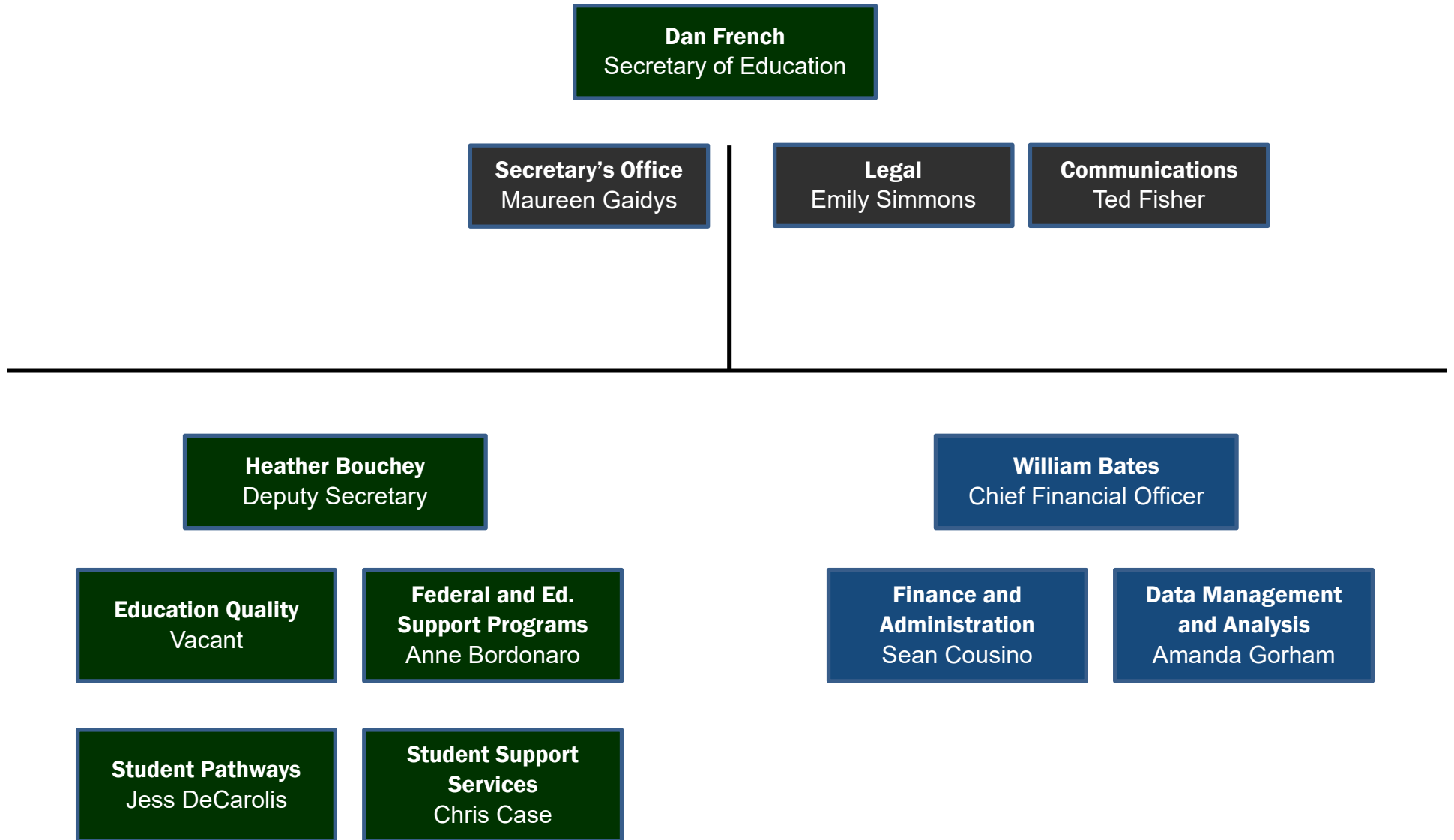
## Agency Overview and Fiscal Year 2024 Funding Request

The Agency of Education is led by the Secretary of Education and organized into six divisions, as well as the secretary's office and two supporting teams. Four of those divisions are organized to provide [Education Services](#), primarily by managing a wide range of federal and state funded grants and programs.

Vermont's Constitution guarantees education as a right for which the state is ultimately responsible. Nevertheless, the state has traditionally delegated significant decision-making authority to local school districts and supervisory unions (school district budgeting and curriculum development are just two examples). In this system of split local and state control, the AOE's role is both as an administrative oversight agency implementing state and federal law, and as a partner working to support school districts and ultimately enable student success. Finally, the AOE is a partner with school systems, the General Assembly, and other stakeholders in leadership of the system.



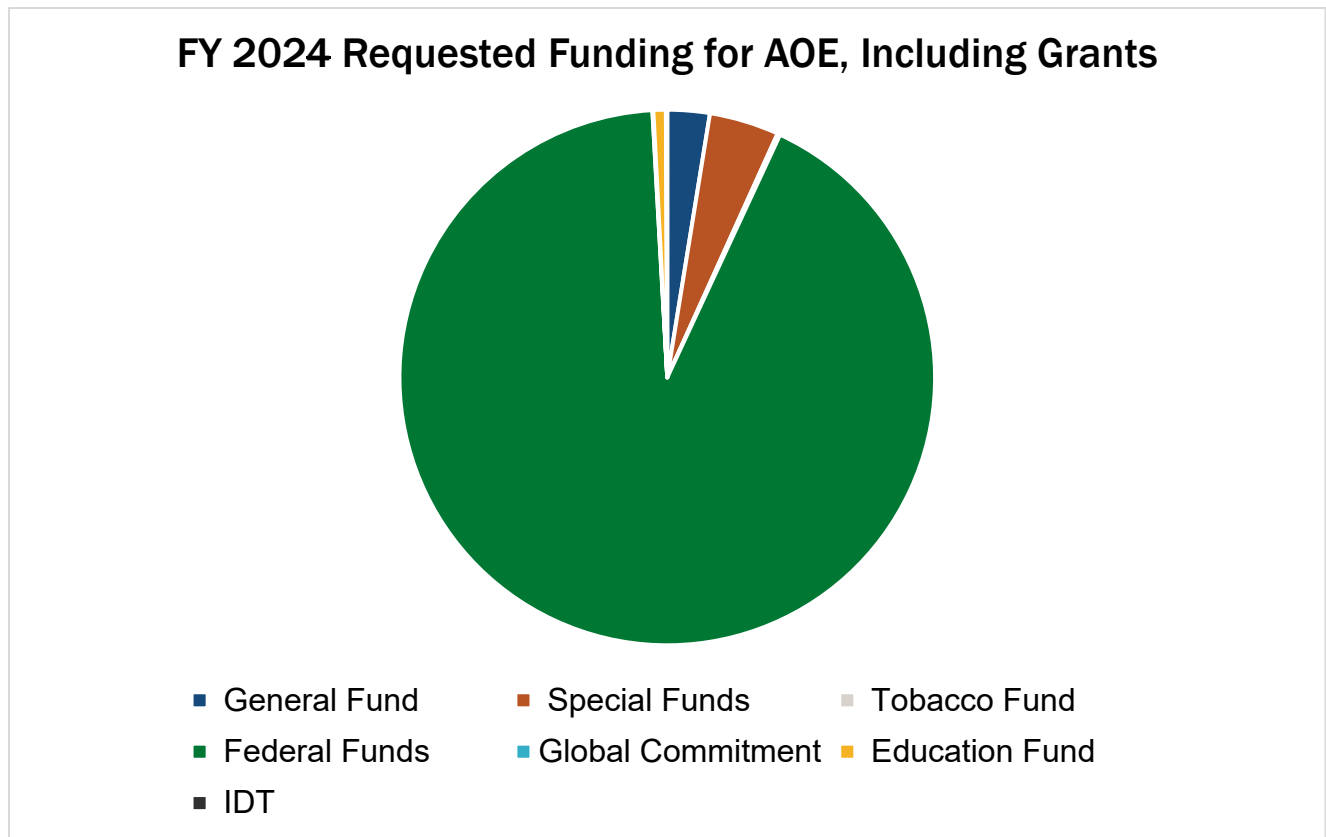
Figure: Agency of Education Organization Chart



**Fiscal Year 2024 Budget Overview**

The FY 2024 operations budget (excluding Education Fund grant appropriations) is reflected in Sections **B.500 Finance and Administration** and **B.501 Education Services**. These two appropriations support all of the work that is done by the Agency associated with the implementation of the initiatives adopted by the General Assembly, the State Board of Education, the U.S. Department of Education, the U.S. Department of Agriculture and several smaller programs funded by a few other Federal Agencies.

**Figure: FY 2024 Requested Funding for the Agency of Education, Including Grants**



\$528.77 million is appropriated in these two sections. The following chart shows the distribution of these funds by funding source.

**LEADERSHIP • SUPPORT • OVERSIGHT**

**Table: FY 2024 Funding for Finance and Administration and Education Services, Including Grants**

Fund	Total (millions)
General Fund	\$11.90
Special Funds	\$19.60
Tobacco Fund	\$0.75
Federal Funds	\$492.39
Global Commitment	\$0.26
Education Fund	\$3.49
IDT	\$0.38
<b>Total</b>	<b>\$528.77</b>

Of the \$528.77 million appropriated to the Agency, \$54.0 million (about 10% of the two appropriations) supports operations and personnel. The cost of Agency operations as a percentage of the total amount appropriated for general education for the education system as a whole (\$2.56 billion) is only 2.1%.

**Table: Total Appropriation Categories**

Grand Total Expenditure Categories	FY 2023 Appropriation	FY 2024 Recommend	Change FY23 to FY24
Personal Services	\$45,781,415	\$48,673,477	\$2,892,062
Operating Expenses	\$5,226,311	\$5,493,910	\$267,599
Grants	\$2,350,456,109	\$2,503,553,730	\$153,097,621
<b>Total All Categories</b>	<b>\$2,401,463,835</b>	<b>\$2,557,721,117</b>	<b>\$156,257,282</b>

## LEADERSHIP • SUPPORT • OVERSIGHT

**Table: General Fund Appropriations**

<b>Grand Total Expenditure Categories</b>	<b>FY 2023 Appropriation</b>	<b>FY 2024 Recommend</b>	<b>Change FY23 to FY24</b>
Personal Services	\$7,596,490	\$8,651,228	\$1,054,738
Operating Expenses	\$1,478,050	\$1,402,339	\$(75,711)
Education Services Grants	\$1,920,556	\$1,923,006	\$2,500
Adult Education & Literacy Grants	\$3,496,850	\$3,496,850	\$0
Flexible Pathways Grants	\$6,338,916	\$6,341,416	\$2,500
<b>Total General Fund</b>	<b>\$15,413,456</b>	<b>\$16,394,983</b>	<b>\$981,527</b>

**Table: Education Fund Appropriations**

<b>Grand Total Expenditure Categories</b>	<b>FY 2023 Appropriation</b>	<b>FY 2024 Recommend</b>	<b>Change FY23 to FY24</b>
Personal Services	\$2,300,000	\$2,100,000	\$(200,000)
Operating Expenses	\$1,144,471	\$1,386,447	\$241,976
Technical Education Grant	\$16,253,900	\$17,030,400	\$776,500
Special Education Formula Grant	\$208,073,400	\$226,195,600	\$18,122,200
State Placed Students Grant	\$17,500,000	\$19,000,000	\$1,500,000
Flexible Pathways Grant	\$8,221,500	\$9,221,500	\$1,000,000
Statewide Education Spending	\$1,561,661,000	\$1,771,923,468	\$150,262,468
Essential Early Learning Grant	\$7,511,638	\$8,350,389	\$838,751
Transportation Grant	\$21,786,000	\$23,520,000	\$1,734,000
Small School Support	\$8,200,000	\$8,300,000	\$100,000
<b>Grand Total</b>	<b>\$1,849,207,438</b>	<b>\$2,023,541,357</b>	<b>\$174,333,919</b>
<b>Total All Categories</b>	<b>\$1,852,651,909</b>	<b>\$2,027,027,804</b>	<b>\$174,375,895</b>

**Table: Tobacco Litigation Fund Appropriations**

<b>Grand Total Expenditure Categories</b>	<b>FY 2023 Appropriation</b>	<b>FY 2024 Recommend</b>	<b>Change FY23 to FY24</b>
Personal Services	\$176,253	\$259,098	\$82,845
Operating Expenses	\$11,714	\$11,714	\$0
Tobacco Litigation	\$562,421	\$479,576	\$(82,845)
<b>Total Tobacco Litigation Fund</b>	<b>\$750,388</b>	<b>\$750,388</b>	<b>\$0</b>

**Table: Federal, Special and Interdepartmental Fund Appropriations**

<b>Grand Total Expenditure Categories</b>	<b>FY 2023 Appropriation</b>	<b>FY 2024 Recommend</b>	<b>Change FY23 to FY24</b>
Personal Services	\$35,708,672	\$37,663,151	\$1,954,479
Operating Expenses	\$2,592,076	\$2,693,410	\$101,334
Finance and Administration Grant	\$14,770,700	\$14,770,700	\$0
Education Services Grant	\$478,660,584	\$457,504,631	\$(21,155,953)
Adult Education & Literacy Grant	\$916,050	\$916,050	\$0
Grants Total	\$494,347,334	\$473,191,381	\$(21,155,953)
Total Fed, Spec, Interdept. Fund	\$532,648,082	\$513,547,942	\$(19,100,140)
<b>Total All Categories</b>	<b>\$2,401,463,835</b>	<b>\$2,557,721,117</b>	<b>\$156,257,282</b>

**General Funds**

In FY 2019, the General Assembly repealed the long-standing transfer of General Funds to the Education Fund. Instead of the General Fund transfer, the General Assembly dedicated to the Education Fund:

- 100% of the Sales and Use Tax,
- 25% of the Rooms and Meals Tax,
- 33% of Purchase & Use Tax,
- Lottery Transfer,
- Medicaid Transfer, and
- Wind & Solar Tax Fund Interest to the Education Fund.

