

# 2016 Budget Book

## Vermont Agency of Education FY 2016 Budget Recommendations

January 2016

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



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## Agency of Education

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# Message from the Secretary

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We present for consideration the budget recommendations of the Vermont Agency of Education and the Vermont State Board of Education for FY2016.

We enter 2015 with a sense of urgency regarding preserving quality, improving equity and improving efficiency with respect to how we deliver education in Vermont. As we look to FY16, we are narrowing our mission to achieve two goals:

- support implementation of Vermont's ambitious new Education Quality Standards; and
- achieve efficiencies that enable us to have a greater impact in a climate of scarce resources.

In FY15, the State Board of Education outlined ambitious [Education Quality Standards](#) which provide a blueprint for schools on how they should provide all students with high-quality opportunities to learn. The Standards also outline a method, Education Quality Reviews, which are designed to ensure all our schools receive high-quality feedback on their performance relative to these standards, and next steps to improve. These reviews, which will include visits by educators across the state, will assess the performance of our education system against these standards, and provide all our schools with high-quality data and feedback they can use to address equity gaps and systematically improve learning.

This is a very tough year, and it has forced us to make very tough choices. With deep regret and in response to two rescissions, we have had to make some painful cuts. The 20% of our budget that is funded by state dollars is small, but plays a critical role in supporting state initiatives and carrying out our core duties. In our budgeting process we have evaluated every allocation, and made decisions that direct our resources to where they will make the greatest difference for the state, and where they will serve our many statutory obligations.

Meanwhile, the work required of us is increasing, as we work to meet state and (increasing) federal requirements, and provide data and information to ensure that all Vermont students are getting what they are entitled to from our education system.

We anticipate working closely with the Administration and the General Assembly to ensure that no additional fiscal or administrative burdens are placed on either the Agency or school districts during the 2015 Legislative session. We will be advocating against any new legislation that impacts school operations unless it is demonstrably able to bring about efficiencies.

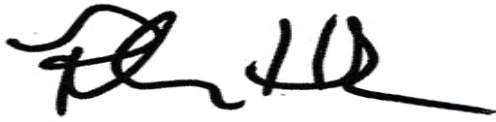
We are currently compiling a list of all task forces and committees one which we are statutorily required to serve, as well as a list of all reports we prepare for the Legislature on an annual basis. We propose to ask the Legislature to review these lists and assess whether all these statutory obligations are still priorities.

We also plan to propose legislative language to increase fees for processing Educator Licenses, which have been unchanged for several years, and do not accurately reflect the cost of the work required to carry this duty out with fidelity. Of note, the VSBPE recently revised its rules in a way that reduces our licensing revenue for the next five years by 20%, without reducing workload, and which compels us to reopen and make revisions to our new online licensing system. This has caused acute stresses in this division which we are working to mitigate.

With this letter, we are advising the Legislature that our capacity is strained, we cannot afford to fill all our positions, and we have limited or nonexistent ability to support new legislative initiatives.

Please do not hesitate to contact our office at (802) 479-1030 if you have any further questions.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'RH 10', with a long horizontal line extending to the right.

Rebecca Holcombe  
Secretary

# Message from the State Board of Education

While education is always of paramount concern to Vermonters, the 2015 legislative session promises a renewed and thorough examination around providing high quality opportunities for all children and assuring careful use of all our resources. Embracing these imperatives, the State Board of Education (Board) updated its five year strategic plan. It focuses on two goals:

1. Ensure that Vermont's public education system operates within the framework of high expectations for every learner and that there is equity in opportunity for all.
2. Ensure that the public education system is stable, efficient, and responsive to the changing population, economic and 21<sup>st</sup> century needs.

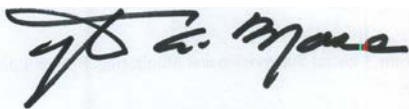
Through its Legislative Committee, the Board stands prepared to work with the Legislature and the Governor to advance these directions. In order to maximize the effectiveness of our stressed resources, the Board recommends limited new education initiatives. Instead, we must examine the efficiency of existing programs and closely monitor the implementation of recently enacted laws such as those regarding early education and dual enrollment. Educational finance is in the forefront of many minds and while improvements are called for, the Board here expresses its principles of progressivity and broad based taxes.

The leadership Secretary Holcombe demonstrates has assisted the Agency, the Board and educators across the state to continue to improve the Vermont educational system. There is a commendable spirit of common purpose and direction which will serve us well in the challenges we face. We commend the Secretary for her vision and her leadership.

The Board also notes that the Agency staff has been severely reduced over the last several years. This threatens the Agency's ability to implement the many new, promising and exciting programs the legislature has added. We also note that the Board, in its legally required policy setting role, functions without an independent staff. This essential staffing is not in the budget presented here. With even more tasks, such as school district reorganization, being considered for Board attention, this matter also requires positive resolution.

Despite these challenges, the Board notes that we have a very positive, purposeful and harmonious constellation of forces in the legislature, the Governor's office, the Agency and within the Board itself, committed and dedicated to the excellence of Vermont's educational system.

Respectfully submitted on behalf of the State Board of Education,



Stephan Morse  
State Board Chair

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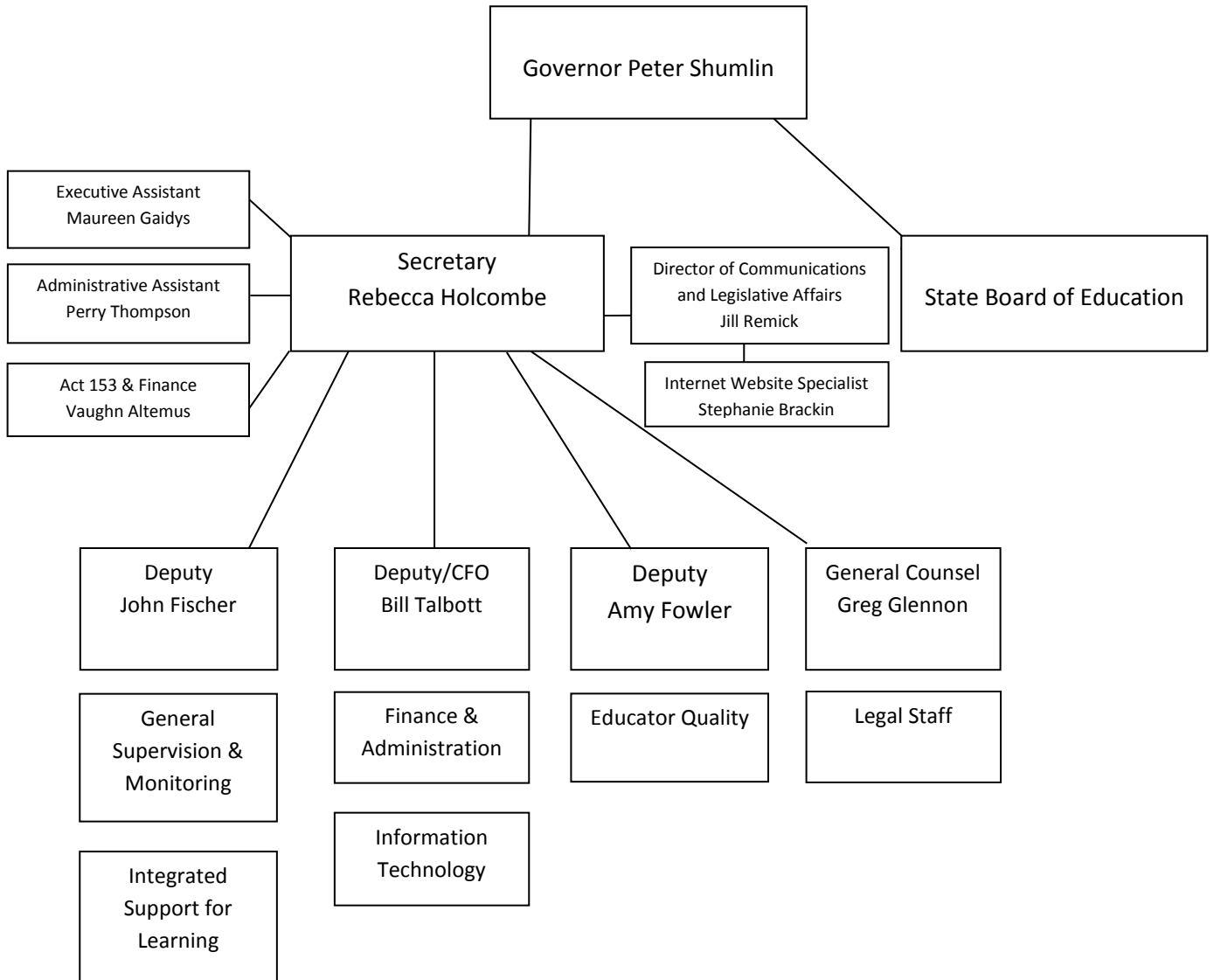
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# Organizational Chart



