



# Vermont Agency of Education **Annual Report**

**February 24, 2023**

## **Executive Summary**

The Agency of Education's 2023 Annual Report provides an broad overview of the Agency's work to support the learning and wellbeing of Vermont students and advance quality and equity in Vermont's education system.

Secretary French's message emphasizes the critical work of education recovery, and reflects on the rapid pace of change in education. Vermont school systems are grappling with a great number of in-flight initiatives and policy changes, in a time of unprecedented stress on the system. Nevertheless, Vermont stands at a crossroads, with the opportunity to make significant progress to advance quality and equity and provide the 21<sup>st</sup> Century education system that Vermont students deserve. Investments in school facilities, along with policy updates to make schools safer and ensure schools are welcoming places for all are some of the ongoing and new initiatives the Agency is focused on.

The Annual Report also provides an overview of the Agency's structure and major programs, as well as an overview of Vermont's education funding structure. The Agency provides critical leadership, support and oversight to a \$2.56 billion education system with an operating budget of just over 51 million and 161 positions. This report provides an overview of that system, the many programs, offices and initiatives that support it, and the students it serves.

## **State of Vermont**

### **Agency of Education**

Governor: **Phillip B. Scott**

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

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

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

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# Vermont Education BY THE NUMBERS

Public School Enrollment (compared between SY21 and SY22)

GRADES  
KINDERGARTEN  
THROUGH 12

72,747

students  
(increase from 72,183)



PREKINDERGARTEN  
AND EARLY  
EDUCATION

7,358

students  
(increased from 6,680)



HIGH SCHOOL  
COMPLETION  
PROGRAM

61

students  
(decrease from 74)



TOTAL

80,166

students  
(increased from 78,937)



# Vermont Education BY THE NUMBERS

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Publicly Funded Students  
(comparison of SY21 to SY22 data)

VERMONT  
PUBLIC  
SCHOOLS

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



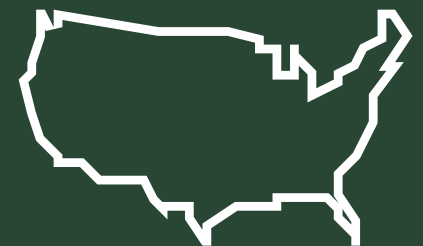
APPROVED  
INDEPENDENT  
SCHOOLS

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



OUT-OF-STATE  
SCHOOLS

**738**  
students  
(increase from 443)



TOTAL  
PUBLICLY  
FUNDED  
STUDENTS

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



## **Introduction**

The purpose of the AOE Annual Report is to provide a general overview of the Agency of Education's structure and programs, as well as narrative about challenges and opportunities in Vermont's education system. In addition to an overview of major Agency initiatives, and the Agency's various divisions, programs and grants, the report provides a general overview and status update on Vermont's Education Fund.

In his message, Secretary of Education Dan French provides an update on the system's progress with Education Recovery and outlines his vision for the next year and beyond. Vermont's education system is at a crossroads with the impacts of the COVID-19 pandemic putting unprecedented stress on students, staff, and the system generally, coupled with the unprecedented levels of one-time funding available in the form of pandemic education relief dollars. Critical investments, such as in school facilities and infrastructure, remain to be made, while currently in-progress initiatives, such as Act 173 of 2018 special education reform, Act 28 of 2021 literacy programs, and Act 127 of 2022 student funding weight reform, need time and continued support to take effect. The critical juncture at which the system finds itself only reinforces the need for a renewed commitment to advancing a 21<sup>st</sup> Century, student-focused system grounded in quality and equity.

The Agency manages a complex, \$2.56 billion dollar education environment with a small staff of dedicated professionals. With the State of Vermont constitutionally responsible for the education of students, the Agency plays an expanded and pivotal role in the success of students, as compared with peer states. Nevertheless, Vermonters believe strongly in local control, with many decisions, including funding and curriculum, made at the local level. The AOE is focused on providing leadership, support, and oversight to the system as a whole, to enable students to learn, grow and succeed. This report provides an overview of that system, the many programs, offices and initiatives that support it, and the students it serves.