Additionally, the General Assembly moved from the Education Fund to the General Fund:

- Adult Education and Literacy
- the Community High School of Vermont
- the unfunded liabilities for the Teachers' Pension
- other Post-Employment Benefits
- the administration at the Agency that is not covered by Federal Funds or other sources

General Fund appropriated to the AOE's operations budget supports activities including:

- The Secretary's Office and Legal Division,
- The Finance Division (to manage and allocate state and federal dollars),
- The required minimum state matches to retain federal dollars, and
- Administration of several programs including:
  - Drivers Education,
  - Oversight of Home Study,
  - Independent School review and approval,
  - Act 77/Flexible Pathways work,
  - Instructional Technology Support, and
  - Adult Education and Literacy.

### Operating Budget

By statute, Education Fund dollars can only be used for authorized educational purposes and cannot be used for state level activities. Therefore, Education Fund dollars cannot support AOE operations or activities. Historically, however, the funds appropriated to the Agency from the Education Fund in B.500 reflect the Education Fund's share of internal service fund costs (VISION) and the audit allocation. These costs are about \$1.2 million.

In the FY 2024 budget and with prior approval from the General Assembly (16 V.S.A. § 4025(b)(5)), the Agency is continuing the \$2.3 million for the administrative appropriation to support two statewide technology activities from the Education Fund. These two activities include the Statewide Longitudinal Data System (SLDS) and the Shared School District Data Management System (SSDDMS) which are required by state and federal law and will be utilized by all school districts.

This appropriation ensures that the Agency has the funds necessary to continue to implement/operate these systems to meet state and federal data reporting requirements to achieve statewide efficiencies through the use of a centralized system.

### Federal Funds

Federal dollars fund many of the education initiatives at the Agency, including AOE staff who support:

- Federal Title education programs,
- Career and Technical Education,
- Accountability,

- Special Education,
- Education Quality and School Improvement, and
- Nutrition support for child care, prekindergarten (PreK), schools and adult care programs.

Of the \$493 million federal funds appropriated to the AOE, approximately 7%, or \$33 million, are used to fund personal services, contractual obligations and operating costs of the Agency. The remaining \$460 million is distributed through grants.

When the State of Vermont accepts federal funds, the State accepts the responsibility to execute and monitor the grants on behalf of the federal government. Much of the work of the Agency is to ensure that Vermont continues to be a good steward of allocated federal dollars. The majority of these federal dollars are granted to school districts to support many of Vermont's most vulnerable students. The only way that districts can continue to receive these funds is if the Agency provides the federally required fiscal and programmatic monitoring and oversight.

In addition to federal funds, the Agency relies on Medicaid funds to support operations at the Agency and supplement revenues in the Education Fund. School districts generate this revenue through billing at the local level. Uncertainty around the future of Medicaid may impact this funding source in the future, with implications for operations at both AOE and the Agency of Human Services (AHS).

To support administration of federal funds, the federal government also provides a "small state minimum" set aside. It is worth noting that this small state minimum has not increased in about 20 years and has not been adjusted for inflation. This is an item of significant concern for the Agency, as these funds are critical to support the federal programs that AOE must administer under federal law. The Agency is addressing this concern with Vermont's federal delegation and other members of Congress in coordination with other states receiving the small state minimum.

The breadth of federal grants provided by the Agency is outlined in the specific team budgets throughout this document.

**Position Summary**

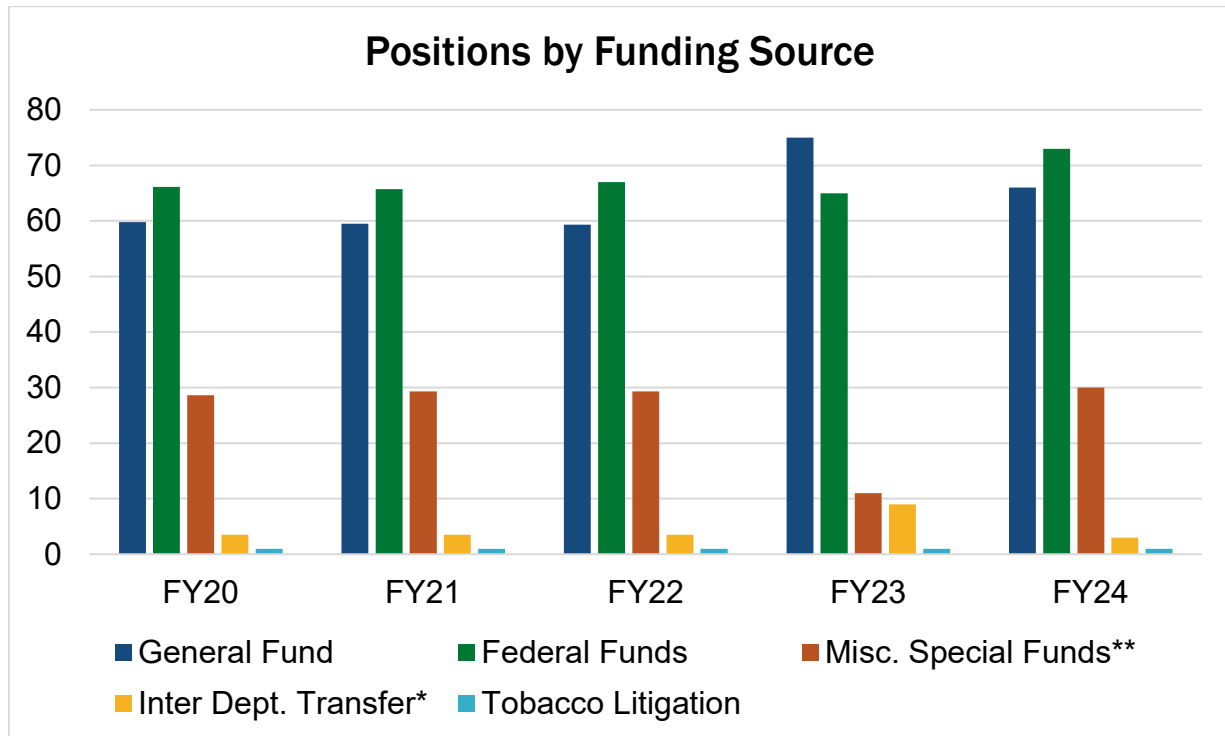
The FY 2024 Position Summary includes 173 positions at the AOE. The Executive Budget recommendation includes funding for 5 additional positions as required by Act 127 of 2022.

Positions at the Agency are supported by a variety of funding sources. The table and graph below display the change in positions by funding source over time.

**Table: Positions by Funding Source**

Fund	FY20 Employees	FY21 Employees	FY22 Employees	FY23 Employees	FY24 Employees
General Fund	59.8	59.5	59.3	60.0	66.0
Federal Funds	66.1	65.7	67.0	68.0	73.0
Misc. Special Funds**	28.6	29.3	29.3	29.0	30.0
Inter Dept. Transfer*	3.5	3.5	3.5	3.0	3.0
Tobacco Litigation	1.0	1.0	1.0	1.0	1.0
<b>Total Employees</b>	<b>159</b>	<b>159</b>	<b>160</b>	<b>161</b>	<b>173</b>

**Figure: Positions by Funding Source**





## **B.500 Education - Finance and Administration**

The Finance and Administration appropriation contains two operations divisions and several teams and offices that directly support the work of the Agency overall.

### **Office of the Secretary**

The Office of the Secretary consists of the Secretary of Education, the Deputy Secretary, two administrative support staff, and a business project manager.

In addition to managing large whole agency projects (e.g., the District Quality Standards), and the work and agendas of the Secretary and Deputy Secretary, the Office of the Secretary directly sustains and provides administrative and technical support to over 10 boards, commissions and working groups. The most prominent of these groups is the State Board of Education.

### **Legal Team**

The Legal Team supports litigation, contract review, legislative and administrative rule drafting, license investigations and sanctions, public records and administrative hearing and dispute oversight for special education.

### **Communications Team**

The Communications Team supports internal and external communications, media relations, and the policy development and legislative process. As an Agency that provides leadership, support and oversight to a very complex education system, the AOE has significant digital communications and publishing needs, communicating with a large set of target audiences and stakeholder groups. The needs in this area have increased significantly since the beginning of the COVID-19 pandemic, with the Agency publishing over 300 discrete guidance and technical assistance documents. Consequently 2.25 FTE are dedicated solely to digital communications, publications and accessibility.

The Communications team also manages a consistently high caseload of media requests from Vermont-based and national media with three Public Information Officers (PIOs), two of whom are members of the communications team, and one member of the Secretary's Office.

The Agency requested and received an additional position for the Communications Team in the FY 2023 budget, in recognition of the significant increase in communications and legislative needs as a result of the COVID-19 pandemic, education recovery, and additional education policy developments.

**Finance Division**

The Finance Division supports both central Business Office operations and School Finance; fiscal and regulatory compliance of districts; technical assistance for school construction; administration of the distribution of funds to school districts per the requirements of state and Federal Law - including funds for General Education, Special Education, and the Medicaid Program; collection and analysis of school expenditures and revenue; and, the maintenance of a statewide uniform chart of accounts.

**Data Management and Analysis Division**

The Data Management and Analysis Division (DMAD) is responsible for collecting, stewarding, analyzing and reporting on data from all levels of Vermont’s education system. A centralized AOE resource serving as the main partner to the Agency of Digital Services (ADS), this Division oversees the processes, infrastructure and practices that support the data lifecycle for the most mission critical data assets the AOE and Vermont is responsible for on an annual basis.

**B.500 Finance and Administration Budget Overview**

The Finance and Administration unit of the Agency has a FY 2024 budget of \$36.841 million including grants, an all-funds budget increase of \$1 million. The net changes in the appropriation are driven by several factors, including:

1. Increase associated with Personal Services
2. Changes in internal services funds

**Table: B. 500 Budget Summary**

<b>Grand Total Expenditure Categories</b>	<b>FY 2023 Appropriation</b>	<b>FY 2024 Recommend</b>	<b>Change FY23 to FY24</b>
Personal Services	\$16,916,497	\$17,683,192	\$706,695
Operating Expenses	\$4,121,123	\$4,387,522	\$266,399
Grants	\$14,770,700	\$14,770,700	\$0
<b>Total All Categories</b>	<b>\$35,808,320</b>	<b>\$36,841,414</b>	<b>\$1,033,094</b>

# LEADERSHIP • SUPPORT • OVERSIGHT

Table: B.500 Source of Funds

Source of Funds	FY 2023 Appropriation	FY 2024 Recommend	Change FY23 to FY24
General Fund (A)	\$6,044,058	\$6,915,742	\$871,684
Education Fund (B)	\$3,444,471	\$3,486,447	\$41,976
Federal Funds (C)	\$9,253,287	\$9,220,942	\$(32,345)
Special Funds (D)	\$16,701,180	\$16,835,926	\$134,746
Interdept. Transfer (E)	\$365,324	\$382,357	\$17,033
<b>Total All Sources</b>	<b>\$35,808,320</b>	<b>\$36,841,414</b>	<b>\$1,033,094</b>

Table: B.500 General Fund Detail

General Fund (A)	FY 2023 Appropriation	FY 2024 Recommend	Change FY23 to FY24
Personal Services	\$4,794,622	\$5,742,517	\$947,895
Operating Expenses	\$1,249,436	\$1,173,225	\$(76,211)
Grants	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Total General Fund</b>	<b>\$6,044,058</b>	<b>\$6,915,742</b>	<b>\$871,684</b>

Table: B.500 Education Fund Detail

Education Fund (B)	FY 2023 Appropriation	FY 2024 Recommend	Change FY23 to FY24
Personal Services	\$2,300,000	\$2,100,000	\$(200,000)
Operating Expenses	\$1,144,471	\$1,386,447	\$241,976
Grants	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Total Education Fund</b>	<b>\$3,444,471</b>	<b>\$3,486,447</b>	<b>\$41,976</b>

## LEADERSHIP • SUPPORT • OVERSIGHT

Table: B.500 Federal Funds Detail

Federal Funds (C)	FY 2023 Appropriation	FY 2024 Recommend	Change FY23 to FY24
Personal Services	\$8,241,994	\$8,180,949	\$(61,045)
Operating Expenses	\$1,011,293	\$1,039,993	\$28,700
Grants	<u>\$0</u>	<u>\$0</u>	\$0
<b>Total Federal Funds</b>	<b>\$9,253,287</b>	<b>\$9,220,942</b>	<b>\$(32,345)</b>

Table: B.500 Special Funds Detail

Special Funds (D)	FY 2023 Appropriation	FY 2024 Recommend	Change FY23 to FY24
Personal Services	\$1,244,699	\$1,307,511	\$62,812
Operating Expenses	\$685,781	\$757,715	\$71,934
Medicaid Grant	\$14,510,700	\$14,510,700	\$0
Global Fund Grant	\$260,000	\$260,000	\$0
<b>Total Special Funds</b>	<b>\$16,701,180</b>	<b>\$16,835,926</b>	<b>\$134,746</b>

Table: B.500 Interdepartment Transfer Detail

Interdept. Transfer (E)	FY 2023 Appropriation	FY 2024 Recommend	Change FY23 to FY24
Personal Services	\$335,182	\$352,215	\$17,033
Operating Expenses	\$30,142	\$30,142	\$0
Grants	\$0	\$0	\$0
<b>Total Interdept. Transfer</b>	<b>\$365,324</b>	<b>\$382,357</b>	<b>\$17,033</b>

**Finance and Administration Grants**

The following grants are appropriated in the Finance and Administration division of the AOE:

1. Medicaid: Pursuant to 16 V.S.A. § 2959a, school districts use these grants for prevention and intervention programs in grades PreK-12 and for the administrative costs of school-based health services.
2. Global Commitment: These funds are appropriated to the Agency to make payments to the State’s contractor for reimbursement of physician claims to document medical necessity of eligible students.

