

Agency of Education Fiscal Year 2025 Budget Recommendation Presentation

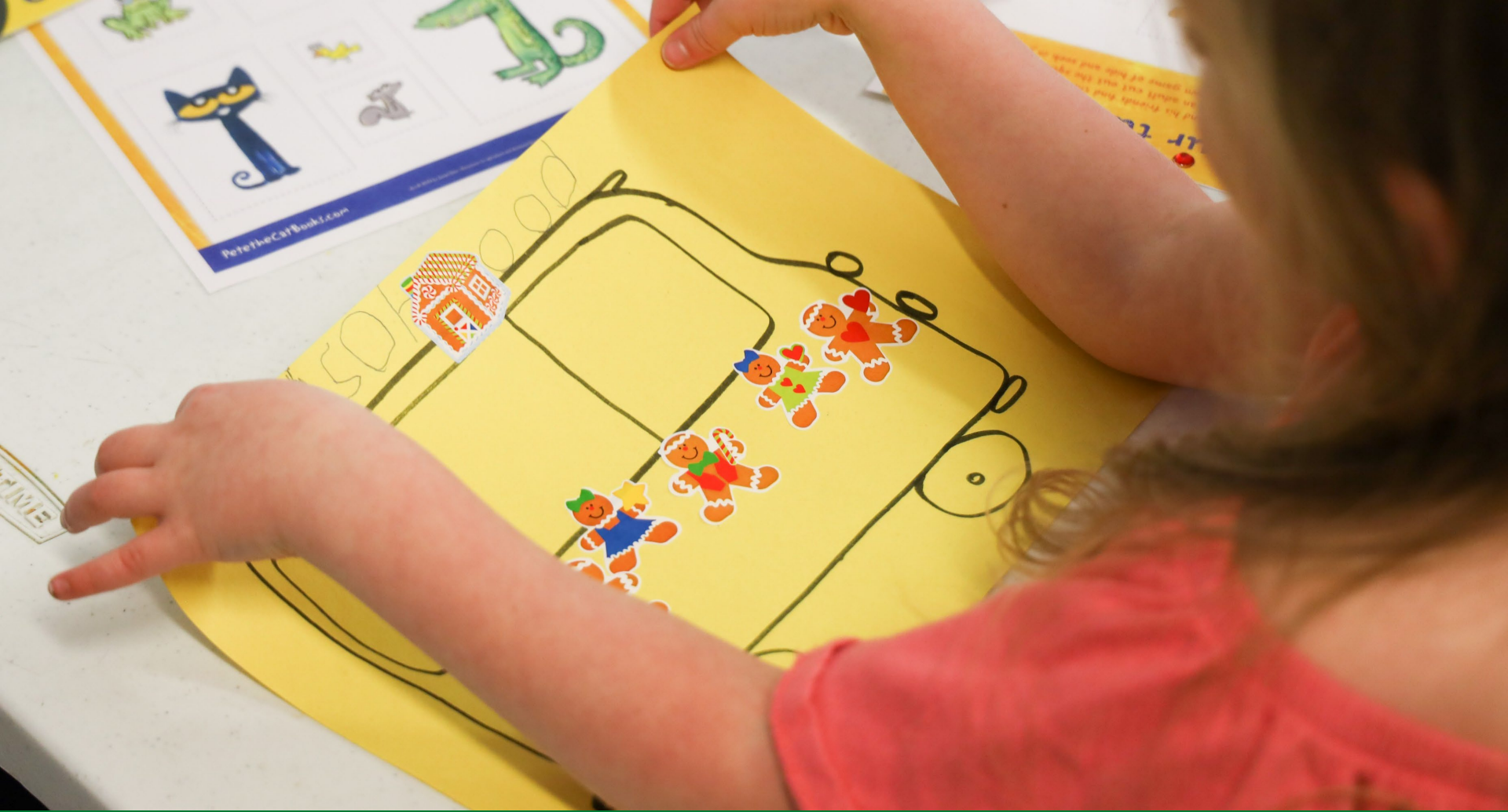
February 20, 2024

Agenda

- Agency Overview and Secretary's Message
- Budget Overview and Key Drivers
- B.500 Finance and Administration
- B.501 Education Services
- Education Fund Presentation

Purpose Statement

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.



