



Vermont Agency of Education **FY25 Budget Book**

February 20, 2024



State of Vermont

Agency of Education

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Secretary of Education: **Heather A. Bouchey, Ph.D., Interim Secretary**

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Executive Summary

The Agency of Education’s Fiscal Year 2025 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. Interim Secretary Bouchey’s budget request reflects the rapid pace of change in education. Vermont school systems are grappling with providing more personalized learning opportunities and wraparound support than ever, while still maintaining their local control structure, in a time of unprecedented stress of the system and a forecasted increase in education spending that is unsustainable. New budget requests this year reflect important work begun in prior years, as well as small increases to support ongoing and future work. Vermont stands at a crossroads with the opportunity to make significant progress to advance quality and equity and provide the 21st Century Education System that Vermont students deserve.

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 \$ 2.7billion education system with an operating budget of just over \$ 55.7 million and 176 positions. This report provides a breakdown of that system, and the many programs, offices, and initiatives that support it, and the students it serves.

Vermont Education BY THE NUMBERS

Public School Enrollment (compared between SY22 and SY23)

GRADES
KINDERGARTEN
THROUGH 12

72,093

students
(decrease from 72,747)



PREKINDERGARTEN
AND EARLY
EDUCATION

7,843

students
(increase from 7,358)



HIGH SCHOOL
COMPLETION
PROGRAM

348

students
(decrease from 404)



TOTAL

80,284

students
(decrease from 80,509)



Vermont Education BY THE NUMBERS

Publicly Funded Students
(comparison of SY22 to SY23 data)

VERMONT
PUBLIC
SCHOOLS

79,990
students
(decrease from 80,166)



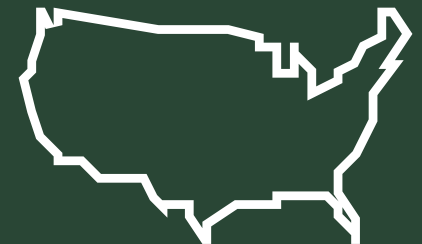
APPROVED
INDEPENDENT
SCHOOLS

3,541
students
(decrease from 3,559)



OUT-OF-STATE
SCHOOLS

725
students
(increase from 738)



TOTAL
PUBLICLY
FUNDED
STUDENTS

84,256
students
(decrease from 84,463)



Introduction

The purpose of the Agency of Education’s Budget Book is to outline the Agency’s FY 2025 budget request to the General Assembly. The Budget Book provides an overview of AOE’s FY 2025 requested spending, FY 2024 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 and Education Fund outlook.

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.

Interim Secretary's Budget Message

We are heading into another extraordinary year for Vermont education. In his budget message last year, former Secretary French noted the significant and long-lasting impact that the COVID-19 pandemic has had on the academic achievement and wellbeing of students, as well as its significant impact on educators. This is still our reality—many students missed out on developing key skills and proficiencies during the pandemic years, and now face more challenges as a result. The impact of missed learning, lost time with peers and caring adults at school, and delays in social emotional learning extends well beyond the classroom. We have a mental health crisis for far too many of our students. And our schools and staff are often doing considerably more with less, resulting in burnout, exhaustion, and turnover.

Last year, AOE's Budget Book also noted significant, ongoing concerns with the growing cost of education. This is not a new problem. It is an issue the Governor has warned about for many years and that previous General Assemblies have worked hard to address. However, we are faced this year with a "perfect storm," as multiple economic factors all come to a head simultaneously.

As noted, we have increased student need driven by widening gaps created during the COVID-19 pandemic. The system addressing these needs has navigated unprecedented pressures and challenges including multiple major changes in education policy during the past several years. We also have an "ESSER cliff," as Vermont school systems face the expiration of federal funding designed to help them navigate the pandemic effects. At the state level, we warned school districts not to become dependent on what were always intended to be one-time funds. But while school leaders by and large followed this advice, unfortunately the needs this money was intended to address have not abated. This means that Vermont school systems are now on their own to fund programs that are still critically needed.

We also have the impact of the transitions made to how we fund education in 2022. For decades, Vermonters have collectively funded education. We all pay for the spending decisions made in each district. And providing an equitable education doesn't cost the same for all—high school students, students living in poverty, rural students, and students with special needs, among others, all cost comparatively more to teach and serve. For decades, we underfunded those districts with large proportions of vulnerable students; many of our school systems, often our poorer and more rural districts, suffered. Correcting this was the right thing to do, and will pay off in the long run, but we are struggling because the transition is happening within the context of all the pressures I have mentioned.

Finally, we have numerous other factors coming to a head as well. The rising cost of healthcare locally negotiated contract increases to retain good teachers, critical school facility needs, and several years of high inflation have further increased the cost of education. Unfortunately, we all must collectively foot the bill—given the demographic

trends, affordability challenges, and housing crisis facing Vermont this is simply an impossible ask on taxpayers.

All of this comes at a time when our schools are rightly the center of our communities, but we're asking them to do more, with less, in an outdated system that increasingly does not support their needs.

In many ways, the situation is bleak for Vermont's education system. But hope and opportunity persist. Our road out of this crisis, toward a sustainable, high quality, equitable 21st Century Education system comes by focusing on what matters most for students. We can think of problems in Vermont education in terms of two broad buckets. We have "kid problems," problems that impact the learning and wellbeing of our students. And then we have "adult problems." Sometimes adult problems are the same as kid problems or involve important debates over the best approach to help our students. Sometimes they are not. I always keep in mind that schools are much more than places of learning to their communities; they are gathering places, they are sources of community pride, and they are a place of fond memories.

Schools can and should be all of these things, but it becomes a problem when the debate is about holding these adult priorities at the expense of our younger learners. We cannot let our adult priorities and considerations keep us from building the system that our kids need. Our ultimate focus will and must be on what is best for kids.

In that spirit, I offer these points for conversation as a way for us to start drawing a road map out of this crisis:

1. We need to address **rising costs** at their root, rather than with bandages and tourniquets. We need to assess everything we do, every program we create, and every new piece of education policy we enact, in terms of creating the maximum benefit for students for the lowest possible cost. At the local level this may require a cultural shift. At the state level, this means absolutely no more unfunded mandates.
2. We need to **reassess how we do business**, particularly the way essential support and administrative services are organized. Our youngest students still benefit from learning in a community-based school as close as possible to their home. But we need to make sure we're exploring every opportunity to teach and learn as flexibly and efficiently as possible, especially at the middle and high school levels. In the immediate term, we can explore ideas like creating regional education cooperatives (as contemplated in H.630) to share services and create economies of scale, revisiting supervisory union boundaries to ensure that critical back office services like recruitment and retention, budgeting, and data management operate at scale, are efficient and effective, and, most importantly, are resilient and protected from turnover and other organizational challenges.
3. As adults, we cannot let nostalgia for the system we may have experienced stop us from **envisioning, then building** Vermont's education system for the 21st century. The work of schools and teaching is already quite different from when

our predecessors first drew up plans for Vermont's education landscape. We must acknowledge that times, needs, demographics and requirements will only continue to change. We must ensure that all future investments and policy changes, in school facility needs, in critical pathways like Career Technical Education, and in cornerstones of education like literacy, are focused on making the system more resilient, efficient and effective. We cannot simply recreate models of the past.

This might seem like strange things to be hopeful about. But we have the tools we need to make effective change, and, increasingly, we all agree that there is a crisis. That gives us an opportunity to address the challenges before us, while not losing sight of our ultimate goal of building a system that serves our students for generations to come and ensures equity for all of Vermont's students. We can't let this opportunity go to waste.

Agency Budget Request

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

- Addition of one FTE position to the Agency's Career Technical Education team, to complement existing staff and assist in carrying out the Agency's policy proposals for Career Technical Education.
- Funding for federal Office of Civil Rights requirements to ensure all CTE programs funded under Perkins V do not violate students' civil rights.

Overview of Vermont Education

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

Education Outcomes

Nationally speaking, Vermont's students consistently perform among the top quarter of states in standardized assessment, including on the National Assessment of Educational Progress (NAEP). However, Vermont's performance has plateaued and even declined in recent years-- a trend that predates the COVID-19 pandemic. By some measures, including NAEP, this declining trend dates back nearly a decade. Overall, Vermont has maintained a strong focus 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 practices, technology education, personalization, and mental health and social emotional learning. 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 and condition 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, planning and technical debt, and degraded and insufficient school facilities. There is ample evidence that the quality of school facilities influences educational outcomes; meeting Vermont's school facility needs is 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 take 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 has been completed and demonstrates significant ongoing needs to address deficiencies, including an astonishing estimate of the funds required for this work. Last year, in Act 78 of 2023, the General Assembly established the School Construction Aid Task Force, which delivered its [report](#) in February of 2024, with recommendations for how to establish a centralized school construction aid program that prioritizes projects by state educational goals, efficient fund utilization and continuity of financial and technical resources.

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 respond to the impacts of the COVID-19 pandemic, 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, supported by state-level COVID-19 emergency funds, have focused on boosting the academic achievement of our students while also supporting their social emotional needs. Funding has also been directed to supports for the education workforce that has spent years battling stress and fatigue, leading to widespread educator burnout.

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 implementation of Act 173 began in FY 2023. This significantly changed the special education state funding model. We moved away from a reimbursement methodology to a grant based on historical funding and pupils. 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. Since FY23, the funding model has moved to partial per Average Daily Membership (ADM) grant, while keeping reimbursements in place for state placed and extraordinary cost students.

Change in Funding

FY 2025 will be the third year of transition from reimbursement to census-based funding. The transition will continue until FY 2027, where each SU/SD in the state will receive the same per ADM 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 (ADM).

Special Education Spending

The following chart provides Census Block Grant funding from FY23, when it began, to a projection for FY25. The Agency no longer collects total expected special education costs as part of the intentional decrease in administrative burden with Act 173.

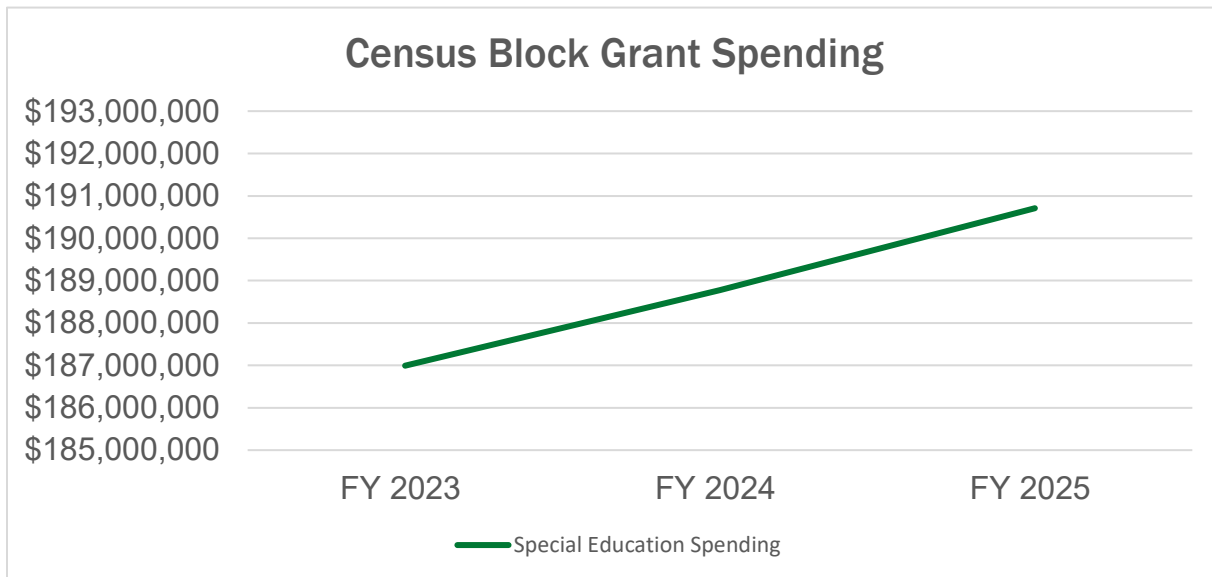
Please note that, with the change to the census-based funding model beginning with FY23, historical spending data is not comparable to more recent years' spending trends. The figure below does not include the additional costs the SUs are paying. AOE no longer collects estimates of what supervisory unions expect to pay for special education.

