



**IMPLEMENTATION PLAN**

**CAREER TECHNICAL EDUCATION  
FINANCE RECOMMENDATIONS**

**Report to the General Assembly**

**February 2, 2024**

**Submitted by**

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**LEADERSHIP**

**SUPPORT**

**OVERSIGHT**

## Legislation

This implementation plan is required pursuant to [Act 127 of 2022, Section 17](#): An act relating to improving student equity by adjusting the school funding formula and providing education quality and funding oversight. The original due date of this report was July 1, 2023.

## Background

Pursuant [Act 127 of 2022, Section 17](#) the State of Vermont, Legislative Joint Fiscal Office (JFO) contracted to conduct a study on the funding a governance structure of career technical education (CTE) In Vermont. The requirements for the study included a systematic examination of both the funding and governance structures for career technical education and how these structures impede or promote the State’s educational and workforce development goals. It ultimately identified and prioritized potential new models of CTE funding and governance structures to reduce barriers to enrollment and to improve the quality, duration, impact, and access to CTE statewide.

The JFO contracted with Augenblick, Palaich and Associates (APA), which delivered its [findings and recommendations](#) March 1 of 2023. Subsection (d) required the Agency of Education (AOE) to develop an “implementation plan” based on the JFO contracted report, to be delivered on or before July 1, 2023.d

## Summary of APA Recommendations

The contractor delivered the following recommendations, organized into broad categories (see [executive summary on page ii](#)):

- 1) **Funding:** Funding, incentives or grants to improve accessibility for students from schools that do not share a campus with a CTE center.
- 2) **Funding:** Create a facilities funding system for CTE centers
- 3) **Funding:** Design a funding system to more equitably fund CTE, incentive additional CTE capacity, and create a dedicated CTE funding stream, among others.
- 4) **Policy:** align calendars and academic requirements with CTE regions
- 5) **Policy:** Review CTE teacher preparation, licensure requirements, and compensation to attract skilled professionals
- 6) **State Capacity:** additional staffing at AOE to support Career Technical Education
- 7) **State Capacity:** require that career exploration be offered to middle school students
- 8) **State Capacity:** Encourage greater secondary-postsecondary collaboration
- 9) **Larger Systems Change:** review distribution of programs and consider offering programs outside of CTE centers
- 10) **Larger Systems Change:** create either a coordinated regional governance structure or a single district for CTE

The authors of the report rank the list above in order of simplest to most complicated to implement. The AOE is carefully considering each recommendation, and includes many of them, in whole or in part, in our recommendations for this year.

## AOE Position on Act 127, Sec. 17

The Agency of Education does not normally adopt a practice of sharing its perspective on the wisdom of the reporting requirements placed on it by the General Assembly. However, in this instance it seems appropriate to note that the Agency had, and shared during the debate leading up to the passage of Act 127, grave concerns with the policy construct created in [Sec. 17](#), which had the AOE developing a plan based on recommendations from a report contracted by a third party. The Agency also had significant concerns about the tight timeline between the delivery of the JFO-contracted report, and the deadline for the AOE to submit the implementation plan.

It is relevant to outline these concerns here, given that:

- The JFO-contracted report was delivered on March 31, 2023 rather than on its due date of March 1, shortening by one month the AOE's window to deliver the implementation plan.
- The AOE has determined that delivering a comprehensive set of governance reform recommendations is too complex to accomplish this year.

As previously communicated to the General Assembly, the AOE has determined that it is possible to provide, and for the legislature to consider, recommendations related to CTE finance reform, as well as other useful proposals that will benefit the system. The AOE will need another year to bring a plan for governance reform (see [Recommendations for Session 2025](#), below)

## Status Update

Reforming Vermont's CTE system in a meaningful way is a complex undertaking. Our shared goal is to strengthen the system and expand access to programs, so that all students have an opportunity to explore their interests through CTE's broad variety of programs. It is important that this work be done intentionally and carefully. When the AOE first reviewed the recommendations from the APA report, we very quickly identified that the process for developing implementable recommendations would necessitate a longer and more in depth process than the timeline Act 127, Sec. 17. provided, particularly for CTE governance.