# Supporting Schools, Educators & Learners: The Numbers

	FY 14* School Year 2013-2014	FY15* School Year 2014-2015
<b>Public Schools and Private Academies</b>		
Elementary (K-6).....	152	152
Secondary (7-12).....	51	51
Combined (Elementary & Secondary) .....	96	96
Private Academies .....	4	4
<b>Total Public Schools.....</b>	<b>303</b>	<b>303</b>
Technical Centers.....	15	15
<b>Total Public Schools &amp; Technical Centers.....</b>	<b>318</b>	<b>318</b>
<b>Independent Schools &amp; Approved Programs</b>		
Approved Independent Schools .....	90	87
Approved Kindergartens.....	3	3
Recognized Independent Schools.....	36	31
State Operated Facilities.....	1	1
Approved Tutorials .....	3	3
Approved Pregnant and Parenting Programs.....	1	1
<b>Total Independent Schools &amp; Approved Programs.....</b>	<b>134</b>	<b>126</b>
<b>Public Education Governing &amp; Administrative Entities</b>		
Town, City and Incorporated School Districts (including 12 supervisory districts) .....	236	236
Union School Districts (includes four unified union districts) .....	39	39
Interstate School Districts.....	2	2
<b>Total School Districts.....</b>	<b>277</b>	<b>277</b>
Technical Center School Districts .....	3	3
Supervisory Unions .....	45	45
Joint Contract Schools .....	5	5
Gores and Unorganized Towns.....	9	9
<b>Total Public Education Governing and Administrative Entities .....</b>	<b>339</b>	<b>339</b>
<b>Public School Administrators</b>		
Superintendents .....	57.45	57
Principals.....	309.49	309
Vocational/Tech Center Directors .....	26	25
Business Managers .....	63.98	64
Special Education Directors .....	83.51	84
<b>Total Public School Administrators .....</b>	<b>540.43</b>	<b>539</b>
<b>Teachers (FTE).....</b>	<b>8,375.35</b>	<b>8,370</b>
<b>School Boards .....</b>	<b>285</b>	<b>285</b>
<b>Local School Board Members.....</b>	<b>1,442</b>	<b>1,422</b>

\*Estimated numbers as of January 2015, subject to change.



# Supporting Schools, Educators & Learners: The Numbers

	FY 14* School Year 2013-2014	FY15* School Year 2014-2015
<b>Publicly Funded Students</b> (enrolled as of October 1)		
Vermont Public Schools .....	85,065 .....	84,111
Vermont Approved Independent Schools .....	1,467 .....	1,580
Vermont Private Academies .....	1,936 .....	1,959
Out-of-State Schools .....	953 .....	921
Vermont State Agency and Other.....	237 .....	245
<b>Total Publicly Funded Students.....</b>	<b>89,658.....</b>	<b>88,816</b>
<b>Public School Enrollment</b>		
<b>K-12.....</b>	<b>79,513.....</b>	<b>78,255</b>
Early Education (Pre-K) .....	4,826 .....	5,067
Essential Early Education** .....	1,025 .....	1,138
<b>Total Public School Enrollment .....</b>	<b>85,364.....</b>	<b>84,460</b>
Academies Serving as Public Schools.....	2,420 .....	2,466
Approved Independent (K-12) .....	6,577 .....	5,085
Recognized Independent (K-12).....	798 .....	544
Home Study (K-12).....	2,384 .....	2,290
Approved Independent Kindergartens .....	100 .....	100
<b>Total Pre-K-12 Enrollment .....</b>	<b>97,643.....</b>	<b>94,945</b>
<b>Technical &amp; Adult Education Enrollment (categories not mutually exclusive)</b>		
Technical Centers.....	5,420 .....	4,889
Adult Education & Literacy .....	3,353 .....	3,500
GED Certificates Granted .....	384 .....	100
Education & Training – Criminal Offenders .....	84 .....	81
Adult Diploma Program .....	52 (63 served) .....	60 (73 served)
High School Completion.....	298 (402 served) .....	350 (450 served)
Other Secondary Diplomas Awarded Through AEL .....	27 .....	25
<b>Student Support Programs Enrollment (categories not mutually exclusive)</b>		
Special Education (ages 3-21) .....	13,885 .....	13,885
Title I .....	48,929 .....	50,886
Title I (Preschool)** .....	2,681 .....	500
Migrant Education .....	409 .....	410
Limited English Proficiency (LEP) .....	1,545 .....	1,545
Neglected and/or Delinquent .....	248 .....	252
Homeless.....	1,145 .....	1,250

\*Estimated numbers as of January 2015, subject to change.

\*\*Children ages 3 to 5, excluding those enrolled in kindergarten programs. Expected dramatic decrease as it is now State law to provide PK services and Title I will only fund services to eligible students beyond the 10 hour/week mandate.

# Agency of Education Budget Overview

The agency's total budget proposal increases by \$30.6 million due largely to our estimated increase in school district education spending. State aid for special education is also up \$5.3 million based on spending projections from the districts. This compares favorable to last year's projected \$11 million increase.

Federal funds show a decrease of \$6.3 million but this is due mainly to spending patterns of the districts and not necessarily a reduction of these federal sources. How Federal education programs will be funded in the new Congress is still unclear.

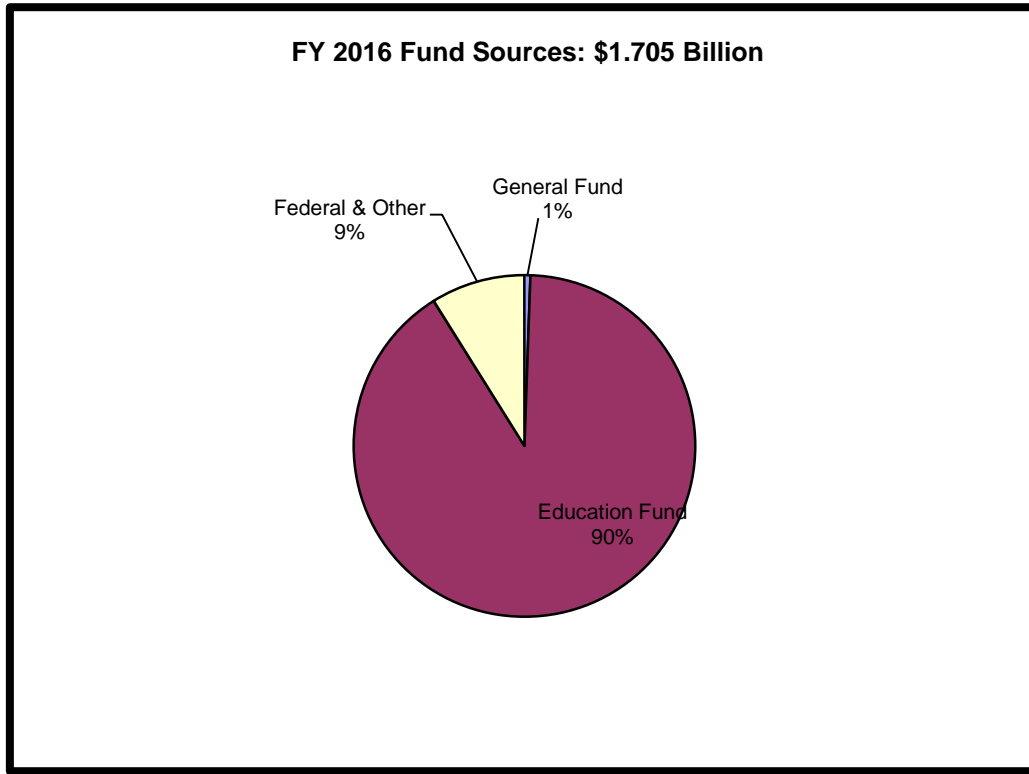
The level funded General Fund proposal reduces our general fund by \$247,421 due to the rescission in FY 2015. We have made difficult choices regarding how we are allocating some of this reduced funding given increased work to administer Act 177 the new Pre-K law.