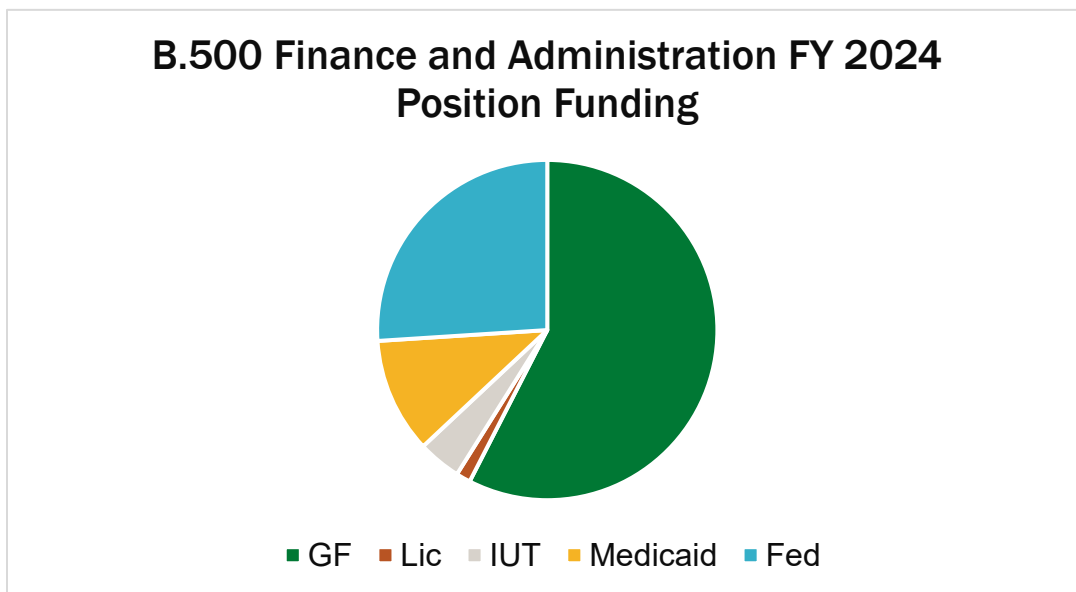
**B. 500 – Finance and Administration; Personal Services and Operating**

The Finance and Administration division houses 73 Positions. The majority of funds for the administration of the Agency are from the General Fund (57.5%). Federal funds provide 26.0% of funding for the positions; these federal funds are comprised of both indirect funds earned through the administration of federal grants, as well as state-level Special Education dollars to support the special education finance team.

The following chart shows an overview of positions by fund in the Finance and Administration Appropriation:

**Table: Finance and Administration Positions by Funding Source**

Positions by Fund	General. Fund	Licensing	Interdept.	Medicaid	Federal Funds	Total
Total	42	1	3	8	19	73
% of Total	57.54%	1.37%	4.11%	10.96%	26.02%	100.00%



The Finance and Administration Appropriation includes the majority of the internal service charges for the Agency. This includes the allocations for Agency of Digital Services (ADS) and Department of Human Resources (DHR), as well as the charges from Finance and Management to operate VISION and for the Audit for both Finance and Administration and the Education Fund. In addition, the appropriation contains the expenses for the SSDDMS and the SLDS.

### **B.501 – Education Services**

Working under the direction of the Deputy Secretary, the Education Services Divisions provide support, technical assistance and oversight to the work of supervisory unions, assisting them in implementing state and federal education requirements across the state.

The Education Services unit is made up of four divisions. The work of each division is described in the following pages, along with details on the grants programs that they support.

The divisions include:

- Education Quality
- Federal Education and Support Programs
- Student Pathways
- Student Support Services

### **B. 501 Education Services Budget Overview**

The Education Services unit of the Agency has a FY 2024 budget of \$491.9 million. This budget recommendation includes nearly \$31 million in personal services, with the majority of the appropriation comprised of grants (\$459,907,273). Education services has an all-funds budget decrease of \$19 million. The net changes in the appropriation are driven by primarily by:

1. Increases to personal services and operating expenses.
2. Reduction in Federal Spending Authority associated with the close of the Federal COVID-19 ESSER I fund
3. Federal grant increases

## LEADERSHIP • SUPPORT • OVERSIGHT

**Table: B.501 Appropriation All Categories**

Department Grand Total Expenditure Categories	FY 2023 Appropriation	FY 2024 Recommend	Change FY23 to FY24
Personal Services	\$28,826,013	\$30,951,380	\$2,125,367
Operating Expenses	\$1,073,385	\$1,074,585	\$1,200
Grants	\$481,143,571	\$459,907,273	\$(21,236,298)
<b>Total All Categories</b>	<b>\$511,042,969</b>	<b>\$491,933,238</b>	<b>\$(19,109,731)</b>

**Table: B.501 Appropriation Funding Sources**

Funding Sources	FY 2023 Appropriation	FY 2024 Recommend	Change FY23 to FY24
General Fund (A)	\$4,880,340	\$4,990,183	\$109,843
Federal Funds (B)	\$502,402,929	\$483,168,107	\$(19,234,822)
Tobacco Litigation Fund (C)	\$750,388	\$750,388	\$0
Special Funds (D)	\$3,009,312	\$3,024,560	\$15,248
Interdept. Transfer (E)	\$0	\$0	\$0
<b>Total All Sources</b>	<b>\$511,042,969</b>	<b>\$491,933,238</b>	<b>\$(19,109,731)</b>

**Table: B.501 General Fund Detail**

General Fund (A)	FY 2023 Appropriation	FY 2024 Recommend	Change FY23 to FY24
Personal Services	\$2,762,963	\$2,869,806	\$106,843
Operating Expenses	\$196,811	\$197,311	\$500
Adult Services Coordinator Grant	\$211,233	\$211,233	\$0
Tech Ed Adult Formula Grant	\$29,320	\$29,320	\$0
Special Olympics Grant	\$13,778	\$13,778	\$0
Child Nutrition - State Match Grant	\$483,348	\$483,348	\$0
Child Nutrition - Child Care Grant	\$223,268	\$223,268	\$0
Child Nutrition - Breakfast Grant	\$277,632	\$277,632	\$0

**LEADERSHIP • SUPPORT • OVERSIGHT**

<b>General Fund (A)</b>	<b>FY 2023 Appropriation</b>	<b>FY 2024 Recommend</b>	<b>Change FY23 to FY24</b>
Child Nutrition - Summer Food Grant	\$51,387	\$51,387	\$0
Child Nutrition - Free Lunch Initiative Grant	\$297,250	\$297,250	\$0
Child Nutrition – TEFAP Grant	\$83,976	\$83,976	\$0
Governor's Institutes Grant	\$186,874	\$186,874	\$0
Teacher of the Year Grant	\$2,500	\$5,000	\$2,500
Outright Vermont Grant	\$60,000	\$60,000	\$0
<b>Total Grants</b>	<b>\$1,920,566</b>	<b>\$1,923,066</b>	<b>\$2,500</b>
<b>Total General Fund</b>	<b>\$4,880,340</b>	<b>\$4,990,183</b>	<b>\$109,843</b>

Table: B.501 Federal Funds Detail

<b>Federal Funds (B)</b>	<b>FY 2023 Appropriation</b>	<b>FY 2024 Recommend</b>	<b>Change FY23 to FY24</b>
Personal Services	\$23,136,479	\$25,049,610	\$1,913,131
Operating Expenses	\$650,866	\$658,866	\$8,000
Carl Perkins Secondary	\$4,000,000	\$4,000,000	\$0
Perkins Secondary Reserve	\$350,000	\$350,000	\$0
Carl Perkins Post-secondary	\$1,500,000	\$1,500,000	\$0
Post-secondary Reserve	\$120,000	\$120,000	\$0
Carl Perkins Leadership	\$75,000	\$75,000	\$0
Carl Perkins Corrections	\$55,000	\$55,000	\$0
21st Century	\$8,850,000	\$8,850,000	\$0
Title I Grants to LEAs	\$40,000,000	\$40,000,000	\$0
Title I Migrant	\$600,000	\$600,000	\$0
Title I Migrant Consortium	\$100,000	\$100,000	\$0
Title I Neglected or Delinquent	\$150,000	\$100,000	\$(50,000)
Homeless Education Act	\$250,000	\$250,000	\$0
Title II, ITQ	\$12,500,000	\$12,500,000	\$0
IDEA-B Flow-Thru	\$29,999,800	\$30,000,000	\$200
Preschool Incentive	\$687,911	\$700,000	\$12,089
School Lunch Program	\$40,000,000	\$40,000,000	\$0



**LEADERSHIP • SUPPORT • OVERSIGHT**

<b>Federal Funds (B)</b>	<b>FY 2023 Appropriation</b>	<b>FY 2024 Recommend</b>	<b>Change FY23 to FY24</b>
Child & Adult Care Food Program	\$6,286,822	\$6,286,822	\$0
School Breakfast Program	\$8,419,615	\$8,419,615	\$0
Summer Food Service Program	\$1,658,045	\$1,658,045	\$0
Special Milk Program	\$35,000	\$35,000	\$0
Cash in Lieu of Commodities	\$285,292	\$285,292	\$0
CN Fruits & Vegetables	\$1,998,488	\$1,998,488	\$0
Child Nutrition - TEFAP	\$233,989	\$233,989	\$0
CN Sponsor Admin	\$510,000	\$510,000	\$0
CN Equipment Assistance	\$80,000	\$80,000	\$0
Title I - School Improvement	\$5,000,000	\$5,000,000	\$0
Title III ELA	\$400,000	\$400,000	\$0
School Improvement	\$0	\$0	\$0
Title IV	\$8,000,000	\$8,000,000	\$0
Rural & Low-Income Schools	\$228,984	\$228,984	\$0
SAMHSA-Project Aware	\$1,200,000	\$1,700,000	\$500,000
ESSER I	\$20,000,000	\$0	\$(20,000,000)
ESSER II	\$70,000,000	\$70,000,000	\$0
ESSER III	\$203,500,000	\$202,000,000	\$(1,500,000)
ARP Homeless	\$1,868,242	\$1,750,000	\$(118,242)
ARP IDEA	\$6,625,874	\$6,625,874	\$0
ARP IDEA Preschool	\$472,522	\$472,522	\$0
GEER	\$2,000,000	\$2,000,000	\$0
GEER II	\$575,000	\$575,000	\$0
<b>Total Grants</b>	<b>\$478,615,584</b>	<b>\$457,459,631</b>	<b>\$(21,155,953)</b>
<b>Total Federal Funds</b>	<b>\$502,402,929</b>	<b>\$483,168,107</b>	<b>\$(19,234,822)</b>

**Table: B.501 Tobacco Litigation Detail**

<b>Tobacco Litigation (C)</b>	<b>FY 2023 Appropriation</b>	<b>FY 2024 Recommend</b>	<b>Change FY23 to FY24</b>
Personal Services	\$176,253	\$259,098	\$82,845
Operating Expenses	\$11,714	\$11,714	\$0
Tobacco Grant	\$562,421	\$479,576	\$(82,845)
<b>Total Tobacco Fund</b>	<b>\$750,388</b>	<b>\$750,388</b>	<b>\$0</b>

**Table: B.501 Special Funds Detail**

<b>Special Funds (D)</b>	<b>FY 2023 Appropriation</b>	<b>FY 2024 Recommend</b>	<b>Change FY23 to FY24</b>
Personal Services	\$2,750,318	\$2,772,866	\$22,548
Operating Expenses	\$213,994	\$206,694	\$(7,300)
Licensing Grant	\$45,000	\$45,000	\$0
<b>Total Special Funds</b>	<b>\$3,009,312</b>	<b>\$3,024,560</b>	<b>\$15,248</b>

**B. 501 Education Services; Personal Services and Operating**

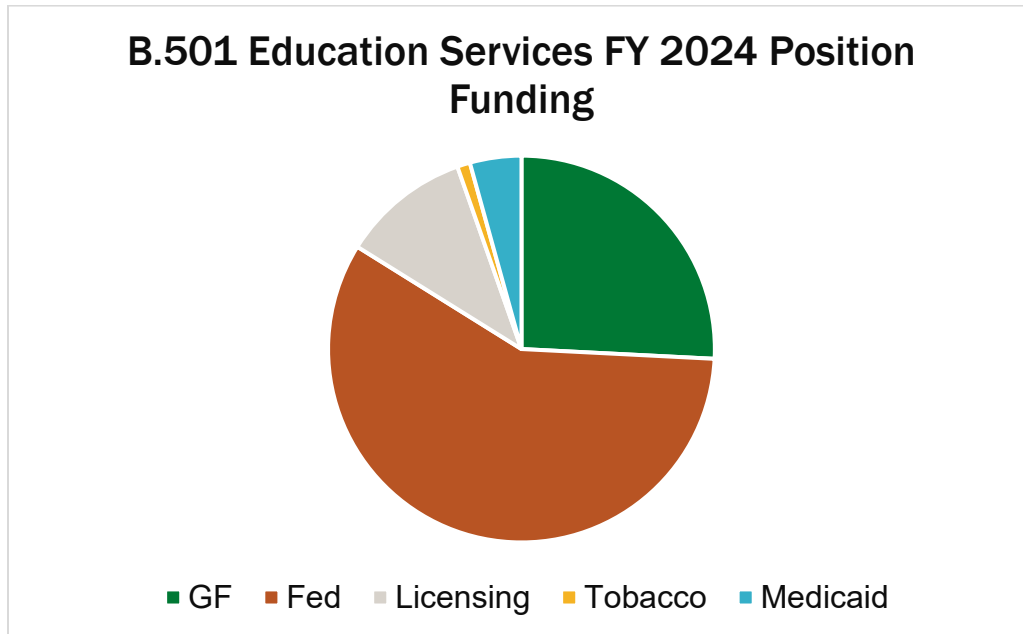
The Education Services work at the Agency is supported by 100 positions within the Agency. 54% of the education services positions are funded by Federal Funds, and work to support the implementation of Federal Programs. General Funds provide 24% of funding for this work, primarily to support and implement state-directed work that cannot be supported by Federal funds.

