



2021 Budget Book

FY 2021 Budget Recommendations

January 2020

Vermont Agency of Education

www.education.vermont.gov

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Introduction

We are pleased to present for your consideration the budget recommendations of the Vermont Agency of Education hereafter referred to as the Agency or AOE for Fiscal Year 2021 (FY2021). The intent of this budget book is to provide both the operating budget for the Agency and a summary of the expenditures from Vermont's Education Fund.

The budget book is organized into three sections. The first section outlines the budgetary overview, some of the policy analysis, and legislative work that the Agency is currently engaged, including:

1. Budgetary overview
2. Overview of Act 46 Implementation
3. Status of the implementation of the Uniform Chart of Accounts and the Statewide School District Data Management System.
4. Special Education Funding formula proposed change

The second section of this book provides an overview of the two appropriations that fund the Agency. Included in this section are:

1. Summary of positions in the Agency and organizational structure
2. Budget detail of the two operating appropriations that support the Agency
3. Overview of State and Federal grants managed directly by the Agency

The final section provides a budget overview of appropriations from Vermont's Education Fund.

Message from the Secretary

Update on AOE Capacity

The Agency of Education (AOE) went through significant restructuring last year to better align organizational structures with the policy context. Specifically, this resulted in the creation of a new Data Management and Analysis Division since data is central to much of the Agency's work. Prior to this reorganization, data teams and data functions were embedded in various organizational teams which inhibited collaboration and cross training among personnel.

This restructuring allowed the Agency to get a better handle on personnel recruitment activities. Last year the Agency went through most of the year with about a 14% vacancy rate and many of those vacancies were in key, mid-level leadership positions. As of the fall of 2019, the Agency is fully staffed, and the vacancies the Agency does have for the most part are in entry level positions not leadership positions. An exception to this pattern can be found in the Financial Management Division which through the leadership of its new CFO, is embarking on a restructuring process similar to what the other Agency divisions experienced last year.

The policy context has also stabilized to a certain extent. Act 46, one of the major demands on Agency capacity last year, has largely been resolved, and the major policy before us now is Act 173 which will be a multi-year effort to restructure the special education delivery system. Several other major policy projects also have multi-year trajectories. These include major data system projects that can be understood as part of a larger technology modernization initiative across the enterprise of state government.

Several new policies were contemplated last year by the General Assembly that would have required additional Agency capacity to implement. These policies were ultimately modified through the legislative process to eliminate the need for additional resources at the Agency. These modified initiatives included Act 1 (Ethnic Studies) and the testing of lead in school drinking water.

FY2021 Budget Proposal

Accordingly, the Agency is not seeking additional positions in the proposed FY2021 budget. The Agency's budget proposal represents no major organizational or programmatic changes with most of the Agency's work being directly tied to the implementation and oversight of federal programs. It is my expectation that the scope and size of the Agency's staffing patterns in these areas will grow or retract based on the availability of the federal monies that define these programs.

The Agency has three organizational divisions that rely almost exclusively on General Fund revenues. These divisions include the Data, Finance, and Legal divisions. Interestingly, these three divisions also have the greatest amount of interoperability with school districts. For example, we are currently implementing a statewide accounting and human resource platform (SSDDMS). SSDDMS provides school districts a single platform for their accounting/HR operations and allows the AOE to perform its data extractions from the same system to meet

vertical reporting requirements. A single platform lowers overall software licensing costs and eliminates manual reporting requirements for districts.

The SSDDMS project illuminates the fact that Agency capacity is directly tied to the operational capacity of school districts. We think there is more work that can be done in this area before contemplating additional resources for the Agency. This winter we intend to launch a formal Request for Information (RFI) from software vendors to pursue the implementation of a statewide student information system that would also include the ability to manage special education data. We intend to use the information from this RFI to propose a policy approach in the next legislative session to implement such a system.

Organizational Effectiveness and Coherence

Another strategy we have employed to improve organizational capacity and effectiveness is to obtain better clarity on the scope of the Agency's work. Employee engagement surveys over the last several years have identified a lack of mission coherence as a key concern, and a similar concern has been identified in feedback from teacher, parents, school district administrators, policy makers, and other stakeholders.

To address this concern, the Agency embarked on a mission/vision process this year which ultimately resulted in the creation of an agency "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.

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.

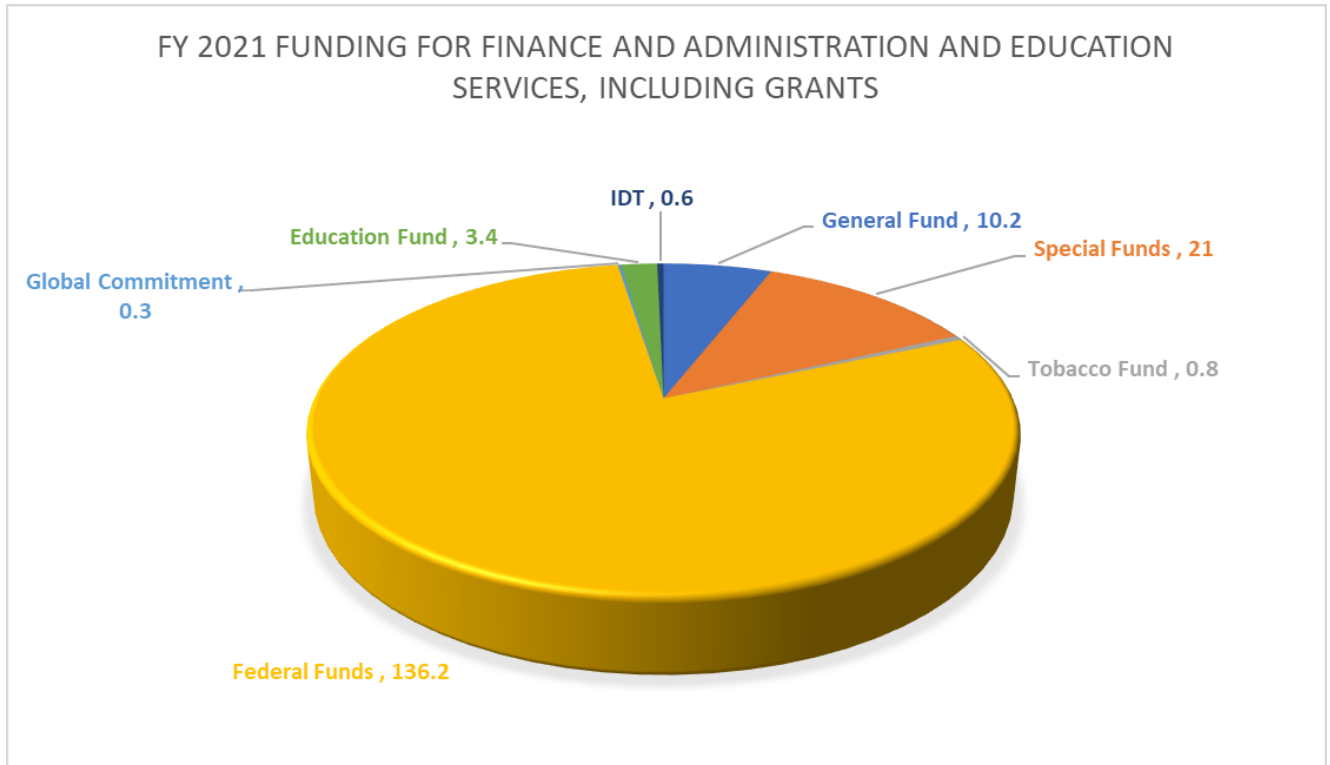
We believe this purpose statement will be helpful in creating greater organization coherence which will turn improve overall organizational capacity.

FY 2021 Budgetary Overview, Policy Analysis and Legislative Work

Agency of Education FY 2021 Budgetary Overview

The FY 2021 operations budget (excluding the 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.

\$172.5M is appropriated in these two sections. The following chart shows the distribution of these funds by funding source:



Of the \$172.5M appropriated to Agency operations, \$30.7M supports operating and personnel, or about 18% of the two appropriations. Agency operations as a percentage of the total amount appropriated for general education from all sources is only 8.7% of the total \$1,977M appropriated.

Funding for operations at the Agency are reflected in the table below:

Summary of Agency of Education Appropriations with and without Grants

<i>(Dollars in Millions)</i>	Including Grants		Without Grants		Difference
General Fund	\$10.2	5.9%	\$8.2	26.7%	\$2.0
Special Funds	21.0	12.1%	4.6	15.0%	16.4
Tobacco Fund	0.8	0.5%	0.2	0.7%	0.5
Federal Funds	136.2	79.0%	13.7	44.6%	122.5
Global Commitment	0.3	0.2%	-	0.0%	0.3
Education Fund	3.4	2.0%	3.4	11%	-
Inter Departmental Transfers (IDT)	0.6	0.3%	0.6	2.0%	-
Total	\$172.5		\$30.7		\$141.8

General Funds to Support Education

In FY 2019 the General Assembly repealed the long-standing transfer of General Funds to the Education Fund. Instead of the General Fund transfer, the General Assembly dedicated 100% of the Sales and Use Tax and 25% of the Rooms and Meals Tax to the Education Fund.

Additionally, the following expenditures were moved from the Education Fund to the General Fund:

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

General Fund appropriated to the AOE operations budget support activities including:

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

Education Fund and Agency Operations

By statute, Education Fund dollars can only be used for authorized educational purposes and cannot be used for state level activities. Therefore, Education Fund dollars cannot support AOE operations or activities. Historically, however, the funds appropriated to the Agency from the Education Fund in B.500 reflect the Education Fund's share of internal service fund costs (VISION) and the audit allocation. These costs are about \$1.1M.

In the FY 2021 budget and with prior approval from the General Assembly (16 V.S.A. § 4025(b)(5)), the Agency is continuing the \$2.3M for the administrative appropriation to support two statewide technology activities from the education fund. These two activities include the Statewide Longitudinal Data System (SLDS) and the Statewide School District Data Management System (SSDDMS) which are required by state and federal law and will be utilized by all school districts.

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

Federal Funds

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

- Career and Technical Education,
- Accountability,
- Special Education,
- Education Quality and School Improvement,
- Nutrition support for day cares, PKs, schools and adult care programs.

Of the \$135M federal funds appropriated to the AOE, approximately 8.7%, or \$11.8M, are used to fund personal services and operating costs of the Agency, the remaining \$123.2M is granted out.

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

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

To support administration of federal funds, the federal government also provides a "small state minimum" allocation. It's worth noting that this small state minimum has not increased in about 20 years and has not been adjusted for inflation.

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

Act 46

The General Assembly passed Act 153 in 2010, the first of three Acts that encouraged school districts to merge. Act 153 was followed by Act 156 of 2012 and Act 46 of 2015. Act 46 gave districts up to 4 years to merge voluntarily and, at the end of that period, directed the State Board of Education to merge districts with identical governance structures if they were in close proximity to one another. In FY2013, the year prior to the first voluntary merger, there were 276 school districts. As of FY2020, there are 116 school districts, districts that are larger, more stable, and have the ability to increase the educational opportunities of their students.

Additionally, in FY2013, there were 60 supervisory entities – 47 supervisory unions, consisting of two or more school districts, 11 supervisory districts, consisting of a single school district, and 2 interstate districts. As of FY2020, there are 51 supervisory entities – 24 supervisory unions, 26 supervisory districts, and 2 interstate districts.

Financial Notes:

The majority of the new unified districts have been in operation for 1 to 3 years. While anecdotal observations show the potential for savings, many districts are using any realized reductions in expenditures to fund programs that had previously been cut due to budgetary restraints. Providing these opportunities for students can be thought of as a form of savings as they are not new money, but rather, repurposed money from other lowered expenditures. The primary purpose of Act 46 was not to produce savings, but to increase opportunities for students – reinstating programs that were cut back or eliminated increases opportunities.

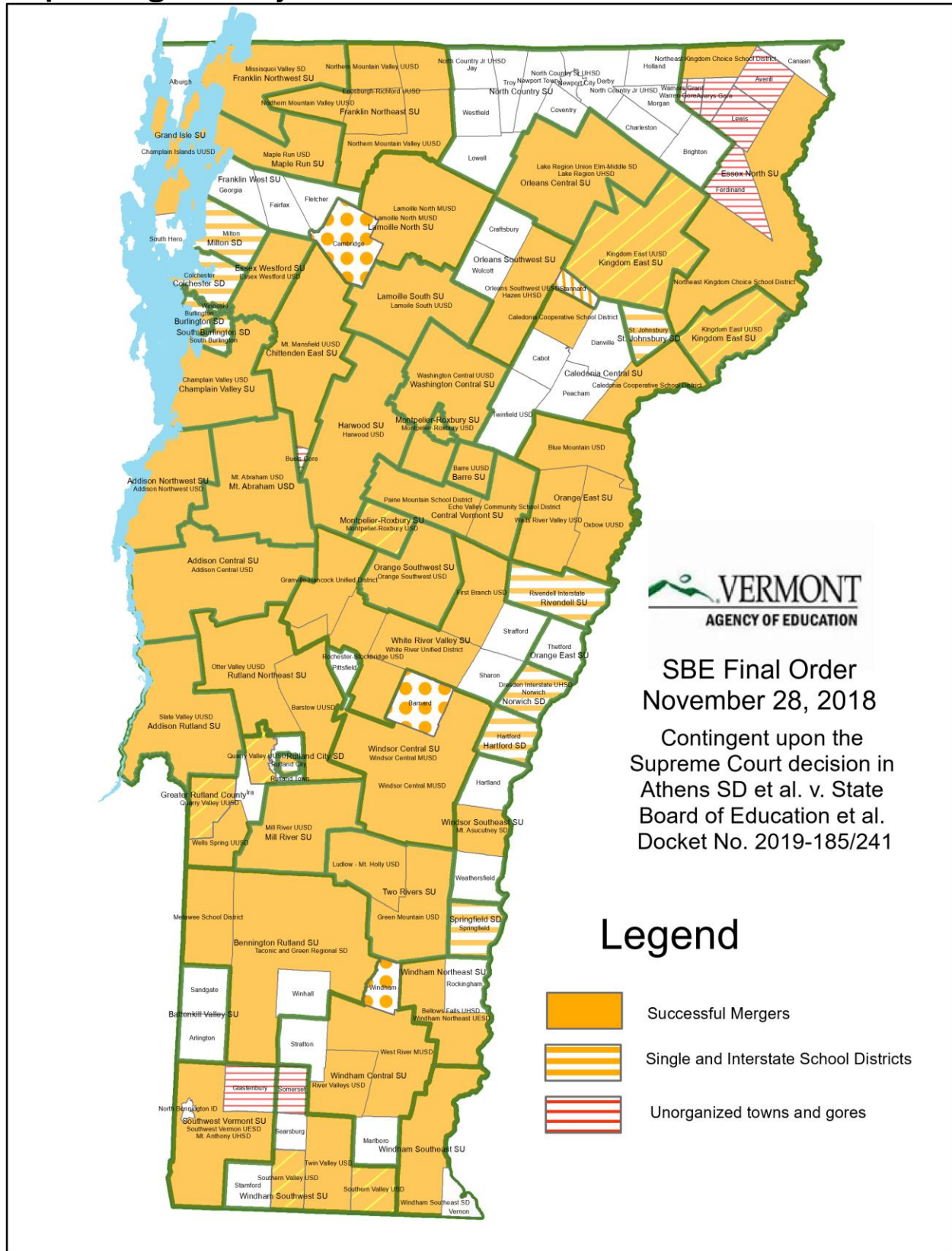
The following table summarizes Act 46 grants that have been allocated to districts to help support the implementation of Act 46.