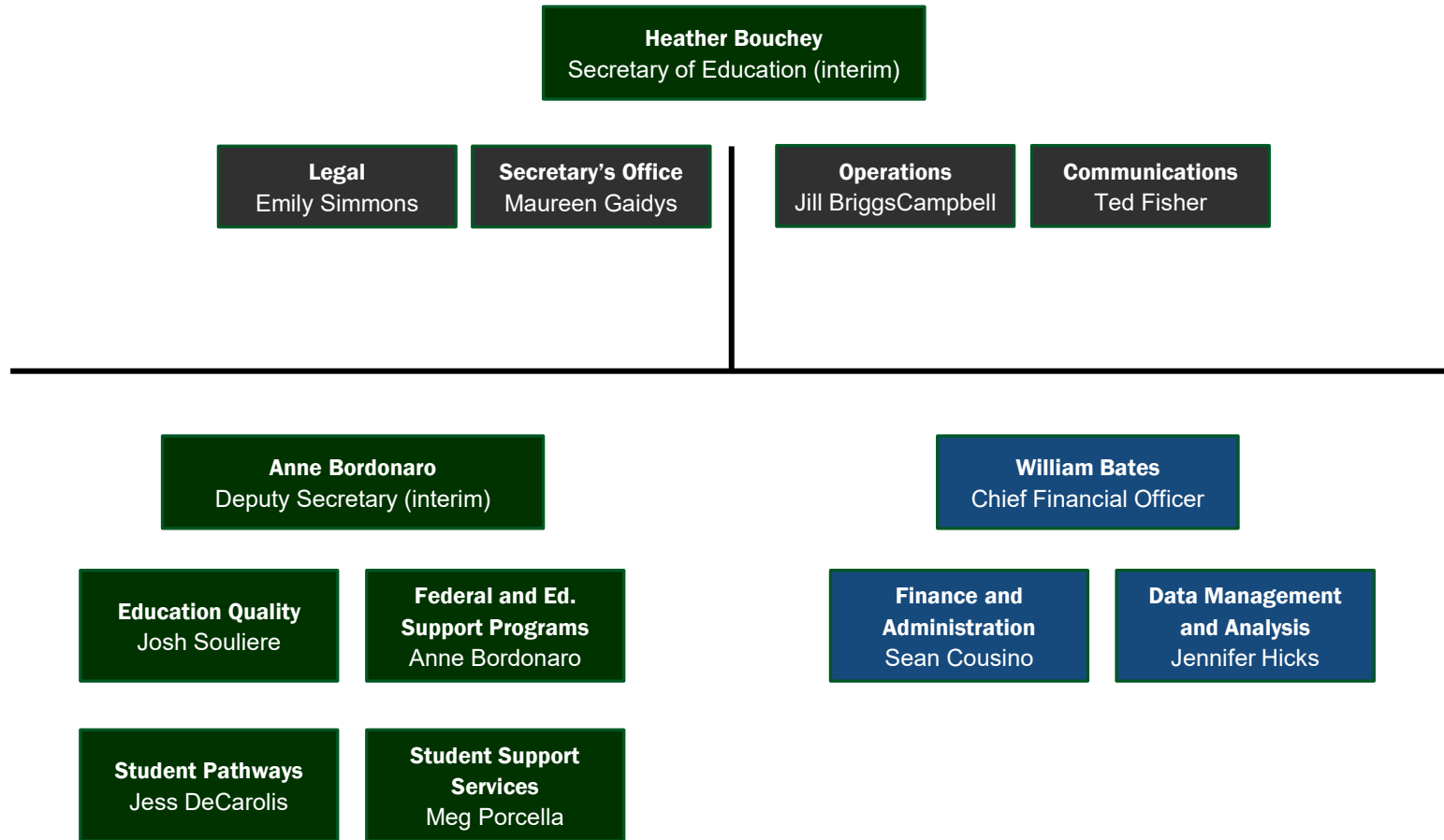
About the Agency

Agency Overview

There are six divisions at the AOE:

1. Education Quality
2. Federal and Educational Support Programs
3. Student Pathways
4. Student Support Services
5. Finance and Administration
6. Data Management and Analysis

Organization Chart





Secretary's Message

Secretary's Message

- Education spending growth:
 - End of pandemic funding
 - Inflation and increased costs
 - Healthcare
 - Growing student needs
- Student Mental Health and wellbeing