## **How to use this Document**

The Annual Report is a companion document of the Agency of Education's Budget Book. Written for a legislative audience, the Budget Book contains an overview of AOE's requested FY2024 budget, and current spending activity, as well as the Vermont Education Fund.

The Annual Report includes additional narrative about AOE's initiatives and programs, and is intended to provide a more concise, reader-friendly overview.

Where appropriate, the digital versions of the AOE Budget Book and Annual Reports refer to one another via hyperlink. Throughout the sections below, the reader will find links to applicable sections of the Budget Book, containing more in-depth information about the Agency's budget request and current funding levels.

## Agency Purpose

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

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

## Message from Secretary French

In 2019 the Agency of Education developed the purpose statement included above to ground our work more directly in our state constitution and laws. This purpose statement allows us to describe the focus of the Agency’s work as simply, “equity and quality”, and further describes the primary means by which we enact this commitment through our “leadership, oversight, and support” of Vermont’s public education system.

The years of the COVID-19 pandemic have only reinforced the utility and importance of the AOE’s purpose statement, focused on these dual imperatives. The work of our schools has been phenomenal during the pandemic. Our teachers, students, families, and school leaders gave their absolute best in exceedingly challenging circumstances. We were fortunate to have a very successful pandemic response, one of the best in the country from my perspective. Much of this success was due to the partnership and collaboration among key stakeholders including the General Assembly, other state agencies and departments, school district leaders and staff, families, and students.

Now we turn to the very hard work of addressing the impact of the pandemic on students. Our teachers and support staff are on the front lines, doing heroic work to help support our students. Again, we have worked together with the General Assembly, school leaders and our partners to build a coherent approach to education recovery that prioritizes the academic and social emotional needs of our students. Our school systems are managing an unprecedented investment of federal funds to address recovery needs. These efforts are being undertaken despite significant staffing issues and ongoing supply chain challenges.

Our efforts are bearing fruit. We are slowly turning to recovery on behalf of our students. This will be the primary focus of our work (for both the Agency and the system as a whole) for the next two years at which time the use of the federal relief dollars expires.

We are already making progress. Thoughtful investment of pandemic relief dollars is being paired with careful and conscientious efforts by teachers, support staff, parents and the students themselves to turn the tide. I never fail to be impressed by the progress I see as I travel to schools around the state. Yet despite all our efforts, it is impossible to deny that the shadow of COVID-19 lies long on Vermont's education system. We have a lot of work to do, now and after the federal relief dollars have been exhausted.

Education Recovery, paired with the essential goals of advancing quality and equity beyond where they were in 2019 means that we have many years of work ahead of us. We need to remain committed in advancing equity and quality through our recovery efforts.

In many ways Vermont's education system is on solid ground. Our outcomes for students are respectable; we regularly perform in the top 10% when it comes to graduation rate and national assessments. We struggle with equity, as do many states: with some student groups performing very well, while others fall behind. We are one of the healthiest states in the country, which is a big contributor to our academic success.

We are known for personalizing learning, and we can do it at scale statewide due to our relatively small size. We have invested significant effort in personalization over the last decade. These initiatives are part of a broader historical tendency to place the Vermont student at the center of the learning process.

Finally, there is increasing interest and attention to Vermont's civility, which remains strong despite contentious school board meetings and community debates in some places around the state. We must leverage our strong tradition of local control and school board governance to set the necessary positive example for our students. There is much we can do as adults to set a positive example for our students because at the end of the day, they look to us and learn from our behaviors and actions.

While our quality is high overall, there remain significant areas of concern. Cost and affordability of our education system is, and remains, a perennial concern especially as we approach a potential funding cliff with federal relief dollars. Vermont is one of the highest spenders on a per student basis nationwide – and yet our outcomes do not differ significantly from other states which spend, on average, much less than we do. Our small scale, as well as our relative complexity for a system of our size are significant factors.