	Exploration Grant		Planning Grant		Transition Facilitation Grant	
	Granted	Spent	Granted	Spent	Granted	Spent
FY16	\$110,000	\$48,383	\$520,000	\$195,147	\$555,528	\$425,528
FY17	20,000	27,171	340,000	281,336	1,077,790	864,253
FY18	-	-	-	232,327	1,778,110	2,121,647
FY19	-	3,500	-	-	-	-
Total	\$ 130,000	\$ 79,055	\$860,000	\$ 708,810	\$ 3,411,428	\$3,411,428

* some grants were paid out in the year after they were awarded.

Summary	
Total Awarded	\$4,401,428
Total Spent	\$4,199,293
Difference	\$202,135

Map of Merger Activity



Uniform Chart of Accounts – School District Data Management System

Sec. E.500.1 of Act 179, 2014, as amended by Act 58 of 2015, required that the Agency work to implement a uniform chart of accounts (UCOA) to be used by all school districts in the state. The goal of this endeavor is to provide the Agency and the General Assembly the financial data necessary to do fiscal analysis of Vermont's schools to inform policy decisions. All school districts and SUs will be using the UCOA as of July 1, 2020.

After working with supervisory unions to determine the best way to achieve this legislative goal, the Agency, with the consent and directive of the General Assembly, instituted a Statewide School District Data Management System (SSDDMS) to provide a centralized mechanism to manage the chart of accounts and provide the Agency with a means to collect school finance and personnel data more efficiently. Implementation of the SSDDMS has been occurring in small groups of SUs. 14 SUs have fully implemented the new system with another 5 currently in the implementation stage. The remaining 33 SUs have begun the transition to implementation and all SUs will be fully implemented as of July 1, 2022.

Sec. E.500.1 of Act 72, 2019, allows payments from the Education Fund to support the statewide finance and financial data system. Sec. E.500.2 of the same Act brought any unencumbered funds from the Educational Financial Systems Fund (part of the General Fund) to the Education Fund with Sec. E.500.4 directing \$600,000 of those funds to be used for the SSDDMS. Starting in FY 2020, the Agency is requesting an appropriation of \$1M to support this project in order to create a sustainable funding source for this work.

Special Education Funding Change – the Implementation of Act 173 of 2018

Background:

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

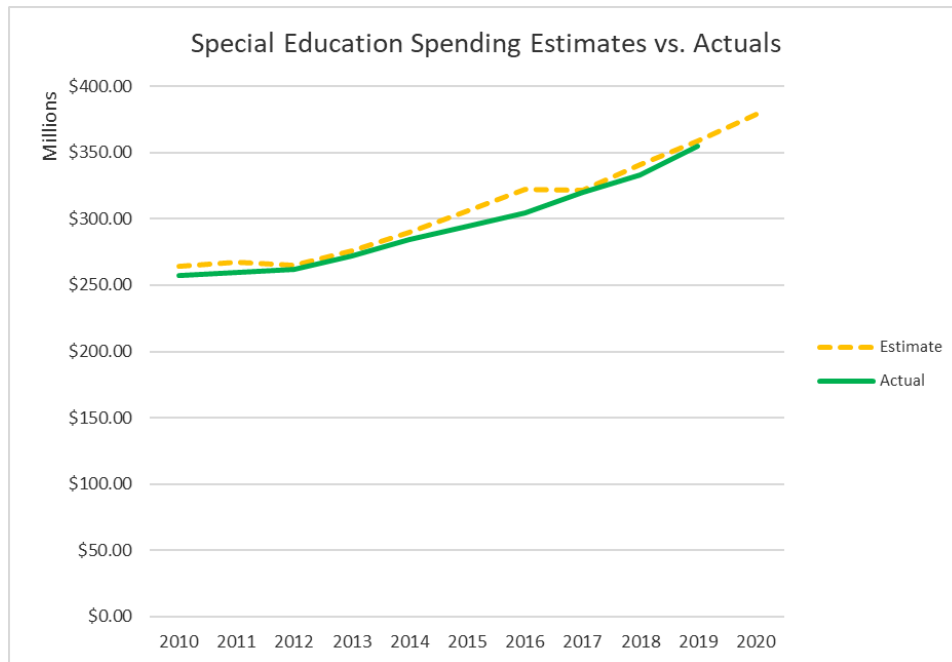
The shift in the funding model is anticipated to generate several benefits for SU/SDs including a reduction in state and local administrative burdens, and the more flexible use of funds. This change is expected to support Vermont school districts in their efforts to capitalize on the DMG findings and to improve outcomes for all students. The General Assembly subsequently delayed the implementation of the census block model by one year, to begin July 1, 2021.

Change in Funding:

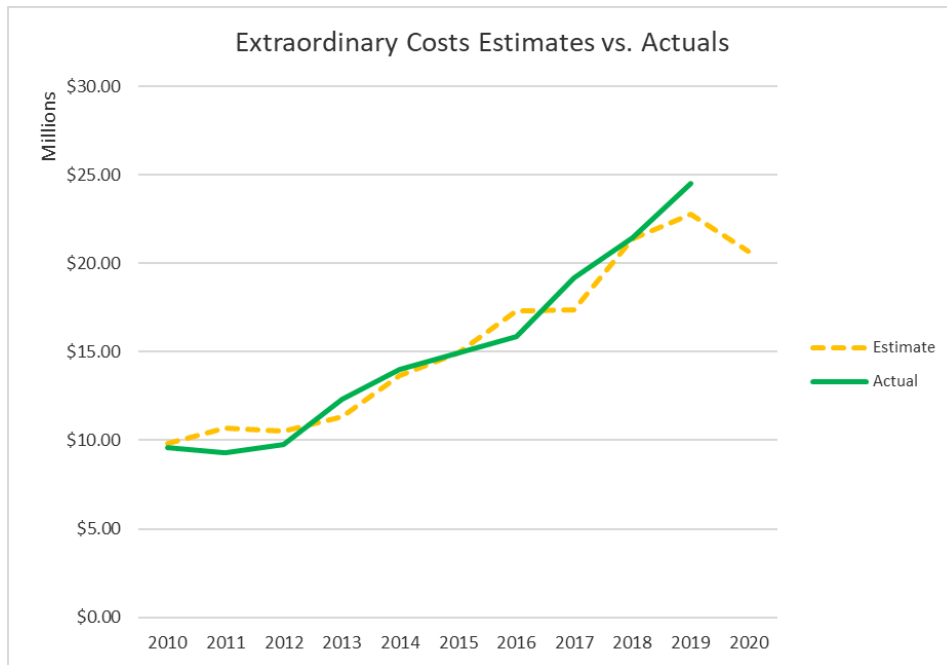
The migration from reimbursement to census-based funding models is expected to occur gradually over a number of years beginning in FY 2022, when SUs will receive an amount based on historical funding. The census funding model will be fully implemented in FY 2025, where each SU/SD in the state will receive the same per student funding amount to support special

education, known as the uniform base amount. Beginning in FY 2025, each SU/SD will receive a grant equal to the uniform base amount multiplied by the SU's average daily membership. Through FY 2021, Special education in Vermont will continue to be funded through a combined block grant and reimbursement system, where the state provides 60% of total special education costs to supervisory unions/districts.

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



In addition to special education expenditure reimbursements, beginning in FY2020, the state began reimbursing 95% of student specific costs over an extraordinary cost threshold of \$60K. The volume of such reimbursements has increased over time. This is due in part to the fact that the previous threshold of \$50K for extraordinary cost reimbursement, had not changed since the late 1990s. Act 173 increased this threshold to \$60K in FY 2020, and for every year following, the threshold will be increased by the NIPA. Additionally, the General Assembly included some modifications to the reimbursement formula to remove incentives to make funding decisions on the margin.



Implementing Act 173

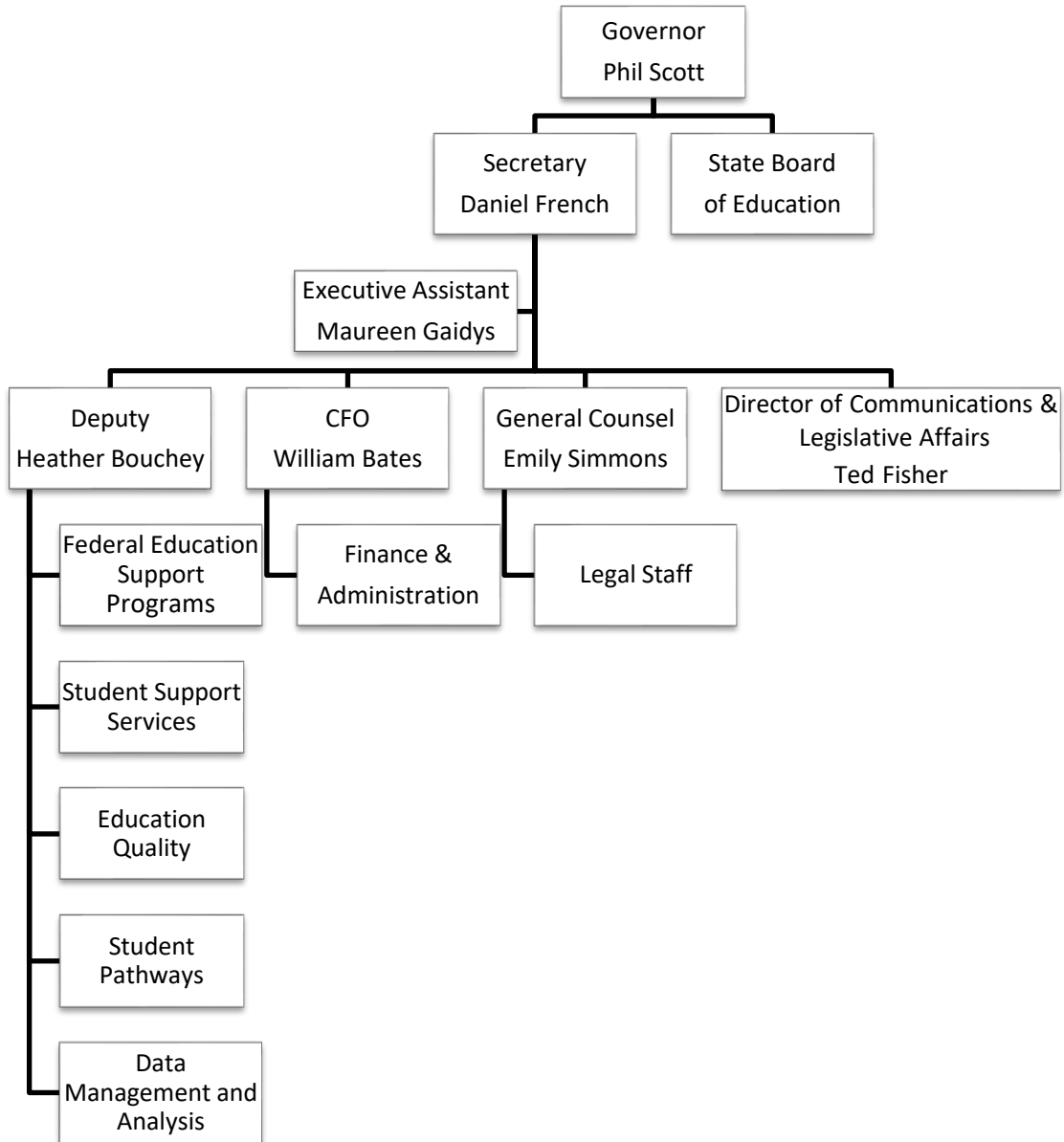
It is important to note that the success of Act 173 is only partly about the implementation of a change to the funding mechanism. The only way that the change in funding will be successful is if SU/SDs implement the changes in practice that are necessary to slow spending. The practice changes identified 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 has included beginning the rule making process to realign the special education funding rules with the census-based funding model. The AOE has been working on developing professional development and technical assistance resources to help SU/SDs implement the change in practice necessary to achieve the goals of the Act. Additionally, the AOE has been working to hire the additional staff provided to the Agency to work with SU/SDs on changing current practices. The Agency is working to align the work of 173 with other work underway at the AOE.