<b>FY 2015 General Fund</b>	<b>9,890,082</b>
August 13 base rescission	(396,394)
Cost of benefit increase	129,221
Increase in internal service funds	19,752
<b>FY 2016 General Fund</b>	<b>9,642,661</b>

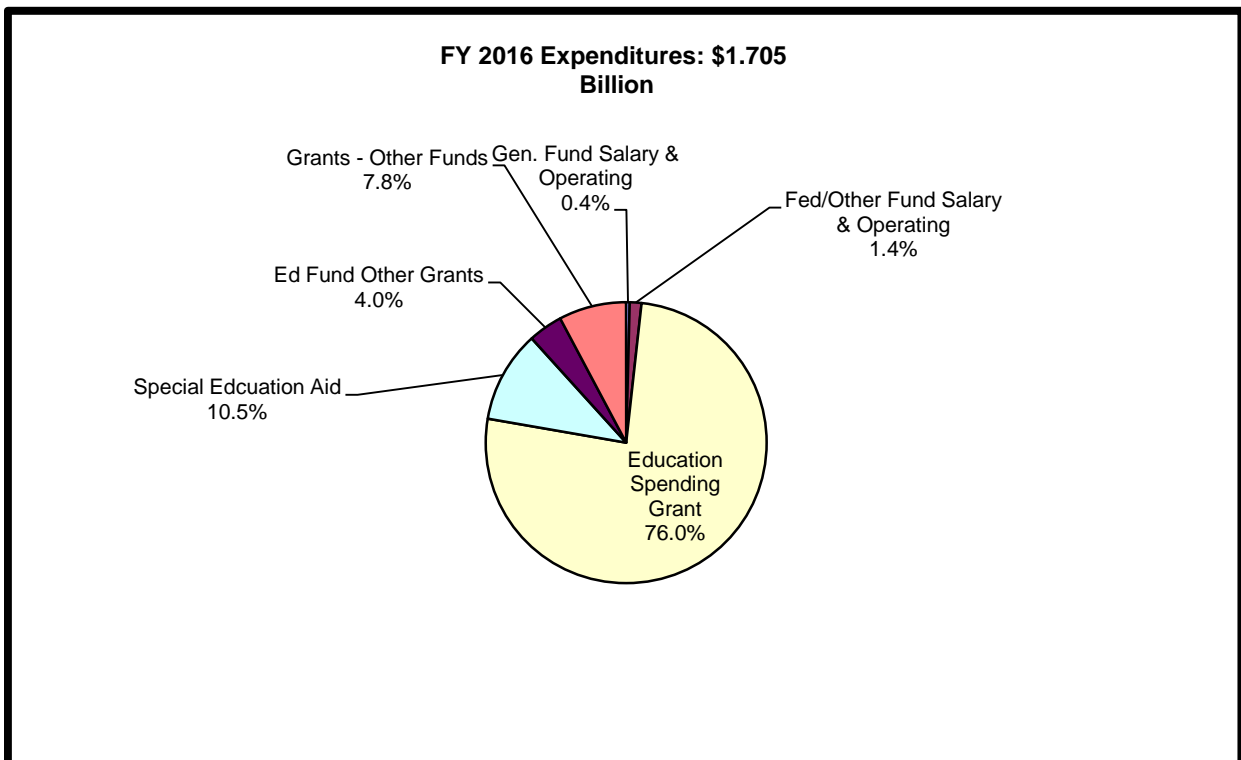
The total Education Fund budget proposal is up \$33.6 million (out of \$1.54 billion) as described above. Early this fall we estimated district education spending would be up 2.1%. This is a projection made in the fall; a more accurate projection will be available near the end of February when we compile district budget amounts that will be up for vote on town meeting day. Under current law, the base spending amount which is used to set district homestead property and income tax rates would increase from \$9,285 to \$9,459. To balance the education fund at this amount the tax commissioner has said the base homestead tax rate will need to be increased by up to two cents to \$1.00. A District that holds per pupil spending level will only have an increase of 0.16% in its equalized tax rate. The base rate for the income adjustment is recommended to remain at 1.94%

# Agency of Education Budget Overview

The pie chart below shows major sources of funding. Ninety percent of the \$1.705 billion budget comes from the Education Fund, and one percent is from General Fund dollars.



This chart shows major categories of expenditures. One and seven tenths percent of the total funds Agency operations. The remaining 98.3 percent comprises grants. Again, the vast majority of expenditures are from the Education Fund in the form of direct payments to school districts.



# Agency of Education Budget Overview

Appropriation Categories By Funding Source	FISCAL 2015 APPROP ACT	FISCAL YEAR 2016	
		AGENCY RECOMMEND	FY2015 TO FY2016
<b>DEPARTMENT GRAND TOTAL</b>			
<b>CATEGORY OF EXPENDITURE</b>			
PERSONAL SERVICES	23,067,456	26,095,981	3,028,525
OPERATING EXPENSES	4,425,536	3,969,907	(455,629)
GRANTS	<u>1,641,247,717</u>	<u>1,675,221,520</u>	<u>33,973,803</u>
<b>TOTAL ALL CATEGORIES</b>	<b>1,668,740,709</b>	<b>1,705,287,408</b>	<b>36,546,699</b>

## SOURCE OF FUNDS DETAIL

<b>GENERAL FUND</b>			
PERSONAL SERVICES	4,965,027	5,888,890	923,863
OPERATING EXPENSES	939,103	994,570	55,467
GRANTS			
1 Finance & Administration	2,500	2,500	0
2 Education Services	3,195,457	1,968,706	(1,226,751)
3 Adult Education & Literacy	<u>787,995</u>	<u>787,995</u>	<u>0</u>
GRANT TOTAL	<u>3,985,952</u>	<u>2,759,201</u>	<u>(1,226,751)</u>
<b>TOTAL GENERAL FUND</b>	<b>9,890,082</b>	<b>9,642,661</b>	<b>(247,421)</b>
<b>EDUCATION FUND</b>			
PERSONAL SERVICES	0	0	0
OPERATING EXPENSES	1,163,360	962,145	(201,215)
GRANTS			
4 Technical Education	13,708,162	13,331,162	(377,000)
5 Special Education Formula	173,292,153	179,823,434	6,531,281
6 State-placed Students	16,900,000	16,400,000	(500,000)
7 Adult Education & Literacy	5,800,000	5,800,000	0
8 Statewide Education Spending	1,258,535,630	1,295,574,706	37,039,076
9 Essential Early Education	6,296,479	6,356,188	59,709
10 Transportation	17,163,059	17,734,913	571,854
11 Small School Support	7,650,000	7,615,000	(35,000)
12 Capital Debt Service Aid	126,000	122,000	(4,000)
GRANT TOTAL	<u>1,499,471,483</u>	<u>1,542,757,403</u>	<u>43,285,920</u>
<b>TOTAL EDUCATION FUND</b>	<b>1,500,634,843</b>	<b>1,543,719,548</b>	<b>43,084,705</b>

## **Grants**

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These grants are described in greater detail as referenced:

- |   |   |
|---|---|
| <b>1. Finance &amp; Administration:</b> page 18   | <b>7. Adult Education &amp; Literacy:</b> page 34 |
| <b>2. Education Services:</b> page 21             | <b>8. Statewide Education Spending:</b> page 36   |
| <b>3. Adult Education &amp; Literacy:</b> page 34 | <b>9. Essential Early Education:</b> page 37      |
| <b>4. Technical Education:</b> page 30            | <b>10. Transportation:</b> page 37                |
| <b>5. Special Education Formula:</b> page 32      | <b>11. Small School Support:</b> page 38          |
| <b>6. State-placed Students:</b> page 33          | <b>12. Capital Debt Service Aid:</b> page 38      |