Table: Special Education Spending

Year	Actual
2023	\$186,993,183
2024	\$188,775,196
2025 (projected)	\$190,708,906

Note: FY25 is a projection based on students and continuing to move toward the universal base amount in FY27.

Figure: Special Education Spending



Note: FY25 is a projection based on students and continuing to move toward the universal base amount in FY27.

Extraordinary Costs

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 primarily to four factors:

- to the fact that the previous threshold of \$50K for extraordinary cost reimbursement had not changed since the late 1990s
- 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
- more unique students with individual costs exceeding the threshold
- FY 2023 change in the calculation adding a new component and new cost

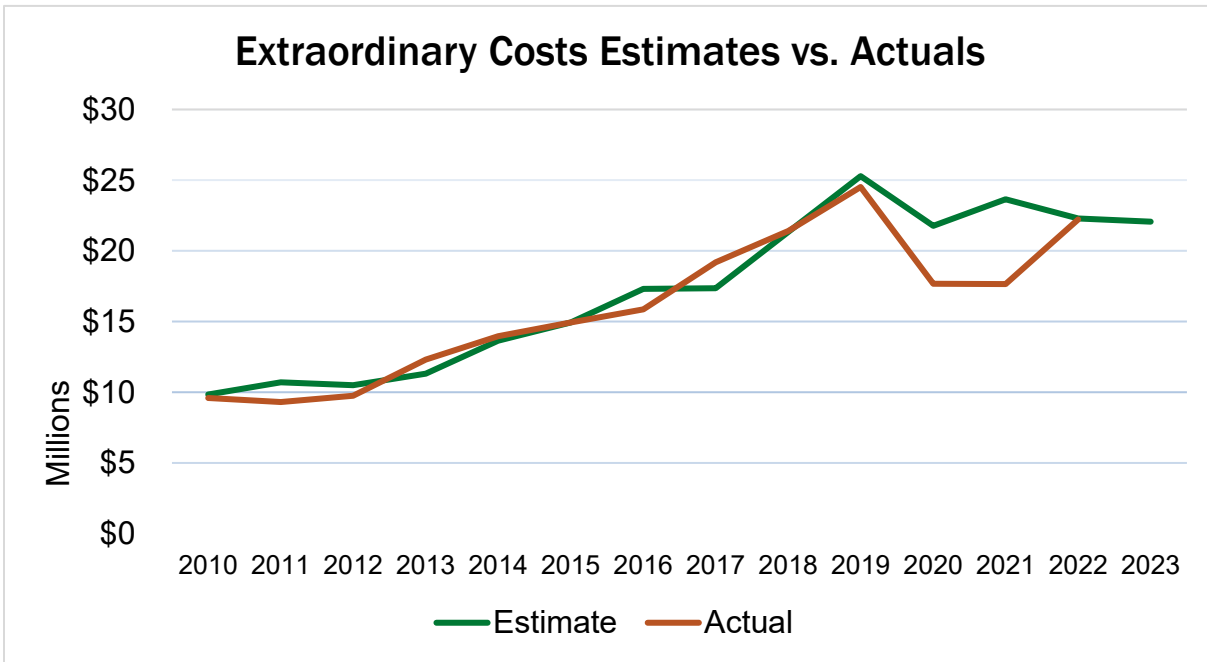
Act 127 added a new component to the extraordinary cost reimbursement calculation. This new component is an increase to the previous 95% reimbursement

Beginning after FY 2023, the threshold of \$60K will be increased by the National Income and Product Accounts (NIPA). For FY 2025, the threshold is \$66,446. 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
2021	\$23,648,840	\$17,667,068
2022	\$22,301,752	\$22,237,504
2023	\$22,078,534	\$47,120,698
2024	\$46,244,614	Not Available
2025	\$63,204,560	Not Available

Figure: Extraordinary Costs Estimates vs. Actuals



Implementing Act 173

It is important to note that the success of Act 173 is only partly about changing 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 developed 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, including a focus on Multi-tiered Systems of Support (MTSS).

Policy Initiatives

The Agency is engaged with the General Assembly on various initiatives meant to strengthen the education system and address inequities and ongoing needs of the system. The Agency is focused on ensuring adequate investments are being made in key areas to make the system more durable, efficient and effective well into the future.

Career Technical Education

The Agency's proposed changes to Vermont's Career Technical Education (CTE) system establish a new funding model to improve the way that CTE centers are funded and operate statewide, ensuring that all students have access to the hands-on, workforce-targeted opportunities that CTE provides. The changes are designed to ensure that all Vermont students are exposed to and can potentially participate in CTE programs.

Rulemaking around CTE has been deprioritized for over two decades. With a shrinking workforce and declining population, now is the time to more fully invest in CTE. CTE will expand opportunities for Vermont students and allow them to explore other post-secondary opportunities to complement or in place of a traditional four-year college degree. CTE centers have the potential to not only expand student opportunities and success, but also grow the state's workforce to ensure that Vermont has a thriving vibrant economy for years to come.

Governance of Career Technical Education is also critically important. The Agency is still working, pursuant to Act 127 of 2022, to develop a robust CTE governance proposal. However, it is important to make progress now, and changes to CTE finance are a strong first step toward larger systemic change.

Literacy

The Agency's proposed literacy package works to leverage and extend the work Vermont began through Act 28 of 2021, an act related to improving prekindergarten through grade 12 literacy within the State of Vermont. This proposal will improve literacy by making sure all Vermont educators understand the basic principles of how students learn to read, and have core skills in evidence-based, high quality literacy instruction practice. The policy package also recommends working with Vermont's postsecondary pre-educator programs, largely through their state program approval, to ensure they are also teaching future teachers this critical information regarding literacy instruction.

We know that our progress in literacy performance for both for 3rd grade students, (a critical benchmark for later learning), and our adult education students, (a critical benchmark for ensuring that all adults in Vermont can read), has declined or remained stagnant over the past several years. In addition, we have persistent, major equity gaps for historically marginalized students in their literacy levels, including students who

qualify for free and reduced lunch, students who are English language learners, boys (in some schools), and students with disabilities.

AOE's policy proposal establishes literacy professional learning requirements aimed at creating uniformity for both new teachers and teachers currently in the field. It also proposes to strengthen educator preparation programs ensuring that evidence-based literacy practices are the norm. Finally, we propose extending the existence of the Advisory Council on Literacy as well as making the membership more robust and inclusive of educator preparation programs.

Remote Learning

This proposal establishes remote learning as a fully-fledged learning pathway. Currently remote learning is an option for students to take advantage of through the Vermont Virtual Learning Cooperative; however better articulation of the program and removal of existing barriers in law will help increase student participation.

The goal is to expand student participation in remote learning. The COVID-19 pandemic demonstrated that learning online or other remote learning options may be a viable and even preferred option for some students. Currently, remote learning implementation as a flexible learning pathway is non-systematic throughout the state.

Keeping Vermont Graduates in Vermont

With ongoing educator workforce struggles, the Agency is proposing to require Vermont Colleges and Universities to work with AOE, ACCD and DOL to develop a plan to increase the number of graduates of Vermont colleges and universities who stay in Vermont for at least 5 years after graduation.

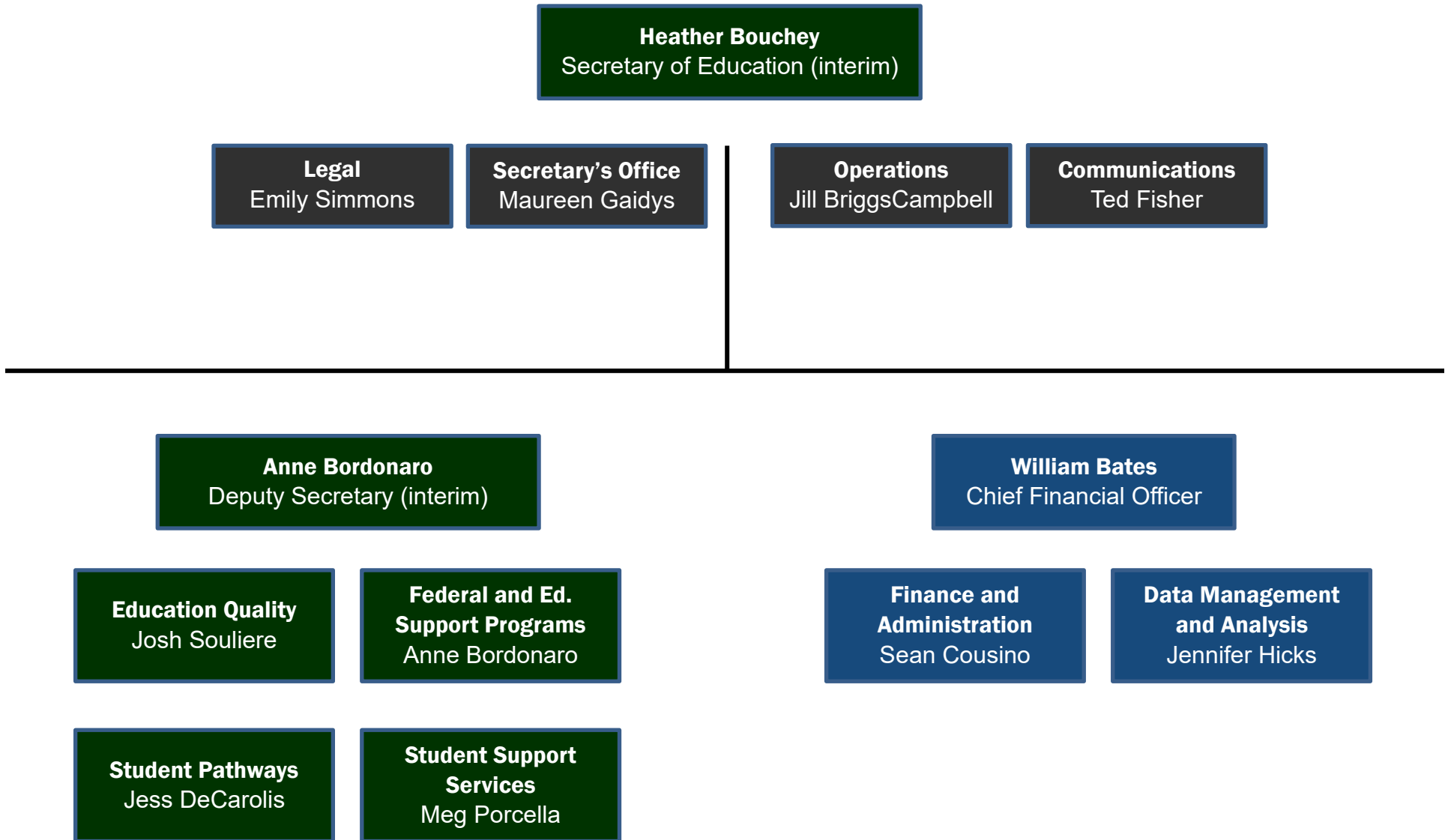
According to the APA CTE report, Vermont is last among the states in the percentage of college students who graduate from and stay here in Vermont (57%). This proposal would mandate that Vermont universities and colleges, including private colleges in the state, would work with AOE, ACCD, and VDOL leadership to develop a plan so that a higher percentage of their graduates stay in VT for careers.