In this section we outline AOE's recommendations as well as the significant ongoing work the AOE is engaged in in the area of CTE governance in response to the report.

## APA Recommendations to Address Now

The AOE is bringing recommendations this year - in this report, in the Governor's recommended budget, and through policy proposals addressed previously – that broadly speaking address funding and programmatic recommendations identified by APA. Using APA's categories, AOE's recommendations fall into the following areas:

- **Funding:** including striking the six semester average for CTE tuition calculations immediately, moving to a direct funding allocation from AOE to Career Technical Centers (or more properly the entities that operate them),
- **Policy:** by proposing ways to encourage CTE regions to coordinate local bell times and more tightly coordinate calendars.
- **State Capacity:** by adding a position to AOE's CTE unit, by proposing a requirement for additional exposure to CTE programs at the early high school and middle school levels, and adding a requirement for increase secondary-post-secondary collaboration.

## Status of Governance Recommendations

Upon reviewing the APA report, AOE immediately identified that more work would be needed implement certain recommendations identified in the report. The AOE therefore moved to engage with a contractor to assist with the work, and after an open bid process, selected APA to assist the in furthering the work triggered by their report. The period of performance for this contract will last until September of 2024, and the AOE is in process on governance reform recommendations.

In Fall of 2023, the Agency communicated to legislative leaders its conclusion that CTE governance was too complex to address in Session 2024, as well as our recommendation that the General Assembly work on CTE finance reform this year. The AOE delivered a slate of policy proposals that were introduced as [H.716](#) and [S.207](#), with a promise to deliver CTE finance recommendations via this implementation plan early in the session.

## Summary of APA Recommendations

The contractor worked with the Agency of Education and other stakeholders to complete the report. The report was submitted to General Assembly on March 31, 2023, the Agency of Education has proposed further legislation during the 2024 legislative session to further many of these recommendations.

## Funding Recommendations

APA made three recommendations for changes to how CTE is funded to address

## **Increasing CTE Accessibility**

**APA Recommendation 1:** Provide additional funding and incentives or grants to create more accessibility for students whose sending high school is not on a shared campus with a CTE center.

*The data show that the best indicator of CTE participation in Vermont is the proximity of the sending school to the CTE center. Sending schools housed on the same campus send over two times as many students to CTE than those not on the same campus, on average. Additional funds would act as a hold harmless funding amount to ensure the quality and scope of programming can be maintained at the sending school and must include increased transportation funding. The state would need to determine the amount of additional funding to support these sending schools.*

*Increased transportation funding can be used to lower the burden of students in getting to CTE sites. This may include eliminating the need for students to get to their home campus and then on a bus to the CTE center or even providing technology to make the time traveling more productive for students, such as Wi-Fi on buses. Grants could also be provided to allow coordination between local transportation groups and the schools to enhance regional transportation options.*

*Any solution should also provide support to allow students to attend CTE centers outside of the one that their sending school is assigned to so they can have the widest possible educational opportunity.*

## **Facilities Funding**

**APA Recommendation 2:** Create a facilities funding system for CTE programs to address current facilities deficiencies, update program equipment, address enrollment needs, and plan for the future. The system should focus on updating facilities and growing capacity for the programs most needed for workforce development in the state.

*Though the state currently provides facility grants, CTE centers and other stakeholders reported the high cost of modernizing buildings and program equipment or adding new programs/equipment. Additionally, many CTE centers report waiting lists for enrollment, but they do not have the resources to increase capacity. A board should be created that would prioritize the centers and programs most in need of facilities funding that support the workforce development goals of the state or that have any safety/health concerns for students. State allocated funds would be distributed based on the board-identified priorities.*

## **Changes to the CTE Funding System**

**APA Recommendation 3:** Design a funding system that treats all CTE equitably while incentivizing additional CTE capacity in high-growth sectors, utilizing a weighted student funding formula that differentiates funding by CTE program type with funding flowing

directly to CTE centers from the Education fund, eliminating tuition based funding. Additionally, eliminate the six-semester FTE average for funding purposes.