FY 2021 Operating Budget & Organization Agency of Education

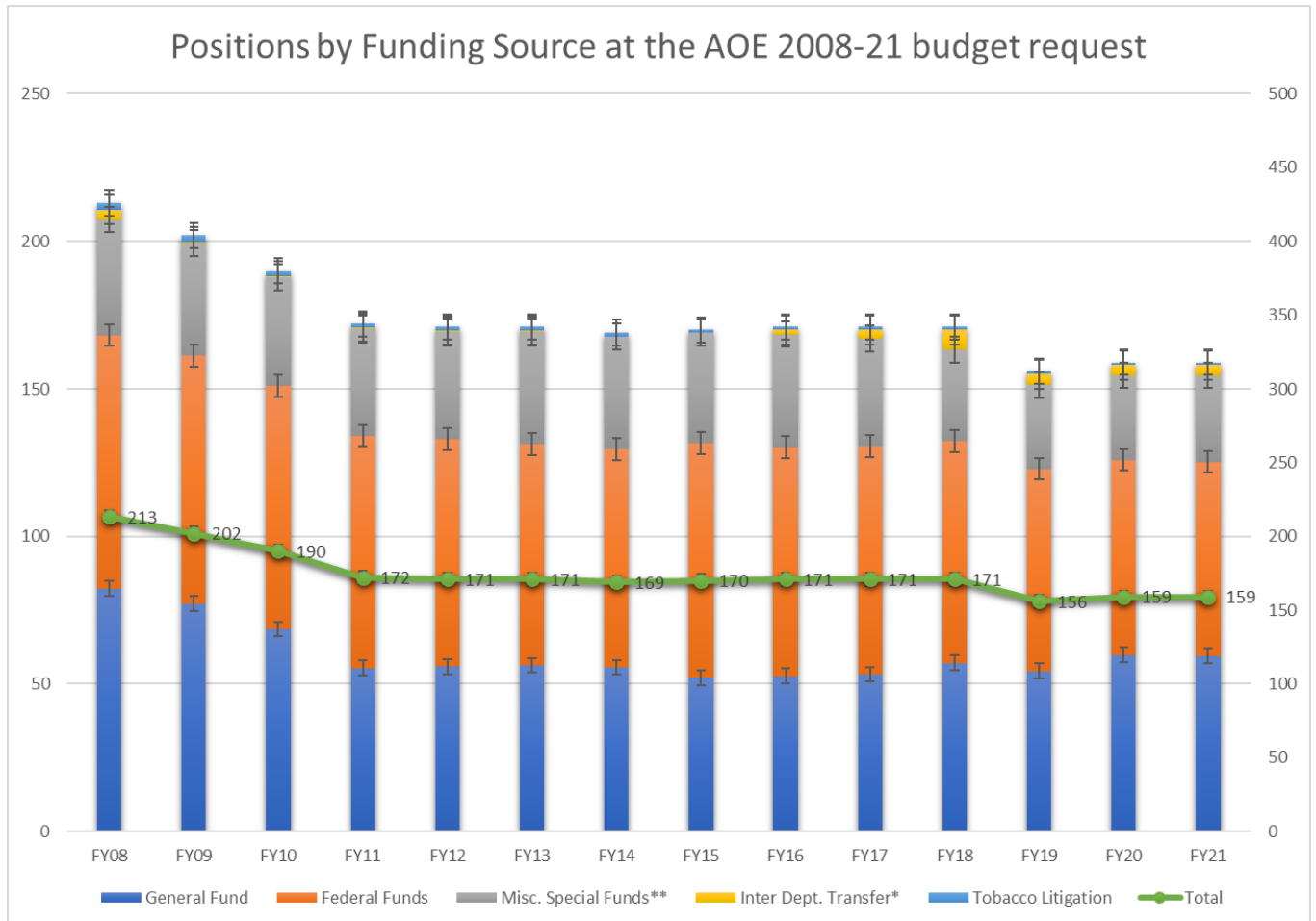
Agency of Education Organization and Positions

The Agency is led by the Agency Secretary. The State Board of Education makes policy and rules and provides oversight capacity of the implementation of Education Law and Policy by the Agency. Below is a high-level summary of the organization of the Agency.



Position Summary

The FY 2021 Executive budget recommendation includes funding for 159 positions at the AOE. Positions at the Agency are supported by a variety of funding sources. The following graph / chart displays the change in positions by funding source over time.



	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
General Fund	82.3	77.18	68.61	55.36	55.83	56.31	55.61	52.1	52.67	53.19	57.12	54.39	59.79	59.48
Federal Funds	85.9	84.03	82.4	78.75	77.16	74.96	73.93	79.4	77.56	77.46	75.13	68.48	66.13	65.74
Misc. Special Funds**	39.2	38.24	36.86	36.29	36.4	38.12	38.16	37.5	38.27	36.35	31.05	28.48	28.63	29.33
Inter Dept. Transfer*	3.4	0.35	0.34	0.31	0.3	0.31	0	0	1.5	3	6.7	3.65	3.45	3.45
Tobacco Litigation	2.3	2.2	1.8	1.3	1.3	1.3	1.3	1	1	1	1	1	1	1
Total	213	202	190	172	171	171	169	170	171	171	171	156	159	159

In aggregate, the Agency has 54 fewer positions, a 25% reduction than it did in 2008. In the interim, the Agency has taken on new work associated with new statutory mandates. It is important to recognize that in any one year there will be changes, associated with reorganization of government (as an example, the creation of the Agency of Digital Services ADS) and the acceptance and expiration of Federal Grants that include limited service positions.

B. 500 – Education - Finance and Administration

The Finance and Administration appropriation contains many of the general operational functions that support the central functions of the Agency. The major functions of the division include:

- The Office of the Secretary
 - In addition to the Secretary and Deputy Secretary, the Office of the Secretary also includes the Communications Team which supports internal and external communications as well as Legislative Affairs.
- The Legal Division – supporting litigation, contract review, legislative and administrative rule drafting, license investigations and sanctions, and administrative hearing and dispute oversight for special education;
- The Finance Division -supporting 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 implementation of a statewide uniform chart of accounts.

B. 500 – Education - Finance and Administration with Grants

	FY 2019 Actuals	FY2020 Budget	FY2021 Gov Rec	20-21 Change
Major Object				
Personal Services	\$7,301,069	\$7,196,440	\$7,478,156	\$ 281,716
Operating Expenses	3,839,225	3,695,315	3,891,166	195,851
Grants	16,065,042	14,270,700	16,770,700	2,500,999
TOTAL	\$27,205,336	\$25,162,455	\$28,140,022	\$ 2,977,567
Funds				
General Funds	\$3,688,128	\$3,747,829	\$3,936,539	\$188,710
Education Fund	995,597	3,367,483	3,400,878	33,395
Federal Funds	2,250,843	2,199,952	2,272,812	72,860
Special Funds	18,819,110	15,478,303	18,147,621	2,669,318
Interdepartmental Transfer	1,451,658	368,888	382,172	13,284
TOTAL	\$27,205,336	\$25,162,455	\$28,140,022	\$2,977,567

The Finance and Administration division of the Agency has a FY 2021 budget of \$28.1M including grants; an all funds budget increase of \$2.978M. The net changes in the appropriation are driven by several factors, including:

1. Increase associated with Pay Act and changes in Internal Services Funds.
2. An anticipated increase in Medicaid Reimbursement to school districts of \$2.5M.

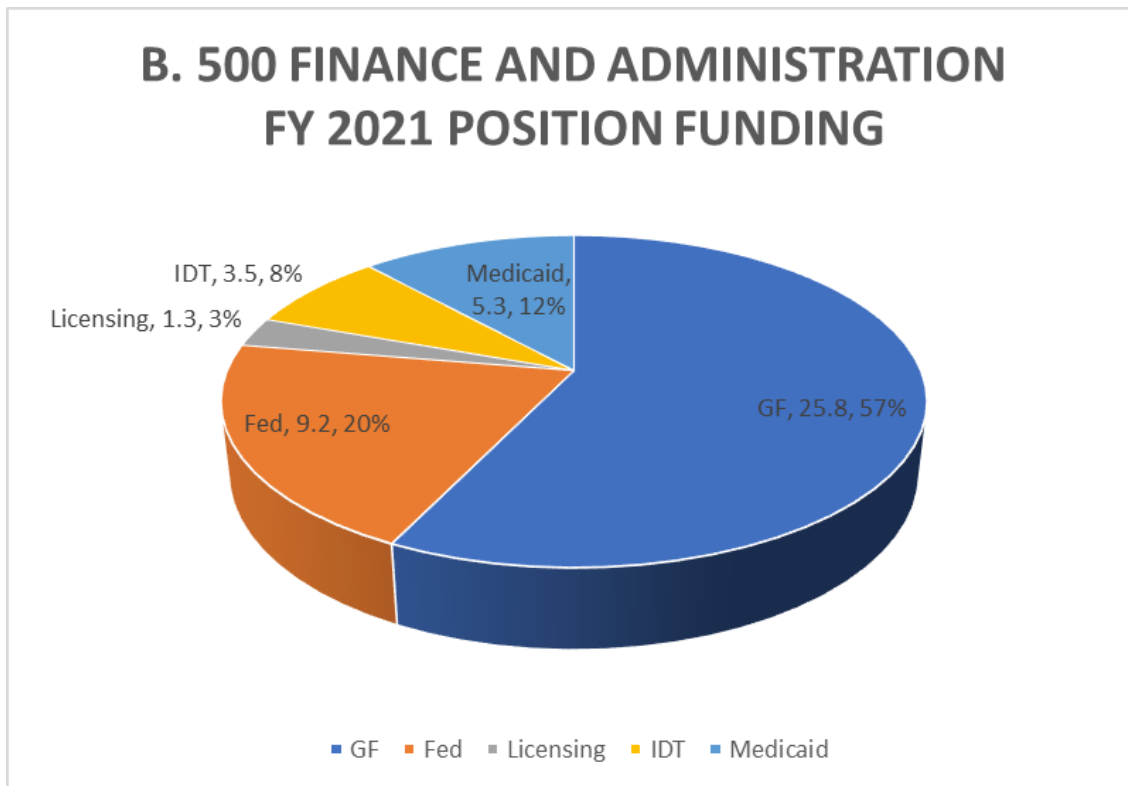
3. Position and Operating changes associated with a position moving from Education Services to Finance and Administration (net neutral to the Agency).

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

The Finance and Administration division houses 45 Positions. The following chart provides an overview of how these positions are funded:

The majority of funds for the administration of the Agency are from the General fund (57.4%). Federal funds provide 20.4% of funding for the positions, these federal funds are comprised of both indirect funds earned through the administration of federal grants, as well as state-level Special Education dollars to support the special education finance team.

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



B.500 –Finance and Administration; Summary of Positions

Team	GF	Fed	Licensing	IDT	Medicaid	Total
Secretary's Office	5.8	2.2	-	-	-	8.0
Legal	4.	0.7	1.3	-	-	6.0
Finance	16.0	6.3	-	3.5	5.3	31.0
Total	25.8	9.2	1.3	3.5	5.3	45.0
Percentage of Total	57.3%	20.4%	2.8%	7.7%	11.8%	

The Finance and Administration Appropriation includes the majority of the internal service charges for the Agency. This includes the allocations for ADS and DHR, as well as the charges

from Finance and Management to operate VISION and for the Audit for both Finance and Administration and for the Education Fund. In addition, the appropriation contains the expenses for the SSDDMS and the SLDS.

B. 500 Finance and Administration - Excluding Grants

Major Object	
Personal Services	\$4,823,872
Contracts	2,654,284
Operating Expenses	3,891,166
TOTAL	\$11,369,322
Funds	
General Funds	\$3,936,539
Education Fund	3,400,878
Federal Funds	2,272,812
Special Funds	1,759,093
TOTAL	\$11,369,322

Finance and Administration Grants: The following provides an overview of the Grants appropriated in the Finance and Administration division of the AOE:

	FISCAL 2020 APPROP ACT	FISCAL YEAR 2021	
		AGENCY RECOMMEND	FY2020 TO FY2021
1 Medicaid	14,010,700	16,510,700	2,500,000
2 Global Fund	<u>260,000</u>	<u>260,000</u>	<u>0</u>

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.

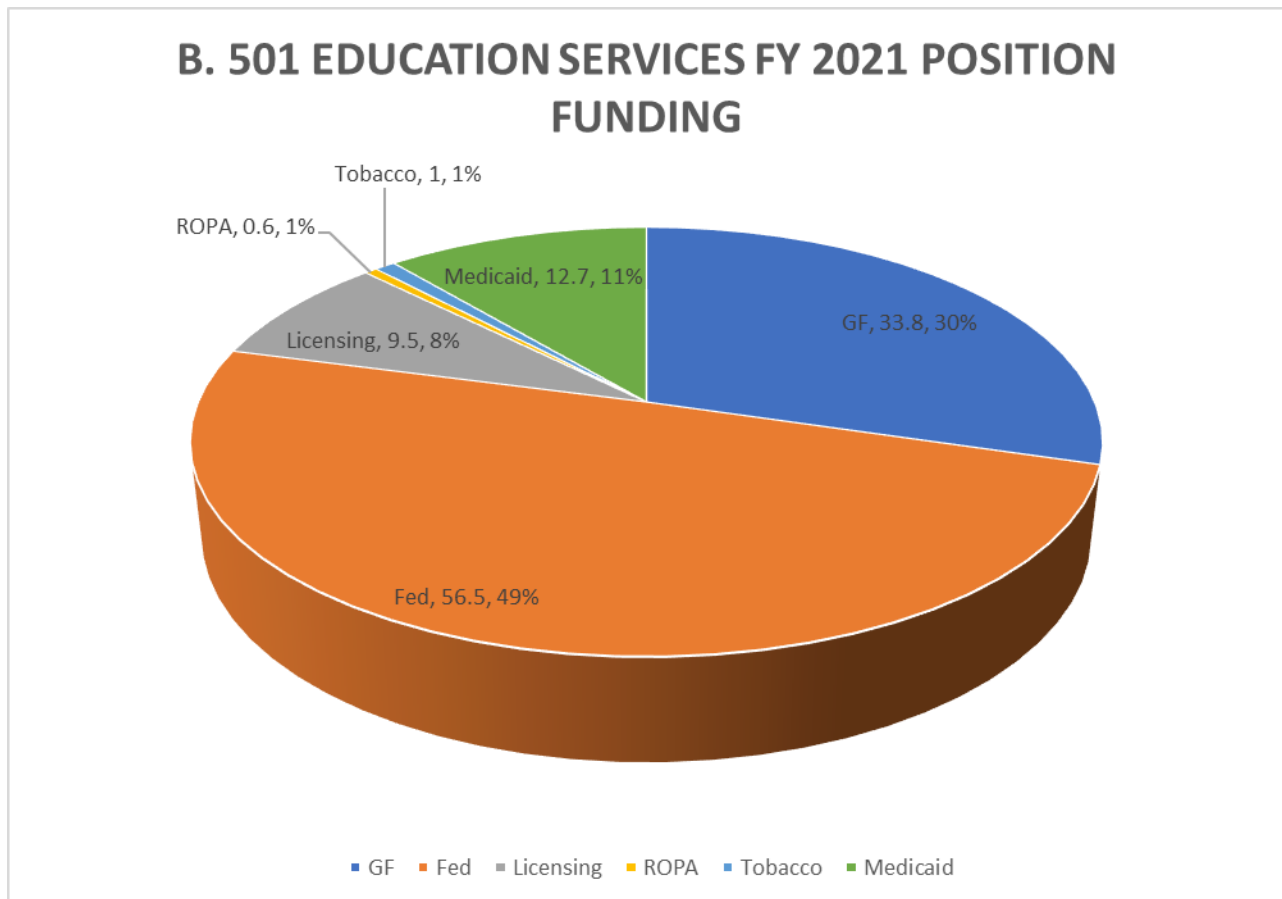
B. 501 – Education Services

Working under the direction of the Deputy Secretary, the Education Services Teams provide support, technical assistance, and oversight to the work of the local education agencies (LEAs), assisting them in implementing state and federal requirements for education across the state. The Education Services unit is made up of 5 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:

- Student Support Services
- Student Pathways
- Federal Education and Support Programs
- Education Quality
- Data Management and Analysis

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



B. 501 – Education Services; Summary of Positions

Team	GF	Fed	Licensing	ROPA	Tobacco	Medicaid	Total
Education Quality	6.3	3.3	9.5	0.6	-	1.4	21.0
Fed & Education Support	4.0	16.5	-	-	1.0	1.5	23.0
Student Pathways	8.7	11.4	-	-	-	3.9	24.0
Student Support	4.0	17.3	-	-	-	3.7	25.0
Data Management	10.8	8.0	-	-	-	2.2	21.0
Total	33.8	56.5	9.5	0.6	1.0	12.7	114.0
Percentage of Total	29.6%	49.6%	8.3%	0.5%	0.9%	11.1%	

B. 501 Education Services including Grants

	FY2019 Actuals	FY 2020 Budget	FY 2021 Gov Rec	20-21 Change
Major Object				
Personal Services	\$16,297,423	\$18,270,055	\$18,111,972	\$(158,083)
Operating Expenses	1,196,337	1,405,450	1,233,833	(171,617)
Grants	98,543,771	119,396,536	125,064,070	5,667,534
TOTAL	\$116,037,531	\$139,072,041	\$144,409,875	\$5,337,834
Funds				
General Funds	\$5,548,665	\$6,384,982	\$6,283,737	\$(101,245)
Federal Funds	106,755,412	128,522,557	133,928,641	5,406,084
Tobacco Litigation Funds	433,107	750,388	750,388	0
Special Funds	2,889,995	3,414,114	3,247,109	(167,005)
Interdepartmental Transfer	410,352	0	200,000	200,000
TOTAL	\$116,037,531	\$139,072,041	\$144,409,875	\$5,337,834

The Education Services Division of the Agency has a FY 2021 budget of \$144.4M including grants; an all funds budget increase of \$5.3M. The net changes in the appropriation are driven by several factors, including:

1. Increase associated with Pay Act and changes in Internal Services Funds.
2. Position and Operating changes associated with a position moving from Education Services to Finance and Administration (net neutral to the Agency)
3. Anticipated increases in sub-grant expenditures.

B.501 – Education Services Positions and Operating

The Education Services work at the Agency is supported by 114 positions at the Agency. Nearly 57% of the education services position are funded by Federal Funds, and work to support the implementation of Federal Programs. General Funds provide approximately 34%

of funding for this work, primarily to support the data team and to implement work that is not supported by Federal funds.

Additional details about the work and budgets of each team is found on the following pages.

Student Support Services

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

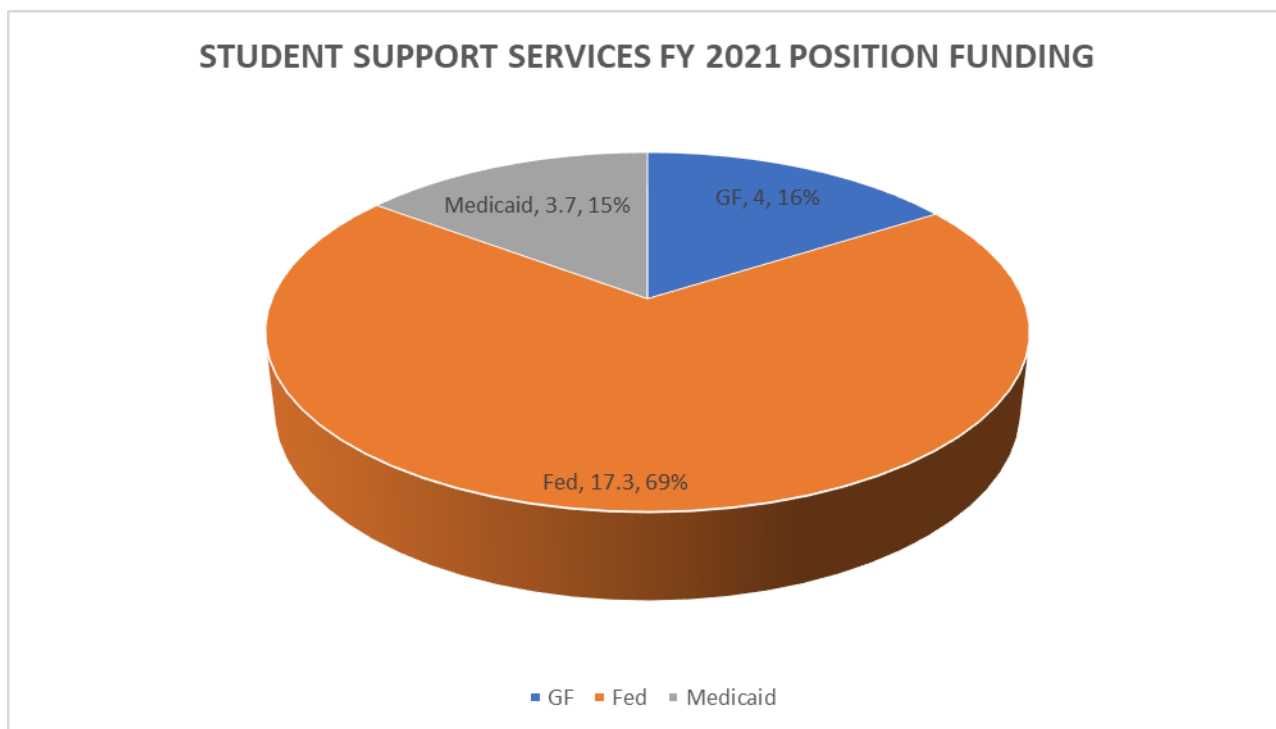
The Special Education Team collaborates within the AOE to meet our federal special education reporting requirements and identifies and monitors school systems that are in need of additional support. Outcomes from federal reporting and monitoring visits inform the team's development and implementation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

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

The Multi-Tiered Systems of Support (MTSS) Team is responsible for the articulation and delivery of guidance and resources related to the Vermont MTSS (vtMTSS) framework. The vtMTSS framework informs how schools and SU/SDs identify, deliver, and evaluate the efficacy of student supports, with the vtMTSS reflection tool and Self-Assessment Tool resources supporting the implementation of Act 173, specifically. MTSS Team members also provide technical assistance directly to the field—by invitation and upon request—and collaborate with other AOE teams to reflect MTSS framework components in the Agency's wider continuous improvement efforts.

The student support division consists of 25 FTEs, which are funded primarily through federal funds. Specifically, the Special Education Team is supported by federal funds provided to the State to implement IDEA.

Student Support Services Positions by Fund



The Division of Student Support Services provides the Agency support for the implementation of Special Education, PreK and MTSS.

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

Student Support Services – Excluding Grants

Major Object	
Personal Services	\$2,645,222
Contracts	463,501
Operating Expenses	243,091
TOTAL	\$3,351,814
Funds	
General Funds	\$372,717
Federal Funds	2,520,337
Special Funds	
Medicaid	458,760
TOTAL	\$3,351,814

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

Student Support Services Grants

	FISCAL 2020 APPROP ACT	FISCAL YEAR 2021	
		AGENCY RECOMMEND	FY2020 TO FY2021
1 Early Reading	104,860	76,561	(28,299)
2 Special Olympics	13,778	13,778	0
3 IDEA-B Flow-Thru	24,300,000	24,300,000	0
4 Preschool Incentive	600,000	600,000	0

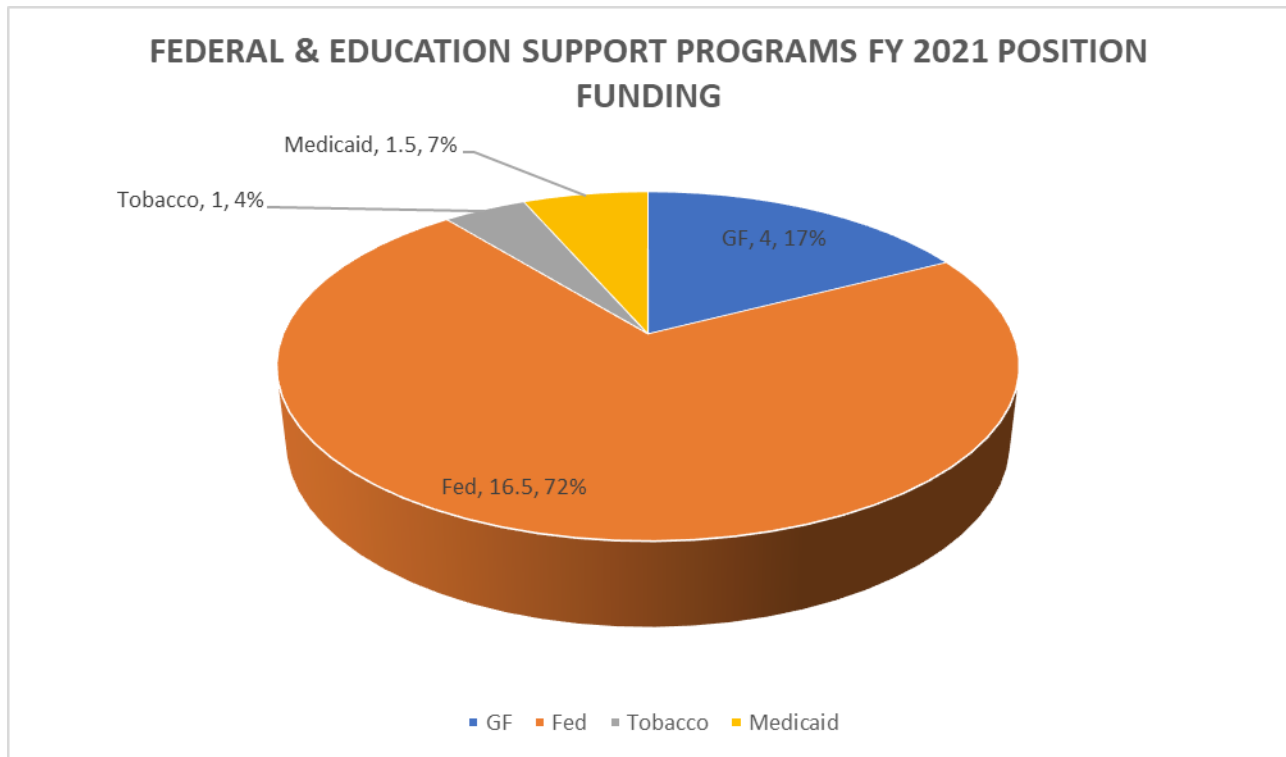
1. Early Reading: These funds support improvements in early reading instruction in Vermont schools. Major components include professional development for educators and administrators in order to improve content knowledge and instructional competency in literacy for educators working with children in preschool through grade three.
2. Special Olympics: This program helps ensure that children and adults who have developmental delays have access to unified sports activities with non-disabled peers.
3. 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.
4. IDEA, Part B, Preschool (sec. 619) Early Childhood Special Education. These funds flow directly to schools to assist with special education costs for children ages 3 up to age 6. 5% of IDEA ECSE Funds reserved for state admin 5% and 20% reserved for state level discretionary dollars. These funds support statewide projects, technical assistance, and compliance monitoring and training regarding special education costs for children ages 3 up to age 6.

Federal Education and Support Programs (FESP)

This division supports Local Education Agencies (LEAs) with specialized expertise and federal and state funding in closing the achievement gap for students who are: economically disadvantaged, homeless, migrant, neglected and delinquent, English-language learners, and/or State-Placed students. The Consolidated Federal Programs (CFP) 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 AOE 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 learning, personalized learning, career and technical education, and promotion of safe and healthy learning environments. Finally, this team oversees driver's education program approval requests and manages the driver's education reimbursement process. The Child Nutrition staff administers the federal meal reimbursement programs, ensuring nutritious meals and snacks are served to program participants in all eligible sites, and ensures programs receive the maximum federal and state funding available. Vermont's Child Nutrition programs currently serve 319 schools, 273 summer food service sites, and approximately 565 childcare centers, family day care homes, and adult day care programs, with participant numbers increasing each year. The Student and Educator Support team supports supervisory unions in the coordination and provision of services for students receiving or in need of multi-agency (AHS) services, oversees state-placed student supports and services and verification for reimbursement, provides technical support to LEAs seeking residential placements for students and reviews all Home Study enrollments. This team also oversees competitive tobacco/substance abuse prevention awards funded by the Master Settlement Agreement ("tobacco settlement") and a 5-year, \$8.2 million competitive federal grant award from the Substance Abuse and Mental Health Services Administration (SAMHSA) to increase awareness of mental health issues and expand mental health services in schools.

The FESP division consists of 23 FTEs, which are funded primarily through federal funds. Specifically, the federal funds made available by USDA to support child nutrition programs and by USDOE through the elementary and secondary education act.

Federal and Education Support Programs Positions by Fund



The Division of Federal and Education Support Division contain three teams, including child nutrition programs, consolidated federal programs, and student and educator support. The positions and funding are distributed based on the following chart and tables:

The FESP Team includes funding for staff to implement programs as well as contracts to support the technology necessary to implement programs and support schools.