Key Policy Initiatives

- CTE Finance Reforms
- Literacy
- Remote Learning
- Education Spending and Cost Control



Budget Summary

Recommended Budget Key Drivers

- Governor Recommended FY 2025 budget is \$2.697 billion across all AOE Appropriations. This represents an increase of \$143.2 million or 5.6% over FY 2024
 - \$215.6 million increase Statewide Education Spending, for a total appropriation of \$1.919 billion (Gov.'s Recommend)
 - (\$138.3 million) decrease in federal funds, due primarily to expiration of pandemic funding
 - \$2 million increase to Personal Service and Operations

Recommended Budget Key Drivers (2)

- AOE personnel and operations recommended budget: \$56.24 million, with an increase of \$2 million or 3.8%.
- Increase drivers:
 - 15% increase in healthcare costs
 - New FMLI and Childcare taxes
 - Administrative cost increases:
 - Office space
 - Insurance
 - Shared and back-office services (VISION, ADS IT, Human Resources)

Agency Budget Request Notables

New Requests:

- Addition of 1 FTE (Education Programs Coordinator) for AOE's Career Technical Education unit.
 - Related to ongoing CTE reform policy conversations with General Assembly
- \$70,000 for a contact for Civil Rights data collection

Budget Changes:

- AOE moved Local Food Grant request from B.500 (in FY 24) to B.501 to include with other Child Nutrition Program appropriations

FY 2025 Agency Overview

- Operations of the Agency are primarily supported by 2 appropriations at a cost of \$56.2 million for Personal Services and Operating Expenses
- B.500 – Finance and Administration
 - Secretary’s Office, Communications and Legal
 - 2 Divisions: Finance and Data Management and Analysis
 - 76 Positions or 43.6% of total agency staff
- B.501 – Education Services
 - 4 Divisions: Education Quality, Federal Education and Support Programs, Student Pathways, and Student Support Services
 - 98 Positions or 56% of total agency staff

Overview of AOE Budget Appropriations

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

Overview of AOE Budget Appropriations

General Fund Appropriation:

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

Overview of AOE Budget Appropriations

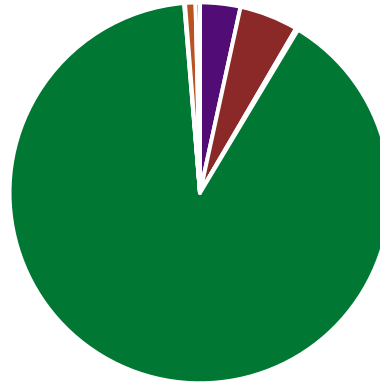
Federal, Special and Interdepartmental Funds Appropriation:

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)

Overview of AOE Budget Appropriations

The Agency is predominantly federally funded:

FY 2025 Requested Funding for AOE, Including Grants



■ General Fund
■ Federal Funds

■ Special Funds
■ Global Commitment

■ Tobacco Fund
■ Education Fund

Key Cost Drivers – Finance and Administration

- Total FY 2025 Budget Request - \$41.2 million
 - \$3,875,884 increase or 10.4% above FY 2024
- Key Drivers:
 - \$4,278,472 increase in personal services
 - \$97,412 increase in operating expenses
 - (\$500,000) decrease in grants due to Local Foods moving to B.501
- \$3,875,884 – Total from Ups & Downs

Key Cost Drivers – Education Services

- Total FY 2025 Budget Request - \$491.9 million.
 - (\$140,562,863) decrease or 28.56% below FY 2024
- Key Drivers:
 - (\$2,863,648) decrease in personal services
 - \$60,295 increase in operating expenses
 - (\$139,000,000) decrease in federal spending authority (ESSER II and ARP ESSER)
 - (\$2,575,000) decrease in federal spending authority (GEER I and GEER II)
- (\$140,562,863)– Total from Ups & Downs



B.500 – Finance and Administration

B.500 Finance and Administration

- Two Divisions under the Chief Financial Officer
 - Finance
 - Data Management and Analysis
- Secretary's Office and three staff-level units:
 - Legal
 - Communications
 - Operations
- Finance and Administration divisions and teams support the work of the Agency overall, as well as Vermont School Systems