Agency Overview and Fiscal Year 2025 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.

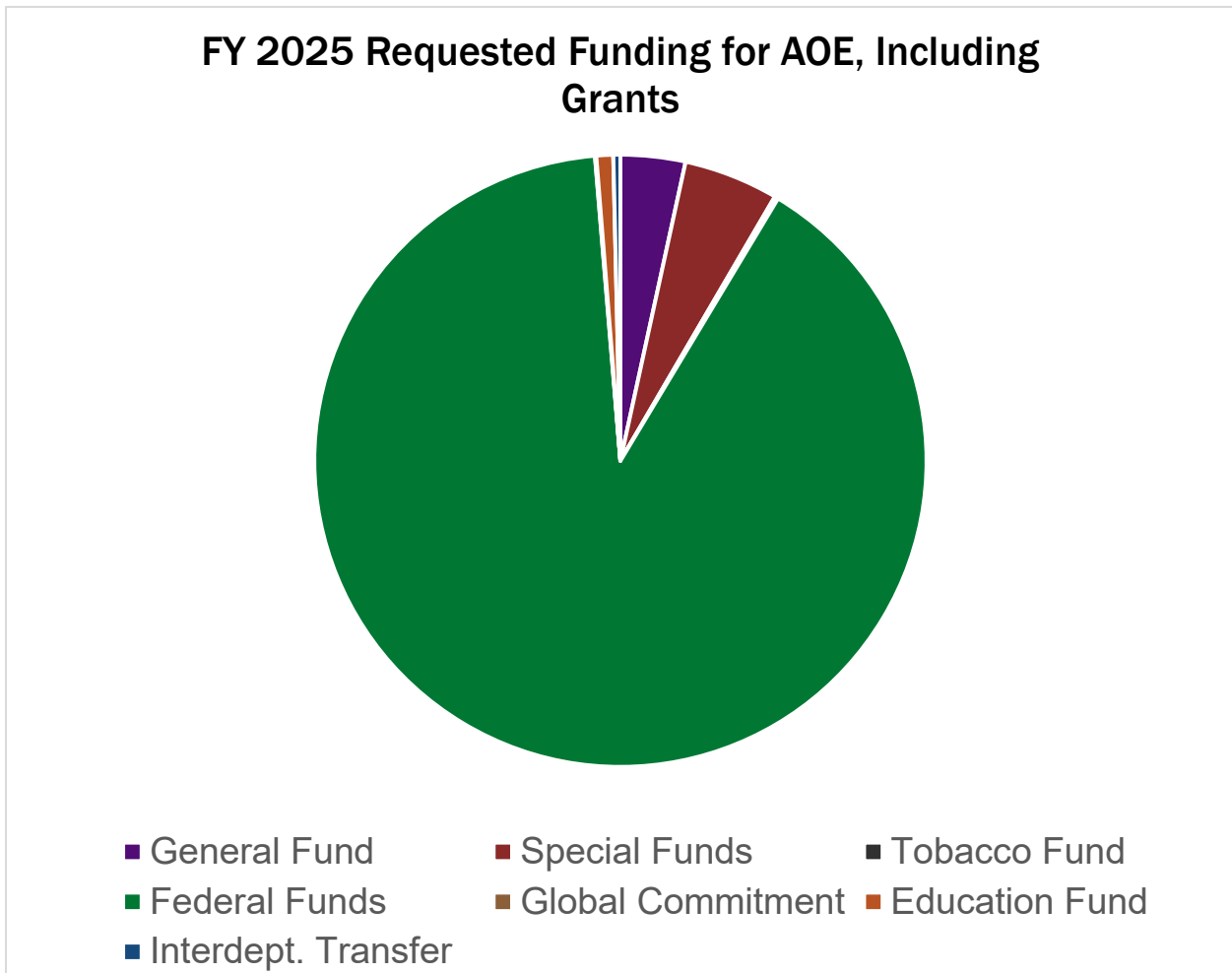
Figure: Agency of Education Organization Chart



Fiscal Year 2025 Budget Overview

The FY 2025 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 2025 Requested Funding for the Agency of Education, Including Grants



\$392.8 million is appropriated in these two sections. The following chart shows the distribution of these funds by funding source.

Table: FY 2025 Funding for the Agency of Education, Including Grants

Funding Source	Total
General Fund	\$13,430,040.00
Special Funds	\$19,651,687.00
Tobacco Fund	\$750,388.00
Federal Funds	\$353,738,799.00
Global Commitment	\$260,000.00
Education Fund	\$3,486,988.00
Interdepartment Transfer	\$1,467,771.00
Total	\$392,785,673.00

Of the \$392.8 million appropriated to the Agency, \$55.7 million (about 14% 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 (\$2.7 billion) is only 2.1%.

Table: Total Appropriation Categories

Grand Total Expenditure Categories	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Personal Services	\$48,673,445	\$50,588,269	\$1,914,824
Operating Expenses	\$5,493,942	\$5,651,649	\$157,707
Grants	\$2,499,645,365	\$2,640,786,759	\$141,141,394
Total All Categories	\$2,553,812,752	\$2,697,026,677	\$ 143,213,925

Note: the total all categories figure above includes statewide education spending appropriated and other education appropriations.

Table: General Fund Appropriations

Grand Total Expenditure Categories	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Personal Services	\$8,756,228	\$9,444,730	\$688,502
Operating Expenses	\$1,402,339	\$1,433,152	\$30,813
Finance and Administration Grants	\$500,000	\$0	\$(500,000)
Education Services Grants	\$2,121,066	\$2,622,866	\$501,800
Adult Education & Literacy Grants	\$3,496,850	\$3,496,850	0
Flexible Pathways Grants	\$921,500	\$921,500	0
Grants Total	\$6,539,416	\$7,041,216	\$501,800
Total General Fund	\$17,197,983	\$17,919,098	\$721,115

Table: Education Fund Appropriations

Grand Total Expenditure Categories	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Personal Services	\$2,100,000	\$2,100,000	\$0
Operating Expenses	\$1,386,447	\$1,386,988	\$541
Technical Education Grant	\$17,030,400	\$17,881,950	\$851,550
Special Education Formula Grant	\$226,195,600	\$264,649,859	\$38,454,259
State Placed Students Grant	\$19,000,000	\$20,000,000	\$1,000,000
Flexible Pathways Grant	\$9,221,500	\$9,821,500	\$600,000
Statewide Education Spending	\$1,703,317,103	\$1,918,951,000	\$215,633,897
Essential Early Learning Grant	\$8,350,389	\$8,725,587	\$375,198
Transportation Grant	\$23,520,000	\$25,306,000	\$1,786,000
Small School Support	\$8,300,000	\$3,000,000	\$(5,300,000)
Universal Meals	\$0	\$26,500,000	\$26,500,000
Afterschool	\$4,000,000	\$0	\$(4,000,000)
Grants Total	\$2,018,934,992	\$2,294,835,896	\$275,900,904
Total All Categories	\$2,022,421,439	\$2,298,322,884	\$275,901,445

Table: Tobacco Litigation Fund Appropriations

Grand Total Expenditure Categories	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Personal Services	\$259,098	\$265,689	\$6,591
Operating Expenses	\$11,714	\$11,433	\$(281)
Tobacco Litigation	\$479,576	\$473,266	\$(6,310)
Total Tobacco Litigation Fund	\$750,388	\$750,388	\$0

Table: Federal, Special and Interdepartmental Fund Appropriations

Grand Total Expenditure Categories	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Personal Services	\$37,558,119	\$38,277,850	\$719,731
Operating Expenses	\$2,693,442	\$2,820,076	\$126,634
Finance and Administration Grant	\$14,770,700	\$14,770,700	\$0
Education Services Grant	\$457,504,631	\$319,249,631	\$(138,255,000)
Adult Education & Literacy Grant	\$916,050	\$916,050	\$0
Afterschool	\$0	\$4,000,000	\$4,000,000
Grants Total	\$473,191,381	\$338,936,381	\$(134,255,000)
Total Fed, Spec, Interdept. Funds	\$513,442,942	\$380,034,307	\$(133,408,635)

Position Summary

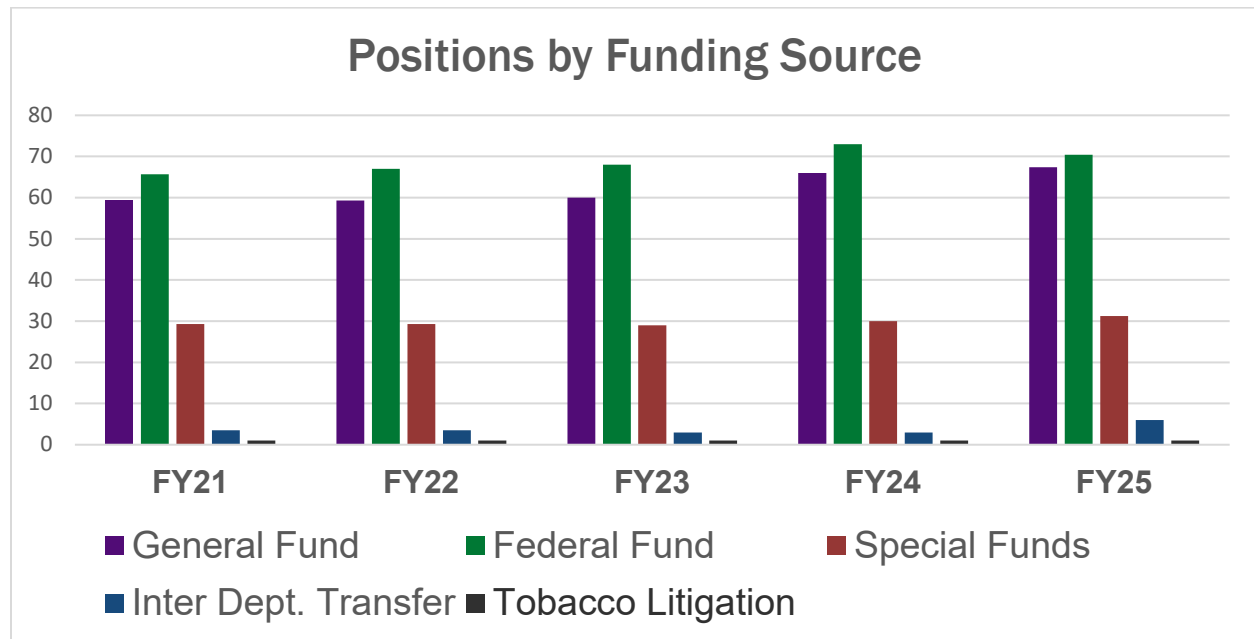
The FY 2025 Position Summary includes 176 positions at the AOE. The Executive Branch Budget recommendation includes funding for 1 position to support proposed Career Technical Education reforms.