Federal and Education Support Programs - Excluding Grants

Major Object	
Personal Services	\$2,561,216
Contracts	1,022,043
Operating Expenses	322,421
TOTAL	\$3,905,680
Funds	
General Funds	\$368,451
Federal Funds	3,044,583
Special Funds	
Conference Fees	46,190
Medicaid	243,836
Tobacco	202,621
TOTAL	\$3,905,680

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

Federal and Education Support Programs Grants

	FISCAL 2020 APPROP ACT	FISCAL YEAR 2021	
		AGENCY RECOMMEND	FY2020 TO FY2021
1 Child Nutrition - State Match	483,348	483,348	0
2 Child Nutrition - Child Care	223,268	223,268	0
3 Child Nutrition - Breakfast	277,632	277,632	0
4 Child Nutrition - Summer Food	51,387	51,387	0
5 Child Nutrition - Free Lunch Initiati	297,250	297,250	0
6 Child Nutrition - TEFAP	83,976	83,976	0
7 Title I Grants to LEAs	32,000,000	32,000,000	0
9 Title I Migrant	720,000	500,000	(220,000)
9 Title I Migrant Consortium	100,000	100,000	0
10 Title I Neglected or Delinquent	150,000	150,000	0
11 Homeless Education Act	175,000	175,000	0
12 Title II, ITQ	10,500,000	10,500,000	0
13 School Lunch Program	15,975,000	16,204,075	229,075
14 Child & Adult Care Food Program	6,100,000	6,100,000	0
15 School Breakfast Program	6,325,000	6,651,000	326,000
16 Summer Food Service Program	1,401,360	1,401,360	0
17 Special Milk Program	35,000	35,000	0
18 Cash in Lieu of Commodities	257,240	257,240	0
19 CN Fruits & Vegetables	1,765,370	1,765,370	0
20 Child Nutrition - TEFAP	132,460	233,989	101,529
21 CN Sponsor Admin	510,000	510,000	0
22 CN Equipment Assistance	80,000	80,000	0
23 Title III ELA	325,000	325,000	0
24 Title IV	1,900,000	5,000,000	3,100,000
25 Rural & Low Income Schools	228,984	228,984	0
26 SAMHSA-Project Aware	310,000	1,200,000	890,000
27 Tobacco	533,078	547,767	14,689

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 – The Emergency Food Assistance Program (TEFAP): These funds to assist in the distribution and transportation process of donated food to recipient agencies (e.g., the Vermont Foodbank) for support of low-income households.
7. Title I - Grants to LEAs for Improving the Academic Achievement of the Disadvantaged: These funds are 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.
8. 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.
9. Title I – Migrant Consortium: These funds to help support Vermont’s participation in multi-state consortia to design and implement educational support services for eligible migrant students.
10. 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.

11. McKinney Vento Homeless Education Act: These funds support programs to ensure that homeless children and youth have equal access to the same free, appropriate public education – including preschool – provided to other children and youth.
12. 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 professional development and other initiatives to ensure that schools have highly qualified teachers, principals and paraprofessionals.
13. Child Nutrition - School Lunch Program: These funds are used to provide a per meal reimbursement to school food service programs to support meals serviced in school lunch programs.
14. 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.
15. Child Nutrition - School Breakfast Program: These funds provide a per meal reimbursement and administrative rate for meals served in breakfast programs.
16. Child Nutrition - Summer Food Service Program: These funds provide a per meal reimbursement and administrative rate for meals served.
17. 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.
18. Child Nutrition - Cash in Lieu of Commodities: These funds allow participating childcare centers to choose to receive cash payments for lunches/dinners instead of U.S. Department of Agriculture donated food.
19. Child Nutrition Fresh Fruits & Vegetables: These funds provide funding assistance for increasing fruit and vegetable consumption in low-income schools.
20. 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.
21. Child Nutrition – Sponsor Admin: Day care home sponsors receive administrative funds on a per home rate to support the cost of managing and administering the program for the day care home’s recipients.
22. Child Nutrition Equipment Assistance: These funds are provided through the Healthy, Hungry Free Kids Act of 2010 and are awarded via competitive grants to low income schools to improve the infrastructure of their food service programs.
23. Title III – Instruction for English Learners (EL) and Immigrant Students: These funds assist LEAs in addressing the needs of EL students. Formula-based sub-grants are awarded to eligible LEAs to provide language instruction to help EL students meet

- Vermont’s academic standards. Districts with substantial increases in Immigrant Youth may also receive grants by formula.
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 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. 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 key strategy areas; assessment, curriculum, policy, youth asset development, teen smoking cessation, community engagement and family engagement. The funds were targeted to include coordination of all substance prevention rather than only tobacco; accordingly, it is recognized by all that the underlying risk and protective factors for tobacco use apply to other substance abuse issues and also that nicotine use often “primes” the brain for other substance addiction. As such, many of the grant’s strategies and the activities that have been funded in this 3-year cycle focus on increasing protective factors and decreasing risk factors for a variety of issues that are related to and sometimes inseparable from tobacco use. In the new grant cycle, we anticipate focusing even more strongly on youth asset development, community and family engagement, and increasing protective factors to discourage initiation of all forms of substance use.

Education Quality

The Educator Quality Division includes Educator Licensing, Pre-service Educator Quality, and Education Quality Assurance Teams.

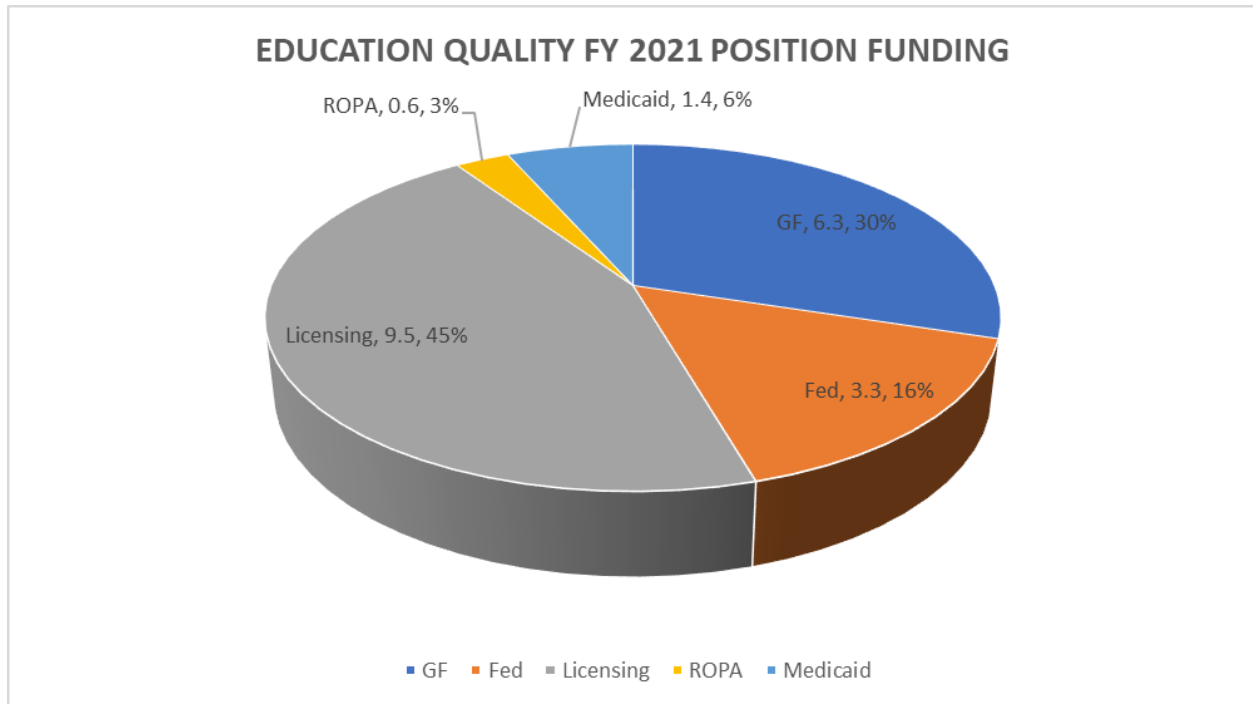
Educator Licensing Team has the responsibility of ensuring that all educators in the state are properly licensed to teach in their designated endorsement area and have been subjected to rigorous background checks. This Team works with the Vermont Standards Board for Professional Educators (VSBPE) in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

Pre-service Educator Quality Team oversees the approval of Vermont Educator Preparation Programs, and development of Educator Professional Standards. Well-prepared, supported educators and leaders in the field are essential, as research has shown this makes a significant difference in the educational lives of students. High-quality teaching standards tied to evidence-based teaching practices provide a foundation for teacher and administrator preparation and ongoing professional learning. The Pre-Service Educator Quality Team facilitates the development of standards that build a career continuum focused on teacher and leader effectiveness, and reviews and rates Supervisory Union/Supervisory District evaluation systems for teachers and leaders. This team likewise provides professional licensure to Vermont educators, and works with the Vermont Standards Board for Professional Educators (VSBPE) in ensuring compliance to the VSBPE Rules Governing the Licensing of Educators and the Preparation of Educational Professionals.

Education Quality Assurance: In 2015, positions at the AOE were realigned to support the implementation of Vermont's Education Quality Review process. In addition to carrying out the initial implementation of these reviews, staff implement the statewide Integrated Field Review assessment system, analyze and report academic and accountability data for use in schools and policy settings, and lead the work in supporting the Continuous Improvement Plans and the specific support for schools identified through federal legislation and state rules.

The Education Quality team includes 21 FTEs. The division is supported primarily through licensing funds and General Funds.

Education Quality Programs Positions by Fund



The budget for the division includes mostly funding for staff salaries.

Education Quality – not including grants

Major Object	
Personal Services	\$2,121,239
Contracts	334,171
Operating Expenses	227,328
TOTAL	\$2,682,738
Funds	
General Funds	\$681,498
Federal Funds	395,150
Special Funds	
Licensing/ROPA	1,469,438
Medicaid	136,652
TOTAL	\$2,682,738

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

Education Quality Grants

	FISCAL 2020 APPROP ACT	FISCAL YEAR 2021	
		AGENCY RECOMMEND	FY2020 TO FY2021
1 Teacher of the Year	2,500	5,000	2,500
2 Licensing	30,000	45,000	15,000

1. Teacher of the Year: This grant provides some financial support for travel expenses related to being named Teacher of the Year. These funds may be used to support her/his 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.

Quality Assurance Grants

	FISCAL 2020 APPROP ACT	FISCAL YEAR 2021	
		AGENCY RECOMMEND	FY2020 TO FY2021
1 Title I - School Improvement	1,200,000	2,500,000	1,300,000
2 School Improvement	1,062,960	1,000,000	(62,960)

1. 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.
2. School Improvement: This is an additional federal grant awarded to school systems with substantial need for improvement to meet state and federal accountability targets.

Student Pathways

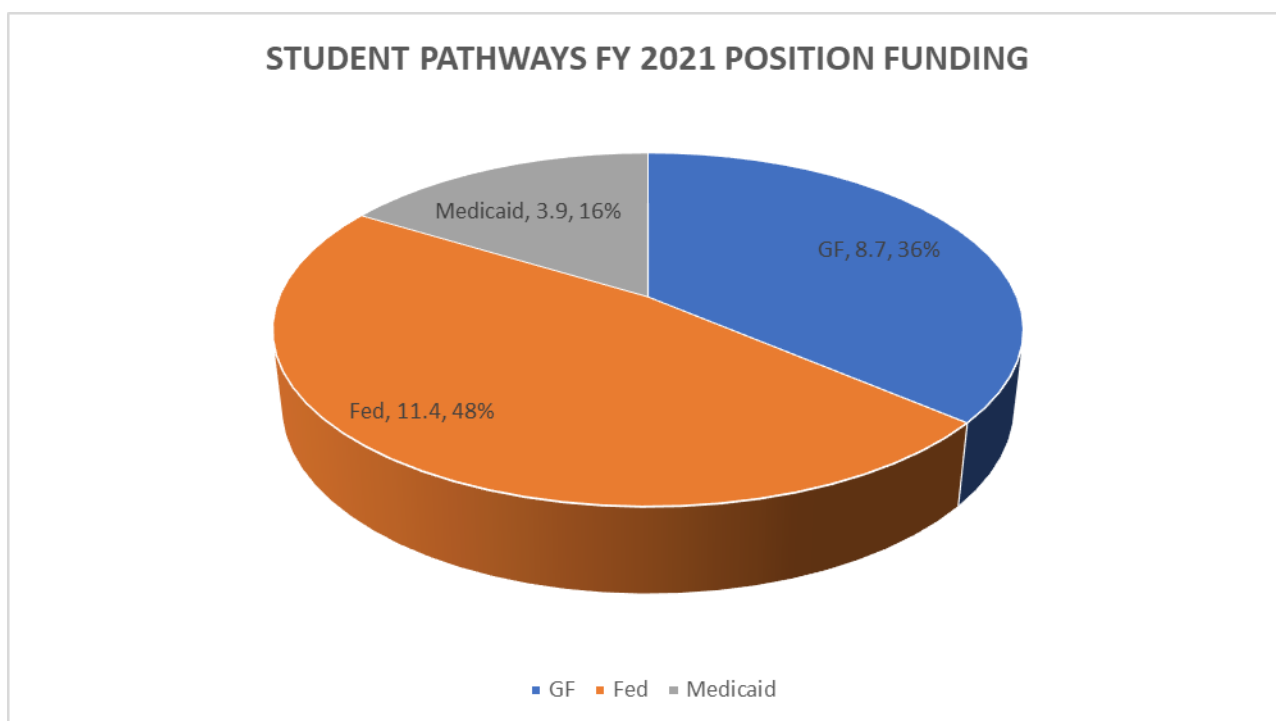
The Student Pathways Division is comprised of the following program teams: 21ST Century Community Learning Centers, Adult Education and Literacy, Career Technical Education, Education Technology, Personalized Learning, and Proficiency-Based Learning. This division is responsible for operating and monitoring the statewide Flexible Pathways (Act 77) initiative and the Education Quality Standards as they pertain to the key initiatives as overseen by the division, implementation of Title II under 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 IV (21st Century After School Programs) of the Every Student Succeeds Act,

and for providing technical assistance to the field regarding educational and instructional technology.

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

There are 24 FTEs that support the work of the Student Pathways Division. Roughly half of the funds that support this divisions are Federal.

Student Pathways Positions by Fund



The Student Pathways division has four teams; Adult Education, Personalization, Proficiency Based Learning and Career Technical Education (CTE).

The work of the Student Pathways Division is supported primarily by staff, some contractual funding supports the data and IT systems used to support the administration of programs.