# Agency of Education Budget Overview

## SOURCE OF FUNDS DETAIL CONTINUED

Appropriation Categories By Funding Source	FISCAL 2015 APPROP ACT	FISCAL YEAR 2016	
		AGENCY RECOMMEND	FY2015 TO FY2016
<b>TOBACCO LITIGATION FUND</b>			
PERSONAL SERVICES	109,523	101,707	(7,816)
OPERATING EXPENSES	32,599	29,115	(3,484)
GRANTS			
13 Tobacco Litigation	<u>624,419</u>	<u>635,719</u>	<u>11,300</u>
<b>TOTAL TOBACCO LITIGATION FUND</b>	<b>766,541</b>	<b>766,541</b>	<b>0</b>
<b>FEDERAL, SPECIAL &amp; INTERDEPARTMENTAL FUNDS</b>			
PERSONAL SERVICES	17,992,907	18,914,680	921,773
OPERATING EXPENSES	2,290,473	1,968,848	(321,625)
GRANTS			
14 Finance & Administration	15,588,700	15,808,700	220,000
15 Education Services	120,722,690	113,611,957	(7,110,733)
16 Adult Education & Literacy	763,473	763,473	0
17 Act 117 Cost Containment	<u>91,000</u>	<u>91,000</u>	<u>0</u>
<b>GRANT TOTAL</b>	<b><u>137,165,863</u></b>	<b><u>130,275,130</u></b>	<b>(6,890,733)</b>
<b>TOTAL FED, SPEC, INTERDEPT. FUND</b>	<b>157,449,243</b>	<b>151,158,658</b>	<b>(6,290,585)</b>
<b>TOTAL ALL CATEGORIES</b>	<b>1,668,740,709</b>	<b>1,705,287,408</b>	<b>36,546,699</b>

## Grants

These grants are described in greater detail as referenced:

- 13. Tobacco Litigation: page 39
- 14. Finance & Administration: page 18
- 15. Education Services: pages 23-27

- 16. Adult Education & Literacy: page 34
- 17. Act 117 Cost Containment: page 39

## Finance & Administration

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The **Central Office** includes the Secretary and her direct staff. They support her work and that of the State Board and Agency as a whole.

The *Legal Unit* represents the Secretary and the Agency of Education in litigation and contract matters, as well as legislative advocacy, administrative rulemaking and educator licensing sanctions. They conduct administrative hearings and oversee the dispute resolution processes for special education.

The following Finance and Administration programs are overseen by the *Deputy/Chief Financial Officer*:

**Business Management** performs the accounting, budgeting, grants management, payroll, logistics and other business management functions of the agency.

**Special Education Finance** provides the agency's administrative services for claiming eligible special education expenses under 16 V.S.A. Chapter 101 and the federal Individuals with Disabilities Education Improvement Act. Services include distribution of financial aid for special education, as well as the audit and monitoring requirements of these programs, as required by Act 117. This group also provides the agency's administrative services and technical assistance to school districts for claiming eligible special education expenses under 16 V.S.A. §2959(a).

**School Finance** administers public school funding as required by 16 V.S.A. Chapter 133, better known as Act 68, which distributes over \$1 billion to Vermont's public schools. It also collects and analyzes school expenditure and revenue data for use by policymakers and others. The team conducts training sessions for school business managers each year and works closely with the Vermont Association of School Business Officials (VASBO).

The **Federal Fiscal Monitoring Team** is responsible for the fiscal monitoring of school districts and other organizations receiving federal grants, and reviews all school district audits required under 16 V.S.A. §323 and §563(17).

The **Information Technology (IT)** division serves the agency in its networking, system development, and data administration needs.

# Finance & Administration

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	FISCAL 2015 APPROP ACT	FISCAL YEAR 2016	
		AGENCY RECOMMEND	FY2015 TO FY2016
<b>CATEGORY OF EXPENDITURE</b>			
PERSONAL SERVICES	7,720,192	8,452,624	732,432
OPERATING EXPENSES	2,467,828	2,409,879	(57,949)
GRANTS	<u>15,591,200</u>	<u>15,811,200</u>	<u>220,000</u>
<b>TOTAL ALL CATEGORIES</b>	<b>25,779,220</b>	<b>26,673,703</b>	<b>894,483</b>
<b>SOURCE OF FUNDS</b>			
GENERAL FUND (A)	3,134,289	3,338,940	204,651
EDUCATION FUND (B)	1,163,360	962,145	(201,215)
FEDERAL FUNDS (C)	3,674,129	4,778,175	1,104,046
SPECIAL FUNDS (D)	17,807,442	17,594,443	(212,999)
INTERDEPT. TRANSFER (E)	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL ALL SOURCES</b>	<b>25,779,220</b>	<b>26,673,703</b>	<b>894,483</b>



# Finance & Administration

	FISCAL 2015 APPROP ACT	FISCAL YEAR 2016	
		AGENCY RECOMMEND	FY2015 TO FY2016
<b>(A) GENERAL FUND</b>			
PERSONAL SERVICES	2,590,573	2,599,730	9,157
OPERATING EXPENSES	541,216	736,710	195,494
GRANTS			
1 Teacher of the Year	<u>2,500</u>	<u>2,500</u>	<u>0</u>
<b>TOTAL GENERAL FUND</b>	<b>3,134,289</b>	<b>3,338,940</b>	<b>204,651</b>
<b>(B) EDUCATION FUNDS</b>			
PERSONAL SERVICES	0	0	0
OPERATING EXPENSES	1,163,360	962,145	(201,215)
GRANTS	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL EDUCATION FUNDS</b>	<b>1,163,360</b>	<b>962,145</b>	<b>(201,215)</b>
<b>(C) FEDERAL FUNDS</b>			
PERSONAL SERVICES	3,049,734	3,860,257	810,523
OPERATING EXPENSES	374,395	357,918	(16,477)
GRANTS			
2 Longitudinal Data Systems	<u>250,000</u>	<u>560,000</u>	<u>310,000</u>
<b>TOTAL FEDERAL FUNDS</b>	<b>3,674,129</b>	<b>4,778,175</b>	<b>1,104,046</b>
<b>(D) SPECIAL FUNDS</b>			
PERSONAL SERVICES	2,079,886	1,992,637	(87,249)
OPERATING EXPENSES	388,856	353,106	(35,750)
GRANTS			
3 Medicaid	12,338,700	12,248,700	(90,000)
4 Property Tax Relief	<u>3,000,000</u>	<u>3,000,000</u>	<u>0</u>
<b>TOTAL SPECIAL FUNDS</b>	<b>17,807,442</b>	<b>17,594,443</b>	<b>(212,999)</b>
<b>TOTAL ALL SOURCES</b>	<b>25,779,220</b>	<b>26,673,703</b>	<b>894,483</b>

## Finance & Administration Grants

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**1. Teacher of the Year:** The purpose of this grant is to cover travel expenses related to being named Teacher of the Year. In this role it is expected that he/she will travel across Vermont to speak with schools, education partners and legislation in order to better inform and engage the public in Vermont's education system. This grant was previously budgeted in the Education Programs appropriation.

**2. Longitudinal Data Systems:** This portion of Vermont's Statewide Longitudinal Data Systems grant received from the US Department of Education will be awarded to LEAs to help pay for customizations to local computer systems so that those systems will be able to interoperate with the Statewide Longitudinal Data System. Customizations to local systems may include confirmation of Schools Interoperability Framework (SIF) agents or the implementation of extract report functionality. The federal grant period is from July 1, 2012 through June 30, 2015.

**3. Medicaid:** School districts use these grants for prevention and intervention programs in grades Pre-K-12 and for the administrative costs of school-based health services.

**4. Property Tax Relief:** The purpose of this grant is to support the developing continuous improvement programs of school districts working toward the new Education Quality Standards. Information gathered will be used to develop indicators of school effectiveness, both at the fiscal and program levels.

# Education Services

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Working under the direction of the Deputy for Transformation and Innovation and the Deputy for Educator Quality, the Education Services Teams provide technical assistance and support to schools, and carry out state and federal requirements for special education, assessment, and other direct support services.

**Integrated Support for Learning: Pre-K through Middle School:** Staff with expertise in multi-tiered support systems, school improvement, early learning and development, student health and learning, special education, and content-based instruction work together, and in collaboration with the HS and Adult Division, to create integrated teams of consultants providing support to schools, early learning programs, after school sites, and community-based providers in implementing evidence-based practices, school-wide improvement models, and prevention models to improve instruction and learning outcomes for every student.

**Integrated Support for Learning: Secondary & Adult Division:** Staff with expertise in educational support systems, school improvement, career and technical education, adult education, English-language learners, standards, assessment, data analysis, and content-based instruction work together, and in collaboration with the PK-8 Division, to create integrated teams of consultants providing support to schools, career centers, and community-based providers in implementing evidence-based practices, school-wide improvement models, and prevention models to improve instruction and learning outcomes for every student.