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	FY21 Employees	FY22 Employees	FY23 Employees	FY24 Employees	FY25 Employees
General Fund	59.5	59.3	60.0	66.0	67.4
Federal Funds	65.7	67.0	68.0	73.0	70.4
Special Funds	29.3	29.3	29.0	30.0	31.2
Inter Dept. Transfer*	3.5	3.5	3.0	3.0	6
Tobacco Litigation	1.0	1.0	1.0	1.0	1
Total Employees	159	160	161	173	176

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, and two administrative support staff.

In addition to managing large whole-agency and inter-agency initiatives and projects, managing legislative work, and the specific 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.

AOE Legal

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

AOE Communications

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 in the wake 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.

AOE Operations

Importantly this year, AOE created an Operations team, to help manage both internal agency operations, as well as support the Vermont education system with critical school system operational elements.

Recent history, from Act 46 to the COVID-19 pandemic has demonstrated that strong and well-articulated systems are a critical factor in supervisory union and school district success. Well-articulated systems benefit classroom instruction, as well as improve school systems efficiency, administrative capacity, organizational resiliency, and ability to manage a changing policy and education landscape. The AOE has identified disparities in system articulation and school system operations as a significant variable in inequitable delivery of education statewide.

Recent Action by the General Assembly, for example, tasking the AOE with developing the [District Quality Standards](#), addresses these concerns. The Agency established the operations team to shepherd this work, support school systems in other operational areas, and support critical new initiatives in school safety, emergency management, health and wellness, school facilities and more.

At the same time that school systems are grappling with rapid change, the Agency is also experiencing its own transformation. District quality standards, a stronger focus on health and safety, emergency response, as well as renewed conversations about school governance and finance have implications for the AOE's organizational structure. AOE Operations supports the internal operations of the agency through strategic planning, resource optimization, process improvement, and recruitment and retention initiatives.

This team was created by reallocations of several existing positions within the Agency, as well as recruitment and hiring of positions established by the General Assembly over the last few fiscal years to support safe and healthy schools, school facilities and more.

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 (DMAD)

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. The division is a centralized AOE resource serving as the main partner to the Agency of Digital Services (ADS). DMAD 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.

Accomplishments and Current Projects

DMAD has been making significant strides towards efficiency and modernization. One of the key initiatives is the transition to Ed-Fi, a new system designed to streamline data collection from Local Education Agencies (LEAs). This move aims to simplify processes for LEAs while simultaneously saving valuable time and resources for the state. After completing the initial phase of piloting the Ed-Fi system, DMAD looks ahead to continued refinement throughout Calendar Year 2024. The goal is for the collection of data for the School Year 2025 to be seamlessly integrated into the Ed-Fi platform, marking a significant step forward in data management practices.

Additionally, DMAD has been actively involved in overseeing the implementation of Generate, a federal reporting tool for IDEA data. Vermont's proactive approach has been recognized nationally, as it was among the first states to successfully submit federally required data through EDPass, earning praise for its early and accurate reporting.

DMAD is also working on innovative solutions involving the Direct Certification for Free and Reduced Lunch (FRL) status via Medicaid eligibility. This initiative aims to streamline the process and ensure eligible students receive the support they need. DMAD has worked to enhance data collection methods, releasing the first electronic version of the Household Income Form. This tool continues to undergo refinements to optimize data accuracy and efficiency.

Collaboration with the Finance department has led to the development of a new long-term Weighted Average Daily Membership (ADM) number. This improved metric promises more accurate enrollment counts and better financial calculations for Vermont schools, providing a clearer picture of resource allocation.

DMAD's Assessment and Accountability Team (AAT) has rolled out two new statewide assessment programs, benefiting over 45,000 students across Vermont. Building upon federal peer review feedback, enhancements are planned for the Vermont Comprehensive Assessment System, including improved technical assistance, enhanced monitoring of assessment administrations, and structural changes to the Annual Snapshot to bolster security and efficiency.

B.500 Finance and Administration Budget Overview

The Finance and Administration unit of the Agency has a FY 2025 budget of \$41.2 million including grants, an all-funds budget increase of \$3.9 million. The net changes in the appropriation are driven by several factors, including:

- Increase associated with Personal Services due federal grant applications for contracts.
- Changes in internal services funds

Table: B. 500 Budget Summary

Grand Total Expenditure Categories	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Personal Services	\$17,683,192	\$21,961,664	\$4,278,472
Operating Expenses	\$4,387,522	\$4,484,934	\$97,412
Grants	\$15,270,700	\$14,770,700	\$(500,000)
Total All Categories	\$37,341,414	\$41,217,298	\$3,875,884

Table: B.500 Source of Funds

Source of Funds	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
General Fund (A)	\$7,415,742	\$7,192,085	\$(223,657)
Education Fund (B)	\$3,486,447	\$3,486,988	\$541
Federal Funds (C)	\$9,220,942	\$13,154,385	\$3,933,443
Special Funds (D)	\$16,835,926	\$16,878,543	\$42,617
Interdept. Transfer (E)	\$382,357	\$505,297	\$122,940
Total All Sources	\$37,341,414	\$41,217,298	\$3,875,884

Table: B.500 General Fund Detail

General Fund (A)	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Personal Services	\$5,742,517	\$5,983,769	\$241,252
Operating Expenses	\$1,173,225	\$1,208,316	\$35,091
Grants	\$500,000	\$0	\$(500,000)
Total General Fund	\$7,415,742	\$7,192,085	\$(223,657)

Table: B.500 Education Fund Detail

Education Fund (B)	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Personal Services	\$2,100,000	\$2,100,000	\$0
Operating Expenses	\$1,386,447	\$1,386,988	\$541
Grants	\$0	\$0	\$0
Total Education Fund	\$3,486,447	\$3,486,988	\$541

Table: B.500 Federal Funds Detail

Federal Funds (C)	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Personal Services	\$8,180,949	\$12,077,435	\$3,896,486
Operating Expenses	\$1,039,993	\$1,076,950	\$36,957
Grants	\$0	\$0	\$0
Total Federal Funds	\$9,220,942	\$13,154,385	\$3,933,443

Table: B.500 Special Funds Detail

Special Funds (D)	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Personal Services	\$1,307,511	\$1,327,696	\$20,185
Operating Expenses	\$757,715	\$780,147	\$22,432
Medicaid Grant	\$14,510,700	\$14,510,700	\$0
Global Fund Grant	\$260,000	\$260,000	\$0
Total Special Funds	\$16,835,926	\$16,878,543	\$42,617

Table: B.500 Interdepartment Transfer Detail

Interdept. Transfer (E)	FY 2023 Appropriation	FY 2024 Recommend	Change FY23 to FY24
Personal Services	\$352,215	\$472,764	\$120,549
Operating Expenses	\$30,142	\$32,533	\$2,391
Grants	\$0	\$0	\$0
Total Interdept. Transfer	\$382,357	\$505,297	\$122,940

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 76 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.

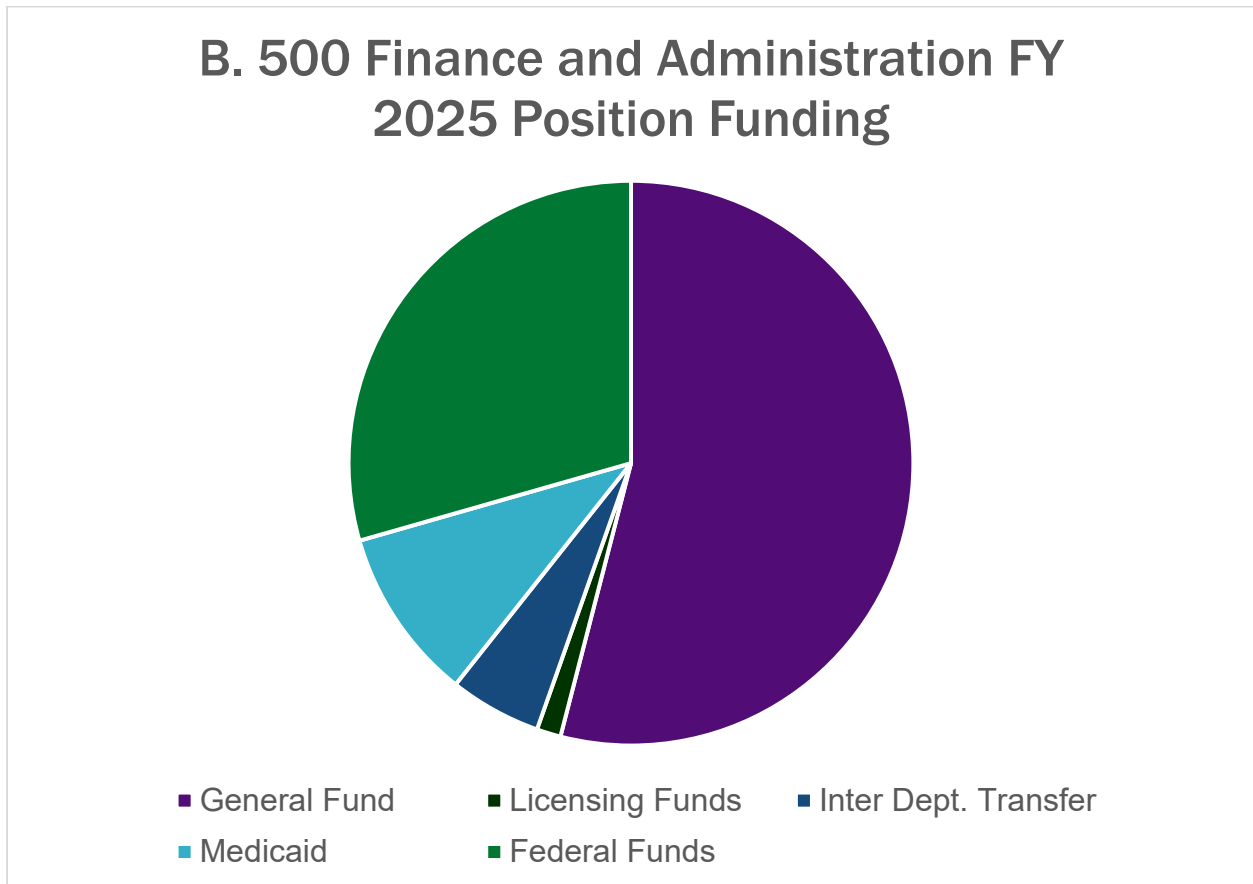
Because many positions in the Agency are funded by a blend of general fund, federal funds, and other funding sources, positions funded is calculated as a full time equivalent (FTE). This is why the position totals in the chart and table below are not whole numbers.