The following chart shows an overview of positions by fund in the Education Services Appropriation:

**Table: Education Services Positions by Funding Source**

<b>Positions by Fund</b>	<b>General Fund</b>	<b>Federal Funds</b>	<b>Licensing</b>	<b>Tobacco</b>	<b>Medicaid</b>	<b>Total</b>
<b>Total</b>	<b>24</b>	<b>54</b>	<b>10</b>	<b>1</b>	<b>11</b>	<b>100</b>
<b>Percentage of Total</b>	<b>24%</b>	<b>54%</b>	<b>10%</b>	<b>1%</b>	<b>4%</b>	<b>100.00%</b>

Figure: Education Services Positions by Funding Source



**B.501 – Education Services Division Summaries**

Additional details about the work, budget and programs for each division in the B.501 Education Services are found on the following pages.

**Education Quality**

The Education Quality Division includes the Educator Licensing, Pre-service Educator Quality, and Education Quality Assurance teams. The Education Quality team includes 20 FTEs. The division is supported primarily through licensing funds, General Funds, and federal Title I and Title II funds.

The budget for the division is comprised primarily of funding for staff salaries.

**Education Quality Teams**

The Educator Licensing Team has the responsibility of ensuring that all educators in the state are properly licensed to teach in their designated endorsement area and have been subject to rigorous background checks to optimize student safety. This team works with the Vermont Standards Board for Professional Educators (VSBPE) in ensuring compliance to the VSBPE Rules Governing the Licensing of Educators and the Preparation of Educational Professionals.

The Pre-service Educator Quality Team oversees the approval of Vermont Educator Preparation Programs and development of Educator Professional Standards. Well-prepared, supported educators and leaders in the field are essential, as research has shown this makes a significant difference in the educational lives of students. High-quality

## LEADERSHIP • SUPPORT • OVERSIGHT

teaching standards tied to evidence-based teaching practices provide a foundation for teacher and administrator preparation and ongoing professional learning. The Pre-Service Educator Quality Team facilitates the development of standards that build a career continuum focused on teacher and leader effectiveness and reviews and rates SU/SD evaluation systems for teachers and leaders. This team likewise provides professional licensure to Vermont educators and works with the VSBPE in ensuring compliance to the VSBPE Rules Governing the Licensing of Educators and the Preparation of Educational Professionals.

In 2018, positions at the AOE were realigned to support the implementation of Vermont's Education Quality Review process. As a part of that process, the Education Quality Assurance Team became a part of the Education Quality Division. In addition to carrying out the initial implementation of Education Quality Reviews, staff implement the statewide Integrated Field Review assessment system, analyze and report academic and accountability data for use in schools and policy settings, and lead the work in supporting the Continuous Improvement Plans and the specific support for schools identified through federal legislation and state rules. During the pandemic, the team has taken on substantial additional responsibility in reviewing district applications for federal ESSER funds, construction projects, and state education recovery plans.

Additionally, one member of the Education Quality Assurance team oversees reviews of approved and recognized independent schools and rate-setting for approved independent schools.

### Education Quality Grants

The Division is responsible for the allocation of the following grants:

**Table: Education Quality Grants**

Grant	FY 2023 Appropriation	FY 2024 Recommend	Change FY23 to FY24
Teacher of the Year	\$2,500	\$5,000	\$2,500
Licensing	\$45,000	\$45,000	\$0
ESSER I	\$20,000,000	\$0	\$(20,000,000)
ESSER II	\$70,000,000	\$70,000,000	\$0
ESSER III	\$203,500,000	\$202,000,000	\$(1,500,000)
Title I - School Improvement	\$5,000,000	\$5,000,000	\$0

1. **Teacher of the Year:** This grant provides financial support for travel expenses related to Vermont Teacher of the Year activities. These funds may be used to support attendance at either the National Teacher of the Year Conference or the annual convening in Washington, D.C. by State Teachers of the Year.

2. **Licensing:** Generated from educator licensing fees, these funds support the Local and Regional Standards Boards that are responsible for supporting educator and administrator license renewal.
3. **ESSER I:** A part of the Education Stabilization Fund within the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Elementary and Secondary School Emergency Relief funds is a federal formula grant directed to LEAs with the purpose of addressing COVID-19 related needs through September 2022.
4. **ESSER II:** A part of the Coronavirus Response and Relief Supplemental Appropriations ACT (CRRSA), the Elementary and Secondary School Emergency Relief Funds (ESSER II), is a federal formula grant directed to assist LEAs with the purpose of addressing COVID-19 related needs through September 2023.
5. **ESSER III (ARP ESSER):** An additional fund, authorized by the American Rescue Plan Act (ARPA) in March 2021. ARP ESSER funds are a federal formula grant directed to assist LEAs with the purpose of addressing COVID-19 related needs through September 20, 2024.
6. **Title I School Improvement:** Funds allocated to Title I schools that are most in need of improvement under the State's accountability system. Funds are to coordinate and implement the school's continuous improvement plan.

### Federal Education and Support Programs (FESP)

The Federal Education and Support Programs (FESP) Division is comprised of three teams: Consolidated Federal Programs (CFP), Child Nutrition (CN), and Student and Educator Support (SES). The division consists of 24 FTEs, which are funded primarily through federal funds: specifically, the U.S. Department of Education (USED) funds provided through the Elementary and Secondary Education Act of 1965, currently known as the Every Student Succeeds Act or ESSA, and U.S. Department of Agriculture (USDA) funds that support child nutrition programs.

#### FESP Division Teams

The CFP Team supports Local Education Agencies (LEAs) with specialized expertise and federal and state funding in closing the achievement gap for students who are: failing or most at risk of failing to meet challenging state academic standards, economically disadvantaged, homeless, migrant, neglected or delinquent, English-language learners, or in state (DCF) custody. The team assists LEAs and other eligible entities to apply for competitive and formula grants, comply with grant terms and conditions, and achieve the maximum benefit from grant investments to improve the academic achievement of at-risk learners. This team also collaborates with other Agency of Education teams to fund and support state-level activities that fall within the priorities of the various federal grant programs it oversees, including activities related to school improvement, educator professional development, personalized learning, career and technical education, social/emotional wellbeing of students and staff, and promotion of safe and healthy learning environments.

## LEADERSHIP • SUPPORT • OVERSIGHT

Finally, this team oversees driver education program approval requests and manages the driver education reimbursement process.

CN staff administer the federal meal reimbursement programs, including school breakfast, lunch, afterschool meals and summer meals programs, and the Child and Adult Care Food Program (CACFP), ensuring nutritious meals and snacks are served to program participants in all eligible sites, which include childcare centers, adult day programs, summer camps and other non-school sites, as well as most public and many independent schools. The team also engages in extensive outreach activities to recruit new program providers (e.g., child care centers, summer food sites, etc.) and works with other AOE programs and across Vermont state agencies to ensure that all children eligible for free or reduced price school meals receive them through improvements in data-sharing and other activities. In Fall 2021, the team added a full time Grant Programs Manager position to implement the Local Foods Incentive Grant program enacted by the Legislature in 2021 as a component of Act 67. This individual oversees a new workgroup responsible for all school meals program procurement activities, including federally mandated procurement reviews. This division also administers a number of grants including the USDA Fresh Fruits and Vegetables Program, a grant to the Vermont Foodbank, a grant program from food service equipment purchases, and a federal local foods grant program.

The SES Team supports LEAs in the coordination and provision of services for students receiving or in need of multi-agency services, oversees state-placed student supports and services and verification for reimbursement, provides technical support to LEAs seeking residential placements for special needs students, and reviews all Home Study enrollments. This team also manages a competitive tobacco/substance abuse prevention grant program funded by the Master Settlement Agreement (“tobacco settlement”) and a 5-year, \$8.2 million competitive federal grant award from the Substance Abuse and Mental Health Services Administration (SAMHSA) to increase awareness of mental health issues and expand mental health services and supports in schools, in collaboration with the Department of Mental Health (DMH).

### Federal Education and Support Programs Grants

The Division is responsible for the allocation of the following grants:

**Table: FESP Grants**

Grant	FY 2023 Appropriation	FY 2024 Recommend	Change FY23 to FY24
Child Nutrition - State Match	\$483,348	\$483,348	\$0
Child Nutrition - Child Care	\$223,268	\$223,268	\$0
Child Nutrition - Breakfast	\$277,632	\$277,632	\$0
Child Nutrition - Summer Food	\$51,387	\$51,387	\$0

**LEADERSHIP • SUPPORT • OVERSIGHT**

Grant	FY 2023 Appropriation	FY 2024 Recommend	Change FY23 to FY24
Child Nutrition - Free Lunch Initiative	\$297,250	\$297,250	\$0
Title I Grants to LEAs	\$40,000,000	\$40,000,000	\$0
Title I Migrant	\$600,000	\$600,000	\$0
Title I Migrant Consortium	\$100,000	\$100,000	\$0
Title I Neglected or Delinquent	\$150,000	\$100,000	\$(50,000)
Homeless Education Act	\$250,000	\$250,000	\$0
Title II, ITQ	\$12,500,000	\$12,500,000	\$0
School Lunch Program	\$40,000,000	\$40,000,000	\$0
Child & Adult Care Food Program	\$6,286,822	\$6,286,822	\$0
School Breakfast Program	\$8,419,615	\$8,419,615	\$0
Summer Food Service Program	\$1,658,045	\$1,658,045	\$0
Special Milk Program	\$35,000	\$35,000	\$0
Cash in Lieu of Commodities	\$285,292	\$285,292	\$0
CN Fruits & Vegetables	\$1,998,488	\$1,998,488	\$0
Child Nutrition – The Emergency Food Assistance Program (TEFAP)	\$233,989	\$233,989	\$0
CN Sponsor Admin	\$510,000	\$510,000	\$0
CN Equipment Assistance	\$80,000	\$80,000	\$0
Title III ELA	\$400,000	\$400,000	\$0
Title IV	\$8,000,000	\$8,000,000	\$0
Rural & Low Income Schools	\$228,984	\$228,984	\$0
SAMHSA-Project Aware	\$1,200,000	\$1,700,000	\$500,000
ARP Homeless	\$1,868,242	\$1,750,000	\$(118,242)
Tobacco	\$562,421	\$479,576	\$(82,845)

- 1. Child Nutrition – State Match:** Regulations for the National School Lunch Program require states to provide funds to schools participating in the school lunch program. The amount is based on appropriated federal funds. Ninety percent of the state match is allocated to schools on a per-meal basis. Ten percent of the total



required state matching funds are set aside for a competitive grant program for food service equipment.

2. **Child Nutrition – Day Care Home Tier 2 Meal Initiative (Child Care):** These funds support breakfasts, lunches and snacks served in Tier 2-day care homes where federal subsidies were cut by the federal Welfare Reform Act of 1996.
3. **Child Nutrition – Reduced Price Breakfast Initiative (Breakfast):** This funding eliminates the household contribution of 30 cents for those students in the reduced-price category, defined as those with household income between 130% and 185% of poverty.
4. **Child Nutrition – Summer Food Service Program:** These funds supplement the cost of lunches served at summer food service sites where federal subsidies were cut by the federal Welfare Reform Act of 1996.
5. **Child Nutrition – Reduced Price Lunch Initiative (Free Lunch Initiative):** This funding eliminates the household contribution of 40 cents for those students in the reduced-price category, defined as those with household income between 130% and 185% of poverty.
6. **Title I - Grants to LEAs for Improving the Academic Achievement of the Disadvantaged:** These funds are allocated to LEAs on a formula basis to ensure that all children have a fair, equal, and significant opportunity to reach proficiency on the State academic achievement standards. Funds are focused on meeting the supplemental educational needs of low-achieving students in high poverty schools.
7. **Title I - Migrant:** These funds are used for the design of educational and support services for children of migratory agricultural workers who have changed school districts within the preceding 12 months.
8. **Title I – Migrant Consortium:** These funds help support Vermont’s participation in multi-state consortia to design and implement educational support services for eligible migrant students.
9. **Title I – Neglected or Delinquent:** These funds support education activities, such as transition and dropout prevention, for youth in state correctional facilities, state-operated institutions or community day programs.
10. **McKinney Vento Homeless Education Act:** These funds support programs to ensure that homeless children and youth have equal access to the same free, appropriate public education – including preschool – provided to other children and youth, through coverage of costs such as additional transportation, program fees for extracurricular activities, etc.
11. **Title II, Part A – Grants to LEAs for Preparing, Training, and Recruiting High-Quality Teachers, Principals, and Other School Leaders:** This Title provides funding for formula grants to LEAs, as well as for State Education Agency technical assistance activities, in support of recruitment and retention and professional development and other initiatives to ensure that schools have access to effective teachers, principals and paraprofessionals.
12. **Child Nutrition - School Lunch Program:** These funds are used to provide a per meal reimbursement to school food service programs to support meals served in school lunch programs.