**General Supervision and Monitoring:** We work to provide proactive, coherent support to schools and supervisory unions by bringing special education monitoring and consolidated federal programs together in one division to create comprehensive approaches to the grant approval process, technical assistance and monitoring for federal and state regulatory compliance. Cross division teams are utilized to increase capacity and provide a unified approach to the use of federal funds to support improvement at the school and supervisory union level. Professional learning activities are maximized by leadership in prioritizing the work we need done to support schools and SU's and communication and collaboration across divisions and among external professional development providers. Interagency work with AHS partners supports students in DCF care or placed by another AHS Department. State regulatory implementation is supported within the division through consultants who work with Independent School approvals, the driver's education program, and the home school enrollment process. School food and nutrition services at the local and supervisory union level and at a variety of other institutions, are also supported and monitored by consultants in this division.

**Educator Quality (comprises Licensing and Professional Standards):** Well-prepared, supported educators and leaders in the field are essential, as we know that this makes a significant difference in the educational lives of our students. High-quality teaching standards tied to evidence-based teaching practices provide a foundation for teacher and administrator preparation and ongoing professional learning. The Educator Quality Division developed standards that build a career continuum focused on teacher and leader effectiveness, and also being developed is an evaluation system for teachers and leaders. This Division provides professional licensure to Vermont educators, and works with the Vermont Standards Board for Professional Educators (VSBPE).

# Education Services Summary

	FISCAL 2015 APPROP ACT	FISCAL YEAR 2016	
		AGENCY RECOMMEND	FY2015 TO FY2016
<b>CATEGORY OF EXPENDITURE</b>			
PERSONAL SERVICES	14,147,448	16,454,867	2,307,419
OPERATING EXPENSES	1,780,412	1,382,706	(397,706)
GRANTS	<u>123,918,147</u>	<u>114,374,730</u>	<u>(9,543,417)</u>
<b>TOTAL ALL CATEGORIES</b>	<b>139,846,007</b>	<b>132,212,303</b>	<b>(7,633,704)</b>
<b>SOURCE OF FUNDS</b>			
GENERAL FUND (A)	5,967,798	5,515,726	(452,072)
FEDERAL FUNDS (B)	130,390,263	123,005,164	(7,385,099)
SPECIAL FUNDS (C)	3,463,696	2,425,480	(1,038,216)
INTERDEPT. TRANSFER (D)	<u>24,250</u>	<u>1,265,933</u>	<u>1,241,683</u>
<b>TOTAL ALL SOURCES</b>	<b>139,846,007</b>	<b>132,212,303</b>	<b>(7,633,704)</b>

## SOURCE OF FUNDS DETAIL

<b>(A) GENERAL FUND</b>			
PERSONAL SERVICES	2,374,454	3,289,160	914,706
OPERATING EXPENSES	397,887	257,860	(140,027)
GRANTS			
1 Adult Services Coordinator	211,233	211,233	0
2 Tech Ed Adult Formula	75,708	75,708	0
3 Early Reading	104,860	104,860	0
4 Special Olympics	13,778	13,778	0
5 Child Nutrition - State Match	453,348	408,348	(45,000)
6 Child Nutrition - Child Care	223,268	223,268	0
7 Child Nutrition - Breakfast	302,632	277,632	(25,000)
8 Child Nutrition - Summer Food	51,387	51,387	0
9 Child Nutrition - Free Lunch Initiativ	322,250	297,250	(25,000)
10 Child Nutrition - TEFAP	83,976	83,976	0
11 School Wellness	28,612	28,612	0
12 Governor's Institutes	192,654	192,654	0
13 Early Education Initiative	<u>1,131,751</u>	<u>0</u>	<u>(1,131,751)</u>
<b>TOTAL GRANTS</b>	<b><u>3,195,457</u></b>	<b><u>1,968,706</u></b>	<b><u>(1,226,751)</u></b>
<b>TOTAL GENERAL FUND</b>	<b>5,967,798</b>	<b>5,515,726</b>	<b>(452,072)</b>

# Education Services Grants

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## 1. Adult Services Coordinator Salary

**Assistance:** These funds are disbursed as payments to each technical center district to pay a portion of its adult education coordinator's salary.

## 2. Adult Technical Education Formula:

These grants are awarded to 15 regional technical centers and 2 independent schools serving their region as a CTE center to support educational services for adults. Grants provide resources necessary to address the training needs of students and businesses in the region.

**3. Early Reading:** These funds support the implementation of the State Board's Comprehensive Plan for Early Reading Success. Major components include professional development for educators and administrators in order to improve content knowledge and instructional competency in literacy for educators working with children in preschool through grade 3.

**4. Special Olympics:** This program helps ensure that children and adults who have developmental delays have access to unified sports activities with non-disabled peers.

**5. 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.

**6. Child Nutrition – Day Care Home Tier 2 Meal Initiative (Child Care):** These funds support tier 2 low breakfasts, lunches and snacks served in day care homes where federal subsidies were cut by the federal Welfare Reform Act of 1996.

**7. Child Nutrition – Reduced Price Breakfast Initiative (Breakfast):** To the extent funds are appropriated, this program helps to fill the gap between the amount of federal reimbursement schools receive per meal and the actual cost to prepare a school breakfast. This funding also eliminates the reduced price charge of 30 cents for low income students whose household income is between 130 and 185% of poverty.

**8. 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.

**9. Child Nutrition – Reduced Price Lunch Initiative (Free Lunch Initiative):** This funding covers the reduced price lunch charge of 40 cents for low income students whose household income is between 130 and 185% of poverty.

**10. Child Nutrition – The Emergency Food Assistance Program:** Funds to assist in the distribution and transportation process of donated food to recipient agencies for support of low income households.

**11. School Wellness:** Grants may be used to establish a wellness program advisory council, inventory programs and assets, gather data about the health status of children in the community, adopt a fitness and nutrition policy or implement and coordinate wellness programs in the school community based on the adopted policy.

**12. Governor's Institutes:** These funds provide about 20 percent of the costs for 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.

**13. Early Education Initiative (EEI):** These funds support grants to organizations and schools to provide early childhood education services to at-risk preschoolers. In FY16 these grant funds were repurposed.

# Education Services Budget Summary

	FISCAL 2015 APPROP ACT	FISCAL YEAR 2016	
		AGENCY RECOMMEND	FY2015 TO FY2016
<b>(B) FEDERAL FUNDS</b>			
PERSONAL SERVICES	9,467,732	9,945,419	477,687
OPERATING EXPENSES	861,504	981,721	120,217
GRANTS			
14 Carl Perkins Secondary	2,500,072	2,500,072	0
15 Perkins Secondary Reserve	300,000	300,000	0
16 Carl Perkins Post-secondary	881,657	881,657	0
17 Post-secondary Reserve	100,000	100,000	0
18 Carl Perkins Leadership	100,000	100,000	0
19 Carl Perkins Corrections	42,149	42,149	0
20 21st Century	6,850,000	6,850,000	0
21 Title I Grants to LEAs	37,803,229	32,000,000	(5,803,229)
22 Title I Academic Achievement	50,000	0	(50,000)
23 Title I Migrant	761,000	881,225	120,225
24 Title I Migrant Consortium	140,000	200,000	60,000
25 Title I Neglected or Delinquent	600,000	300,000	(300,000)
26 Homeless Education Act	119,450	196,887	77,437
27 Title II, ITQ	13,110,850	10,500,000	(2,610,850)
28 Title II, ITQ SAHE	344,000	400,000	56,000
29 IDEA-B Flow-Thru & Disc.	23,834,519	23,834,519	0
30 Preschool Incentive	831,679	781,689	(49,990)
31 State Improvement Grant (SPDG)	400,000	68,000	(332,000)
32 School Lunch Program	14,500,000	14,500,000	0
33 Child & Adult Care Food Program	6,036,400	5,886,400	(150,000)
34 School Breakfast Program	5,582,000	5,582,000	0
35 Summer Food Service Program	462,000	1,210,000	748,000
36 Special Milk Program	97,416	97,416	0
37 Cash in Lieu of Commodities	105,019	105,019	0
38 CN Team Nutrition	30,250	0	(30,250)
39 CN Fruits & Vegetables	1,700,337	1,700,337	0
40 Child Nutrition - TEFAP	56,000	56,000	0
41 CN Sponsor Admin	450,000	600,000	150,000
42 CN Equipment Assistance	0	54,654	54,654
43 Title I - School Improvement	1,000,000	1,000,000	0
44 Math & Science Partnership	900,000	900,000	0
45 Title III ELA	325,000	325,000	0
46 Health Education	<u>48,000</u>	<u>125,000</u>	<u>77,000</u>
TOTAL GRANTS	<u>120,061,027</u>	<u>112,078,024</u>	<u>(7,983,003)</u>
TOTAL FEDERAL FUNDS	<u>130,390,263</u>	<u>123,005,164</u>	<u>(7,385,099)</u>



## **Education Services Grants**

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**14. Carl Perkins Secondary:** These federal funds are awarded as formula grants to 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.