The budget for the division is comprised of mostly salaries and benefits.

Student Pathways - not including Grants

Major Object	
Personal Services	\$2,532,776
Contracts	534,656
Operating Expenses	295,545
TOTAL	\$3,362,977
Funds	
General Funds	\$1,275,070
Federal Funds	1,643,061
Special Funds	
Medicaid	444,846
TOTAL	\$3,362,977

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

Student Pathways Grants

	FISCAL 2020 APPROP ACT	FISCAL YEAR 2021	
		AGENCY RECOMMEND	FY2020 TO FY2021
1 Adult Services Coordinator	211,233	211,233	0
2 Tech Ed Adult Formula	29,320	29,320	0
3 Governor's Institutes	192,654	192,654	0
4 Carl Perkins Secondary	2,500,072	2,500,072	0
5 Perkins Secondary Reserve	200,000	200,000	0
6 Carl Perkins Post-secondary	881,657	881,657	0
7 Post-secondary Reserve	100,000	100,000	0
8 Carl Perkins Leadership	75,000	75,000	0
9 Carl Perkins Corrections	42,149	42,149	0
10 21st Century	6,850,000	6,850,000	0

1. Adult Technical Education 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. 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.

4. Carl D. 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 (reauthorized in 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 new program development and implementation in the secondary CTE centers.
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 with transitions from secondary CTE programs.
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 new program development, implementation and alignment with secondary CTE programs at regional CTE centers.
8. Carl D. 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.
9. Carl D. 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.
10. 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.

Data Management and Analysis

Formed in October of 2018, the Data Management and Analysis Division (DMAD) is responsible for collecting, stewarding, analyzing, and reporting on data from all levels of Vermont's education system. A centralized AOE resource serving as the main partner to the Agency of Digital Services (ADS), this Division oversees the processes, infrastructure, and practices that support the data lifecycle for the most mission critical data assets the AOE and Vermont is responsible for on an annual basis.

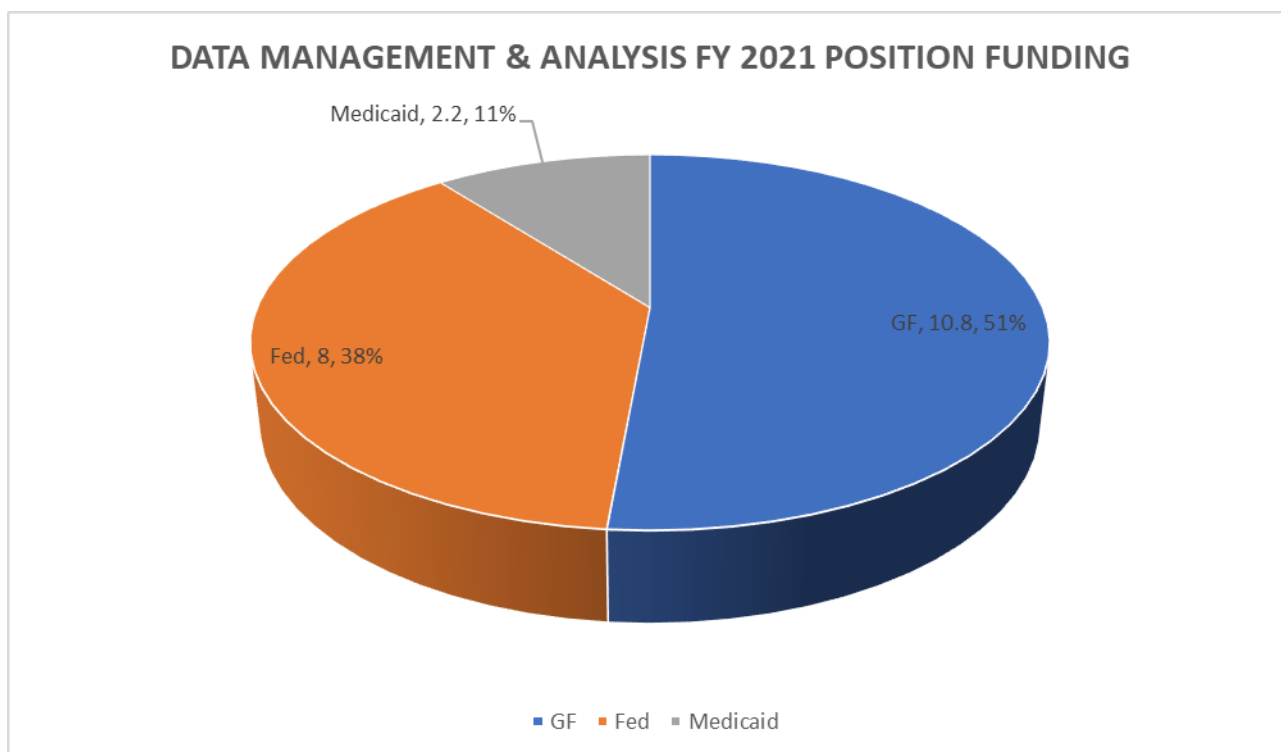
These include, but are not limited to, the master data elements that identify unique student, educator, and organization records across time, as well as transcript, assessment, staffing, and discipline data sets. DMAD liaises with District partners in their submission of local data sets to the AOE and facilitates their use in state and federal required reporting products like the over 140 ED Facts files required in 2020, the Individuals with Disabilities Education Act (IDEA) annual performance reporting, responses to Public Records and Data requests, School Reports, Act 166 Universal PreK, the Annual Snapshot and State Report Card, and Act 117 Dual Enrollment to name just a few.

The information collected, managed, analyzed, and reported on by this Division enables the AOE to maintain compliance with Federal reporting requirements that determine access to key federal funds as well as provide the means to meet accountability and quality requirements set out in Federal and State law.

The Division’s work gives the empirical evidence required to evaluate the condition of Vermont’s education system. DMAD supports AOE’s ability to perform calculations key to administrating the education system, such as Average Daily Membership (ADM), Allowable Tuition, and others. Additionally, DMAD is currently leading efforts to implement new tools and methodologies with view to modernizing and enhancing the ability of the State to care for and leverage education data well.

The data team is staffed by 21 FTEs. Much of the data work required for state and federal reporting is paid for with State dollars with the exception of special education.

Data Management and Analysis Positions by Fund



The Data Management and Analysis Division is split into four teams, that manage the collection, stewardship, analysis and reporting of data, the implementation of assessments by Vermont Schools, and the analysis of the data generated by the assessments.

In addition to staffing costs, the data management and analysis team manages contracts for statewide assessments. There are no grants managed by this division.

Data Management and Analysis

Major Object	
Personal Services	\$2,496,195
Contracts	3,400,953
Operating Expenses	145,448
TOTAL	\$6,042,596
Funds	
General Funds	\$1,580,594
Federal Funds	3,859,614
InterUnit	200,000
Special Funds	402,388
TOTAL	\$6,042,596

Education Fund Appropriations FY 2021 Projected Education Fund Uses

Supporting Schools, Educators & Learners: The Numbers

	FY18	FY19*
	School Year	School Year
	2017-2018	2018-2019
Public Schools		
Elementary (K-6).....	148.....	150
Secondary (7-12)	48.....	49
Combined (Elementary & Secondary).....	98.....	98
Total Public Schools.....	298.....	297
Technical Centers	15.....	15
Total Public Schools & Technical Centers.....	313.....	312
Historical Academies, Independent Schools & Approved Programs		
Historical Academies	4.....	4
Approved Independent Schools.....	90.....	90
Approved Kindergartens	3.....	3
Recognized Independent Schools	31.....	31
State Operated Facilities	1.....	1
Approved Tutorials.....	4.....	4
Approved Pregnant and Parenting Programs.....	7.....	7
Total Independent Schools & Approved Programs	140.....	140
Public Education Governing & Administrative Entities		
Town, City and Incorporated School Districts	177.....	109
Union School Districts (includes unified union districts and modified union school districts).....	40.....	49
Interstate School Districts.....	2.....	2
Total School Districts.....	219.....	160
Technical Center School Districts	3.....	3
Supervisory Unions.....	39.....	31
Joint Contract Schools.....	5.....	3
Gores and Unorganized Towns.....	9.....	9
Total Public Education Governing and Administrative Entities.....	275.....	206
Public School Administrators		
Superintendents.....	57.....	53
Principals	317.....	317
Vocational/Tech Center Directors	15.....	15
Business Managers	60.....	56
Special Education Directors	88.....	92
Total Public-School Administrators.....	537.....	533
Teachers (FTE)	8,118.....	8,107
School Boards	224.....	118
Local School Board Members	1,386.....	851

	FY18 School Year 2017-2018	FY19* School Year 2018-2019
Publicly Funded Students (enrolled as of October 1)		
Vermont Public Schools.....	84,228.....	83,710
Vermont Approved Independent Schools	1,665.....	1,547
Vermont Historical Academies	2,304.....	2,025
Out-of-State Schools.....	663.....	584
Vermont State Agency and Other	417.....	395
Total Publicly Funded Students	89,277.....	88,261
Public School Enrollment		
K-12	75,510.....	75,048
Early Education (Pre-K).....	7,685.....	7,695
Essential Early Education**	1,389.....	899
Total Public-School Enrollment.....	84,584.....	83,642
Historical Academies	2,548.....	2,556
Approved Independent (K-12)	5,655.....	6,049
Recognized Independent (K-12).....	793.....	780
Home Study (K-12).....	2,216.....	2,565
Approved Independent Kindergartens.....	5.....	5
Total Pre-K-12 Enrollment	95,936.....	95,562
Technical & Adult Education Enrollment (categories not mutually exclusive)		
Technical Centers	4,201.....	4,163
Adult Education & Literacy	3,000.....	2,243
GED Certificates Granted	30.....	48
Education & Training – Criminal Offenders	69.....	51
Adult Diploma Program.....	75 (125 served).....	55
High School Completion	250 (375 served).....	193
Other Secondary Diplomas Awarded Through AEL	20.....	27
Student Support Programs Enrollment (categories not mutually exclusive)		
Special Education (ages 3-21).....	14,241.....	15,228
Title I	52,560.....	49,468*
Title I (Preschool)**	3,858.....	3,308*
Migrant Education	296.....	***
Limited English Proficiency (LEP)	1,620.....	1,701
Neglected and/or Delinquent	109.....	108
Homeless	1,097.....	***

*Estimated numbers as of December 2019, subject to change.

**Teacher staff survey data not yet available.

***Migrant education and Homeless data not yet available

The Education Fund

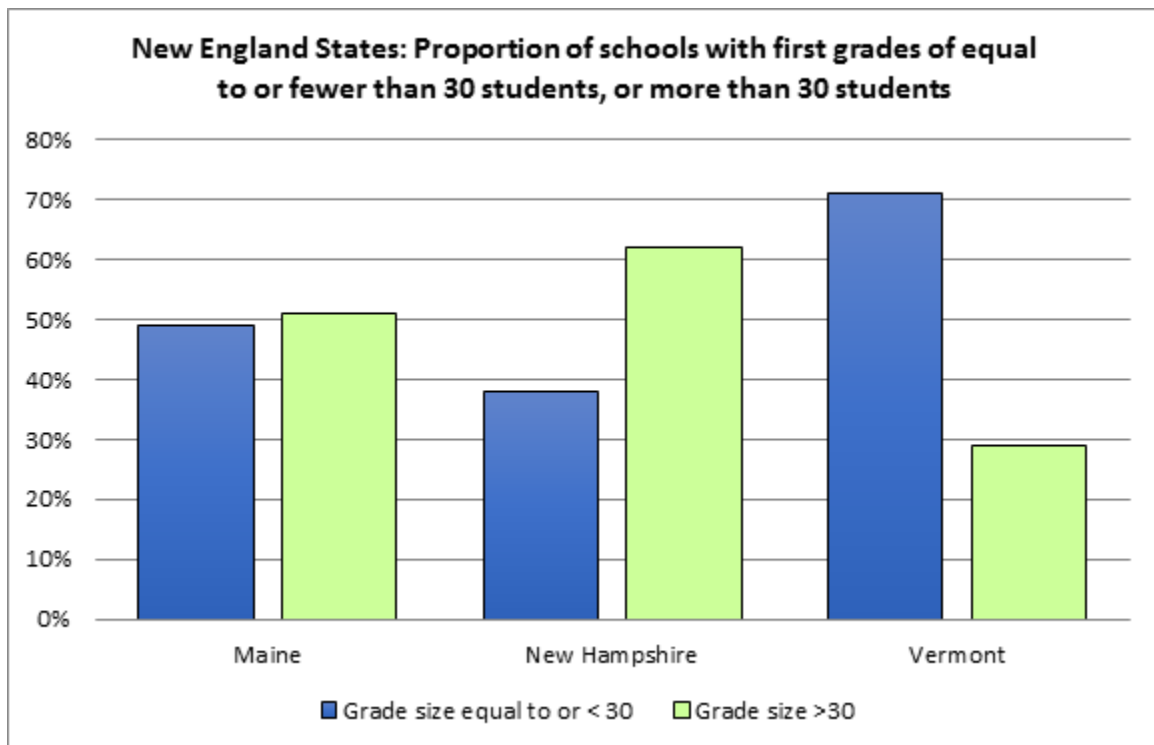
The Agency manages the allocation of most of the Education Fund appropriations. These appropriations reflect the budgets and statutory requirements to support Vermont’s public education systems and students.

Year-over-year changes in Education Fund Expenses

	FY17 (Final)	FY18 (Final)	FY19 (Final)	FY20 (Anticipated)	FY21 (Projection)
Education Expenses (millions)	\$1,578	\$1,635	\$1,655	\$1,726	\$1,808
Year over Year Change	-	3.61%	1.22%	4.29%	4.75%

The Education Fund “funds to budgets,” meaning that the state sets the tax rate necessary to fund the budgets already approved by local voters. The main cost drivers in the Education Fund are demographic:

1. Our publicly funded student population has been declining.
2. We are maintaining most of the public and independent schools we had at our peak (e.g., overhead costs associated with buildings and administration have not changed significantly).
3. The number of teachers and staff has decreased, but not consistent with the loss in the number of students (student-to-teacher ratios and student-to-school ratios are small).
4. Thus, we have fewer students, approximately the same number of schools, and proportionally more overhead to support on a per pupil basis.
5. As a result, we tend to deliver education through smaller schools, particularly at the elementary level, than do other states.
6. We have proportionally more children living in adversity (poverty).