*The state would need to identify high-growth sectors in a systematic way to support the new funding system. Current funding per student varies greatly across the CTE centers, by around \$20,000 per student, and Study on the Funding and Governance of CTE in Vermont 39 state funding is agnostic to the type and cost of CTE program being delivered. Eliminating tuition payments responds to consistent stakeholder feedback the study team received – that the tuition-based model can create a disincentive for schools to send students to CTE centers.*

*The study team recognizes that this approach changes the current processes used to determine local CTE budgets. It would likely be easier to implement this approach while making a larger change in governance for CTE, as mentioned in Recommendation 10 below, but this change could be made within the current governance model. Budgeting would likely begin for each center with an estimate of the total revenues expected from the state based on the number and types of students in the centers, with the estimated funding used to determine the appropriate allocation of resources within each centers' various programs. CTE funding would be distinctly different from most of the other Vermont school funding. Funding CTE off the top of the Education Fund also means all districts in the state would share in the costs of CTE, which could impact local education tax rates.*

*With this change, the study team also suggests reexamining the six-semester rolling average FTE for CTE funding. Traditional school funding systems often have declining enrollment adjustments to help schools adjust to declines in student enrollment but generally do not keep any averaging as schools grow. The COVID [sic.] pandemic has highlighted the implications of a six-semester average on CTE Centers as enrollment returns and the average provides funding for fewer students than are in attendance. Either funding similarly to other areas of the funding system that do not use a six - semester average or providing a “best of” calculation (where centers receive the best of either a current or more recent enrollment count or the average) may help CTE centers to better serve students.*

## **Policy Recommendations**

APA made two recommendations for changes to CTE policy.

### **Align Regional Calendar and Schedules**

**APA Recommendation 4:** Require regions to align certain systems including calendars and academic requirements, to improve the efficiency of the system for students and staff, providing better outcomes in the system.

*This includes requiring districts to utilize the regional calendar, no longer allowing districts to receive waivers to following the calendar. The state should also create incentives for districts and regional centers to create bell schedules that will allow CTE*

students to be better served. This means mapping transportation needs and having bell schedules throughout the system that will minimize disruptions and allow students to miss the fewest educational opportunities at their sending school and the CTE center.

With the alignment of school calendars, a common calendar for CTE professional development could be created. This would allow CTE teachers to have time with teachers teaching similar coursework at other centers, allowing for improvement and consistency in programs across the CTE system. Resources may need to be provided by the state to support centers in sending CTE staff to the common trainings.

Utilizing the course maps of CTE courses to academic requirements already developed by AOE, districts should be required to accept courses as meeting certain graduation requirements. The study team recognizes simply requiring districts to do this does not reflect the steps boards will need to take to implement the recommendation and recommends AOE be provided resources to support local boards in implementation of this requirement.

### Teacher Licensure and Salaries

**APA Recommendation 5:** Review CTE teacher preparation and licensure requirements and salary policies with an aim of attracting high-skilled industry professionals to teaching.

*The educator preparation and licensure required for an industry professional to become a certified CTE teacher can be a barrier to attracting talent. This is a key issue as it is difficult for centers to attract and retain high quality CTE instructors. Any proposals or state programs to provide incentives to attract and retain educators in the state should include CTE teachers.*

*Several centers already have practices in place that recognize industry experience in the compensation of CTE teachers, these systems could be leveraged to create a system for recognition. The study team heard some centers struggle to recruit and retain talent because salary levels varied so much among regions and are much higher in industry than in CTE centers. Depending on the findings of the review, the state might consider setting a minimum salary, designating CTE instructors as “hard to find” and therefore eligible to receive supplemental pay or hiring bonuses, or requiring districts to recognize industry experience in salary placement of CTE teachers. The state could also consider innovative staffing models to allow for part-time teaching arrangements and flexible compensation.*

### State Capacity Recommendations

APA made three recommendations for enhancing state capacity around CTE.

## **Investing in AOE Capacity**

**APA Recommendation 6:** Invest in additional staffing at AOE to provide support to CTE educators across program areas and increase program quality, monitor the system, and to help ensure equity of CTE opportunity across the state.