**15. Perkins Secondary Reserve:** These federal funds are made up of set-aside amounts within the formula grant and returned Perkins secondary funds. Grants awarded from the reserve are competitive and intended for new program development and implementation in the secondary CTE centers.

**16. Carl Perkins Post-secondary:** These federal funds are awarded as formula grants to post-secondary career technical education providers for program development and improvement with transitions from secondary CTE programs.

**17. Post-secondary Reserve:** These federal funds are made up of set-aside amounts within the formula grant and returned Perkins post-secondary funds returned by post-secondary Perkins recipients. Grants awarded from the reserve are competitive and intended for new program development, implementation and alignment with secondary CTE programs at regional CTE centers.

**18. Carl Perkins State Leadership:** These 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.

**19. Carl Perkins Corrections:** This item is a part of Carl Perkins State Leadership and supports career and technical education programming for inmates at correctional facilities throughout the Community High School of Vermont.

**20. 21st Century Community Learning Centers:** This grant is distributed to school districts that create highly structured innovative extended-day or extended-year programs. Funds provide expanded opportunities for student learning in safe, supervised settings and promote parental involvement in schools.

**21. Title I - Grants to LEAs:** Funds allocated to local educational agencies 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.

**22. Title I Academic Achievement:** Funds to reward schools that either significantly close the achievement gap between identified groups of students or exceeded their adequate yearly progress targets for 2 or more consecutive years.

**23. 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.

**24. Title I – Migrant Consortium:** Funds to help support Vermont’s participation in multi-state consortia to design and implement educational support services for eligible migrant students.

**25. 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.

# Education Services Grant

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## **26. McKinney Vento Homeless**

**Education Act:** Funds support programs to ensure that homeless children and youth have equal access to the same free, appropriate public education – including preschool – provided to other children and youth.

## **27. Title II, Part A - Improving Teacher**

**Quality State Grants:** This program is funded by federal monies for LEA entitlement subgrants and State Education Agency technical assistance. Funds support professional development and other initiatives to ensure that schools have highly qualified teachers, principals and paraprofessionals.

## **28. Title II, Part A - State Agency for Higher Education (SAHE):**

This competitive grant program supports partnerships between institutions of higher education and LEAs to provide quality professional development for teachers, principals and paraprofessionals.

**29. IDEA-B - Subgrants:** These federal funds flow directly to schools to assist with the costs of special education for children and youth ages 3 to 22.

## **30. IDEA, Part B, Preschool (sec. 619)**

**(Preschool Incentive):** These funds flow directly to schools to assist with special education costs for children ages 3 to 5. Funds also support statewide projects, technical assistance, compliance monitoring and training regarding special education costs for children ages 3 to 5.

## **31. State Personnel Development**

**Grants (SPDG):** These federal special education funds support training and personnel development in the areas of early and school age multi-tiered systems of supports, secondary transition and career readiness to improve outcomes for students with disabilities.

**32. School Lunch Program:** Funds are used to provide a per meal reimbursement to school food service programs to support meals serviced in school lunch programs.

## **33. Child and Adult Care Food Program:**

These funds are used to provide a per meal reimbursement to program sponsors to support meals served in child care and adult care programs. In addition, centers can receive cash in lieu of commodity foods.

**34. School Breakfast Program:** These funds provide a per meal reimbursement and administrative rate for meals served in breakfast programs.

**35. Summer Food Service Program:** These funds provide a per meal reimbursement and administrative rate for meals served.

**36. Special Milk Program:** These funds are used to provide reimbursement to support the cost of 8 oz. servings of milk served to students at schools or sites that do not participate in a federal meal program.



## **Education Services Grants**

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**37. Cash in Lieu of Commodities:** Funds allow participating child care centers to choose to receive cash payments for lunches/dinners instead of U.S. Department of Agriculture donated food.

**38. Child Nutrition Team Nutrition:** The team nutrition grant provides funds for improving nutrition education.

**39. Child Nutrition Fresh Fruits & Vegetables:** These funds provide funding assistance for increasing fruit and vegetable consumption in low-income schools.

**40. Child Nutrition – The Emergency Food Assistance Program:** Funds to assist in the distribution and transportation process of donated food to recipient agencies for support of low income households.

**41. Child Nutrition – Sponsor Admin:** Day care home sponsors receive administrative funds on a per home rate to support the cost of managing and administering the program to the day care home recipients.

**42. CN Equipment Assistance**  
Federal funds provided through the Healthy, Hungry Free Kids Act of 2010. Funds are provided to low income schools to improve the infrastructure of their food service programs.

**43. Title I School Improvement:** Funds allocated to Title I schools that are in need of improvement under the State's accountability system. Funds are to coordinate and implement the school's continuous improvement plan.

**44. Math & Science Partnership:** This competitive grant program funds high-quality, content-driven professional development in mathematics and science. Partnerships must include a high-needs Local Education Agency (LEA) and STEM faculty from an institution of higher education. Additional partners may include education department faculty, non-profits, businesses and other LEAs. The goal is to deepen knowledge of mathematics and science content for K-8 teachers.

**45. Title III English Language Instruction for Limited English Proficient (LEP) and Immigrant Students:** These funds assist LEAs in addressing the needs of LEP students. Formula-based subgrants are awarded to eligible LEAs to provide language instruction to help LEP students meet Vermont's academic standards.

**46. Health Education:** These funds assist schools across Vermont in developing and improving upon comprehensive health education curriculum, instruction and assessment practices. These funds are used for professional development, coaching, technical assistance as well as current, relevant and up-to-date resources based on health education standards for use in health education classrooms.

## Education Services Budget Summary

	FISCAL 2015 APPROP ACT	FISCAL YEAR 2016	
		AGENCY RECOMMEND	FY2015 TO FY2016
<b>(C) SPECIAL FUNDS</b>			
PERSONAL SERVICES	2,305,262	2,029,584	(275,678)
OPERATING EXPENSES	521,021	127,896	(393,125)
GRANTS			
47 Licensing	90,000	30,000	(60,000)
48 Nellie Mae Foundation	9,413	0	(9,413)
49 Reading Readiness	238,000	238,000	0
50 Statewide System of Support	<u>300,000</u>	<u>0</u>	<u>(300,000)</u>
TOTAL GRANTS	<u>637,413</u>	<u>268,000</u>	<u>(369,413)</u>
TOTAL SPECIAL FUNDS	3,463,696	2,425,480	(1,038,216)
<b>(D) INTERDEPT. TRANSFER</b>			
PERSONAL SERVICES	0	1,190,704	1,190,704
OPERATING EXPENSES	0	15,229	15,229
GRANTS			
51 VDH Chronic Health Prevention	24,250	0	(24,250)
52 Race to the Top Early Lrng Challenge	<u>0</u>	<u>60,000</u>	<u>60,000</u>
TOTAL INTERDEPT. TRANSFER	24,250	1,265,933	1,241,683

## Education Services Grants

**47. Licensing:** Generated from educator licensing fees, these funds support the local and regional standards boards that are responsible for recommending educator re-licensure.

**48. Nellie Mae Education Foundation:** The Nellie Mae Education Foundation and the agency's 21st Century Community Learning Centers Program are collaborating by providing grant funds to identify, support and replicate promising practices for middle school students. Grants are awarded for exemplary afterschool and summertime programs. Program ended.

**49. Reading Readiness:** These funds are given as subgrants to support local and regional efforts to help students meet or exceed literacy standards. Grants support the Vermont Reads Institute and other providers of professional development in literacy to provide technical assistance, professional development and resources to educators.

# Education Services Grants

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## **50. Statewide System of Support:**

We are now administering the Professional Learning Network with contracts rather than grants. Funding has been moved from the grants budget to the personal services budget as required by the state's accounting system for contracts. Funds are used to support the work of the Professional Learning Network (PLN) to deliver statewide, high-quality professional learning focused on CCSS Implementation and Instructional Leadership.