B.500 Finance and Administration Appropriation

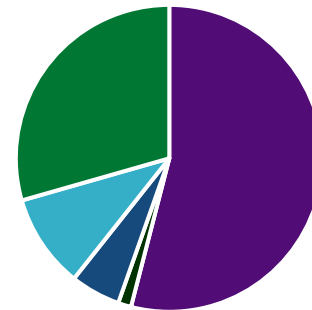
Grand Total Expenditure Categories	FY 2024 Appropriation	FY 2025 Recommend	Change FY24 to FY25
Personal Services	\$17,683,192	\$21,961,664	\$4,278,472
Operating Expenses	\$4,387,522	\$4,484,934	\$97,412
Grants	\$15,270,700	\$14,770,700	\$(500,000)
Total All Categories	\$37,341,414	\$41,217,298	\$3,875,884

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

B.500 Finance and Administration Positions

- 76 Positions
 - 57.5% General Fund
 - 29.5% Federal Fund
 - 9.91% Medicaid Funds

B. 500 Finance and Administration FY 2025 Position Funding



■ General Fund ■ Licensing Funds ■ Inter Dept. Transfer ■ Medicaid ■ Federal Funds

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%	9.9%	29.43%	100.00%

[AOE Budget Book: Page 29](#)

Finance and Administration

Finance Division

- Central Business Office
- School Finance
- Regulatory Compliance
- School Finance Data
- Uniform Chart of Accounts

Finance and Administration Data Management and Analysis Division

- Data collection and stewardship
- Data systems administration
- Analysis and reporting (state and federal)
- Statewide Assessment administration and data analysis

Finance and Administration Secretary's Office, Legal and Communications

- Secretary's Office

- Leadership of the Agency
- Whole Agency Projects
- Support for Boards, Commissions and Working Groups (including State Board)

- Legal Team

- Litigation, contract review, legislative support, administrative rule drafting, and public records
- Educator license investigations and sanctions
- Administrative appeals, hearings and dispute oversight for special education

- Communications

- Public Information
- Legislative Affairs
- Digital Communications and Publishing
- Accessibility and Language Access



B.501 – Education Services

B.501 Education Services

- 4 Divisions Under Deputy Secretary
 - Education Quality
 - Federal Education and Support Programs
 - Student Pathways
 - Student Support Services
- FY 2025 budget of \$351.6 million
 - \$28 million in personal services
 - Majority grants (\$322,345,763)
- Changes for FY25 (\$140.6 million decrease):
 - Decrease to personal services
 - Increase in operating expenses
 - Significant change in federal grants Federal Spending Authority due expiration of federal pandemic funding

B.501 Education Services Appropriation

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)

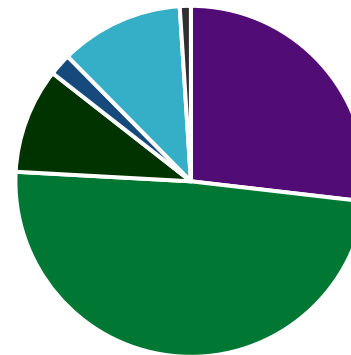
Source of Funds:

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
Inter Dept. Transfer (E)	\$0	\$962,474	\$962,474
Total All Sources	\$492,131,238	\$351,568,375	\$(140,562,863)

B.501 Education Services Positions

- 100 FTE
 - 49% funded by Federal Funds
 - 26.8% General Fund
 - 11% Medicaid
 - 9.7% Licensing Fees