13. **Child Nutrition - Child and Adult Care Food Program:** These funds are used to provide a per meal reimbursement to program sponsors to support meals served in childcare and adult care programs. In addition, centers can receive cash in lieu of commodity foods.
14. **Child Nutrition - School Breakfast Program:** These funds provide a per meal reimbursement and administrative rate for meals served in breakfast programs.
15. **Child Nutrition - Summer Food Service Program:** These funds provide a per meal reimbursement and administrative rate for meals served.
16. **Child Nutrition - Special Milk Program:** These funds are used to provide reimbursement to support the cost of 8-ounce servings of milk served to students at schools or sites that do not participate in a federal meal program.  
**Child Nutrition - Cash in Lieu of Commodities:** These funds allow participating childcare centers to choose to receive cash payments for lunches/dinners instead of USDA donated food.
17. **Child Nutrition Fresh Fruits & Vegetables:** These funds provide funding assistance for increasing fruit and vegetable consumption in low-income schools.
18. **Child Nutrition – The Emergency Food Assistance Program (TEFAP):** Funds to assist in the distribution and transportation process of donated food to recipient agencies for support of low-income households.
19. **Child Nutrition – Sponsor Admin:** Day care home sponsors receive administrative funds on a per home rate to support the cost of managing and administering the program for the day care home’s recipients.
20. **Child Nutrition Equipment Assistance:** These funds are provided through the Healthy, Hungry Free Kids Act of 2010 and are awarded via competitive grants to low-income schools to improve the infrastructure of their food service programs.
21. **Title III – Instruction for English Learners (EL) and Immigrant Students:** These funds assist LEAs in addressing the needs of EL students. Formula-based sub-grants are awarded to eligible LEAs to provide language instruction to help EL students meet Vermont’s academic standards. Districts with substantial increases in Immigrant Youth may also receive grants by formula.
22. **Title IV, Part A - Student Support and Academic Enrichment Grants:** This Title provides funding for formula grants to LEAs, as well as for State Education Agency technical assistance activities, in order to increase the capacity of the schools to provide all students with access to a well-rounded education (e.g., STEM, the arts), improve school conditions for student learning (e.g., school safety, student health and wellness, bullying prevention), and improve the use of technology.
23. **Rural, Low-Income School Program:** These are grants provided by formula to school districts that have a certain percentage of students living in poverty and are in a federally designated rural locale. Funds can be used for activities covered under many other Titles of the Elementary & Secondary Education Act.
24. **Substance Abuse and Mental Health Services Advancing Wellness and Resiliency in Education (AWARE) Grant:** Sub-grants have been awarded to three supervisory unions to support the integration of mental health services in schools, in collaboration with their local Designated Mental Health Agencies, as part of an Interconnected Systems Framework, with supporting contracts for

training of school and community members in awareness of mental health issues and best practices in addressing them.

25. **ARP Homeless Children and Youth (ARP HCY):** A part of the American Rescue Plan Act (ARP), the Elementary and Secondary Emergency Relief Homeless Children and Youth Fund, administered by the Office of the State Coordinator for the Education of Homeless Children and Youth is intended to meet the immediate needs of students experiencing homelessness, in light of the COVID-19 pandemic.
26. **Tobacco:** In FY 2017, AOE shifted the way it used the Master Settlement Agreement tobacco funding from being a universally distributed award to a competitive, targeted award process for three fiscal years. This change was intended to provide for a greater impact with increased targeted funding. The grant required SU/SDs to implement programming in the key strategy areas of assessment, curriculum, policy, youth asset development, teen smoking cessation, community engagement and family engagement. The funds were targeted to include coordination of all substance prevention rather than only tobacco; accordingly, it is recognized by all that the underlying risk and protective factors for tobacco use apply to other substance abuse issues and also that nicotine use often “primes” the brain for other substance addiction. As such, many of the grant’s strategies and the activities that have been funded in this 3-year cycle focus on increasing protective factors and decreasing risk factors for a variety of issues that are related to and sometimes inseparable from tobacco use. In the new grant cycle, we anticipate focusing even more strongly on youth asset development, community and family engagement, and increasing protective factors to discourage initiation of all forms of substance use.

## Student Pathways

The Student Pathways division currently has six teams including Adult Education and Literacy (AEL), Personalized Learning (PL), Proficiency Based Learning (PBL), Afterschool and Summer Programs (21CCLC), Career Technical Education (CTE), and the Admin Team that oversees cross-discipline work like Community Schools, Expanded Learning Opportunities, and Literacy efforts among other things. In FY 2021, it combined Education Technology and Personalized Learning in an effort to address the impact of three positions that were frozen beginning in March 2020. The division is currently working to make itself whole. The budget for the division is comprised primarily of salaries and benefits.

### Student Pathways Division Programs

This division is responsible for operating and monitoring the statewide Flexible Pathways Initiative (Act 77) and the Education Quality Standards as they pertain to the key initiatives as overseen by the division (e.g., Content Standards, Local Comprehensive Assessment Systems, Coordinated Curriculum, etc.), implementation of Title II under the Workforce Innovation and Opportunity Act (WIOA) and operating and monitoring the statewide Adult Education and Literacy system, implementing the federal Perkins V legislation and

## LEADERSHIP • SUPPORT • OVERSIGHT

operating and monitoring the statewide Career Technical Education program, implementing and overseeing Title IVB (21st Century After School Programs) of the Every Student Succeeds Act, and for providing technical assistance to the field regarding educational and instructional technology.

Additionally, the Student Pathways division is overseeing new 2021 legislative initiatives including ARP-ESSER supported Act 28 (literacy) and Act 67 (Community Schools Act), GEER grant initiatives, Act 51, Act 66 Wellness Policy work, and providing technical support related to Educator Workforce Development.

Staff with expertise in adult and career technical education, personalized and proficiency-based instruction and assessment, work-based learning, dual enrollment and early college programs, after-school and summer programming, online and blended learning, and career and college readiness work together and in collaboration with other units in the Agency to provide support to schools, technical centers and community-based providers in implementing evidence-based practices, systems and district-wide improvement models, and ensuring equity in student access to high quality flexible pathways.

There are 24 FTE positions that support the work of the Student Pathways Division. Roughly half of the funds that support this division are Federal.

The work of the Student Pathways Division is supported primarily by staff, supplemented with some contracted activities that support the data and IT systems used by division staff in the administration of programs and some of the new ARP-ESSER work.

The following table provides an overview of the grants administered by the division.

### Student Pathways Grants

The Student Pathways Division is responsible for the allocation of the following grants

Grant	FY 2023 Appropriation	FY 2024 Recommend	Change FY23 to FY24
Adult Services Coordinator	\$211,233	\$211,233	\$0
Tech Ed Adult Formula	\$29,320	\$29,320	\$0
Governor's Institutes	\$186,874	\$186,874	\$0
Carl Perkins Secondary	\$4,000,000	\$4,000,000	\$0
Perkins Secondary Reserve	\$350,000	\$350,000	\$0
Carl Perkins Post-secondary	\$1,500,000	\$1,500,000	\$0
Post-secondary Reserve	\$120,000	\$120,000	\$0
Carl Perkins Leadership	\$75,000	\$75,000	\$0
Carl Perkins Corrections	\$55,000	\$55,000	\$0
21st Century	\$8,850,000	\$8,850,000	\$0

<b>Grant</b>	<b>FY 2023 Appropriation</b>	<b>FY 2024 Recommend</b>	<b>Change FY23 to FY24</b>
<b>GEER</b>	\$2,000,000	\$2,000,000	\$0
<b>GEER II</b>	\$575,000	\$575,000	\$0

1. **Adult CTE Services Coordinator Salary Assistance:** These state General Funds are disbursed as reimbursements to each technical center district for a portion of its adult education coordinator’s salary.
2. **Adult Technical Education Formula:** In Act 74 of 2021, Postsecondary CTE System (P.231), the General Assembly repurposed \$25,000 of these funds to supplement funds from Vermont Department of Labor for the purpose of paying for a study and new structure of post-secondary CTE and Adult Education and Literacy.
3. **Governor’s Institutes:** These state funds provide summer institutes for highly motivated high school students. Institutes are held on Vermont college campuses and draw additional support from businesses, foundations, schools and participating students’ families.
4. **Carl D. Perkins Secondary:** These federal funds are awarded as formula grants to LEAs, consortia, or regional technical centers for career technical education (CTE) program development and improvement within the scope of the Carl D. Perkins Career and Technical Improvement Act of 2006 as amended by the Strengthening Career and Technical Education for the 21<sup>st</sup> Century Act of 2018.
5. **Carl D. Perkins Secondary Reserve:** These federal funds are made up of set-aside amounts within the formula grant. Grants awarded from the reserve are competitive and intended for proposals by secondary CTE centers that seek to improve students’ academic and transition readiness from secondary to post-secondary career and college.
6. **Carl D. Perkins Post-Secondary:** These federal funds are awarded as formula grants to post-secondary career technical education providers for program development and improvement within the scope of the Carl D. Perkins Career and Technical Improvement Act of 2006 as amended by the Strengthening Career and Technical Education for the 21<sup>st</sup> Century Act of 2018.
7. **Carl D. Perkins Post-Secondary Reserve:** These federal funds are made up of set-aside amounts within the formula grant. Grants awarded from the reserve are competitive and intended for dual enrollment course development, delivery, and alignment with secondary CTE programs at regional CTE centers.
8. **Carl D. Perkins State Leadership:** These federal funds are used to support and expand CTE within the scope of the Carl Perkins Act and to assist in developing high standards and high-quality curricula.
9. **Carl D. Perkins Corrections:** This item is a part of Carl Perkins State Leadership federal funds and supports career and technical education programming for inmates at correctional facilities throughout the Community High School of Vermont. Unused Carl D. Perkins Corrections funds can be reverted back to Carl D. Perkins State Leadership.

10. **21st Century Community Learning Centers:** These ESSA Title IV Part B federal funds are awarded via a competitive grant process to school districts that create highly structured innovative extended-day or extended-year programs. Funds provide expanded opportunities for student learning in safe, supervised settings and promote parental involvement in schools.
11. **GEER:** A part of the Education Stabilization Fund within the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Governor's Emergency Education Relief (GEER) fund is administered through AOE. The GEER funds are prioritized to the state's CTE centers to address COVID-19 related needs.
12. **GEER II:** A part of the Coronavirus Response and Relief Supplemental Appropriations ACT (CRRSA), the Governor's Emergency Education Relief (GEER) fund will be administered through the AOE. The GEER funds are prioritized to the state's CTE centers to recruit more students into the CTE system and to pilot electric vehicle programs through September 2023.

### Student Support Services

Student Support Services (SSS) staff define, clarify and implement policies and guidelines related to Special Education, Early Education and Multi-Tiered System of Supports, with the goal of supporting school systems in ensuring that students have equitable access to educational opportunities and demonstrate equitable outcomes.

#### Student Support Services Teams

The Special Education Team collaborates within the AOE to meet federal special education reporting requirements and identifies and monitors school systems that are in need of additional support. Outcomes from federal reporting and monitoring visits inform the team's development and implementation of programmatic supports to school systems. Additionally, the Special Education Team plays a critical role in interfacing with parents, community members and other stakeholder groups, including the Special Education Advisory Panel and the Vermont Council of Special Education Administrators, to help define and support the state's special education needs.

The Early Education Team supports the state's educators in delivering high-quality educational opportunities to students in preschool to third grade, in alignment with Vermont's Early Learning Standards (VELS). The Team is currently implementing a new monitoring system that identifies issues of non-compliance and problems of practice and will use that information to inform their ongoing development and delivery of programmatic supports. The Early Education Team also leads the AOE's Early Multi-Tiered System of Supports work, a framework that is aligned with the Vermont Multi-Tiered System of Supports framework (VTmtss), but that reflects the unique needs of early learners with the goal of ensuring that all students are receiving the high-quality supports they need to succeed.

The Vermont Multi-Tiered System of Supports (VTmtss) Team is responsible for the articulation and delivery of guidance and resources related to the VTmtss framework. The

VTmtss framework informs how schools and SU/SDs identify, deliver and evaluate the efficacy of student supports, with the VTmtss Systems Screener, Driver Diagram, Making Connections documents, and assorted Practice Profiles supporting the implementation of Act 173 and Act 173-related changes to Vermont’s Special Education Rule Series. VTmtss Team members also provide technical assistance directly to the field—by invitation and upon request—and collaborate with other AOE teams to reflect VTmtss framework components in the Agency’s wider continuous improvement efforts.

The SSS Division consists of 28 FTEs, which are funded primarily through federal funds. Specifically, the SSS Division is supported by federal funds provided to the State to implement the Individuals with Disabilities Education Act (IDEA) . The SSS Division is also supporting one AmeriCorps VISTA volunteer, using Title IIA funding, who works within our Special Education team.

The Student Support Services Team also includes funding for staff to directly implement programs as well as secure contracts for professional learning and technical assistance to support SU/SDs in the implementation of instructional models.

**Grants**

In addition to supporting SU/SDs through professional development and technical assistance, the Student Support Services Division is responsible for allocating the following grants:

**Table: Student Support Services Grants**

<b>Grant</b>	<b>FY 2023 Appropriation</b>	<b>FY 2024 Recommend</b>	<b>Change FY23 to FY24</b>
Special Olympics	\$13,778	\$13,778	\$0
IDEA-B Flow-Thru	\$29,999,800	\$30,000,000	\$200
Preschool Incentive	\$687,911	\$700,000	\$12,089
ARP IDEA	\$6,625,874	\$6,625,874	\$0
ARP IDEA Preschool	\$472,522	\$472,522	\$0

1. **Special Olympics:** This program helps ensure that children and adults who have developmental delays have access to unified sports activities with non-disabled peers.
2. **IDEA-B Sub grants:** These federal funds flow directly to schools to assist with the costs of special education for children and youth ages 3 to 22.
3. **IDEA, Part B, Preschool (sec. 619) Early Childhood Special Education (ECSE):** These funds flow directly to schools to assist with special education costs for children ages 3 - 6. Five percent (5%) of IDEA ECSE Funds are reserved for state



administration and 20% are reserved for state level discretionary dollars. These funds support statewide projects, technical assistance, and compliance monitoring and training regarding special education costs.