Turnover in leadership and relatively weak organizational systems and structures are major factors holding us back from achieving a more equitable and high-quality education system. Coupled with workforce shortages, turnover is making it extremely difficult for many of our school systems to make consistent progress and achieve the kind of stability needed to move the needle on equity and quality. While turnover and hiring difficulties are problems generally across the state in every sector, the impact on



our schools and districts is a significant factor. The pandemic has been an exceedingly challenging time to be an educational leader.

To a certain extent, both cost and leadership turnover are symptoms of a decentralized education system. There is significant variability across Vermont's education system, in terms of structure, capacity business practices, and resources. This variability makes sustained continuous improvement more difficult and makes retention of staff that much more challenging. Inefficiencies creep in, leading to greater cost. None of these dynamics serve students well. We know that we can do better to deliver a high-quality education to each student in a more efficient and equitable manner.

The Agency's priorities this session reflect these understandings. We are proposing ways to expand opportunities for students and creating flexibility within and among our education programs, so every student can build their own seamless pathway to a positive and productive career and a happy and fulfilling adulthood in our state. This year we propose:

- A comprehensive **computer science** education program focused on middle and high school students, with added requirements for computer science education and grants to support educators building capacity in this discipline. Computer science is coming into its own as an academic discipline, and it has broad applicability to wide a range of careers.
- An **anti-hate curriculum and racial equity policy**, establishing an additional curriculum requirement in law, paired with training for educators on best practices and a model racial equity policy for Vermont supervisory unions to adopt. We know that hate and division in the classroom create an unsafe learning environment that discourages student learning. We also know that Vermonters generally reject hate and value diversity and equity. Establishing proper safeguards in the classroom within and without will ensure that these values are applied universally across the system.
- A comprehensive **school safety policy**, focused on creating requirements for options-based response drills, all hazards emergency operations plans, and establishment of behavioral threat assessment teams. This initiative, part of the Governor's overall safety and violence prevention legislative agenda, is aimed at standardizing and codifying many of the best practices already in place in many schools, with the end goal of ensuring uniformity of implementation of critical measures to keep all Vermont students safe.
- A critically needed update to the **Home Study** policy in statute and its associated application process. A common theme in recent years has been the Agency's capacity to implement critical education regulations and processes. The current home study application process is overly burdensome to families and extremely paperwork-intensive for the AOE; while providing no meaningful benefit or quality assurance value.

Our goal with each of these proposals is to provide a meaningful benefit to the education system, that is supportive rather than adding an additional burden. There are

already a significant number of critical education policies and initiatives in flight, including, but not limited to:

- **Act 173 of 2018:** an initiative to reform the way we deliver and pay for special education services in Vermont.
- **Act 28 of 2021:** supporting improvements to literacy outcomes in Vermont.
- Transitioning to a new set of **per pupil weights** in Vermont's education funding system (Act 127 of 2022).
- The critical project to assess and ultimately address the [facilities needs](#) of Vermont schools.
- The creation of a new set of [District Quality Standards](#) focused on school district business and operational processes, and development of a quality assurance process for these standards and the **Education Quality Standards**.
- The ongoing and critical work of [Education Recovery](#) from the COVID-19 pandemic, focused on academic and social emotional supports for students.

Nationally, the scope and scale of change in education is enormous, and the pace of this change is rapid. This dynamic precedes the COVID-19 pandemic but has only been exacerbated by it. Vermont is not immune from these nationwide trends, and the critical needs and relative complexity in our system mean that we must be very careful making policy, lest we interject more complexity and change into a system that is already struggling to maintain a baseline of stability. We need to remain focused on our principles of equity and quality like never before.

As we begin to move through the immediate public health concerns of the pandemic, we will need to continue to support our schools in using their COVID-19 relief funding wisely, to support the critical immediate needs of students and make strategic investments for the future. We must also work to ensure that these one-time investments do not become ongoing commitments for spending that Vermont must bear alone in the outyears. In cases where the need is ongoing, we must reprioritize and seek coherence.