B. 501 Education Services FY2025 Position Funding



■ General Fund ■ Federal ■ Licensing ■ Interdept. ■ Medicaid ■ Tobacco

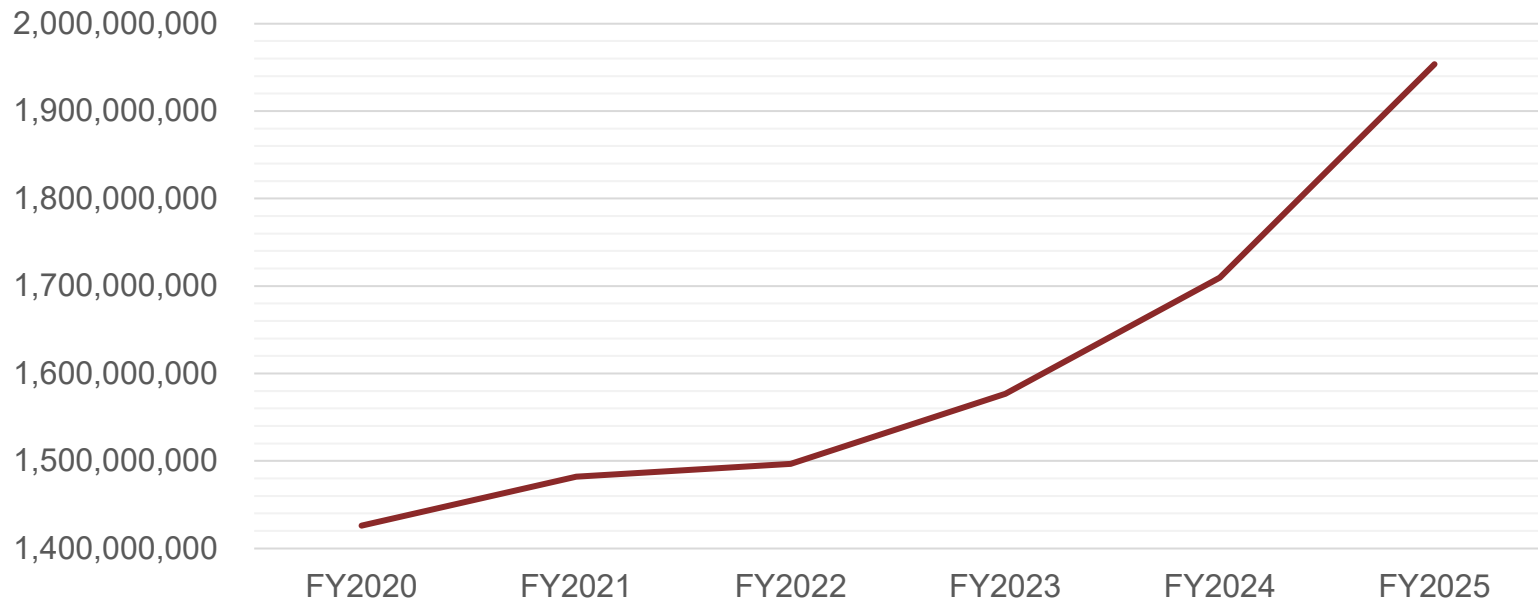
Positions by Fund	General Fund	Federal Funds	Licensing	Tobacco	Medicaid	Interdept	Afterschool	Total
Total	26	48	10	1	11	2	2	100
% of Total	26%	48%	10%	1%	11%	2%	2%	100%