4. **ARP IDEA and ARP IDEA Preschool:** An additional fund, authorized by the American Rescue Plan Act (ARPA) in March 2021. ARP IDEA funds are considered a federal formula grant directed to LEAs to support infants, toddlers, children, and youth with disabilities through a separate supplement to Part B and Part C of the Individuals with Disabilities Education Act (IDEA). COVID-19 related needs through September 20, 2024.

**Single Audit Findings**

The Agency of Education had two single audit findings for FY 2021 and one repeat prior year finding per the below:

<b>Federal Program</b>	<b>Finding Description</b>	<b>Result</b>
<b>Title I</b>	Reporting – Federal Funding Accountability and Transparency Act (FFATA)	Material Weakness
<b>COVID-19 – Elementary and Secondary School Emergency Relief Fund</b>	Reporting – Federal Funding Accountability and Transparency Act (FFATA)	Significant Deficiency
<b>Child Nutrition Cluster</b>	Special Test USDA	Prior Year Finding

**The Education Fund**

Vermont pays for our public education system using the Education Fund, a statewide fund that unifies education spending statewide. A statewide funding formula based on “per pupil” spending is coupled with a pool of funds driven for the most part by statewide education property taxes assessed by each community in Vermont. This is considerably different from the way that education is funded in other states.

Vermont school districts build and voters approve school budgets each year on Town Meeting Day. A school budget is the total cost of education for the district. The school district subtracts offsetting revenues like state and federal grants and aid (such as the programs outlined in the previous section), tuition revenues, and prior-year surpluses and deficits from the total school budget number. The resulting difference is known as education spending; this is the number that the school district is owed from the Education Fund plus categorical grants.

The Education Fund is primarily composed of the following revenue sources:

- Nonhomestead Education Property Tax (39%)
- Sales and Use Tax (28%)
- Income adjusted Homestead Education Property Tax (25%)
- Meals and Rooms Tax (3%)
- Purchase and Use Tax (2%)
- Other sources (3%)

The Agency of Education manages the allocation of the Education Fund appropriations. These appropriations reflect the budgets and statutory requirements to support Vermont’s public education systems and students.

**Year-over-year changes in Education Fund Expenses:**

<b>Education Fund Expenses</b>	<b>FY20 (Final)</b>	<b>FY21 (Final)</b>	<b>FY22 (Final)</b>	<b>FY23 (Anticipated)</b>	<b>FY24 (Projection)</b>
Expenses (millions)	\$1,726	\$1,794	\$1,850	\$1,961.2	\$2,078.1
Year over Year Change	4.29%	3.94%	3.12%	6.01%	5.96%

The Education Fund “funds to budgets,” meaning that the state sets the tax rates necessary to fund the budgets approved by local voters. Aside from school district salaries and benefits, the main cost drivers in the Education Fund are demographic:

1. Vermont’s publicly funded student population has been declining.



2. Vermont is maintaining most of the public and independent schools we had at our peak (e.g., overhead costs associated with buildings and administration have not changed significantly).
3. The number of teachers and staff has decreased, but not consistent with the loss in the number of students (student-to-teacher ratios and student-to-school ratios are small).
4. Therefore, Vermont has fewer students, approximately the same number of schools, and proportionally more overhead to support on a per-pupil basis.
5. As a result, Vermont generally delivers education through smaller schools, particularly at the elementary level, than other states.

### Education Fund Outlook

Each year the Vermont Commissioner of Taxes issues [a letter on December 1](#) outlining the forecast for Education taxes and the Education Fund in the next year. This letter is used as part of the school budget development process at the local level.

In his 2022 letter, Commissioner Craig Bolio forecasts a surplus of \$63 million in the Education Fund this year. This surplus is due in part to reversions to the Ed Fund from unspent dollars from the previous fiscal year, as well as better than expected performance by some of the non-property tax revenue sources.

The Tax Commissioner's letter also projects an 8.5% overall growth rate in school spending, approximately 63% above last year's growth rate of 4.3%, and if realized, it would be higher than any growth rate in at least the last decade. Among other things, staffing costs are a primary driver of the increase in education spending. We also know that continued inflationary pressures, policy initiatives such as changes to the pupil weighting formula, and capital maintenance and remediation costs, will continue to create cost pressures for the Education Fund.

### What Vermonters Buy with Education Fund Dollars

Counting all publicly funded students, those enrolled in public schools, those tuitioned to independent schools, and those tuitioned to out-of-state and out-of-country schools, Vermont spends about \$23,466 per Vermont student. The following chart below breaks the \$23,466 into the major appropriations from the Education Fund.

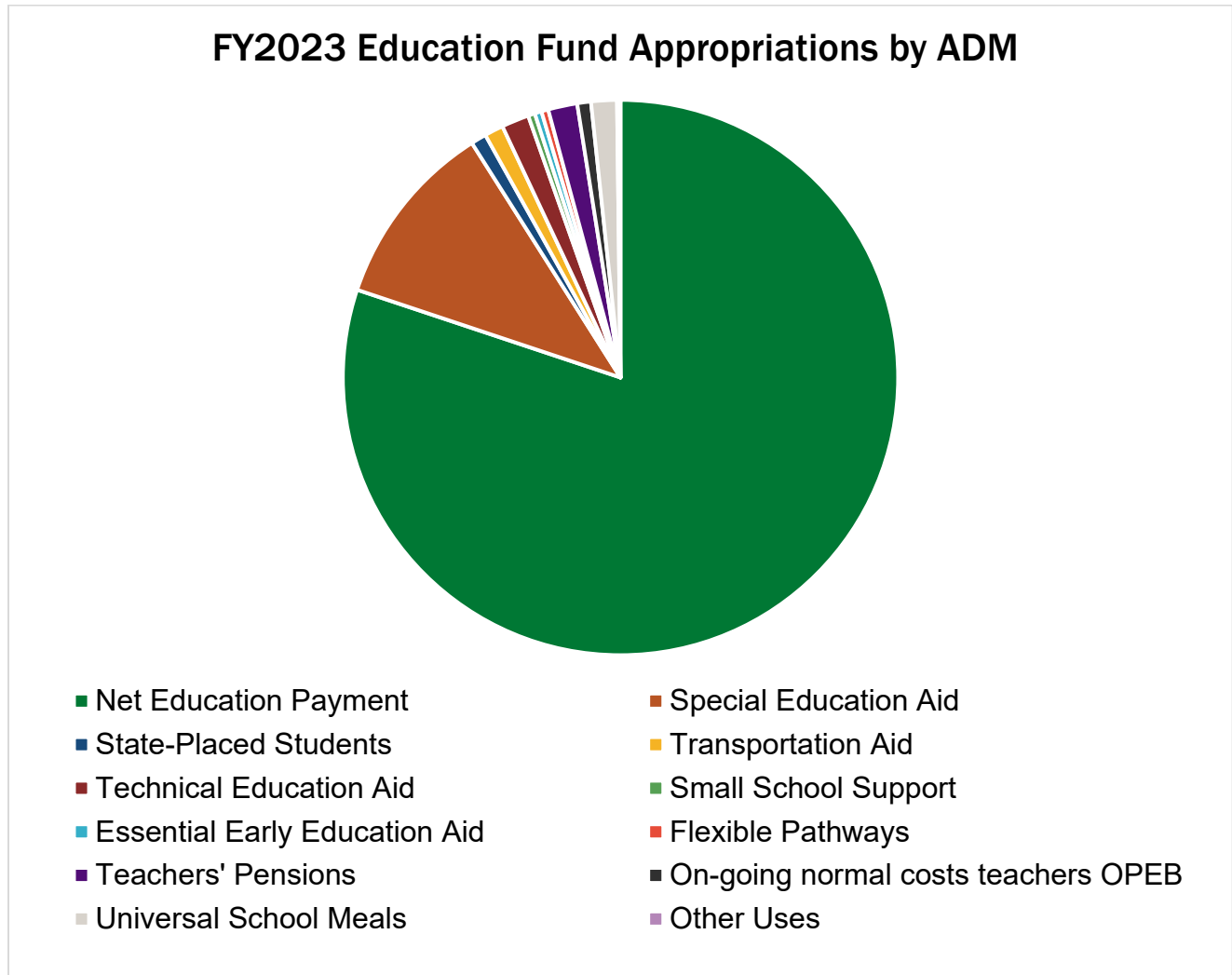
# LEADERSHIP • SUPPORT • OVERSIGHT

**Table: FY2023 Education Fund Appropriations by Average Daily Membership**

General Category	Education Fund per ADM	Percent of Total
Net Education Payment	\$ 18,830.0	80.2%
Special Education Aid	\$ 2,555.3	10.9%
State-Placed Students	\$ 208.9	0.9%
Transportation Aid	\$ 260.2	1.1%
Technical Education Aid	\$ 364.0	1.6%
Small School Support	\$ 96.7	0.4%
Essential Early Education Aid	\$ 89.5	0.4%
Flexible Pathways	\$ 100.3	0.4%
Teachers' Pensions	\$ 393.9	1.7%
On-going normal costs teachers OPEB	\$ 180.2	0.8%
Universal School Meals	\$ 346.1	1.5%
Other Uses	\$ 40.6	0.2%

For FY 2023, the Legislature added \$29,000,000 for Universal School Meals and an additional \$15,100,000 for the ongoing normal cost of teachers' other post-employment benefits. \$15,000,000 was also provide to CTE centers for updating programs and facilities and are included in the Technical Education Aid line.

**Figure: FY2023 Education Fund Appropriations by Average Daily Membership**



About 80% of the Education Fund is spent on the “net education payment,” which covers most costs of our public schools. It also includes tuition payments to other public, independent, and out-of-state schools, tuition payments to Career and Technical Education centers, and supervisory union costs. This 80% also includes the local share of special education costs (although the amount of those special education costs for FY 2023 are unknown), and the local share of transportation costs, representing approximately 55% of those costs. Prekindergarten is also part of our net education payment.

The next biggest percentage of 11% is spent on the state portion of special education costs in public and independent schools. Beginning with this school year, FY 2023, by changing how we fund and deliver special education, by building better approaches to early intervention and just-in-time support for struggling learners, we can both improve outcomes for these students and lower the cost to taxpayers.

Some of our larger school districts are looking into building, or already operate, specialized programs within their districts, so they can rely less on programs that often have very large price tags, either out-of-state or at other schools. In-district programs also have the advantage of easing the transition of students back to their regular schools when they are ready, such as after treatment for trauma and establishment of appropriate continuing mental health supports.

The rest of the \$1.966 billion we spend on education is spread across a number of functions. Our state contribution to transportation is critical; many of our children depend on buses to get to school, particularly in less affluent communities. We provide subsidies to small schools, and pay costs associated with children in state custody who are placed in schools near their foster homes. We fund dual enrollment programs and early college programs that give students access to college credits while still in high school.

And as mentioned above, this year we are spending \$29,000,000 on Universal School Meals, \$15,100,000 for the on-going normal cost for teachers' other post-employment benefits (which has been underfunded), plus \$15,000,000 to update CTE programs and facilities.

**Carryforward**

Annually the General Assembly authorizes the Commissioner of Finance and Management to allow unspent appropriations from the Education Fund to carry forward. The following table reflects the carryforward authorized by the Commissioner in FY 2022.

**Table: B.502 Carryforward**

<b>Section</b>	<b>FY 2022 Appropriation</b>	<b>Carryforward</b>	<b>% of FY 2022 Appropriation</b>
<b>B.502 Special Education</b>	\$208,073,400	\$31,274,455	15.03%
<b>B.503 State Placed Students</b>	\$17,500,000	\$5,000,000	28.57%
<b>B.505 Education Spending Grant</b>	\$1,561,661,000	\$1,000,000	.06%
<b>B.507 Small School Grant</b>	\$8,200,000	\$150,000	1.83%
<b>B.511 Technical Education</b>	\$16,253,900	\$412,724	2.54%
<b>B.504.1 Flexible Pathways</b>	\$8,221,500	\$1,479,833	18.00%
<b>Total</b>	<b>\$1,819,909,800</b>	<b>\$39,317,012</b>	<b>2.16%</b>

The Agency requested to carry forward the remaining Education Fund in this appropriation for the following purposes:

- \$82,710.00 is obligated in purchase orders rolled into FY23.
- \$1,274,455.30 is obligated in subgrant agreements.
- \$30,000,000.00 is being requested to carry forward into FY23 to pay the final June payments and is being requested to carry forward into FY23 to help mitigate the impact of the one-time tail payment in FY23 when the shift from reimbursement to a census grant is implemented.

### Additional Carryforward

The Agency requested to carry forward additional Education Fund dollars from the following appropriations:

- **Sec. B. 503 Education – State-Placed Students (5100050000)**
  - The Agency requested to carry forward \$5,000,000.00 for FY22 obligations.
- **Sec. B. 505 Education – Education Spending Grant (5100090000)**
  - The Agency requested to carry forward \$1,000,000.00 for FY22 Grant Obligations.
- **Sec. B. 507 Education – Small Schools Grant (5100110000)**
  - The Agency requested to carry forward \$150,000.00 for FY22 Grant Obligations.
- **Sec. B. 511 Education – Technical Education (5100200000)**
  - The Agency requested \$412,723.51 be carried over for subgrant obligations.
- **Sec. B. 504.1 Education – Flexible Pathways (5100210000)**
  - The Agency requested \$1,479,832.94 be carried over for subgrant obligations and an anticipated increase in the Early College program not included in the FY23 budget.