It is tempting sometimes to think of our challenge in terms of “returning” to where we were before the pandemic. The term recovery implies this of course, and the risk that comes along with it is a tendency to think that things were fine before. I occasionally remind my staff that back in 2019 the Vermont education system was not where we wanted it to be. To use just one measure, our [NAEP results] released last fall bear out a trend of slowly declining student performance going back over a decade. We must remain committed to making progress, to ensuring that we do not further calcify a 20<sup>th</sup> Century education system that we were unsatisfied with before the pandemic.

We can do this, and we must do this. Firstly, we cannot go back. Policy made over the last few years (e.g., changes to the delivery and funding of special education services, changes to the per pupil weights) and policy initiatives that are still in progress (facilities) mean that Vermont's education system will be substantively different a few years from now than it was in 2019. Secondly, and I think far more importantly, we must not be

satisfied with status quo. We have an opportunity and an obligation, in this time of change, to take strategic action to set Vermont's education up for success into the next decade and beyond.

### Agency Budget Request

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

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

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

- Internship program
- Knowledge Center
- Teacher of the Year
- New England Education Commission dues

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

## Overview of Vermont Education

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

### Education Outcomes

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

### Construction and School Facilities

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

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

The school facilities assessment is ongoing, as are the investigations of potential funding constructs. This work will position Vermont to address our school facilities backlog and efficient and equitable manner, and in a way that crucially prioritizes the 21<sup>st</sup> Century educational needs of our state, rather than our traditional educational footprints.

### District Quality Standards (DQS)

The General Assembly directed the Agency to establish district quality standards in Act 127 of 2022. The purpose of the District Quality Standards (DQS) rules is to improve school district quality as a means to support the State's goal, set forth in 16 V.S.A. §

165(a), “that all Vermont children will be afforded educational opportunities that are substantially equal in quality.”

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

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

### **Education Recovery**

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

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

Our strategies for academic achievement include the following:

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

Strategies for social emotional learning include:

- In partnership with Agency of Human Services (AHS), the AOE will establish metrics for student social emotional health
- Establishing mental health grants for schools and community partners to leverage multi-tier3d support systems and coordinated inter-agency services for addressing students’ mental health needs resulting from the pandemic.
- Establishing a statewide school climate survey

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

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

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

## **Overview of Agency Role and Organization**

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

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

## **Structure**

The Agency is funded by two appropriations in Vermont's state budget: 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.

Of the \$528.72 million appropriated to the Agency, \$54.0 million (about 10% of the two appropriations) supports operations and personnel. The cost of Agency operations as a percentage of the total amount appropriated for general education for the education system as a whole (\$2.56 billion) is only 2.1%.

*For an overview of the Agency's FY 2024 recommended budget, including charts and tables, please see [page 16 of the Agency of Education Budget Book](#).*

**General Funds to Support Education**

Vermont's General Fund supports the following educational activities and programs:

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

General Fund dollars 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 Study
  - Independent School review and approval
  - Act 77/Flexible Pathways work
  - Instructional Technology Support
  - Adult Education and Literacy

**The 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 \$1.2 million.

In the FY 2024 budget and with prior approval from the General Assembly (16 V.S.A. § 4025(b)(5)), the Agency is continuing the \$2.3 million for the administrative appropriation to support two statewide technology activities from the Education Fund. These two activities include the Statewide Longitudinal Data System (SLDS) and the Statewide School District Data Management System (SSDDMS).

This appropriation ensures that the Agency has the funds necessary to continue to maintain and operate these systems to meet state and federal data reporting requirements.

**Federal Funds**

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

- Federal Title education programs,
- Career and Technical Education,
- Accountability,
- Special Education,
- Education Quality and School Improvement, and
- Nutrition support for child care, prekindergarten (PreK), schools and adult care programs.

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

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

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

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

The breadth of federal grants provided by the Agency is outlined in the specific division sections below.



## Overview of Agency Programs

The AOE is organized into six divisions funded via the two appropriations outlined above. In addition to the Secretary's Office, two teams (Legal and Communications) provide a range of services to the Agency as a whole.