Statewide Education Spending

Education Spending: FY 2020 to FY 2025

Ed Spending FY20 - Preliminary FY25

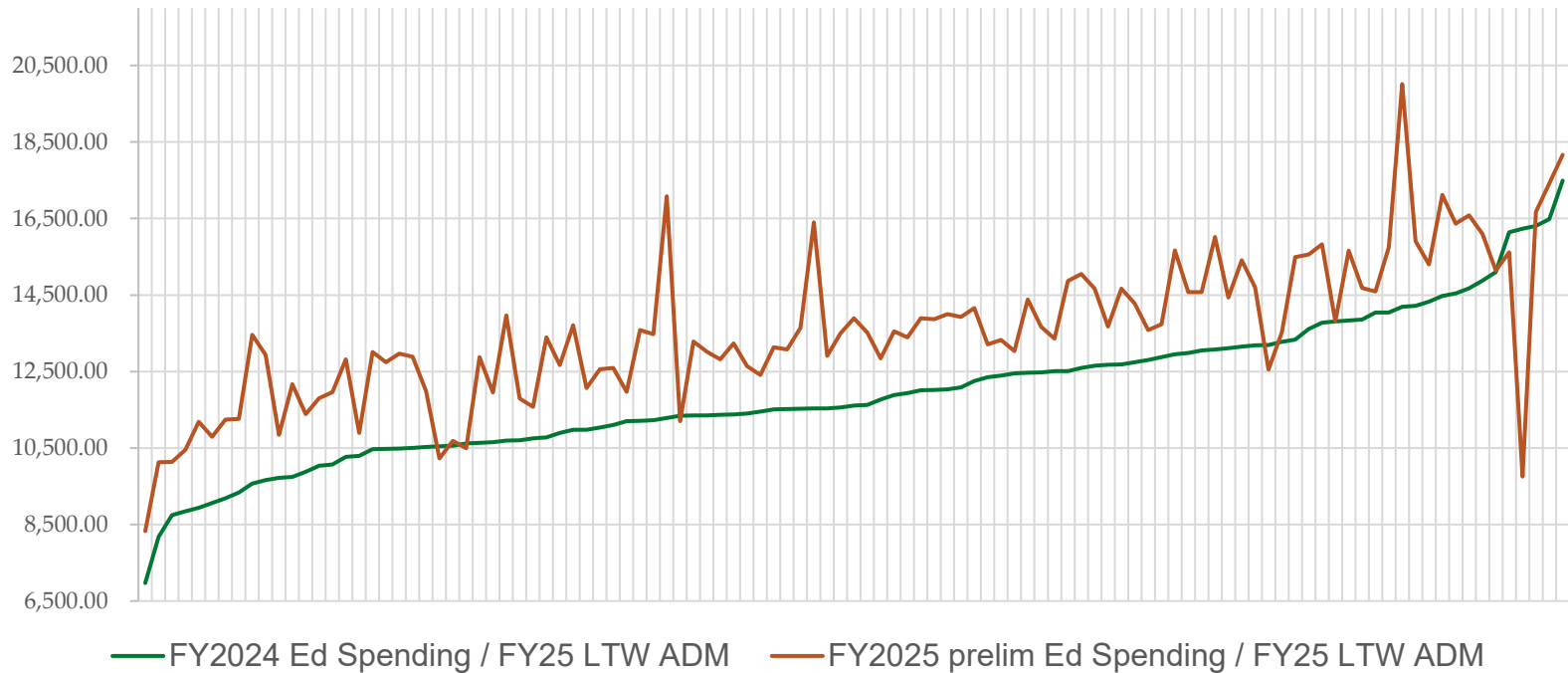


Education Spending: FY 2020 to FY 2025

Year	Education Spending	Average Daily Membership (ADM)	Ed. Spending Per Pupil	Ed. Spending per ADM	% Change ADM	% Change ES/Pupil	% Change ES	% Change ES/ADM
FY 2020	\$1,426,223,756	\$86,773	\$16,237	\$16,436	-0.8%	4.6%	4.0%	4.85%
FY 2021	\$1,481,991,518	\$86,429	\$16,975	\$17,147	-0.4%	4.5%	3.9%	4.32%
FY 2022	\$1,496,715,572	\$86,670	\$17,207	\$17,269	0.3%	1.4%	1.0%	0.71%
FY 2023	\$1,576,870,735	\$83,787	\$18,373	\$18,820	-3.3%	6.8%	5.4%	8.98%
FY 2024	\$1,709,697,481	\$83,382	\$20,254	\$20,504	-0.5%	10.2%	8.4%	8.95%
FY 2025	\$1,953,423,013	\$82,423	[pending]	\$23,700	-1.2%	[pending]	14.3%	15.58%

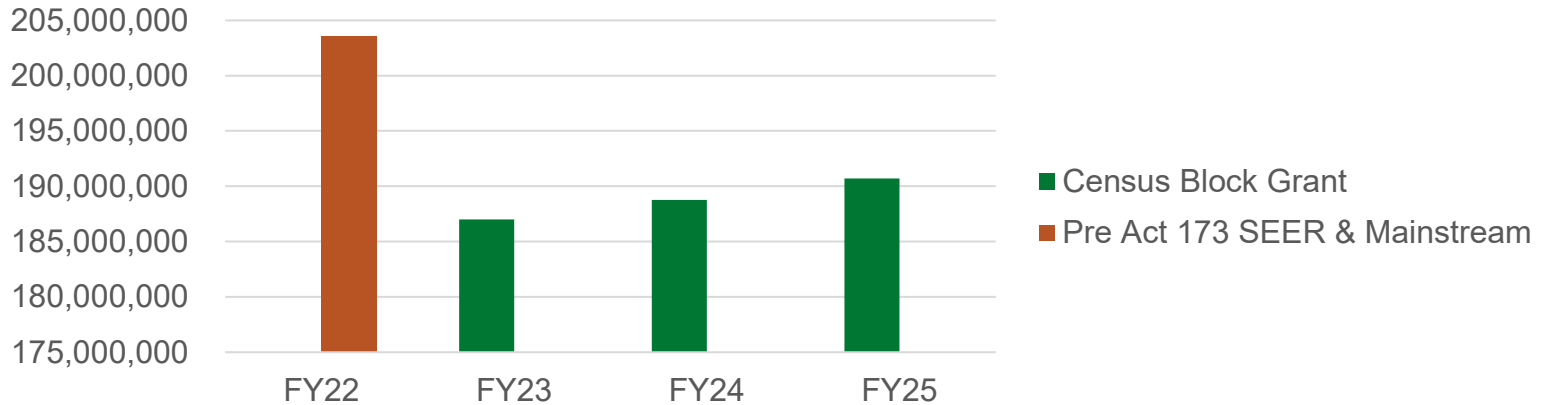
Change in Education Spending: Per Pupil and Long-Term ADM