Number and percent of K-12 students identified as living in poverty, FY10 and FY20, using AHS direct certification data:¹

	2-yr Poverty average	Poverty Ratio Statewide
FY10	12,028	13.76%
FY20	15,800	19.33%

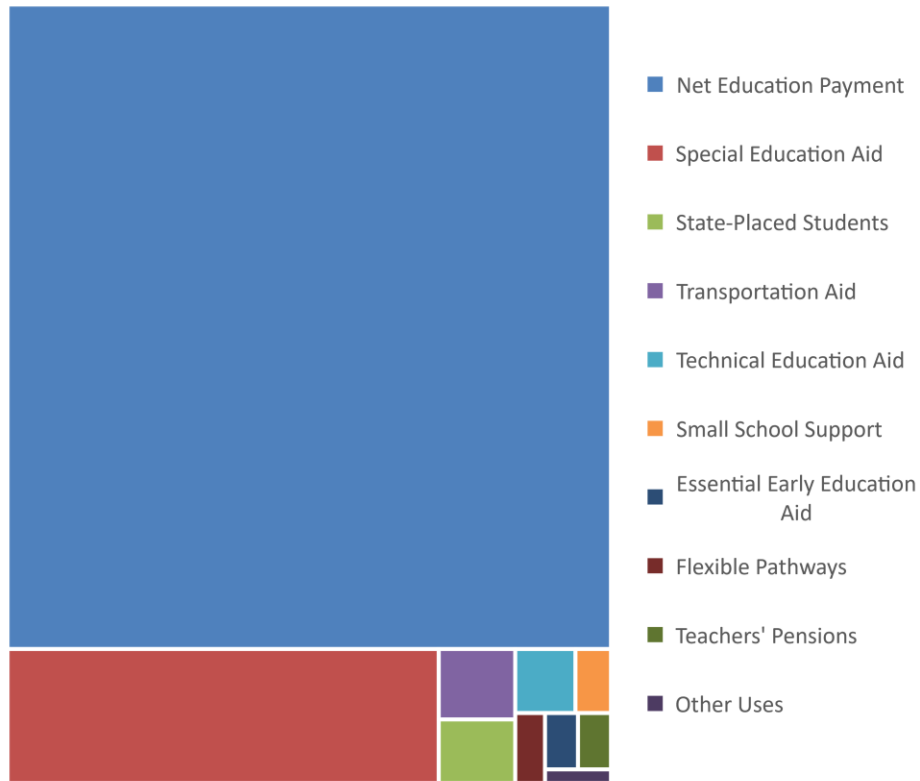
Education Outcomes

On average, our students are consistently among the highest performing in the nation, including on the National Assessment of Educational Progress. Because Vermont is one of only 4 states that refused to evaluate teachers based on test scores, we are also a state that, for the most part, has avoided the test-focused instruction that characterizes public and charter schools in many states. So far, we have maintained strong performance outcomes on traditional measures of academic skills, even as we have required our schools to broaden their focus to include flexible pathways, creativity, health and wellness, technology education, and applied learning.

What Vermonters buy with Education Fund dollars

If we count 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 – we spend about \$19,900 per Vermont student. The following chart below breaks the \$19,900 into the major appropriations from the Education Fund.

FY2020 Education Fund Appropriations by ADM



About 83% of the Education Fund is spent on our “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, which represents about 40 percent of total special education costs, and the local share of transportation costs, representing approximately 55% of those. Prekindergarten is also part of our net education payment.

The next biggest percentage – 12 percent – is spent on the state portion of special education costs in public and independent schools. Over the next several years, by changing how we fund and deliver special education, by building better approaches to early intervention and just-in-time support for struggling learners, we can both improve outcomes for these students and lower the cost to taxpayers.

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

after treatment for trauma and establishment of appropriate continuing mental health supports.

The rest of the \$1.6 billion we spend on education is spread across a number of functions. Our state contribution to transportation is critical; many of our children depend on buses to get to school, particularly in less affluent communities. We provide subsidies to small schools, and pay costs associated with children in state custody who are placed in schools near their foster homes. We fund dual enrollment programs and early college programs that give students access to college credits while still in high school.

The Table below provides the details on how the FY2020 Education Fund per ADM breaks down:

General Category	Ed Fund per ADM	% of Total
Net Education Payment	15,735.4	83.2%
Special Education Aid	2,275.1	12.0%
State-Placed Students	179.9	1.0%
Transportation Aid	220.1	1.2%
Technical Education Aid	159.3	0.8%
Small School Support	87.1	0.5%
Essential Early Education Aid	75.6	0.4%
Flexible Pathways	83.7	0.4%
Teachers' Pensions	88.3	0.5%
Other Uses	11.5	0.1%
Adult Education & Literacy *	na	na
Community HS of Vermont *	na	na
Renter Rebate *	na	na
Reappraisal & Listing *	na	na

* Moved to the General Fund - 2018, No. 11 (Special Session), sec. H.8

This all adds up to approximately \$19,900 per child on average, statewide. Locally, communities pay different sums depending on local decisions about how to educate their children. Some pay more and some pay much less.

Three common reasons for higher costs per pupil than average, include low student-to-staff ratios, high tuition payments, or a student population with higher than average levels of disadvantage.

Systems with high levels of disadvantage also receive support from more federal dollars. The Agency is working with systems to best utilize those dollars to support our most vulnerable students beyond the local investment in their education.

Some tuition towns have merged elementary schools and/or merged districts to insulate themselves from both increases and fluctuations in tuition payments. Some larger districts have managed ratios effectively by reallocating students and staff across buildings in ways that strengthen programs and maintain affordable ratios in small schools.

Carryforward

Annually the General Assembly authorizes the Commissioner of Finance and Management to allow unspent appropriations from the Education Fund to carryforward. The following table reflects the carryforward authorized by the Commissioner in FY20.

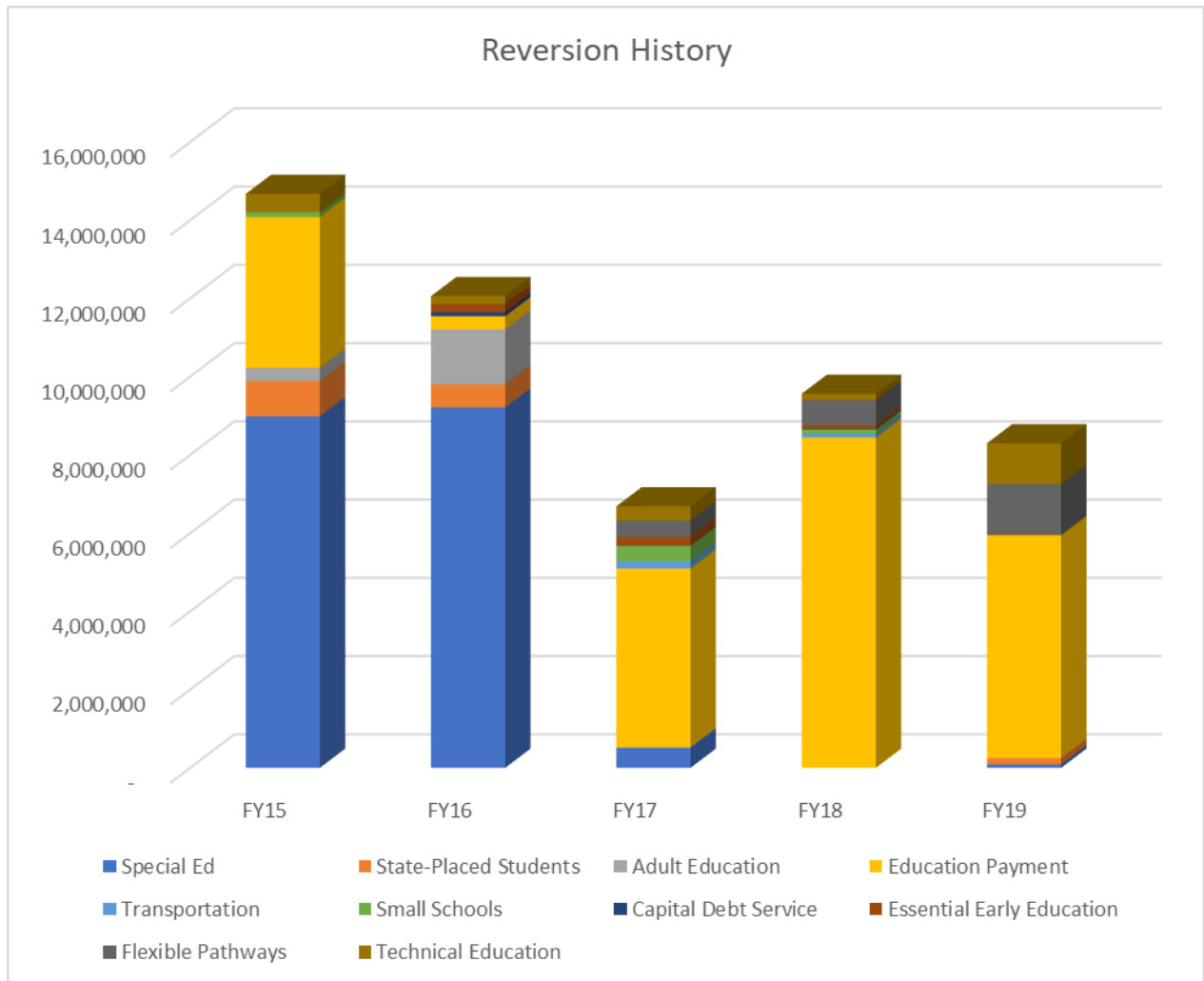
	FY 2020 Appropriation	Carryforward	% of FY 2020 Appropriation
Education Fund			
Special Education	212,956,000	14,173,076	6.66%
Flexible Pathways	7,706,500	1,766,458	22.92%
Education Payment	1,428,800,000	300,000	0.02%
Technical education	14,150,000	690,848	4.88%
Total	\$ 1,663,612,500	\$16,930,382	1.02%

- Special Education – most of the carryforward was to pay the final FY 2019 reimbursement. The final reimbursable figures for FY 2019 do not come to the Agency until FY 2020.
- Flexible pathways – \$360k was carried forward to meet the final semester payment for dual enrollment and the projected program increase in FY 2020; \$325k was carried forward for projected increased costs of the early college program; \$300k was requested for the Vermont Virtual Learning Cooperative; and \$400k for Secondary School Reform grants (to support ongoing efforts to increase access to personalized, proficiency-based, flexible pathways for vulnerable Vermont students.).
- Education Payment – these funds were carried forward for Act 46 grants obligations that had not been liquidated.
- Technical Education – These funds were carried over to pay subgrant obligations.

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.



Reversion History

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Special Education	\$8,986,778	\$9,212,026	\$513,046	\$0	\$87,051
State-Placed Students	901,038	593,810	0	0	161,178
Adult Education & Literacy	338,137	1,397,950	9,484	0	0
Education Payment	3,855,610	341,880	4,577,182	8,443,806	5,692,154
Transportation	0	0	180,797	97,030	489
Small Schools	123,629	0	395,595	109,928	20,167
Capital Debt Service	0	100,447	8,636	25,000	0
Essential Early Education	3,606	209,219	220,782	89,451	19,276
Flexible Pathways	0	0	416,790	637,263	1,274,807
Technical Education	462,597	203,854	363,463	160,914	1,042,705
Grand Total	\$14,671,395	\$12,059,186	\$6,685,775	\$9,563,392	\$8,297,897

Items of note:

- In FY 2015 and FY 2016, there were significant reversions from special education, which drove the unreserved/unallocated balance in the Education Fund used in the FY 2018 Budget.
- The reversion of the Education Payment in 2018 reflects the first 65% of the total Health Care Claw back.
- The reversion of the Education Payment in FY2019 reflects the second part (35%) of the Health Care Claw back and money appropriated for Act 46 merger support grants.

B. 502 - Special Education Formula

	FISCAL 2020 APPROP ACT	FISCAL YEAR 2021	
		AGENCY RECOMMEND	FY2020 TO FY2021
CATEGORY OF EXPENDITURE			
GRANTS	\$ 212,956,000	\$ 223,718,575	\$ 10,762,575
SOURCE OF FUNDS			
EDUCATION FUND	\$ 212,956,000	\$ 223,718,575	\$ 10,762,575

SOURCE OF FUNDS DETAIL

(A) EDUCATION FUND			
GRANTS			
1 Mainstream Block Grant	\$ 32,615,958	\$ 33,079,326	\$ 463,368
2 Special Ed. Expend. Reimb.	155,888,615	158,775,000	2,886,385
3 Extraordinary Reimbursement	20,686,937	28,000,000	7,313,063
4 I-Team & Regional Specialist	1,129,575	1,159,509	29,934
5 Hearing Impaired	992,517	1,018,819	26,302
6 Visually Impaired	604,220	620,232	16,012
7 BEST	597,603	613,439	15,836
8 Act 230 Training	440,575	452,250	11,675
TOTAL GRANTS	212,956,000	223,718,575	10,762,575
TOTAL EDUCATION FUNDS	\$ 212,956,000	\$ 223,718,575	\$ 10,762,575
TOTAL ALL SOURCES	\$ 212,956,000	\$ 223,718,575	\$ 10,762,575

Budgetary Changes: The Special Education Appropriation has several changes:

1. Mainstream block grant – the mainstream block grant is a factor in the special education funding formula that is used to calculate the appropriation. The formula is based on special educator salary per ADM in a supervisory union. As ADM fluctuates, the block grant is impacted.
2. Special education reimbursement – the funding for the special education expenditure reimbursement is contingent on service plans submitted by supervisory unions and supervisory districts. The FY 2021 appropriation reflects the amount needed to fully fund the FY 2021 projected state special education obligation, including the reimbursement tail that will occur at the beginning of FY 2022 when the census block grant transition begins.
3. Extraordinary Reimbursement – this reflects the projected state obligations for extraordinary cost reimbursement in FY 2021 based on service plans.
4. I-Team & Regional Specialists, Hearing Impaired, Visually Impaired, BEST, and Act 230 Training, are grants to support improvement of service delivery and specialized services - these grant amounts are increased annually by the NEEP index.