### Reversion History

Each fiscal year, the General Assembly grants the Commissioner of Finance and Management the authority to allow unexpended carryforward appropriations in the Education Fund to Carryforward. Any funds that do not carry forward are reverted to the Education Fund.

The following chart and table provide a history of the reversions to the Education Fund for the last five years.

**Table: Education Fund Reversion History**

<b>Ed. Fund Reversions</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>
Finance and Admin.	\$0	\$0	\$115,260	\$950,950	\$1,607,145
Act 173 of 2018 Sec. 9(H)	\$0	\$0	\$2,401	\$0	\$0
Special Ed.	\$0	\$87,051	\$5,770,436	\$5,824,529	\$27,333,400
State Placed Students	\$0	\$161,178	\$3,303,708	4,106,772	1,443,542
Education Payment	\$8,443,806	\$5,692,154	\$1,907,842	\$0	\$11,754,134
Transportation	\$97,030	\$489	\$0	\$0	\$0
Small Schools	\$109,928	\$20,167	\$596,191	\$614,965	\$34,348
Capital Debt Service	\$25,000	\$0	\$0	\$0	\$0
Essential Early Education	\$89,451	\$19,276	\$360,491	\$41,296	\$0
Flexible Pathways	\$637,263	\$1,274,807	\$0	1,579,282	\$1,843,901
Career Technical Education	\$160,914	\$1,042,705	\$1,713,671	\$1,841,126	\$1,497,300
<b>Grand Total</b>	<b>\$9,563,392</b>	<b>\$8,297,827</b>	<b>\$13,770,000</b>	<b>\$14,958,919</b>	<b>\$45,513,770</b>

Items of note:

- The reversion of the Education Payment in 2018 reflects the first 65% of the total Health Care Clawback.
- The reversion of the Education Payment in FY 2019 reflects the second part (35%) of the Health Care Clawback and money appropriated for Act 46 merger support grants.
- In FY 2020, there was a significant reversion from special education and state-placed students.
- The large FY2023 special education reversion was due to having more than sufficient prior year funds to cover the final payment under the reimbursement model and LEAs overestimating their FY22 special education costs.

**B.502 - Special Education Formula Grants**

The Agency recommends the following allocation of Education Fund dollars to fund special education costs.

**Table: B.502 Special Education Formula Grants**

<b>Source of Funds</b>	<b>FY 2023 Appropriation</b>	<b>FY 2024 Recommend</b>	<b>Change FY23 to FY24</b>
Education Fund	\$208,073,400	\$226,195,600	\$18,122,200
Extraordinary Reimbursement Grant	\$24,000,000	\$26,000,000	\$2,000,000
Act 173 Census Block Grant	\$180,000,000	\$196,000,000	\$16,000,000
I-Team & Regional Specialist Grant	\$1,222,300	\$1,259,000	\$36,700
Hearing Impaired Grant	\$1,074,000	\$1,106,200	\$32,200
Visually Impaired Grant	\$653,800	\$673,400	\$19,600
BEST Grant	\$646,600	\$666,000	\$19,400
Act 230 Training Grant	\$476,700	\$491,000	\$14,300
<b>Total Grants</b>	<b>\$208,073,400</b>	<b>\$226,195,600</b>	<b>\$18,122,200</b>
<b>Total Education Fund</b>	<b>\$208,073,400</b>	<b>\$226,195,600</b>	<b>\$18,122,200</b>

**Summary of Special Education Grants**

- 1. Extraordinary Reimbursement – 16 V.S.A. § 2962:** Funds provide 95% reimbursement for high-cost students for costs in excess of \$60,000 for individualized education programs (IEPs). The excess cost threshold will increase annually by the National Income and Products Accounts (NIPA) and for FY 2024 threshold will be \$66,206.
- 2. Special Education Census Block Grant – 16 V.S.A. § 2961:** FY 2023 is the first year of the special education census block grant. The census block grant supports special education to SU/SDs based on an SU specific amount multiplied by the SU/SD 3-year average ADM. In FY 2024, SU/SDs are beginning a 4-year transition to a uniform base amount per 3-year average ADM.
- 3. Interdisciplinary Team & Regional Multi-disability Specialist (I-Team) – 16 V.S.A. § 2967(b)(3) & (4):** This grant provides parents and school staff services and consultation to support successful inclusion of children who have multiple disabilities. The grant supports statewide consultants with expertise in specialized areas as well as regional consultants.
- 4. Students who are Deaf or Hard of Hearing (Hearing Impaired) – 16 V.S.A. § 2967(b)(2):** These funds support consultation and services for students who are

deaf or hard of hearing. Regionally assigned consultants assist school staff and parents in arranging assistive technology, accommodations, training, and technical assistance.

5. **Students with Visual Impairments (Visually Impaired) – 16 V.S.A. § 2967(b)(2):** These funds support services by the Vermont Association for the Blind and Visually Impaired for itinerant teachers to consult with school staff and parents and provide direct instruction in Braille, assist with selection of low-vision aids, recommend accommodations and provide mobility training.
6. **Building Effective Supports for Teaching (BEST) – 16 V.S.A. § 2967(b)(5):** These funds assist schools in developing and implementing systemic plans to improve staff's ability to effectively respond to challenging student behaviors. They support training opportunities, coaching, technical assistance and regional partnerships to meet the needs of students who have emotional and behavioral challenges.
7. **Act 230 Training Grants – 16 V.S.A. § 2967(b)(6):** Funds are granted to supervisory unions/districts for training and technical assistance to better meet student needs and to enhance tiered systems of support.

### B.503 - State-Placed Students

A state-placed student is a student who is placed by a Vermont state agency, a state-licensed childcare agency, a designated community mental health agency, or any other agency as defined by the Secretary, or by a court of competent jurisdiction in another state, territory, or country in a school district outside of his or her parents'/guardians' district(s) of residence. The Federal Education and Support Programs (FESP) team works with special education administrators, principals, other school staff and Agency of Human Services (AHS) staff to ensure timely enrollment and educational stability for students who may be in care outside of their parents' school district or in residential settings.



**Table: State-Placed Student Budget Summary**

State Placed Students Source of Funds	FY 2023 Appropriation	FY 2024 Recommend	Change FY23 to FY24
Education Fund	\$17,500,000	\$19,000,000	\$1,500,000
LEA Reimbursement Grant	\$8,280,000	\$8,500,000	\$220,000
Indiv. Residential Placement Grant	\$8,800,000	\$10,000,000	\$1,200,000
Special Services Grant	\$220,000	\$250,000	\$30,000
Regular Education Tuition Grant	\$200,000	\$250,000	\$50,000
<b>Total Grants</b>	<b>\$17,500,000</b>	<b>\$19,000,000</b>	<b>\$1,500,000</b>
<b>Total Education Funds</b>	<b>\$17,500,000</b>	<b>\$19,000,000</b>	<b>\$1,500,000</b>

**Summary of State-Placed Student Grants**

1. **LEA (Local Education Agency) Reimbursement – 16 V.S.A. § 2950(a):** These funds are used to reimburse school districts 100 percent of special education costs incurred for students with Individualized Education Programs (IEPs).
2. **Individual Residential Placement – 16 V.S.A. § 2950(b) and (c):** These funds provide payments to approved independent schools or tutorial programs for educational costs of students in residential facilities within and outside of Vermont. Costs have been increasing significantly during the pandemic years.
3. **Special Services – 16 V.S.A. § 2950(a):** These funds are used to reimburse school districts for special services approved by the Secretary for non-IEP students. They may also be used for payments to the Lund Home for daytime educational services for pregnant or parenting teens (16 V.S.A. § 1073(a)(3), or for tuition or special education costs for Vermont students placed in foster care in other states.
4. **State-Placed Student Regular Education Tuition – 16 V.S.A. § 4012:** These funds are used to reimburse the general education tuition for state-placed students to school districts that do not operate their own schools.

**B. 504 - Adult Education & Literacy**

This appropriation supports the Adult Education and Literacy (AEL) program.

**Table: Adult Education and Literacy Budget Summary**

<b>Adult Ed &amp; Literacy Source of Funds</b>	<b>FY 2023 Appropriation</b>	<b>FY 2024 Recommend</b>	<b>Change FY23 to FY24</b>
General Fund	\$3,496,850	\$3,496,850	\$0
Federal Funds	\$916,050	\$916,050	\$0
Adult Education & Literacy Grant	\$2,623,850	\$2,623,850	\$0
Adult Diploma Grant	\$873,000	\$873,000	\$0
<b>Total Grants</b>	<b>\$4,412,900</b>	<b>\$4,412,900</b>	<b>\$0</b>
<b>Total Federal Funds</b>	<b>\$916,050</b>	<b>\$916,050</b>	<b>\$0</b>
<b>Total All Sources</b>	<b>\$4,412,900</b>	<b>\$4,412,900</b>	<b>\$0</b>

**Summary of Adult Education and Literacy Grants**

- 1. Adult Education & Literacy – 16 V.S.A. § 4025(b)(1):** This program provides instruction and education services below the postsecondary level for those aged 16 and older that increase the individual’s ability to read, write and speak in English and perform mathematics or other activities necessary for the attainment of a secondary school diploma or its recognized equivalent; transition to postsecondary education and training; and/or to obtain employment.
- 2. Adult Diploma Program – 16 V.S.A. § 945:** Described under the Flexible Pathways section of Title 16, this program supports an assessment process administered by the Agency, as part of a comprehensive program through which adults, 20 years and older, can earn a high school diploma granted by a participating high school, a General Education Development (GED) program, and/or any additional program designed by the Secretary of Education to address the needs and circumstances of adult students. Payments made to a department or agency that provides an adult diploma program are calculated per 16 V.S.A. § 4011(f).

**B. 504.1 - Flexible Pathways**

16 V.S.A. § 941 describes the Flexible Pathways Initiative created within the Agency of Education to encourage school districts serving students grades 7 - 12 to offer flexible pathways to graduation and that requires them to document the personalization process in Personal Learning Plans (PLPs). Flexible pathways, as a component of PLPs, can include work-based learning experiences, CTE, online or blended learning, dual enrollment and early college, the High School Completion Program, and other pathways whereby students can demonstrate proficiency in meeting graduation requirements.

**Flexible Pathways Budget Summary**

<b>Flexible Pathways Source of Funds</b>	<b>FY 2023 Appropriation</b>	<b>FY 2024 Recommend</b>	<b>Change FY23 to FY24</b>
<b>Grants</b>	<b>\$9,143,000</b>	<b>\$10,143,000</b>	<b>\$1,000,000</b>
General Fund (A)	\$921,500	\$921,500	\$0
Education Fund (B)	\$8,221,500	\$9,221,500	\$1,000,000
Dual Enrollment Grant	\$921,500	\$921,500	\$0
High School Completion for SU/SDs Grant	\$2,100,000	\$1,900,000	(\$200,000)
Dual Enrollment Grant	\$921,500	\$921,500	\$0
Early College Grant	\$3,000,000	\$3,400,000	\$400,000
Vermont Academy of Science Grant	\$0	\$600,000	\$600,000
Secondary School Reform Grant	\$400,000	\$400,000	\$0
Vermont Virtual Grant	\$1,800,000	\$2,000,000	\$200,000
<b>Total Grants</b>	<b>\$8,221,500</b>	<b>\$9,221,500</b>	<b>\$1,000,000</b>
<b>Total Education Fund</b>	<b>\$8,221,500</b>	<b>\$9,221,500</b>	<b>\$1,000,000</b>
<b>Total All Sources</b>	<b>\$9,143,000</b>	<b>\$10,143,000</b>	<b>\$1,000,000</b>

**Summary of Flexible Pathways Grants**

- 1. High School Completion Program (HSCP) – 16 V.S.A. § 943(c):** This grant reimbursement program provides learners with educational services of the scope and rigor needed to attain a high school diploma. Eligible students are at least 16 years old and have not earned a high school diploma. HSCP funding is available once a student reaches an assessment level commensurate with 9<sup>th</sup> grade. Adult Education and Literacy providers lead student intake and enrollment, the

- administration of assessments, and work with each student and the assigned school district to develop the PLP that details their pathway to graduation.
2. **Dual Enrollment - 16 V.S.A. § 944(f)(2):** This program is open to Vermont residents who have completed grade 10 and have not received a high school diploma. The program shall include college courses offered on the campus of an accredited post-secondary institution and college courses offered by an accredited post-secondary institution on the campus of a secondary school. The program may include online college courses or components. Established tuition rates are paid by the Agency of Education to the post-secondary institution.
  3. **Early College - 16 V.S.A. § 946(a)(2):** This program directs the Agency of Education to pay an amount equal to 0.87 times the Base Education Amount as the full tuition for each 12<sup>th</sup> grade Vermont resident student enrolled in an early college program, which includes the Vermont Academy of Science and Technology. Early College programs are developed and operated by Vermont colleges and have been approved by the Secretary of Education for that purpose.
  4. **Vermont Academy of Science and Technology (VAST) – 16 V.S.A. § 946(a)(1):** VAST operates an approved independent 12<sup>th</sup> -grade program housed at Vermont Technical College.
  5. **Secondary School Reform - 16 V.S.A. § 941:** To support districts in the implementation of Act 77 and the integration of flexible pathways to graduation, consistent with the goals of Act 1 and Act 173, the Agency provides funding for projects that focus on innovative school and systems-based work on personalization, flexible pathways, and proficiency-based education that is inclusive, equitable, bias-free, and accessible to each learner.
  6. **Vermont Virtual Learning Cooperative -16 V.S.A. § 941(b)(3)(c)(ii):** To support more fully the intent of Act 77, and specifically the flexible pathways represented by virtual learning, this funding supports Vermont Virtual Learning Cooperative to provide online courses, created and vetted by licensed instructors, for students enrolled in high school. The flexibility of online learning courses allows students to maximize their learning during and beyond the traditional classroom day.