### Finance and Administration Divisions

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

*For an overview of the Agency's FY 2024 recommended budget for Finance and Administration, including charts and tables, please see [page 25 of the Agency of Education Budget Book](#).*

### Office of the Secretary

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

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

### Legal Team

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

### Communications Team

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

Consequently 2.25 Full Time Equivalent (FTE) positions are dedicated solely to digital communications, publications and accessibility.

The Communications team also manages a consistently high caseload of media requests from Vermont-based and national media with three Public Information Officers

(PIOs), two of whom are members of the communications team, and one member of the Secretary's Office.

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

### **Finance Division**

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

### **Data Management and Analysis Division**

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

### **Finance and Administration Funding Sources and Grants**

The Finance and Administration divisions house 73 Positions, which is 42% of the Agency. The majority of funds for the administration of the Agency are from the General Fund (57.5%). Federal funds provide 26.7% 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.

Finance and Administration also administers two grants: Medicaid and Global commitment. School districts use Medicaid for prevention and intervention programs in grades PreK-12 and for the administrative costs of school-based health services. Global Commitment funds are used to reimburse physician claims to document medical necessity for eligible students.

### **Education Services Divisions**

The B.501 – Education Services Appropriation supports the work of four Education Services Divisions. Working under the direction of the Deputy Secretary, the Education Services Divisions provide support, technical assistance and oversight to the work of

Vermont supervisory unions and school districts (SU/SDs) assisting them in implementing state and federal education requirements across the state.

The Education Services unit is made up of four divisions. The work of each division is described in the following pages.

The divisions include:

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

### **Education Services Funding Sources**

The Education Services work at the Agency is supported by 100 positions at the Agency, or 58% of the Agency's total positions. 54% of the education services positions are funded by Federal Funds, and work to support the implementation of Federal Programs. General Funds provide 24% of funding for this work, primarily to support and implement state-directed work that cannot be supported by Federal funds.

This year's budget request for Education Services is \$491.9 million; including grants for an all-funds budget decrease of \$19 million. The net changes in the appropriation are driven by several factors, including:

1. Increases associated with annualized salary and benefits.
2. Reduction in Federal Spending Authority associated with expiration of COVID-19 Elementary and Secondary School Emergency Relief (ESSER) I Funding.
3. Federal grant increases.

*A full breakdown of Education Services Funding Sources can be found on [page 30 of the Agency of Education Budget Book](#).*

### **Education Quality Division**

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

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

### **Education Quality Division Teams**

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

ensuring compliance to the VSBPE Rules Governing the Licensing of Educators and the Preparation of Educational Professionals.

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

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

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

### **Education Quality Grants**

The Division is responsible for the allocation of grants for the Teacher of the Year program, educator licensing and Title I school improvement. The Division also allocates the COVID-19 Elementary and Secondary School Emergency Relief (ESSER) I, II and ARP ESSER funds.

*For a complete overview of the Education Quality Division's grants, including charts and tables, please see [page 36 of the Agency of Education Budget Book](#).*

### **Federal Education and Support Programs Division**

The Federal Education and Support Programs (FESP) Division is comprised of three teams: Consolidated Federal Programs (CFP), Child Nutrition (CN), and Student and

Educator Support (SES). The division consists of 24 FTEs, which are funded primarily through federal funds: specifically, the U.S. Department of Education (USED) funds provided through the Elementary and Secondary Education Act of 1965, currently known as the Every Student Succeeds Act or ESSA, and U.S. Department of Agriculture (USDA) funds that support child nutrition programs.

### **FESP Division Teams**

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

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

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

The Student and Educator Support Team supports SU/SDs in the coordination and provision of services for students receiving or in need of multi-agency services,

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

### **FESP Grants**

The Division is responsible for the allocation of the 28 individual grant programs, the majority of which are Child Nutrition and federal Title grant programs. The Division also allocates grants for student mental health, substance abuse and tobacco use prevention, support for homeless children and youth, and for small and rural schools.