Summary of Special Education Grants

1. Mainstream Block Grant – 16 V.S.A. § 2961
These funds provide a block grant to each supervisory union and supervisory 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.
2. Special Education Expenditures Reimbursement - 16 V.S.A. § 2963; 16 V.S.A. § 2967
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.
3. Extraordinary Reimbursement – 16 V.S.A. § 2962
Funds provide 95 percent 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).
4. Interdisciplinary Team & Regional Multi-disability Specialist (I-Team) – 16 V.S.A. § 2969(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.
5. Students who are Deaf or Hard of Hearing (Hearing Impaired) – 16 V.S.A. § 2967(b)(2)
These funds support consultation and services for students who are deaf or hard of hearing. Regionally assigned consultants assist school staff and parents in arranging for assistive technology, accommodations, training and technical assistance.
6. 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.
7. Building Effective Supports for Teaching (BEST) – 16 V.S.A. § 2969(c)
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 – 16 V.S.A. § 2969(d)
Funds are granted to supervisory unions/districts for training and technical assistance to better meet student needs and to enhance tiered systems of supports.

B. 503 - State-Placed Students

A state-placed student is a student who is placed by a Vermont State Agency, a state-licensed child care 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 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.

	FISCAL 2020 APPROP ACT	FISCAL YEAR 2021	
		AGENCY RECOMMEND	FY2020 TO FY2021
CATEGORY OF EXPENDITURE			
GRANTS	\$ 18,000,000	\$ 18,000,000	\$ -
SOURCE OF FUNDS			
EDUCATION FUND	\$ 18,000,000	\$ 18,000,000	\$ -

SOURCE OF FUNDS DETAIL

EDUCATION FUND			
GRANTS			
1 LEA Reimbursement	\$ 9,780,000	\$ 9,780,000	\$ -
2 Indiv. Residential Placement	7,800,000	7,800,000	0
3 Special Services	220,000	220,000	0
4 Regular Education Tuition	<u>200,000</u>	<u>200,000</u>	<u>0</u>
TOTAL GRANTS	\$ 18,000,000	\$ 18,000,000	\$ -
TOTAL EDUCATION FUNDS	\$ 18,000,000	\$ 18,000,000	\$ -

Summary of State-Placed Student Grants

1. LEA (Local Education Agency) Reimbursement – 16 V.S.A. § 2950(a)
These funds are used to reimburse school districts 100 percent of special education costs incurred for students with Individualized Education Programs (IEPs).
2. Individual Residential Placement – 16 V.S.A. § 2950(b) and (c)
These funds provide payments to approved independent schools or tutorial programs for educational costs of students in residential facilities within and outside of Vermont.
3. Special Services – 16 V.S.A. § 2950(a)

These funds are used to reimburse school districts for special services approved by the Secretary for non-IEP students. They may also be used for payments to the Lund Home for daytime educational services for pregnant or parenting teens (16 VSA § 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.

	FISCAL 2020 APPROP ACT	FISCAL YEAR 2021	
		AGENCY RECOMMEND	FY2020 TO FY2021
CATEGORY OF EXPENDITURE			
GRANTS	\$ 4,371,050	\$ 4,371,050	\$ -
SOURCE OF FUNDS			
GENERAL FUND (A)	\$ 3,605,000	\$ 3,605,000	\$ -
FEDERAL FUNDS (B)	<u>766,050</u>	<u>766,050</u>	<u>0</u>
TOTAL ALL SOURCES	\$ 4,371,050	\$ 4,371,050	\$ -

SOURCE OF FUNDS DETAIL

(A) GENERAL FUND			
GRANTS			
1 Adult Education & Literacy	\$ 2,705,000	\$ 2,705,000	\$ -
2 Adult Diploma	<u>900,000</u>	<u>900,000</u>	<u>0</u>
TOTAL GENERAL FUND	\$ 3,605,000	\$ 3,605,000	\$ -
(B) FEDERAL FUNDS			
GRANT (ONLY CATEGORY)	\$ <u>766,050</u>	\$ <u>766,050</u>	\$ -
TOTAL FEDERAL FUNDS	\$ 766,050	\$ 766,050	\$ -
TOTAL ALL SOURCES	\$ 4,371,050	\$ 4,371,050	\$ -

Budgetary Changes: The appropriation for AEL is level funded from FY 2020 to FY 2021.

Summary of Adult Education and Literacy Grants

1. Adult Education & Literacy – 16 V.S.A. § 4025(b)(1)

This program provides instruction and education services below the postsecondary level for those aged 16 and older that increase the individual's ability to read, write, and speak in English and perform mathematics or other activities necessary for the attainment of a secondary school diploma or its recognized equivalent; transition to postsecondary education and training; and/or obtain employment.

2. Adult Diploma Program – 16 V.S.A. § 945(f)

Described under the Flexible Pathways section of Title 16, this program is 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 or GED program. Payments made to a department or agency that provides an adult diploma program are calculated per 16 V.S.A. § 4011(f).

3. Workforce Innovation and Opportunity Act (WIOA), Title II Adult Education and Literacy

The federal funds combine with state funds to provide instruction and education services below the postsecondary level for those aged 16 and older as described above. The federal appropriation may only be used for those who are not enrolled or are required to be enrolled in secondary school and for those who are deficient in basic skills (reading, writing, or math skills below the 8th grade level), do not have a secondary school diploma or its recognized equivalent, or are English language learners.

B. 504.1 - Flexible Pathways

16 V.S.A. § 941 describes the Flexible Pathways Initiative that requires schools serving students grades 7 - 12 to offer flexible pathways to graduation and to document the personalization process in Personal Learning Plans (PLPs). Flexible pathways, as a component of PLPs, can include work-based learning experiences, CTE, virtual 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.

	FISCAL 2020 APPROP ACT	FISCAL YEAR 2021	
		AGENCY RECOMMEND	FY2020 TO FY2021
CATEGORY OF EXPENDITURE			
GRANTS	\$ 8,599,000	\$ 9,285,000	\$ 686,000
SOURCE OF FUNDS			
GENERAL FUND (A)	\$ 892,500	\$ 992,500	\$ 100,000
EDUCATION FUND (B)	<u>7,706,500</u>	<u>8,292,500</u>	<u>586,000</u>
TOTAL ALL SOURCES	\$ 8,599,000	\$ 9,285,000	\$ 686,000

SOURCE OF FUNDS DETAIL

(A) GENERAL FUND			
GRANTS			
1 Dual Enrollment	\$ 850,000	\$ 950,000	\$ 100,000
2 Dual Enrollment VT VSAC	<u>42,500</u>	<u>42,500</u>	<u>0</u>
TOTAL GENERAL FUND	\$ 892,500	\$ 992,500	\$ 100,000
(B) EDUCATION FUND			
GRANTS			
3 HS Completion for LEAs	\$ 3,916,000	\$ 4,000,000	\$ 84,000
4 Dual Enrollment	850,000	950,000	100,000
5 Early College	2,148,000	2,500,000	352,000
6 Vermont Academy of Science	450,000	500,000	50,000
7 Secondary School Reform	200,000	200,000	0
8 Dual Enrollment VT Virtual	100,000	100,000	0
9 Dual Enrollment VT VSAC	<u>42,500</u>	<u>42,500</u>	<u>0</u>
TOTAL GRANTS	\$ 7,706,500	\$ 8,292,500	\$ 586,000
TOTAL EDUCATION FUND	\$ 7,706,500	\$ 8,292,500	\$ 586,000

Budgetary Changes: The changes in this FY 2021 appropriation reflect 2 major changes:

1. Dual Enrollment:
 - a. Additional funds are added to the program to ensure sufficient funding to cover projected costs.
2. Early College: Enrollment in the Early College program continues to increase. The appropriation has been increased to reflect the projected demand for the program.

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 Personalized Learning Plan (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 to the post-secondary institution.

3. Early College - 16 V.S.A. § 946(a)(2)

This program directs the Agency 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 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, the Agency provides funding for projects that focus on innovative school and systems-based work on personalization, flexible pathways and proficiency-based education.

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.

7. Dual Enrollment, VSAC – Previously 2017 No. 85 Sec. B.1100(a)(3)(C)

Granted to VSAC to support need-based stipends for dual enrollment and early college students. Students who meet the eligibility criteria (based on FRL status) may receive a stipend to help offset the out-of-pocket expenses of books, fees, or transportation.

B. 505 - Statewide Education Spending Grant

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

	FISCAL 2020 APPROP ACT	FISCAL YEAR 2021	
		AGENCY RECOMMEND	FY2020 TO FY2021
CATEGORY OF EXPENDITURE			
GRANTS (ONLY CATEGORY)	1,428,800,000	1,498,520,000	\$ 69,720,000
SOURCE OF FUNDS			
EDUCATION FUND (A)	1,428,800,000	1,498,520,000	\$ 69,720,000

SOURCE OF FUNDS DETAIL

EDUCATION FUND			
GRANTS			
1 Education Spending Grant	1,427,249,000	1,497,569,000	\$ 70,320,000
2 Tech FTEs Not Enrolled	500,000	500,000	0
3 Driver Education	451,000	451,000	0
4 Act 46	600,000	0	(600,000)
TOTAL EDUCATION FUND	1,428,800,000	1,498,520,000	\$ 69,720,000

Budgetary Changes: The changes in FY 2021 in this appropriation reflect two changes:

1. Education Spending Grants – \$1,498 M reflects the Agency of Education’s estimate in local school budget growth in FY 2021. The growth rate is projected to be about 4.9% above prior year spending. The growth pressure is associated with typical cost pressures in schools as well as health care cost growth and increased demand for construction and renovation projects This number will be updated once local budgets are submitted to the Agency.
2. Act 46 Grants – As Act 46, 2015, as amended by Act 49, 2017, has finished its final phases, there is no longer a need in communities for grants to support Act 46 work. As such, the Agency has determined that the funding need can be eliminated.

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 and will be updated once local budgets are submitted to the Agency.
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 spending 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 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 2020 APPROP ACT	FISCAL YEAR 2021	
		AGENCY RECOMMEND	FY2020 TO FY2021
CATEGORY OF EXPENDITURE			
GRANTS (ONLY CATEGORY)	\$ 19,800,000	\$ 20,459,000	\$ 659,000
SOURCE OF FUNDS			
EDUCATION FUND	\$ 19,800,000	\$ 20,459,000	\$ 659,000

Budgetary Change: The changes in FY 2021 in this appropriation reflects the statutory increase for the appropriation.

B. 507 - Small School Support Grants

Under 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. Merger support grants totaled approximately \$3,800,000 of the \$8,400,000 in FY2020.

	FISCAL 2020 APPROP ACT	FISCAL YEAR 2021	
		AGENCY RECOMMEND	FY2020 TO FY2021
CATEGORY OF EXPENDITURE			
GRANTS	\$ 8,400,000	\$ 8,200,000	\$ (200,000)
SOURCE OF FUNDS			
EDUCATION FUND	\$ 8,400,000	\$ 8,200,000	\$ (200,000)

Budgetary Change: The requested FY2020 appropriation was high so the Agency is requesting a slightly smaller amount for FY2021. The overall growth in the total small school grants seems to be slowing, likely due to the merger support grants being a fixed amount.

B. 510 – Essential Early Education

Essential Early Education grants are made to supervisory union/districts 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.

	FISCAL 2020 APPROP ACT	FISCAL YEAR 2021	
		AGENCY RECOMMEND	FY2020 TO FY2021
CATEGORY OF EXPENDITURE			
GRANTS (ONLY CATEGORY)	\$ 6,808,000	\$ 7,044,052	\$ 236,052
SOURCE OF FUNDS			
EDUCATION FUND	\$ 6,808,000	\$ 7,044,052	\$ 236,052

Budgetary Change: The changes in FY 2021 in this appropriation reflects the statutory increase for the appropriation.

B. 511 - Technical Education

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

	FISCAL 2020 APPROP ACT	FISCAL YEAR 2021	
		AGENCY RECOMMEND	FY2020 TO FY2021
CATEGORY OF EXPENDITURE			
GRANTS	\$ 14,150,000	\$ 14,816,000	\$ 666,000
SOURCE OF FUNDS			
EDUCATION FUND	\$ 14,150,000	\$ 14,816,000	\$ 666,000

SOURCE OF FUNDS DETAIL

(B) EDUCATION FUND			
GRANTS			
1 Tech. Ed. Tuition Reduction	\$ 9,000,000	\$ 9,450,000	\$ 450,000
2 Tech. Ed. Salary Assistance	2,350,000	2,468,500	118,500
3 Tech. Ed. Transportation	1,950,000	2,047,500	97,500
4 Youth Leadership	125,000	125,000	0
5 Innovative Program Development	<u>725,000</u>	<u>725,000</u>	<u>0</u>
TOTAL GRANTS	\$ 14,150,000	\$ 14,816,000	\$ 666,000
TOTAL EDUCATION FUND	\$ 14,150,000	\$ 14,816,000	\$ 666,000

Budgetary Changes: There are three changes in this appropriation in FY 2021.

1. In the first three appropriations and as a result of calculations based on a statutory formula increases are made for:
 - a. Tech Ed Tuition Reduction,
 - b. Tech Ed Salary Assistance and
 - c. Tech Ed Transportation.

Summary of Statewide Technical Education Grants

1. Technical Education Tuition Reduction (CTE) – 16 V.S.A. § 1561(b),(c)
Funds are disbursed as payments to technical centers to reduce the tuition paid by school districts, based on three-year average enrollments.
2. Technical Education Salary Assistance (CTE) – 16 V.S.A. § 1565(a)
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. Technical Education Transportation (CTE) – 16 V.S.A. § 1563
Funds reimburse costs of transporting students to CTE centers. The per mile adjusted reimbursement rate is calculated annually.
4. Youth Leadership; Career Technical Student Organizations (CTSO) Youth Leadership
Funds support SkillsUSA, Future Farmers of America (FFA), Future Business Leaders of

America (FBLA), Distributive Education Clubs of America (DECA), and Health Occupations Students of America (HOSA). CTSOs promote youth leadership development activities and participation in regional, state and national skills competitions.

5. Innovative Program Development

Funds help cover start-up costs for new and innovative CTE programs developed at the state or regional level, that prepare students for careers and/or further studies in emerging career fields with high skills, high wage and high demand jobs. Provides State match for the Federal Perkins Grant. These funds are granted on a competitive basis for up to two years and may include proposals specifically focused on purchasing equipment or technology.