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	41	1	4	8	22	76
% of Total	54.02%	1.38%	5.26%	9.91%	29.43%	100.00%

Figure: Finance and Administration Positions by Funding Source



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 and Education Support Programs
- Student Pathways
- Student Support Services

B. 501 Education Services Budget Overview

The Education Services unit of the Agency has a FY 2025 budget of \$351.6 million. This budget recommendation includes nearly \$28 million in personal services, with the majority of the appropriation comprised of grants (\$322.3 million). Education services has an all-funds budget decrease of \$140.6 million. The net changes in the appropriation are driven by primarily by:

- Reduction in Federal Spending Authority associated with the close of the Federal COVID-19 ESSER II and ARP ESSER funds
- Decreases to personal services related reduction in ESSER II contracts
- Increases in operating expenses.
- Modest Federal grant increases (standing federal grants)

Table: B.501 Appropriation All Categories

Department Grand Total Expenditure Categories	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Personal Services	\$30,951,348	\$28,087,700	\$(2,863,648)
Operating Expenses	\$1,074,617	\$1,134,912	\$60,295
Grants	\$460,105,273	\$322,345,763	\$(137,759,510)
Total All Categories	\$492,131,238	\$351,568,375	\$(140,562,863)

Table: B.501 Appropriation Funding Sources

Funding Sources	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
General Fund (A)	\$5,293,183	\$6,237,955	\$944,772
Federal Funds (B)	\$483,168,107	\$340,584,414	\$(142,583,693)
Tobacco Litigation Fund (C)	\$750,388	\$750,388	\$0
Special Funds (D)	\$2,919,560	\$3,033,144	\$113,584
Interdept. Transfer (E)	\$0	\$962,474	\$962,474
Total All Sources	\$492,131,238	\$351,568,375	\$(140,562,863)

Table: B.501 General Fund Detail

General Fund (A)	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Personal Services	\$2,974,806	\$3,422,056	\$447,250
Operating Expenses	\$197,311	\$193,033	\$(4,278)
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
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
Child Nutrition – Local Foods Grant	\$0	\$500,000	\$500,000
Governor's Institutes Grant	\$384,874	\$384,874	\$0
Teacher of the Year Grant	\$5,000	\$5,000	\$0
Outright Vermont Grant	\$60,000	\$61,800	\$1,800
Total Grants	\$2,121,066	\$2,622,866	\$501,800
Total General Fund	\$5,293,183	\$6,237,955	\$944,772

Table: B.501 Federal Funds Detail

Federal Funds (B)	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Personal Services	\$25,049,578	\$21,024,563	\$(4,025,015)
Operating Expenses	\$658,898	\$675,220	\$16,322
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	\$100,000	\$100,000	\$0
Homeless Education Act	\$250,000	\$250,000	\$0
Title II, ITQ	\$12,500,000	\$12,500,000	\$0
IDEA-B Flow-Thru	\$30,000,000	\$30,000,000	\$0
Preschool Incentive	\$700,000	\$700,000	\$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 - 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

Federal Funds (B)	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
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
ESSER I	\$0	\$0	\$0
ESSER II	\$70,000,000	\$5,000,000	\$(65,000,000)
ESSER III	\$202,000,000	\$128,000,000	\$(74,000,000)
ARP Homeless	\$1,750,000	\$1,750,000	\$0
ARP IDEA	\$6,625,874	\$6,625,874	\$0
ARP IDEA Preschool	\$472,522	\$472,522	\$0
GEER	\$2,000,000	\$0	\$(2,000,000)
GEER II	\$575,000	\$0	\$(575,000)
Total Grants	\$457,459,631	\$315,884,631	\$(142,575,000)
Total Federal Funds	\$483,168,107	\$337,584,414	\$(145,583,693)

Table: B.501 Tobacco Litigation Detail

Tobacco Litigation (C)	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Personal Services	\$259,098	\$265,689	\$6,591
Operating Expenses	\$11,714	\$11,433	\$(281)
Tobacco Grant	\$479,576	\$473,266	\$(6,310)
Total Tobacco Fund	\$750,388	\$750,388	\$0

Table: B.501 Special Funds Detail

Special Funds (D)	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Personal Services	\$2,667,866	\$2,785,812	\$117,946
Operating Expenses	\$206,694	\$202,332	\$(4,362)
Licensing Grant	\$45,000	\$45,000	\$0
Total Special Funds	\$2,919,560	\$3,033,144	\$113,584

Table: B.501 Inderdepartment Transfer

Special Funds (D)	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Personal Services	\$0	\$589,580	\$589,580
Operating Expenses	\$0	\$52,894	\$52,894
PDEG Grant	\$0	\$320,000	\$320,000
Total Special Funds	\$0	\$962,474	\$962,474

B. 501 Education Services; Personal Services and Operating

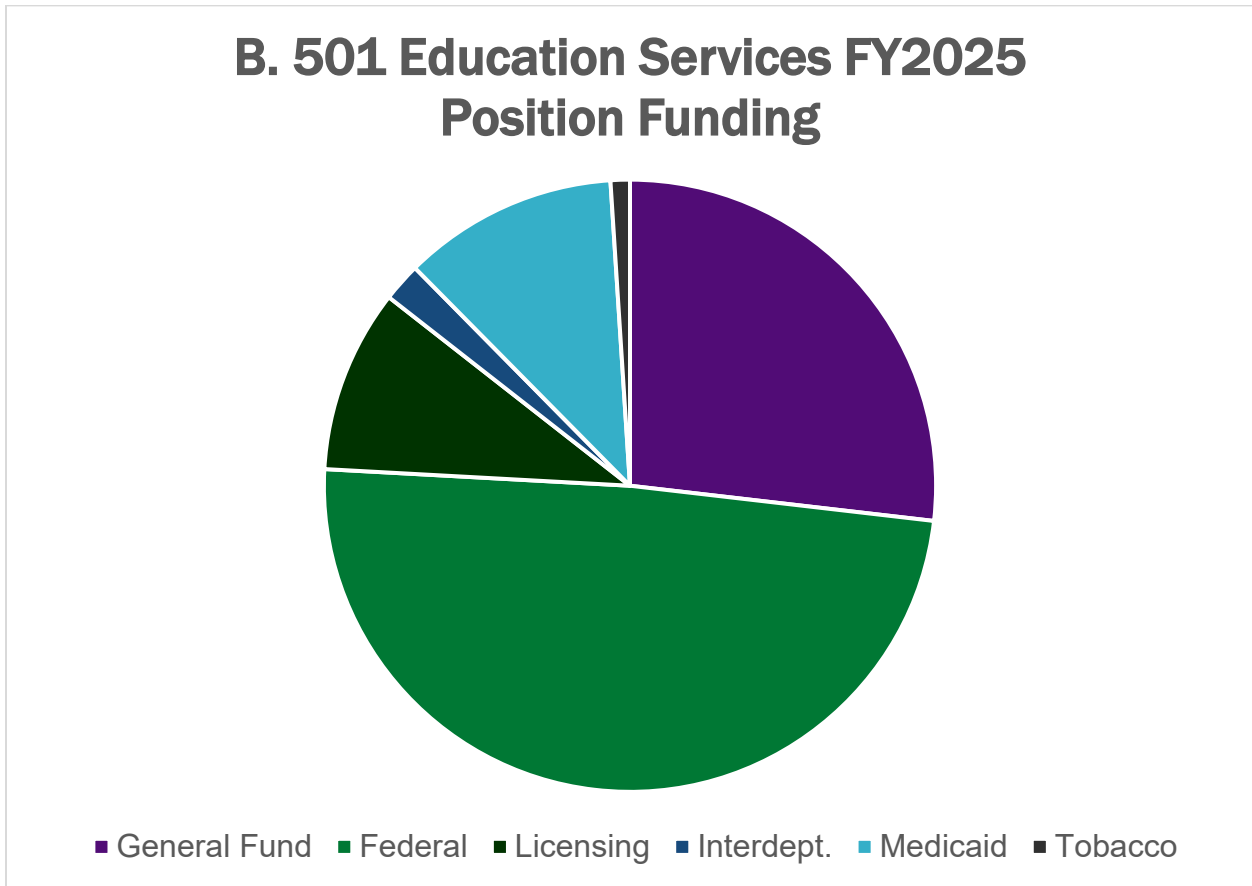
The Education Services work at the Agency is supported by 100 positions. 54% of the education services positions are funded by Federal Funds, and work to support the implementation of Federal Programs. General Funds provide 24% of funding for this work, primarily to support and implement state-directed 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

Positions by Fund	General Fund	Federal Funds	Licensing	Tobacco	Medicaid	Interdept	Total
Total	26	48	10	1	11	2	98
Percent of Total	26.84%	49.03%	9.69%	1.02%	11.38%	2.04%	100%

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 Division team is comprised of 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 primarily funding for staff salaries.

Educator Licensing Team

The Educator Licensing Team is responsible for ensuring that all educators in the state are properly licensed to teach in their endorsement area and have been subject to rigorous background checks to optimize student safety.

Pre-Service Educator Quality Team

The Pre-Service Educator Quality Team is responsible for approving Vermont Educator Preparation Programs. It also guides the development of Educator Professional Standards that build a career continuum focused teacher and leader effectiveness throughout their careers. It supervises the Peer Review process and grants professional licensure to Vermont educators in collaboration collaborates with the Vermont Standards Board for Professional Educators (VSBPE) to ensure compliance with VSBPE rules.

Education Quality Assurance Team

The Education Quality Assurance Team reports annual and triennial accountability determinations, ensuring compliance with federal and state mandates. It extends its support to schools, offering technical assistance, resources, and guidance for Continuous Improvement efforts. For schools in need of equity and comprehensive support needs, it provides even more rigorous assistance and resource coordination. Additionally, it plays a crucial role in approving Continuous Improvement Plans and reviewing district-level applications for ESSER funding and construction projects. With a focus on accountability and efficiency, it also coordinates reviews and rate setting for approved independent schools.

Accomplishments and Current Projects

The Education Quality Team is engaged in several significant and ongoing projects intended to improve service delivery and better support Vermont's education system.

Educator Licensing System

A new contract for the development of a new Educator Licensing System. was finalized in September 2023. The goal is to develop to an online platform that streamlines the process for educators and the Agency. The goal is to have an online system to pilot Spring/Summer 2024 with the final system going live Fall 2024.

Vermont Rural Education Collaborative

By using ARP ESSER funding, the team has engaged the Vermont Rural Education Collaborative (VREC) to spearhead the development of a Grow Your Own pathways to licensure pilot, fostering partnerships statewide. VREC's ongoing efforts include seeking collaboration opportunities with multiple higher education institutions. Additionally, there is growing interest in launching a Registered Apprenticeship Program. These endeavors underscore the pressing need to champion careers in education and to develop new pathways for aspiring teachers to obtain licensure.

Independent School Application

The team has been working to develop a comprehensive application for the Independent School Approval Process, tailored to approved independent schools, approved therapeutic schools, and approved independent school's ineligible for public funds. This new application aligns with the updated rules outlined in the 2200 series. Its structured sections cover general information, philosophy and objectives, enrollment and governance, curriculum and instruction, statutory requirements, staffing, financial stability, and calendar. Additionally, it includes specific sections tailored to each type of school completing the application. To enhance efficiency and accessibility, the application will be electronic and streamlined to accommodate the unique requirements of each school type.