**51. VDH Chronic Health Prevention:** These funds are provided by the Vermont Department of Health to the Agency of Education for the purpose of granting funds to schools for implementation of the Presidential Youth Fitness Program. Program ended.

## **52. Race to the Top-Early Learning Challenge:**

Grants will support regional and program wide readiness, adoption and implementation of Early Multi-Tiered Systems of Support (MTSS). Grants will be allocated to 3 regional Building Bright Futures councils and pilot sites per cohort year.

# Categorical Grants

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The following grants are referred to as stand-alone grants because each one has a separate appropriation.

Technical Education .....	29
Special Education Formula .....	31
State-placed Students .....	33
Adult Education & Literacy.....	34
Statewide Education Spending.....	35
Essential Early Education.....	37
Transportation .....	37
Small School Support .....	38
Capital Debt Service Aid.....	38
Tobacco Litigation Fund .....	39
Act 117 Cost Containment.....	39

## Technical Education

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

	FISCAL 2015 APPROP ACT	FISCAL YEAR 2016	
		AGENCY RECOMMEND	FY2015 TO FY2016
<b>CATEGORY OF EXPENDITURE</b>			
GRANTS	13,708,162	13,331,162	(377,000)
<b>SOURCE OF FUNDS</b>			
EDUCATION FUND	13,708,162	13,331,162	(377,000)

### SOURCE OF FUNDS DETAIL

<b>(B) EDUCATION FUND</b>			
<b>GRANTS</b>			
1 Tech. Ed. Tuition Reduction	8,996,000	8,746,000	(250,000)
2 Tech. Ed. Salary Assistance	2,108,000	2,037,000	(71,000)
3 Tech. Ed. Transportation	1,582,000	1,526,000	(56,000)
4 Youth Leadership	78,328	78,328	0
5 Secondary School Reform	200,000	200,000	0
6 Innovative Program Developmen	243,834	243,834	0
7 Tech Ed Equipment	<u>500,000</u>	<u>500,000</u>	<u>0</u>
TOTAL GRANTS	13,708,162	13,331,162	(377,000)
TOTAL EDUCATION FUND	13,708,162	13,331,162	(377,000)

# Grants

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## **1. CTE Tuition Reduction (Technical Education Tuition Reduction):**

Funds are disbursed as payments to technical centers to reduce the tuition paid by school districts, based on three-year average enrollments.

## **2. CTE Salary Assistance (Technical Education Salary Assistance):**

Funds are disbursed as payments to technical center districts to help defray the costs of salaries for technical center directors, guidance coordinators and cooperative education coordinators.

## **3. CTE Transportation (Technical Education Transportation):**

Funds reimburse costs of transporting students to CTE centers. The per mile adjusted reimbursement rate is calculated annually.

**4. Career Technical Student Organizations (CTSO) (Youth Leadership):** Funds support CTSO's that promote youth leadership development activities and participation in regional, state and national skills competitions.

**5. Secondary School Transformation (Secondary School Reform):** Funds support school change initiatives at the middle and secondary levels. Initiatives include but are not limited to student engagement, proficiency based learning, Education Quality Standards and improvement of instructional practice.

## **6. Innovative Program Development:**

Funds help cover start-up costs for new and innovative CTE programs that prepare students for careers and/or further studies in emerging career fields with high skills, high wage and high demand jobs

## **7. CTE Equipment (Technical Education Equipment):**

Funds are made available to regional career centers through a reimbursement program to update or replace equipment.

## Special Education Formula

The Special Education Formula provides funding for Vermont school districts for their K-12 special education eligible costs not covered by federal funds or other State funds such as State placed student funding. The grant categories 4-9 provide funding for specialized services and training.

	FISCAL 2015 APPROP ACT	FISCAL YEAR 2016	
		AGENCY RECOMMEND	FY2015 TO FY2016
<b>CATEGORY OF EXPENDITURE</b>			
<b>GRANTS</b>	173,292,153	179,823,434	6,531,281
<b>SOURCE OF FUNDS</b>			
<b>EDUCATION FUND</b>	173,292,153	179,823,434	6,531,281

### SOURCE OF FUNDS DETAIL

<b>(A) EDUCATION FUND</b>			
<b>GRANTS</b>			
1 Mainstream Block Grant	31,031,505	31,578,424	546,919
2 Special Ed. Expend. Reimb.	125,273,066	129,033,117	3,760,051
3 Extraordinary Reimbursement	13,450,360	15,565,372	2,115,012
4 I-Team & Regional Specialist	1,006,938	1,038,052	31,114
5 Hearing Impaired	884,761	912,100	27,339
6 Visually Impaired	538,621	555,264	16,643
7 BEST	532,722	549,183	16,461
8 Act 230 Training	392,742	404,878	12,136
9 Higher Education Participation	<u>181,438</u>	<u>187,044</u>	<u>5,606</u>
<b>TOTAL GRANTS</b>	173,292,153	179,823,434	6,531,281
<b>TOTAL EDUCATION FUNDS</b>	173,292,153	179,823,434	6,531,281
<b>TOTAL ALL SOURCES</b>	173,292,153	179,823,434	6,531,281

# Grants

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1. **Mainstream Block Grant:** These funds provide a block grant for each school district based on 60 percent of the statewide average salary for: (1) 9.75 special education teaching positions per 1,000 Average Daily Membership (ADM), and (2) up to two special education administrators per supervisory union/district based on ADM (16 V.S.A. § 2961).
2. **Special Education Expenditures Reimbursement (Intensive Services Reimbursement):** This funding reimburses a portion of eligible special education costs not covered by another part of the formula or by federal or other state funds (16 V.S.A. § 2963).
3. **Extraordinary Reimbursement:** Funds provide 90 percent reimbursement for high-cost students for cost in excess of \$50,000 for individualized education programs (IEPs) (16 V.S.A. § 2962).
4. **Interdisciplinary Team (Interdisciplinary Team and Regional Multi-disability Specialist):** 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.
5. **Students who are Deaf or Hard of Hearing (Hearing Impaired):** These funds support consultation and services for students who are deaf or hard of hearing. Regionally assigned consultants assist school staff and parents in arranging for assistive technology, accommodations, training and technical assistance.
6. **Students with Visual Impairments (Visually Impaired):** 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.
7. **Building Effective Supports for Teaching (BEST):** These funds assist schools in developing and implementing systemic plans to improve staff's ability to effectively respond to challenging student behaviors. They support training opportunities, coaching, technical assistance and regional partnerships to meet the needs of students who have emotional and behavioral challenges.
8. **Act 230 Training Grants:** Funds are granted to supervisory unions/districts for training and technical assistance to better meet student needs and to enhance tiered systems of supports.
9. **Higher Education Participation:** These funds support tuition reimbursement and stipends for special education teacher training.



## State-placed Students

A state-placed student is one who is placed by the Agency of Human Services or a state-licensed agency in a school district outside of his or her guardians' district(s) of residence. The GSM team works with special education directors, principals, other school staff and AHS staff to ensure timely enrollment and educational continuity for students who may be in care outside of their parent's school district or in residential settings.

	FISCAL 2015 APPROP ACT	FISCAL YEAR 2016	
		AGENCY RECOMMEND	FY2015 TO FY2016
<b>CATEGORY OF EXPENDITURE</b>			
<b>GRANTS</b>	16,900,000	16,400,000	(500,000)
<b>SOURCE OF FUNDS</b>			
<b>EDUCATION FUND</b>	16,900,000	16,400,000	(500,000)

### SOURCE OF FUNDS DETAIL

EDUCATION FUND			
<b>GRANTS</b>			
1 LEA Reimbursement	8,500,000	8,200,000	(300,000)
2 Indiv. Residential Placement	7,400,000	7,200,000	(200,000)
3 Special Services	700,000	700,000	0
4 Regular Education Tuition	<u>300,000</u>	<u>300,000</u>	<u>0</u>
<b>TOTAL GRANTS</b>	16,900,000	16,400,000	(500,000)
<b>TOTAL EDUCATION FUNDS</b>	16,900,000	16,400,000	(500,000)

## Grants

**1. LEA (Local Education Agency) Reimbursement:** These funds are used to reimburse school districts for special education costs being incurred for students with individualized education programs (IEPs).