*For a complete overview of the FESP Division’s grants, including charts and tables, please see [page 38 of the Agency of Education Budget Book](#).*

### **Student Pathways Division**

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

### **Student Pathways Division Programs**

This division is responsible for operating and monitoring the statewide Flexible Pathways Initiative (Act 77) and the Education Quality Standards as they pertain to the key initiatives as overseen by the division (e.g., Content Standards, Local Comprehensive Assessment Systems, Coordinated Curriculum, etc.), implementation of Title II under the Workforce Innovation and Opportunity Act (WIOA) and operating and monitoring the statewide Adult Education and Literacy system, implementing the federal Perkins V legislation and operating and monitoring the statewide Career Technical Education program, implementing and overseeing Title IVB (21st Century After School Programs) of the Every Student Succeeds Act, and for providing technical assistance to the field regarding educational and instructional technology.

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

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

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

The Student Pathways division currently has five teams – Adult Education and Literacy (AEL), Personalized Learning (PL), Proficiency Based Learning (PBL), Afterschool and Summer Programs (21CCLC), and Career Technical Education (CTE). In FY 2021 it combined Education Technology and Personalized Learning in an effort to address the impact of three positions that were frozen beginning in March 2020. The division is currently working to make itself whole.

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

### **Student Pathways Division Grants**

The Division is responsible for the administration of grants for career and technical education (CTE), for afterschool and summer programs, as well as the Governor's two Emergency Education Relief (GEER) funds, prioritized to support Vermont's career technical education system, and recruit more students to pursue CTE programs.

*For a complete overview of the Student Pathway's Division's grants, including charts and tables, please see [page 43 of the Agency of Education Budget Book](#).*

### **Student Support Services**

Student Support Services (SSS) 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.

**Student Support Services Teams**

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

The Early Education Team supports the state's educators in delivering high-quality educational opportunities to students in preschool through third grade, in alignment with Vermont's Early Learning Standards (VELS). The Team is currently implementing a new monitoring system that identifies issues of non-compliance and problems of practice and will use that information to inform their ongoing development and delivery of programmatic supports. The Early Education Team also leads the AOE's Early Multi-Tiered 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 they need to succeed.

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

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

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

**Grants**

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



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special education, including federal COVID-19 special education funds, and early childhood special education. The division also allocates grants for the Special Olympics.

*For a complete overview of the Student Pathway's Division's grants, including charts and tables, please see [page 46 of the Agency of Education Budget Book](#).*



## Vermont’s Education Funding System

Vermont’s education funding system is a unique, statewide system for providing Vermont’s constitution guarantees education as a right for which the state is ultimately responsible. Vermont’s Education Fund unifies statewide education property tax revenues with other revenue sources to provide education spending to SU/SDs as well as funding a range of grants and programs.

### The Education Fund

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

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

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

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

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

Year-over-year changes in Education Fund Expenses:

|                                      | FY20<br>(Final) | FY21<br>(Final) | FY22<br>(Final) | FY23<br>(Anticipated) | FY24<br>(Projection) |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------------|----------------------|
| <b>Education Expenses (millions)</b> | \$1,726         | \$1,794         | \$1,850         | \$1,966               | \$2,076              |
| <b>Year over Year Change</b>         | 4.29%           | 3.94%           | 3.12%           | 6.27%                 | 5.60%                |

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

### **Education Fund Outlook**

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

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

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

### **What Vermonters Buy with Education Fund Dollars**

Counting all publicly funded students – those enrolled in public schools, those tuitioned to independent schools, and those tuitioned to out-of-state and out-of-country schools – the state spends about \$23,466 per Vermont student.

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

approximately 55% of those costs. Prekindergarten is also part of the net education payment.

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

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

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

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

*A full overview of Vermont's Education Fund, including statewide grant appropriations, please see [page 48 of the Agency of Education Budget Book](#).*

## Vermont Education by The Numbers

### Public School Enrollment

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

### Publicly Funded Students

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

### Public Schools

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

## Data Definitions

### **Public School Enrollment:**

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

### **Publicly Funded Students:**

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