Praxis Testing

The team has worked in collaboration with the VSBPE to overhaul the way Praxis testing is used for teacher licensure. Evidence shows that high-stakes licensure testing requirements disproportionately disqualify teacher-candidates of color, first generation college students, and individuals with learning disabilities. While still a useful and reliable tool to measure teacher knowledge in content, the assessments have become a barrier that has caused these populations to be underrepresented in the teaching profession.

To address this disparity, new policies and rules have expanded approved alternatives to the Praxis Core test, offering more inclusive pathways to licensure. These expansions include increased waiver options, allowing SU/SDs or Education Preparation Programs to consider multiple measures of content knowledge, such as GPA or content coaching, for candidates who do not pass the Praxis II content test. While at least one attempt on a test or its approved alternative is still necessary, individuals who do not pass can now potentially obtain licensure with the appropriate support from an educator preparation program and/or SU/SD.

Reciprocity

The team has also collaborated with the SVBPE to expand and streamline reciprocity for teachers moving to Vermont. Reciprocity is no longer limited to states and jurisdictions that have signed the National Association of State Directors of Teacher Education and Certification (NASDTEC) Interstate Reciprocity Agreement. Vermont will now accept a professional license from any US state of jurisdiction, with few exceptions (such as degree requirements and appropriate OPR license where required). Additionally, new policies allow for an expired professional license to be used for reciprocity with evidence of recent professional development or coursework. A new VSBPE rule change also allows out of state applicants who do not hold a professional license, but who have passed basic skills and content assessments in their home state to use those assessment instead of retaking the Vermont version.

School Improvement

The Annual Snapshot was released through the work of this team and DMAD. We made school improvement determinations requirements by the Every Student Succeeds Act (ESSA) and Vermont’s accountability plan. The team identified a new cohort of schools eligible for equity supports and comprehensive supports. Schools eligible for comprehensive supports are assigned an Education Quality Coordinator to provide leadership, support, oversight, and more rigorous technical assistance on their continuous improvement efforts. Schools eligible for comprehensive supports review Title I School Improvement funding to invest in their improvement efforts.

Education Quality Grants

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

Table: Education Quality Grants

Grant	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Teacher of the Year	\$5,000	\$5,000	\$0
Licensing	\$45,000	\$45,000	\$0
ESSER I	\$0	\$0	\$0
ESSER II	\$70,000,000	\$5,000,000	\$(65,000,000)
ESSER III	\$202,000,000	\$131,000,000	\$(71,000,000)
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 30, 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 and Education 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 25 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), Food and Nutrition Service funds that support child nutrition programs.

Consolidated Federal Programs

The CFP Team supports Local Education Agencies (LEAs also known as supervisory unions or SU/SDs) with specialized expertise in using federal ESSA funding to close the achievement gaps for students who are failing or most at risk of failing. This includes students who are struggling to meet challenging state academic standards, economically disadvantaged, experiencing homelessness, 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, and education of EL students and students experiencing homelessness. This team also administers the one-time Stronger Connections Grant program (part of the Bipartisan Safer Communities Act of 2022) to facilitate safe, healthy learning environments in schools, as well as the pandemic American Rescue Plan-Homeless Children and Youth Program, which is set to expire in September 2024. Finally, this team oversees driver education program approval requests and manages the driver education reimbursement process.

Child Nutrition

CN staff administer the federal meal reimbursement programs, including school breakfast, school lunch, afterschool meals and summer meals programs, and the Child and Adult Care Food Program (CACFP) and soon, the newest federal child nutrition program, Summer EBT, 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 all 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 ensure that hard-to-reach populations (e.g., migrant students) receive meals and works with other AOE programs divisions (e.g., the Data Management and Analysis Division) and across Vermont state agencies (e.g., ESD) to ensure that all children eligible for free or reduced-price school meals are properly identified so that the State may draw down maximum federal dollars to support its universal meals program through improvements in data-sharing and other activities. The Team also is responsible for implementing 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 recurring and one-time grants including the USDA Fresh Fruits and Vegetables Program, a state and federal grants to the Vermont Foodbank, state and federal a grants program to school food authorities for food service equipment purchases, a federal local foods grant program, and federal emergency grants such as for Supply Chain Assistance for school food service programs. Finally, this team oversees the distribution of USDA Foods purchased by the federal government to schools, food pantries, and summer meal sites.

Student and Educator Support

The SES Team supports LEAs in the coordination and provision of educational services for students receiving or in need of interagency services, oversees state-placed students' educational supports and services and verifies eligibility for reimbursement through State Placed Student funding for such services, and provides technical support to LEAs seeking residential placements for special needs students. This team also reviews and manages all Home Study enrollments, including notifications to LEAs re: students enrolled in home study. In addition, this team also manages a competitive

tobacco/substance abuse prevention grant program funded by the Master Settlement Agreement (“tobacco settlement”). This team just completed its lead management of 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 access to mental health services and supports in schools, in collaboration with the Department of Mental Health (DMH). DMH has just begun lead management of a second such grant with AOE assuming a collaborative role this time. Finally, this team collaborates with other AOE divisions and state agencies (e.g., DMH, DCF) regarding problem solving around issues such as chronic absenteeism, suicide prevention, and school-based mental health needs and service provision.

Federal Education and Support Programs Grants

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

Table: FESP Grants

Grant	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Child Nutrition - State Match for Lunch	\$483,348	\$483,348	\$0
Child Nutrition - Tier 2 Day Care Home	\$223,268	\$223,268	\$0
Child Nutrition – State Match for Breakfast	\$277,632	\$277,632	\$0
Child Nutrition - Summer Food State Funding	\$51,387	\$51,387	\$0
Child Nutrition – Reduced Price Lunch	\$297,250	\$297,250	\$0
Child Nutrition Fresh Fruit and Vegetable Program	\$1,998,488	\$1,998,488	\$0
Child Nutrition – The Emergency Food Assistance Program (TEFAP)	\$317,965	\$317,965	\$0
Child Nutrition – CACFP Sponsor Admin (Federal)	\$510,000	\$510,000	\$0
Child Nutrition - Equipment Assistance for Schools (Federal)	\$80,000	\$80,000	\$0
Child Nutrition – Vt. Foodbank	\$83,976	\$83,976	\$0
Child Nutrition – Local Foods	\$0	\$500,000	\$500,000
Child Nutrition -National School Lunch Program (Federal)	\$40,000,000	\$40,000,000	\$0

Grant	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Child Nutrition - Child & Adult Care Food Program (Federal)	\$6,286,822	\$6,286,822	\$0
Child Nutrition - School Breakfast Program (Federal)	\$8,419,615	\$8,419,615	\$0
Child Nutrition - Summer Food Service Program (Federal)	\$1,658,045	\$1,658,045	\$0
Child Nutrition - Special Milk Program (Federal)	\$35,000	\$35,000	\$0
Child Nutrition -Cash in Lieu of Commodities for CACFP (Federal)	\$285,292	\$285,292	\$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	\$100,000	\$100,000	\$0
Homeless Education Act	\$250,000	\$250,000	\$0
Title II, ITQ	\$12,500,000	\$12,500,000	\$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
	\$1,700,000	\$1,700,000	\$0
SAMHSA-Project Aware			
Stonger Connections Grant	0.00	3,000,000	\$3,000,000
ARP Homeless	\$1,750,000	\$1,750,000	\$0
Tobacco	\$479,576	\$473,266	\$(6,310)

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. **Child Nutrition Fresh Fruits & Vegetables:** These funds provide funding assistance for increasing fruit and vegetable consumption in low-income schools
7. **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.
8. **Child Nutrition – Child and Adult Care Food Program 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.
9. **Child Nutrition Federal 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.
10. Vermont Food Bank
11. **Child Nutrition- [Local Foods Incentive Grant](#):** Grant program created by the Vermont Legislature in Act 67 and signed by Governor Scott on June 8, 2021. Provides a performance-based grant award to Supervisory Unions and School Districts that purchase at least 15% of their food from local Vermont producers.
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.

17. **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.
18. **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.
19. **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. The program is administered primarily through a grant to UVM Extension Service.
20. **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.
21. **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.
22. **McKinney Vento Homeless Education Act:** These funds support programs to ensure that children and youth experiencing homelessness 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.
23. **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 all students have access to effective teachers, principals and paraprofessionals.
24. **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.
25. **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.
26. **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.

27. **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 is intended to meet the immediate needs of students experiencing homelessness, in light of the COVID-19 pandemic. This grant program will expire in September 2024 and all funds have been obligated.
28. **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 beginning in FY25, 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.
29. **Child Nutrition- Supply Chain Assistance Funds:** Federal funding provided to SFAs to help account for the increased cost of food and delivery fees. Funding amount in table represents four rounds of “one time” funding from January 1, 2022 to August 10, 2023. It is unknown if additional rounds will be provided.
30. **Child Nutrition- State Agency Farm to School Grant:** One-time USDA grant to Vermont to help increase Farm to School and local food distribution capacity throughout the state. The grant was received in October 2022 and the period of performance for this grant ends on September 30, 2026.
31. **Child Nutrition- TEFAP Reach and Resiliency:** Second round of “one-time” USDA funding to help increase the geographic reach and programmatic resiliency of The Emergency Food Assistance Program (TEFAP). All funds are passed through to the Vermont Foodbank. The period of performance for this grant is May 25, 2023 to June 30, 2025.
32. **Child Nutrition- CCC Operational Funds:** USDA Funding to support the cost of distribution of TEFAP foods provided under the statutory authority of the Commodity Credit Corporation (CCC) Charter Act. Funding is awarded based on the number of CCC truck deliveries made to the state.

33. Child Nutrition- Non-Competitive Technology Innovation Grant (nTIG):

USDA funding to State agencies for the purposes of developing, improving, and maintaining automated information technology systems used to operate and manage all Child Nutrition (CN) Programs. Funds from this grant will be used for the implementation and maintenance of the new Harvest Child Nutrition Programs website. The period of performance for this grant is from September 20, 2023 to September 30, 2026.

Accomplishments**Child Nutrition**

The Child Nutrition division stood up the USDA Medicaid Demo Project after 18 months of joint planning with the Department of Vermont Health Access (DVHA).

The team began to receive Medicaid data in July 2023 and have since identified 7,544 additional students eligible for direct certification for free or reduced price meals, as well as directly certifying 2,275 students eligible for reduced-price school meals for the first time. This has resulted in more schools being eligible for the Community Eligibility Provision (CEP) bringing additional benefits to households and communities. CEP also reduced the overall cost of Universal Meals implementation on the Education Fund since the Agency is able to draw down more in federal dollars for school meals.

Child Nutrition has successfully managed several major USDA rule changes that are enabling more schools to operate the CEP, which is the most advantageous meals programming option. Under new rules, approximately 70% of VT schools, are now able to operate CEP.

The team stood up the state Universal Meals program, resulting in increases in participation in both the breakfast and lunch programs. Participation rates remain higher for low-income students than other students.

Consolidated Federal Programs: ‘

Pursuant to Act 127, the Consolidated Federal Programs team collaborated with school district representatives, Hunger Free Vermont, and the Agency’s Data Team to simplify and streamline the Household Income Form (HIF). They also developed an electronic version of the form. The revised forms were successfully rolled out for the 23-24 school year, with extensive training provided to school officials. This has improved data accuracy, particularly for the Independent School Census, leading to higher quality data for pupil weight calculations and other purposes.