Change in FY24 Education Spending and FY25 Preliminary Ed Spending per Pupil Using FY25 LTWADM as a Denominator



Education Spending: Special Education

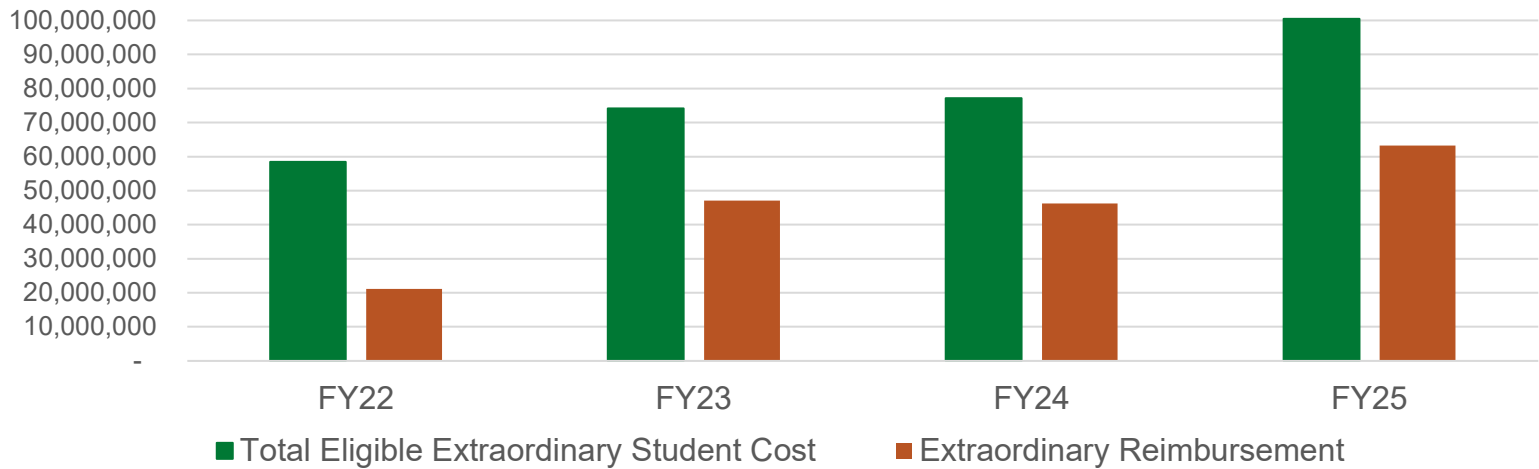
Special Education Special Education Extraordinary
Reimbursement / Census Block Grant



Year	Census Block Grant	SEER Intensive (cost-based reimbursement)	Mainstream Block Grant
FY 2022	N/A	\$170,188,064	\$33,325,480
FY 2023	\$186,993,183	N/A	N/A
FY 2024	\$188,775,196	N/A	N/A
FY 2025	\$190,708,906	N/A	N/A

Education Spending: Special Education

Extraordinary Expenditure Cost and Reimbursement FY22 - FY 25



Year	Student Count	Total Eligible Extraordinary Student Cost	Extraordinary Reimbursement
FY 2022	600	\$58,410,349	\$21,132,551
FY 2023	719	\$74,115,238	\$47,120,697
FY 2024	711	\$77,128,671	\$46,244,614
FY 2025	885	\$100,443,311	\$63,204,560