**B.505 - Statewide Education Spending Grant**

This grant is the primary funding source for public education in Vermont under Chapter 133 of Title 16.

**Table: Statewide Education Spending Grant Budget Summary**

Statewide Education Spending Sources	FY 2023 Appropriation	FY 2024 Recommend	Change FY23 to FY24
Grants (Only Category)	\$1,561,661,000	\$1,711,923,468	\$150,262,468
Education Fund (A)	\$1,561,661,000	\$1,711,923,468	\$150,262,468
Education Spending Grant	\$1,560,710,000	\$1,710,972,468	\$150,262,468
Tech FTEs Not Enrolled Grant	\$500,000	\$500,000	\$0
Driver Education Grant	\$451,000	\$451,000	\$0
<b>Total Education Fund</b>	<b>\$1,561,661,000</b>	<b>\$1,711,923,468</b>	<b>\$150,262,468</b>

**Budget Changes**

The FY 2024 recommended for this appropriation reflects two changes:

- **Education Spending Grants** – \$1,711 million reflects the Agency of Education’s estimate in local school budget growth for FY 2024. The growth rate is projected to be about 8.5% above the current year of FY 2023 in terms of just education spending. The growth pressure is associated with typical cost pressures in schools (e.g., salaries and benefits, energy, etc.) as well as health care cost growth and increased demand for construction and renovation projects. Additionally, the retirement costs have increased significantly due to actuarial requirements.
- **COVID-19 pandemic response costs** are still putting pressure on school budgets. While these costs are largely being mitigated by federal emergency relief funds, federal funds are beginning to expire. This overall education spending grant number will be updated once local budgets are submitted to the Agency of Education.

**Summary of Statewide Education Spending Grants**

1. **Education Spending Grant – 16 V.S.A. § 4011(a), (c):** Funds must be appropriated to pay for each district’s education spending amount. The amount provided here is an estimate for FY 2024 and will be updated once local budgets are submitted to the Agency of Education.
2. **CTE Full-time Equivalents not Enrolled – 16 V.S.A. § 4011(g):** This payment is to partially refund districts for resident students attending a technical center at public expense but who are not enrolled in a public high school. These students are not counted in the district ADM although the actual cost to the school districts is reflected in the Education Spending Grant line.

- 3. **Driver Education Program Grants – 16 V.S.A. § 1047:** These funds provide partial reimbursement to schools that offer driver education programs. The State share of support for this program is less than 25 percent.

**B. 506 - Transportation**

Administered through the School Finance Team, these funds are used to reimburse up to half of supervisory union and supervisory district expenditures to transport students to and from school based on actual transportation costs from two years prior. Exact reimbursement percentages are limited by appropriated amounts and are determined by the amount of district expenditures, as per 16 V.S.A. § 4016.

**Table: Transportation Budget Summary**

<b>Transportation Spending Sources</b>	<b>FY 2023 Appropriation</b>	<b>FY 2024 Recommend</b>	<b>Change FY23 to FY24</b>
<b>Grants</b>	\$21,786,000	\$23,520,000	\$1,734,000
<b>Total Education Fund</b>	<b>\$21,786,000</b>	<b>\$23,520,000</b>	<b>\$1,734,000</b>

**Budget Change**

The changes in this FY 2024 appropriation reflect the statutory increase for the appropriation.

**B. 507 - Small School Support Grants**

Under current law 16 V.S.A. § 4015, these funds provide formula grants to school districts operating schools with a two-year average grade size of 20 or fewer students. These funds are administered through the School Finance Team. Included in this figure are the small school grants that became merger support grants for those districts that received a small school grant but merged voluntarily. Subsequent legislation allowed any district that received a small school grant in FY 2020 to continue receiving one. Beginning in FY 2025, Act 127 of 2022, Sec. 26 provides that only merged districts will continue to receive merger support or small school grants. Small school grants will be at the FY 2020 level, but the merger support grants will be paid if the district receives weighting for a small school under the new pupil weighting system.

**Table Small School Support Grants Budget Summary**

<b>Small School Support Spending Sources</b>	<b>FY 2023 Appropriation</b>	<b>FY 2024 Recommend</b>	<b>Change FY23 to FY24</b>
Grants	\$8,200,000	\$8,300,000	\$100,000
<b>Education Fund</b>	<b>\$8,200,000</b>	<b>\$8,300,000</b>	<b>\$100,000</b>

**Budget Change**

The overall growth in the total small school grants is slowing, due to the merger support grants being a fixed amount. It will reach a maximum in FY 2024 and then fluctuate up to that maximum, depending on districts receiving a pupil weight for a small school.

**B. 510 – Essential Early Education**

Essential Early Education grants are made to SU/SDs to fund preschool special education services for children ages 3 through 5 per 16 V.S.A. § 2948(c). If grant funds are available after providing preschool special education services, the balance of funds can be used to provide child find services or to serve preschool children ages 3 through 5 at risk of school failure.

**Essential Early Education Budget Summary**

<b>Essential Early Education Spending Sources</b>	<b>FY 2023 Appropriation</b>	<b>FY 2024 Recommend</b>	<b>Change FY23 to FY24</b>
Grants	\$7,511,638	\$8,350,389	\$838,751
<b>Education Fund</b>	<b>\$7,511,638</b>	<b>\$8,350,389</b>	<b>\$838,751</b>

**Budget Change**

The changes in this FY 2024 appropriation reflect the statutory increase for the appropriation.

**B.511 - Technical Education**

This funding supports technical education in accordance with 16 V.S.A. §§ 1563 & 1565, state financial assistance.

**Technical Education Budget Summary**

<b>Technical Education Spending Sources</b>	<b>FY 2023 Appropriation</b>	<b>FY 2024 Recommend</b>	<b>Change FY23 to FY24</b>
Grants	\$16,253,900	\$17,030,400	\$776,500
Education Fund	\$16,253,900	\$17,030,400	\$776,500
Tech. Ed. Tuition Reduction Grant	\$10,418,600	\$10,939,500	\$520,900
Tech. Ed. Salary Assistance Grant	\$2,721,600	\$2,857,700	\$136,100
Tech. Ed. Transportation Grant	\$2,257,400	\$2,370,300	\$112,900
Youth Leadership Grant	\$131,300	\$137,900	\$6,600
Innovative Program Development Grant	\$725,000	\$725,000	\$0
<b>Total Grants</b>	<b>\$16,253,900</b>	<b>\$17,030,400</b>	<b>\$776,500</b>
<b>Total Education Fund</b>	<b>\$16,253,900</b>	<b>\$17,030,400</b>	<b>\$776,500</b>

**Budget Changes**

There are three changes in this appropriation in FY 2024.

In the first three appropriations and as a result of calculations based on a statutory formula, increases are made for:

1. Technical Education Tuition Reduction
2. Technical Education Salary Assistance
3. Technical Education Transportation



## **Results Based Accountability and Programmatic Performance Measure Report**

As the Agency continues to adopt both Results Based Accountability and Continuous Improvement models into its long-term strategic planning and day-to-day work activities, the population level outcomes identified by the Legislature and Governor Scott's office inform the prioritization of effort and focus. The programmatic work identified in this year's Programmatic Performance Measure Budget Report (PPMB) reflects the Agency's ongoing focus on Building the Safest and Healthiest Communities and Growing the Vermont Economy. In the FY 2021 budget, AOE submitted Programmatic Performance Measures for the first time (Dual Enrollment and Adult Learning and Education) and provided updated outcome data in FY 2023. The AOE will continue to report on these two programs for FY 2024.

### **Adult Learning and Education**

Beginning in FY 2017, the Adult Education and Literacy (AEL) team of the Student Pathways Division established the goal that all learners of varying proficiency levels would have equitable access to a secondary credential and be prepared for career or college. Two levers to achieving that result were identified, increased progress assessment of students to ensure that instruction was tailored to student need, and increased monitoring of providers to ensure adherence to policy and educational rigor. In FY 2018, for the first time ever, Vermont met its federal performance targets, and did so again in FY 2019.

In FY 2019 and FY 2020, to ensure the system was stable when the federally-mandated assessment was updated, the Agency of Education allowed for providers to leverage High School Completion Program funds to support learners who were assessed below the secondary level (8<sup>th</sup> grade) in math, reading and writing. During this transition and the necessary transition to remote instruction due to COVID-19, the AEL system saw an increase in adult learners seeking a secondary credential and earning Industry Recognized Credentials (IRCs). The Student Pathways Division will continue its monitoring and training efforts on a newly implemented online learning platform to ensure consistency in proficiency expectations across the K-12 and AEL systems.

For the FY 2022 PPMB report, the AEL measures were refined to better reflect the outreach and activities of the Agency of Education; specifically, the relationship between goal creation and goal attainment. The FY 2024 report reflects these refinements in data.

**Table: PPMB Increase aspiration and achievement of high school credentials by AEL learners**

Fiscal Year	Total Enrollment	% of AEL learners with goal of high school graduation	% of AEL learners earning high school credential
FY 2018	2455	39%	14%
FY 2019	2201	53%	14%
FY 2020	1808	74%	11%
FY 2021* (actual)	1472	54%	7%
FY 2022* (projected)	1524	55%	10%

\* COVID-19 has disrupted high school credential earning due to limited access to GED sites and difficulty in meeting graduation education plans.

**Table: Adult Learners meeting goal to earn an Industry Recognized Credential (FY18 to FY22)**

Fiscal Year	# of Students who did not meet goal	# of Students who met goal
FY 2018	243	94
FY 2019	140	86
FY 2020	46	70
FY 2021 (actual)	20	20
FY 2022 (projected)	24	36

### Dual Enrollment

In 2018, the Student Pathways division began work with the Northeast Comprehensive Center to develop a toolkit to ensure equitable access to Flexible Pathways for all eligible secondary students. In 2019, the division established a group comprised of partners from Community College of Vermont (CCV), Vermont State Colleges (VSC) (now Vermont University), Vermont Student Assistance Corporation (VSAC), and VTVLC to tackle barriers related to post-secondary pathways for secondary students and launched the Flexible Pathways Implementation Kit to help schools and school systems better address barriers to participation in pathways such as dual enrollment. In 2019 and 2020, division staff worked with school system teams at their request to create individual school profiles of pathways and engage in collaborative problem solving. During 2020-2021, the division worked with the Region 1 Comprehensive Center to develop and deploy a school

## LEADERSHIP • SUPPORT • OVERSIGHT

counselor survey to better understand student advising related to flexible pathways, and began working with the College High School Alliance (CHSA) to better understand the dual enrollment and early college policy landscape nation-wide. In 2021-2022, working with the CHSA, the division hosted six listening sessions for different stakeholder groups to better understand barriers and opportunities related to dual enrollment and early college, and completed a historical data scan of early college participation with our partners at VSAC. The Student Pathways division will continue to expand on this work with K-12 partners and partners at VSAC, CCV, and Vermont University. For the FY 2022 PPMB report the Dual Enrollment programmatic measures were expanded to include targets aimed at increasing access for students with disabilities and are included for FY 2024.

**Table: PPMB: Increase Utilization of Dual Enrollment Vouchers by Male Students and Low-Income Students Data Table**

Fiscal Year	Total Enrollment	% Male Students	% Low Income Students
FY 2017	2660	40%	23%
FY 2018	2417	35%	24%
FY 2019	2682	36%	22%
FY 2020	2736	38%	20%
FY 2021 (actual)	2640	36%	12%

**Table: PPMB: Increase the percent of students on IEPs who use Dual Enrollment Data Table**

Fiscal Year	% of Dual Enrollment population	% of eligible IEP population
FY 2017	3%	Not available
FY 2018	2%	4%
FY 2019	4%	6%
FY 2020	5%	7%
FY 2021 (projected)	4%	Not available

## Vermont Education by The Numbers

### Public School Enrollment

Grade Level	School Year 2021	School Year 2022
Grades K-12	72,183	72,747
Prekindergarten	6,126	6,675
Essential Early Education	554	683
High School Completion Program	74	61
<b>Total Public School Enrollment</b>	<b>78,937</b>	<b>80,166</b>

### Publicly Funded Students

School Type	School Year 2021	School Year 2022
Vermont Public Schools	78,937	80,166
Vermont Approved Independent Schools	1,491	1,479
Vermont Historic Academies	2,083	2,080
Out-of-State Schools	443	738
<b>Total Publicly Funded Students</b>	<b>82,909</b>	<b>84,463</b>

### Public Schools

Type of Public School	School Year 2021	School Year 2022
Elementary Schools (grades K-6)	151	155
Secondary Schools (grades 7-12)	48	44
Combined (Elementary and Secondary)	85	91
<b>Total Public Schools</b>	<b>284</b>	<b>290</b>
Career Technical Education Centers	15	16

## Data Definitions

### **Public School Enrollment:**

- K-12: All students enrolled in a public school for kindergarten through 12th grade
- Early Education (PreK): All students enrolled in public school receiving pre-kindergarten services.
- Essential Early Education: All students between the ages 3 – 6 receiving special education services from their local school district.
- High School Completion Program: Students currently enrolled in a high school completion program.

### **Publicly Funded Students:**

- Vermont Public Schools: Equal to the total public-school enrollment (K-12 + Early Education + Essential Early Education + High School Completion Program).
- Vermont Approved Independent Schools: Students who are tuitioned by the state to attend approved independent schools, either to receive accommodations like special education, or because the student lives in a school choice town.
- Out-of-State Schools: Students who are tuitioned by the state to attend an out of state high school, either to receive accommodations like special education, or because the student lives near the border and is placed out of state.
- Vermont State Agency and Other: Students who are receiving services from a state operated facility. Such facilities do not currently exist since the closure of Woodside Rehabilitation Center in 2020.



**LEADERSHIP • SUPPORT • OVERSIGHT**