**2. Individual Residential Placement:** These funds provide payments to approved independent schools or tutorial programs for educational costs of students in residential facilities.

**3. Special Services:** These funds are used to reimburse school districts for special services approved by the commissioner for non-IEP students. They also may be used for payments to the Lund Home for daytime educational services for pregnant or parenting teens, or for tuition or special education costs for Vermont students placed in foster care in other states.

**4. Regular Education Tuition:** These funds are used to reimburse the regular tuition to school districts that do not operate their own schools.

## Adult Education & Literacy

This appropriation supports the Adult Education and Literacy (AEL) program. These amounts include federal, state, and Flexible Pathways, including High School Completion funds.

	FISCAL 2015 APPROP ACT	FISCAL YEAR 2016	
		AGENCY RECOMMEND	FY2015 TO FY2016
<b>CATEGORY OF EXPENDITURE</b>			
GRANTS	7,351,468	7,351,468	0
<b>SOURCE OF FUNDS</b>			
GENERAL FUND (A)	787,995	787,995	0
FEDERAL FUNDS (B)	763,473	763,473	0
EDUCATION FUND (C) *	<u>5,800,000</u>	<u>5,800,000</u>	<u>0</u>
TOTAL ALL SOURCES	7,351,468	7,351,468	0

### SOURCE OF FUNDS DETAIL

<b>(A) GENERAL FUND</b>			
GRANT (ONLY CATEGORY)	<u>787,995</u>	<u>787,995</u>	<u>0</u>
TOTAL GENERAL FUND	787,995	787,995	0
<b>(B) FEDERAL FUNDS</b>			
GRANT (ONLY CATEGORY)	<u>763,473</u>	<u>763,473</u>	<u>0</u>
TOTAL FEDERAL FUNDS	763,473	763,473	0
<b>(C) EDUCATION FUND</b>			
GRANT (ONLY CATEGORY)	<u>5,800,000</u>	<u>5,800,000</u>	<u>0</u>
TOTAL EDUCATION FUND	5,800,000	5,800,000	0
TOTAL ALL SOURCES	7,351,468	7,351,468	0

# Statewide Education Spending Grant

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

	FISCAL 2015 APPROP ACT	FISCAL YEAR 2016	
		AGENCY RECOMMEND	FY2015 TO FY2016
<b>CATEGORY OF EXPENDITURE</b>			
<b>GRANTS (ONLY CATEGORY)</b>	1,258,535,630	1,295,574,706	37,039,076
<b>SOURCE OF FUNDS</b>			
<b>EDUCATION FUND (A)</b>	1,258,535,630	1,295,574,706	37,039,076

### SOURCE OF FUNDS DETAIL

EDUCATION FUND			
<b>GRANTS</b>			
1 Education Spending Grant	1,256,400,000	1,292,300,000	35,900,000
2 Adult Diploma Program	846,924	850,000	3,076
3 VT Academy of Science & Tech	449,000	494,000	45,000
4 Tech FTEs Not Enrolled	389,000	380,000	(9,000)
5 Early College	0	1,100,000	1,100,000
6 Driver Education	450,706	450,706	0
<b>TOTAL EDUCATION FUND</b>	<b>1,258,535,630</b>	<b>1,295,574,706</b>	<b>37,039,076</b>

# Grants

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**1. Education Spending Grant:** Under 16 V.S.A. §4011(a), funds must be appropriated to pay for each district's education spending amount. The amount provided here is an estimate. (See page 10.)

**2. Adult Diploma Program:** This program allows adults, 20 years and older, to earn a high school diploma through an assessment process administered by the Agency.

**3. Vermont Academy of Science and Technology (VAST):** VAST operates an approved independent 12th-grade program housed at Vermont Technical College.

**4. Tech Full-time Equivalents Not Enrolled:** Under 16 V.S.A. § 4011(g), this payment is to 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.

**5. Early College:** This program directs the Agency to pay an amount equal to 0.87 times the Base Education Amount as the full tuition for each 12<sup>th</sup> grade Vermont resident student enrolled in an early college program, which includes the Vermont Academy of Science and Technology (16 V.S.A. §4011(e)). Early college programs are developed and operated by Vermont colleges and have been approved by the Secretary for that purpose.

**6. Driver Education Program Grants:**

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.

## Essential Early Education

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Essential Early Education grants are made to school districts to fund preschool special education services for children ages 3 through 5. If grant funds are available after providing preschool special education services, the balance of funds can be used to serve preschool children ages 3 through 5 at risk of school failure.

	FISCAL 2015 APPROP ACT	FISCAL YEAR 2016	
		AGENCY RECOMMEND	FY2015 TO FY2016
<b>CATEGORY OF EXPENDITURE</b>			
GRANTS (ONLY CATEGORY)	6,296,479	6,356,188	59,709
<b>SOURCE OF FUNDS</b>			
EDUCATION FUND	6,296,479	6,356,188	59,709

## Transportation

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

	FISCAL 2015 APPROP ACT	FISCAL YEAR 2016	
		AGENCY RECOMMEND	FY2015 TO FY2016
<b>CATEGORY OF EXPENDITURE</b>			
GRANTS (ONLY CATEGORY)	17,163,059	17,734,913	571,854
<b>SOURCE OF FUNDS</b>			
EDUCATION FUND	17,163,059	17,734,913	571,854

## Small School Support Grants

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Under 16 V.S.A. §4015, these funds provide formula grants to school districts operating schools with a two-year average combined enrollment of less than 100 students, or with an average grade size of 20 or fewer students. They also provide financial stability grants to limit the loss of funds in small schools with declining enrollments. These funds are administered through the School Finance Team.

	FISCAL 2015 APPROP ACT	FISCAL YEAR 2016	
		AGENCY RECOMMEND	FY2015 TO FY2016
<b>CATEGORY OF EXPENDITURE</b>			
GRANTS	7,650,000	7,615,000	(35,000)
<b>SOURCE OF FUNDS</b>			
EDUCATION FUND	7,650,000	7,615,000	(35,000)

## Capital Debt Service Aid

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Administered through the School Finance Team, these formula grants are awarded to eligible school districts for principle and interest payments on projects adopted before July 1, 1997.

	FISCAL 2015 APPROP ACT	FISCAL YEAR 2016	
		AGENCY RECOMMEND	FY2015 TO FY2016
<b>CATEGORY OF EXPENDITURE</b>			
GRANTS (ONLY CATEGORY)	126,000	122,000	(4,000)
<b>SOURCE OF FUNDS</b>			
EDUCATION FUND	126,000	122,000	(4,000)

## Tobacco Litigation Fund

These funds support grants to schools for school-based tobacco prevention activities. Nearly 60 local supervisory unions/districts receive formula funding based on student enrollment of up to \$25,000 annually to implement school-based tobacco prevention initiatives. Using strategies such as district-level coordination, effective curricula, improved policies, youth cessation programs and parent and community education, tobacco use trends among Vermont students show consistent declines as reported on the biennial Youth Risk Behavior Survey.

	FISCAL 2015 APPROP ACT	FISCAL YEAR 2016	
		AGENCY RECOMMEND	FY2015 TO FY2016
<b>CATEGORY OF EXPENDITURE</b>			
PERSONAL SERVICES	109,523	101,707	(7,816)
OPERATING EXPENSES	32,599	29,115	(3,484)
GRANTS	<u>624,419</u>	<u>635,719</u>	<u>11,300</u>
<b>TOTAL ALL CATEGORIES</b>	<b>766,541</b>	<b>766,541</b>	<b>0</b>
<b>SOURCE OF FUNDS</b>			
TOBACCO FUND	766,541	766,541	0

## Act 117 Cost Containment

Passed by the Legislature in 2000, Act 117 was designed to increase the capacity of the educational system to meet the needs of more students outside of special education, while curbing increases in special education costs.

	FISCAL 2015 APPROP ACT	FISCAL YEAR 2016	
		AGENCY RECOMMEND	FY2015 TO FY2016
<b>CATEGORY OF EXPENDITURE</b>			
PERSONAL SERVICES	1,090,293	1,086,783	(3,510)
OPERATING EXPENSES	144,697	148,207	3,510
GRANTS	<u>91,000</u>	<u>91,000</u>	<u>0</u>
<b>TOTAL ALL CATEGORIES</b>	<b>1,325,990</b>	<b>1,325,990</b>	<b>0</b>
<b>SOURCE OF FUNDS</b>			
SPECIAL FUND	1,325,990	1,325,990	0