Questions

Education Services: Education Quality Division

- Educator Licensing, Pre-Service Educator Quality, Education Quality Assurance
- 20 FTE, partially funded by licensing fees
- Supports Education Recovery, ESSER fund applications, school health facilities projects

Education Quality Division Teams

- Educator Licensing:
 - Licensing for Vermont Educators
 - Teaching Endorsements and Background Investigation
 - Support Standards Board for Professional Educators (VSBE), Licensing Rules
- Pre-Service Educator Quality
 - Approval of Educator Preparation Programs
 - Professional Standards
- Education Quality Assurance
 - Education Quality Reviews
 - Field Reviews
 - ESSER and Education Recovery Funding Applications

Education Quality Division Grants

- Teacher of the Year
- Licensing
- ESSER I
- ESSER II
- ARP ESSER (ESSER III)
- Title I School Improvement

Education Services: Federal Education and Support Programs (FESP) Division

- Consolidated Federal Programs, Child Nutrition, Student and Educator Support
- 25 FTE, primarily federally funded
- Responsible for administration of federal grants to schools, technical assistance, and support for state-level activities
- Administers state school meals programs and related nutrition programs
- Provides support for students in need of multi-agency services, administers a range of specialized programs

Federal Education and Support Programs (FESP) Division Teams

- Consolidated Federal Programs administers:
 - Federal Title grant programs
 - Assists Supervisory Unions (LEAs) with applications, compliance and effective administration
 - Programs to support:
 - Closing the achievement gap
 - Economically disadvantaged students
 - Homeless, migrant, neglected or delinquent students
 - New American and English Learner students
 - Students in state (DCF custody)
 - Supports State activities related to various federal education programs

Federal Education and Support Programs (FESP) Division Teams (cont.)

- Child Nutrition
 - Administer national school lunch and breakfast programs
 - Other state nutrition programs (including after school and summer)
 - State universal meals program
 - State local foods incentive program
- Student and Educator Support
 - Interagency coordination
 - Drivers Education
 - Home Study
 - Tobacco / Substance Use prevention

Federal Education and Support Programs (FESP) Division Grants

- Division administers 26 grant programs (see budget book for full list)
- Federal Title Grant Programs for:
 - English Learners
 - Student Support and Academic Enrichment
 - Migrant Students
- Child Nutrition Grants for meals and food program support
- Substance Abuse, Mental Health and Tobacco settlement grants
- Homeless children and youth (ARPA)
- Rural, Low Income Schools

Education Services: Student Pathways Division

- Flexible Pathways, Personalized Learning, Career Technical Education, Afterschool and Summer Programs, Adult Education and Literacy
- 24 FTE (23 permanent, 1 limited service), approximately half funded by federal funds
- Supports state Education Quality Standards and Flexible Pathways initiative, as well as career pathways, personalized learning, and dual enrollment and early college programs
- Responsible for Community Schools, Expanded Learning Opportunities, and Literacy

Student Pathways Division Teams

- Adult Education and Literacy
- Personalized Learning
- Proficiency Based Learning
- Afterschool and Summer Programs
- Career Technical Education

Student Pathways Division Grants

- 12 Grants, both federal and state funding
- Federal Career Technical Education (Perkins), Afterschool and Summer Programs, and Governor's Emergency Education Relief (GEER).
- State Adult CTE grants, and Governor's Institutes

Education Services: Student Support Services Division

- Special Education, Early Education (Prekindergarten), and Multi-Tiered Systems of Support
- 29 FTEs
- Support federal special education requirements and provide supports to Supervisory unions for students who need additional support
- Administer state universal PreK program

Student Support Services Division Teams

- Special Education Team:
 - Supports local SU special education programs
 - Special Education monitoring and reporting
 - Parent and community support
- Early Education Team
 - Administers Vermont Universal PreK program
 - Early Education Monitoring
 - Early Education Multi-tiered systems of support
- Vermont Multi-Tiered Systems of Support (VTmtss)
 - Administers VTmtss framework
 - Technical assistance and supports to schools
 - Supports implementation of Act 173 special education reform

Student Support Services Division Grants

- Special Olympics
- IDEA-B Subgrants (special education)
- IDEA B Prek and Early Childhood Special Education
- ARP IDEA and ARP IDEA Prek grants