The Team provided extensive training to LEA homeless liaisons, increasing identification of homeless students under the McKinney-Vento Act. A comparison of homeless student numbers is available on the AOE website. A mini-grant program was stood up for 12 LEAs to support homeless students' transportation, mental health, and immediate needs. The team increased training and outreach for EL teachers, and collaborated with the State’s refugee resettlement office and USCRI to better ensure

that EL students are identified and served, particularly in communities and schools who are not used to having refugee/immigrant students. support. Established the Stronger Connections Grant Program for student safety and mental health, awarding 18 LEAs 4-year grants. More details at the provided link.

The Team is working with the AOE Education Quality Division, UVM, the World-Class Instructional Design and Assessment (WIDA) and ExcEL Leadership Academy to build general and special educators' and administrators' knowledge and skills through professional development opportunities.

Additionally, they stood up the [Stronger Connections Grant Program](#) (which is part of the 2022 Bipartisan Safety Communities Act) and awarded 4-year grants to 18 LEAs to assist them in providing additional supports to ensure student safety, mental health and wellness.

Student and Education Support:

The Student and Education (SES) Team stood up a revised application process to comply with new Home Study regulations within five weeks of signature of the new Home Study legislation into law.

They also successfully completed 5-year \$8.2 million SAMSHA Project Aware: Advancing Wellness and Resiliency in Education grant project involving three pilot LEAs with DMH as co-partner. The project was intended to improve mental health supports and services to students in schools. A final project evaluation identified systemic challenges to implementation of an integrated system of mental health services and supports for students in all Vermont schools.

These findings informed the priorities and strategies for Vermont's successful application for a second 5-year Project Aware grant for which primary responsibility has shifted to DMH with AOE as the co-partner.

Student Pathways

The Student Pathways Division houses six teams overseeing Adult Education and Literacy (AEL) state and federal programs, Personalized Learning (PL), Proficiency Based Learning (PBL), Content Standards and Local Assessments, Afterschool and Summer Programs (21CCLC federal program and the new State Act 78 Afterschool and Summer Learning program), Career Technical Education (CTE) and Work-Based Learning (WBL), Flexible Pathways (e.g., Dual Enrollment, Early College, and Virtual Learning), Education Technology (e.g., e-rate, cybersecurity, etc.), and cross-discipline work like Act 67 Community Schools, Expanded Learning Opportunities, Local Wellness Policies, and Act 28 Literacy efforts to name a few. 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 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 the newly created Act 78 state Afterschool and Summer Learning Program grant, and for providing technical assistance to the field regarding educational and instructional technology.

Additionally, the Student Pathways Division was charged with leading the ARP-ESSER Academic Recovery component of the Education Recovery Plan, and is responsible for the design, oversight and administration of multi-year legislative initiatives including ARP-ESSER supported Act 28 (literacy) and Act 67 (Community Schools Act), Act 51, Act 66 Wellness Policy work, Act 127, Act 78 and continuing collaborate and provide technical assistance related to Educator Workforce Diversification and Development. Additionally, the Student Pathways Division has been largely responsible for developing, administering and overseeing GEER-funded-initiatives such as the CTE Media Campaign, multiple grant applications, and a Summer of STEM initiative.

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

There are 24 FTE positions, 23 permanent positions and one limited-service position that ends in September 2024, 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 contracted activities that support professional learning, evaluation, and the data and IT systems used by division staff in the administration of programs. Contracted work has grown substantially in the last three years due to the administration of the new ARP-ESSER-funded Academic Recovery work and legislative initiatives with twenty-two contracts and several additional small-scale contracts managed within the division.

The following table provides an overview of the grants associated with the Student Pathways Division’s DEPT ID. Additional grants and education services that the Division is responsible for are included in Sec. B504.1 Flexible Pathways, Sec. B511 – Technical Education, and a significant portion of GEER and ESSER II – funded grant and contract work listed under B.501 Federal Fund details and Education Services Division detail.

Student Pathways Grants

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

Grant	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Adult Services Coordinator	\$211,233	\$211,233	\$0
Tech Ed Adult Formula	\$29,320	\$29,320	\$0
Governor's Institutes	\$384,874	\$384,874	\$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
GEER	\$2,000,000	\$0	\$(2,000,000)
GEER II	\$575,000	\$0	\$(575,000)

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 21st 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 21st 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 afterschool comprehensive centers. Funds provide expanded opportunities for students to engage in expanded and enriched learning opportunities 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) Division consists of 29 FTEs, many of whom are funded through federal funds provided to the State to implement IDEA. SSS staff define, clarify, and implement policies and guidelines related to Special Education, Early Education, and Vermont multi-tiered systems of support (VTmtss), so that school systems ensure 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 need additional support. Outcomes from federal reporting and monitoring visits inform the team's development and implementation of programmatic support 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 Vermont educators in delivering high-quality educational opportunities to students enrolled in public and private Universal Prekindergarten (UPK) education programs, in alignment with Vermont's Early Learning Standards (VELS). The Team coordinates the Accountability and Continuous Improvement System (ACIS), a monitoring system that ensures all UPK education programs maintain compliance with Act 166 to promote equitable access, high quality and continuous improvement. The Early Education Team also leads the AOE's Early Multi-Tiered System of Supports (Early MTSS). Early MTSS is a framework that includes equitable and inclusive high-quality, evidence-based practices that are aligned with the Vermont Multi-Tiered System of Supports framework (VTmtss). Early MTSS reflects the unique needs of each and every learner to ensure that all students are receiving the high-quality supports they need to succeed starting with developing social and emotional competencies.

The Vermont Multi-Tiered Systems of Support (VTmtss) Team supports Vermont educators and their administrators, as well as professional learning providers, in utilizing the VTmtss Framework to continuously improve their system through data-informed decisions that reduce bias, improve accuracy, and ensure equity and success for all PreK-12 students. In collaboration with other Agency of Education teams, the VTmtss Team provides systems-level technical assistance and guidelines to empower district leadership consistent with state legislation and Vermont's Education Quality Standards.

Grants

The SSS Division is either leading or is part of three Federal Grants that were awarded to the State of Vermont. Additionally, the SSS Division manages grant programs.

Through these grant programs, grant funds, professional learning, and technical assistance are provided to SU/SDs to support a systemic and comprehensive approach to district and school-level education.

Grants (Federal)

The Agency of Education, along with the Agency of Human Service's Department of Mental Health, is part of a 9-million-dollar Project AWARE (Advancing Wellness and Resiliency Education) Grant that was awarded by the Federal Agency of Human Service's Substance and Mental Health Services Administration (SAMHSA). The purpose of the program is to develop a sustainable infrastructure for school-based mental health programs and services. Grantees will build collaborative partnerships with the State Education Agency (SEA), Local Education Agency (LEA), Tribal Education Agency (TEA), the State Mental Health Agency (SMHA), community-based providers of behavioral health care services, school personnel, community organizations, families, and school-aged youth. Participating LEA and local designated mental health agencies: Barre UUSD and Washington County Mental Health; Caledonia Central SU and Northeast Kingdom Human Services; and Southwest Vermont SU and United Counseling Services. The period of performance is October 2023-September 2028

The Agency of Education, along with the Agency of Human Service's Child Development Division and Department of Mental Health, is part of a 23-million-dollar Preschool Development Grant from the Federal Agency of Human Services. Known as the Vermont Integration Project (VIP B-5), this is a statewide effort aimed at strengthening Vermont's early childhood system and ultimately improving outcomes for Vermont's young children. Under this grant the AOE's Early Learning Team will use nearly 3 million dollars to support the following grant objectives: Improving Early Multi-Tiered Systems of Support (Early MTSS) Implementation Professional Development and quality using the Vermont Early Learning Standards, Provisional License Mentoring, and Continuous Quality Improvement and Monitoring in Universal Prekindergarten Education. The period of performance is December 2022-December 2025.

Vermont Agency of Education (AOE) was awarded a 5-million-dollar State Personnel Development Grant (SPDG) by the US Department of Education's Office of Special Education Services. The goal of the grant program is to address students' access to high-quality instruction and intervention delivery systems along the continuum from birth through age 21. Implementing an effective instruction and intervention delivery system will ensure children and students receive appropriate instruction, intervention, and/or services as soon as a need is identified by educators, families, or students. The period of performance is October 2022-September 2027.

Grants (State)

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

Grant	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Special Olympics	\$13,778	\$13,778	\$0
IDEA-B Flow-Thru	\$30,000,000	\$30,000,000	\$0
Preschool Incentive	\$700,000	\$700,000	\$0
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 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.

The Student Support Services Division also manages several of the Special Education Formula Grants in [B.502 Special Education Formula Grants](#).

Single Audit Findings

The Agency of Education had six single audit findings for FY 2022:

Federal Program	Finding Description	Result
Child Nutrition	Reporting - FFATA	Material Weakness
Child Nutrition	Special Tests and Provisions - Accountability for USDA Donated Foods	Material Weakness
Child Nutrition	Reporting	Significant Deficiency
Title I	Reporting	Significant Deficiency
Title I	Reporting - FFATA	Significant Deficiency
Special Education Cluster	Reporting - FFATA	Material Weakness
Education Stabilization Fund	Special Tests and Provisions – Participation of Private School Children	Material Weakness
Education Stabilization Fund	Cash Management	Significant Deficiency
Education Stabilization Fund	Equipment/Real Property Management	Significant Deficiency
Education Stabilization Fund	Reporting - FFATA	Significant Deficiency
Title I and Special Education Cluster	Cash Management*	Significant Deficiency

Note: The Agency of Education was part of a shared finding with the Department of Labor

The Education Fund

Vermont pays for our public education 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 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:

Like every year, the Agency collects preliminary school budget data in the fall and provided an estimate of FY25 education spending as part of the Governor’s recommended budget.

Table: Education Fund Expenses - Governor’s Recommended Budget December 2023

Education Fund Expenses	FY21 (Final)	FY22 (Final)	FY23 (Final)	FY24 (Projection)	FY25 (Projection)
Expenses (millions)	\$1,794	\$1,850	\$1,961	\$2,141.4	\$2,347
Year over Year Change	3.94%	3.12%	6.00%	9.20%	9.60%

Based on the observed cost trends early in the year, the Agency decided to conduct a separate collection of FY25 education payment needs. Based on that collection, aggregation of FY25 special education district projects, and finalizing statewide weighted pupils, we present a second image of year-over-year changes in Education Fund Expenses, based on information collected in January and February of 2024

Notable changes are increases in special education and education payment, and decreases in merger support grant, English Language Learner Categorical Aid, and Universal School Meals,

Table: Education Fund Expenses – February 2024 Update

Education Fund Expenses	FY21 (Final)	FY22 (Final)	FY23 (Final)	FY24 (Projection)	FY25 (Projection)
Expenses (millions)	\$1,794	\$1,850	\$1,961	\$2,151.8	\$2,395
Year over Year Change	3.94%	3.12%	6.00%	9.73%	11.30%

Education Fund Outlook

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:

- Vermont’s publicly funded student population has been declining.
- 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).
- 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).
- Therefore, Vermont has fewer students, approximately the same number of schools, and proportionally more overhead to support on a per-pupil basis.
- As a result, Vermont generally delivers education through smaller schools, particularly at the elementary level, than other states.

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.

Table: FY2024 Education Fund Appropriations by Average Daily Membership

General Category	Education Fund per ADM	Percent of Total
Net Education Payment	\$23,439.2	83.3%
Special Education Aid	\$3,173.4	11.3%
State-Placed Students	\$239.9	0.9%
Transportation Aid	\$303.4	1.1%
Technical Education Aid	\$205.1	0.7%
Small School Support	\$21.6	0.1%
Essential Early Education Aid	\$104.3	0.4%
Flexible Pathways	\$103.1	0.4%
Universal School Meals	\$287.8	1.0%
English Language Learners	\$27.0	0.1%
After School Grants	\$97.1	0.3%
Teachers' Pensions	\$431.8	1.5%

About 83% 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 83% also includes the local share of special education costs, and the local share of transportation costs, representing approximately 55% of those costs. Prekindergarten is also part of our net education payment.

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 2024.

Table: B.502 Carryforward

Section	FY 2024 Appropriation	Carryforward	% of FY 2024 Appropriation
B.502 Special Education	\$226,19560 0	\$18,224,396	8.06%
B.503 State Placed Students	\$19,000,000	\$8,764,559	46.13%
B.505 Education Spending Grant	\$1,703,317,103	\$0	.06%
B.507 Small School Grant	\$8,300,000	\$390,000	4.70%
B.511 Technical Education	\$17,030,400	\$987,048	5.80%
B.504.1 Flexible Pathways	\$9,221,500	\$3,322,495	36.03%
Total	\$1,983,064,603	\$31,688,498	1.50%

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

- \$98,983.25 is obligated in purchase orders rolled into FY24.
- \$31,589,515 is obligated in subgrant agreements and anticipated final FY23 payments and anticipated increases in FY24.

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

Ed. Fund Reversions	FY22				
	FY19	FY20	FY21	FY22	FY23
Finance and Admin.	\$0	\$115,260	\$950,950	\$1,607,145	\$1,280,711
Act 173 of 2018 Sec. 9(H)	\$0	\$2,401	\$0	\$0	
Special Ed.	\$87,051	\$5,770,436	\$5,824,529	\$27,333,400	\$0
State Placed Students	\$161,178	\$3,303,708	4,106,772	1,443,542	\$0
Education Payment	\$5,692,154	\$1,907,842	\$0	\$11,754,134	\$0
Transportation	\$489	\$0	\$0	\$0	\$0
Small Schools	\$20,167	\$596,191	\$614,965	\$34,348	\$391,067
Capital Debt Service	\$0	\$0	\$0	\$0	\$0
Essential Early Education	\$19,276	\$360,491	\$41,296	\$0	\$0
Flexible Pathways	\$1,274,807	\$0	1,579,282	\$1,843,901	\$0
Career Technical Education	\$1,042,705	\$1,713,671	\$1,841,126	\$1,497,300	\$1,204,216
Grand Total	\$8,297,827	\$13,770,000	\$14,958,919	\$45,513,770	\$2,875,994

Items of note:

- 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 FY2022 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

Source of Funds	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Extraordinary Reimbursement Grant	\$26,000,000	\$65,000,000	\$39,000,000
Act 173 Census Block Grant	\$196,000,000	\$194,820,000	\$(1,180,000)
I-Team & Regional Specialist Grant	\$1,259,000	\$1,299,288	\$40,288
Hearing Impaired Grant	\$1,106,200	\$1,141,598	\$35,398
Visually Impaired Grant	\$673,400	\$694,949	\$21,549
BEST Grant	\$666,000	\$687,312	\$21,312
Act 230 Training Grant	\$491,000	\$506,712	\$15,712
Unusual Special Ed. Costs Grant	\$0	\$500,000	\$500,000
Total Grants	\$226,195,600	\$264,649,859	\$38,454,259
Total Education Fund	\$226,195,600	\$264,649,859	\$38,454,259

Summary of Special Education Grants

5. **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 \$66,446 Beginning FY23 there is a new component of the law requiring a second component of the formula which is the lesser of extraordinary expenditures or current year extraordinary threshold less current year SU census block grant times 60%.
6. **Special Education Census Block Grant – 16 V.S.A. § 2961:** FY 2025 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.
7. **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.

8. **Students who are Deaf or Hard of Hearing (Hearing Impaired) – 16 V.S.A. § 2967(b)(2):** This grant funds consultation and technical assistance to school-based personnel supporting 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.
9. **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.
10. **Building Effective Supports for Teaching (BEST) – 16 V.S.A. § 2967(b)(5):** These funds are available to SU/SDs to 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.
11. **Act 230 Training Grants – 16 V.S.A. § 2967(b)(6):** Funds are granted to SU/SDs 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 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
LEA Reimbursement Grant	\$8,500,000	\$9,500,000	\$1,000,000
Indiv. Residential Placement Grant	\$10,000,000	\$10,000,000	\$0
Special Services Grant	\$250,000	\$250,000	\$0
Regular Education Tuition Grant	\$250,000	\$250,000	\$0
Total Grants	\$19,000,000	\$20,000,000	\$1,000,000
Total Education Funds	\$19,000,000	\$20,000,000	\$1,000,000

Summary of State-Placed Student Grants

- 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).
- 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.
- 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

Adult Ed & Literacy Source of Funds	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Adult Education & Literacy Grant (GF)	\$2,623,850	\$0	\$(2,623,850)
Adult Diploma Grant (GF)	\$873,000	\$0	\$(873,000)
Adult Education and Diploma Program (GF)	\$0	\$3,496,850	\$3,496,850
Adult Education Grant (Federal)	\$916,050	\$916,050	\$0
Total Grants	\$4,412,900	\$4,412,900	\$0
Total General Fund	\$3,496,850	\$3,496,850	\$0
Total Federal Funds	\$916,050	\$916,050	\$0
Total All Sources	\$4,412,900	\$4,412,900	\$0

Summary of Adult Education and Literacy Grants

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.

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

Flexible Pathways Source of Funds	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Dual Enrollment (GF)	\$921,500	\$921,500	\$0
High School Completion for SU/SDs Grant (EF)	\$1,900,000	\$1,900,000	\$0
Dual Enrollment Grant (EF)	\$921,500	\$921,500	\$0
Early College Grant (EF)	\$4,000,000	\$4,600,000	\$600,000
Secondary School Reform Grant (EF)	\$400,000	\$400,000	\$0
Vermont Virtual Grant (EF)	\$2,000,000	\$2,000,000	\$0
Total Grants	\$10,143,000	\$10,743,000	\$600,000
Total General Fund	\$921,500	\$921,500	\$0
Total Education Fund	\$9,221,500	\$9,821,500	\$600,000
Total All Sources	\$10,143,000	\$10,743,000	\$600,000

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 9th 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 12th 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 12th -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 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Education Spending Grant	\$1,702,366,103	\$1,915,000,000	\$212,633,897
Tech FTEs Not Enrolled Grant	\$500,000	\$500,000	\$0
Driver Education Grant	\$451,000	\$451,000	\$0
Categorical Aid 4013 (d)	\$0	\$3,000,000	\$3,000,000
Total Ed Spending Grants	\$1,703,317,103	\$1,918,951,000	\$215,633,897
Total Education Fund	\$1,703,317,103	\$1,918,951,000	\$215,633,897

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

Transportation Spending Sources	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Grants	\$23,520,000	\$25,306,000	\$1,786,000
Total Education Fund	\$23,520,000	\$25,306,000	\$1,786,000

Budget Change

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

B. 507 - Merger 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

Small School Support Spending Sources	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Grants	\$8,300,000	\$3,000,000	\$(5,300,000)
Total Education Fund	\$8,300,000	\$3,000,000	\$(5,300,000)

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.

Beginning in FY25 Small Schools Grants are being replaced with Merger Support Grants. Merger support grants will be paid to schools that merged at their FY2020 amount, unless the district is receiving a small school weight under Act 127 weighting formula. If the district is now receiving a small school weight, they cannot receive categorical aid support. The formula driven small schools grants are repealed.

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

Essential Early Education Spending Sources	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Grants	\$8,350,389	\$8,725,587	\$375,198
Education Fund	\$8,350,389	\$8,725,587	\$375,198

Budget Change

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

B.509 – (Cannabis Revenue Funded) Afterschool**Afterschool Budget Summary**

Afterschool Spending Sources	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Personal Services	\$0	\$500,000	\$500,000
Operating Expenses	\$0	\$0.	\$0
Grants	\$4,000,000	\$3,500,000	\$(500,000)
Total Special Fund	\$0	\$4,000,000	\$4,000,000
Total Education Fund	\$4,000,000	\$0	\$(4,000,000)

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

Technical Education Spending Sources	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Tech. Ed. Tuition Reduction Grant	\$10,939,500	\$11,486,500	\$547,000
Tech. Ed. Salary Assistance Grant	\$2,857,700	\$3,000,600	\$142,900
Tech. Ed. Transportation Grant	\$2,370,300	\$2,488,800	\$118,500
Youth Leadership Grant	\$137,900	\$144,800	\$6,900
Innovative Program Development Grant	\$725,000	\$761,250	\$36,250
Total Grants	\$17,030,400	\$17,881,950	\$851,550
Total Education Fund	\$17,030,400	\$17,881,950	\$851,550

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

NEW SECTION – Universal Meals

This funding supports Vermont’s universal school meals program, first established in Act 151 of 2022, and made permanent in Act 64 of 2023. The program provides school breakfast and lunch at no charge to all students at all Vermont public schools and some independent schools.

Universal Meals Budget Summary

Universal Meals Spending Sources	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Grants	\$0	\$26,500,000	\$26,500,000
Total Grants	\$0	\$26,500,000	\$26,500,000
Total Education Fund	\$0	\$26,500,000	\$26,500,000

Budget Changes

The General Assembly appropriated \$29 million in Act 64 (rather than the FY24 budget). This is why the FY 24 appropriation number is zero in the chart above.

Additionally, the Agency is seeking to revise this appropriation for FY24 down to \$24 million in the budget adjustment act, due to lower than estimated spending. This decrease is not driven by lower program participation, rather by greater than forecasted numbers of students who are directly certified as eligible for federal Free and Reduced Lunch (FRL) benefits.

The Agency is currently engaged in a pilot program on direct certification using Medicaid data. That program, in concert with changes to the federal Community Eligibility Provision (CEP) universal meals option, is expected to drive continued decreases in program costs over the next fiscal year. The agency has already revised down our requested FY25 appropriation (from \$26.5 million in the Governor’s recommended budget), due to updated information.

Vermont Education by The Numbers

Public School Enrollment

Grade Level	School Year 2022	School Year 2023
Grades K-12	72,747	72,093
Prekindergarten and Essential Early Ed.	6,675	7,032
	683	811
High School Completion Program	404	348
Total Public School Enrollment	80,509	80,284

Publicly Funded Students

School Type	School Year 2022	School Year 2023
Vermont Public Schools	80,166	79,990
Vermont Approved Independent Schools	1,479	1,469
Vermont Historic Academies	2,080	2,072
Out-of-State Schools	738	725
Total Publicly Funded Students	84,463	84,256

Public Schools

Type of Public School	School Year 2022	School Year 2023
Elementary Schools (grades K-6)	155	156
Secondary Schools (grades 7-12)	44	45
Combined (Elementary and Secondary)	91	90
Total Public Schools	290	291
Career Technical Education Centers	16	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