*With Vermont's numerous small settings, including many of its CTE centers, providing centralized technical assistance and support is important to the success of students. Stakeholders reported AOE's loss of capacity to support CTE centers and teachers over time. Though current AOE staff are highly regarded in the field, they cannot provide the type of program specific support available in the past that helped ensure teachers were receiving common professional development and that programs were utilizing the latest curriculum and technology. Increasing capacity for AOE in not just CTE staffing, but across the Agency to support flexible pathways, will increase opportunities and education support for all students.*

*With increased capacity, AOE could broaden its oversight and help ensure equitable opportunities for students across the state. This could include helping centers provide more consistent access to work-based learning and college courses (increasing the percentage of concentrators leaving with college credit from the current 37 percent), continuing to work with sending schools and centers to ensure students behind academically are receiving the support they need to increase outcomes on the WorkKeys assessments, and provide coordination between the centers and the state's postsecondary education institutions.*

## **Require Increased Awareness for Middle School Students**

**APA Recommendation 7:** Require that career exploration be offered to all middle school students across the state to increase awareness of CTE offerings as students enter high school.

*Currently, there is no consistent curriculum or guidance to provide middle school students with career exploration opportunities and inform them of CTE offerings available through their high schools and CTE centers. Vermont may want to expand these introductory opportunities so more students can participate (perhaps virtually) and clarify the responsibilities of middle and high school counselors to specify that counseling should include career planning and exploration as well as information about CTE pathways, dual enrollment and Fast Forward, work-based learning and industry certifications. The state should ensure educators have the time and resources necessary to do this work and may want to consider a consistent career planning tool for all of K-12.*



## Encourage Greater Postsecondary Collaboration

**APA Recommendation 8:** Encourage greater secondary-postsecondary collaboration and require alignment/acceptance of credentialed Vermont CTE center pathways as precursors for enrollment into Vermont CTE postsecondary programs, eliminating the need for core course repetition and ensuring faster and lower cost credentialing for students.

*Throughout stakeholder engagement it was highlighted that Vermont's current alignment between K-12 CTE and postsecondary CTE could be improved. Currently, CTE center partnerships with CCV and VTC are ad hoc and program dependent, and some centers find postsecondary institutions across state lines are better able to meet the needs of their CTE programs than in-state institutions. Stakeholders report that many Vermont students leave for out of state post-graduation opportunities. These opportunities generally present the student with a more direct path to certification and thus employment. Once out of state, the students often are recruited locally and do not return to Vermont.*

*The state should work with its higher education and regional centers to create a set of courses in each CTE pathway that will be recognized by Vermont higher education institutions as meeting the first-year requirements, ensuring that any student that has successfully completed the pathway will have only one year of study to get to their career credential after high school. This change will likely reduce overall revenue for higher education but will create an incentive for more Vermont students to stay in state to complete credentialing, which might offset this impact. Staying in state, will increase the likelihood students remain in Vermont for their career.*

## Larger Systems Change Recommendations

APA made two recommendations for larger changes within the CTE systems.

### Program Distribution

**APA Recommendation 9:** Examine current distribution of programs across the centers in the state and consider offering more programming outside of CTE centers (e.g., at sending schools or college) to expand opportunities for students.

*The state should do a full review of CTE center programs and develop a plan that considers whether to deliver any CTE programs outside of CTE centers. This could include delivery at high schools if programs do not require much space or equipment, on college campuses if they have already made investments in facilities and equipment, and via technology. CTE centers could continue to oversee and coordinate the offerings. This shift could allow for the expansion of programs with more sophisticated equipment needs at the centers.*

*As a small state with geographically isolated regions, Vermont should consider how to better incorporate educational technology as a learning tool in CTE programming. This*

*can not only improve student access to specialized courses and programs, it also gets students comfortable with tools they will likely use in the increasingly technology-focused work environment across all career areas. In addition, some of the more immersive technologies like augmented reality/virtual reality can help CTE students experience what it is like to work in different fields and in a wide variety of scenarios without leaving the classroom. Using these kinds of technology well will involve long term planning to consider how and where to best enhance current programming, how to choose high quality and useful tools, The state should do a full review of CTE center programs and develop a plan that considers whether to deliver any CTE programs outside of CTE centers. This could include delivery at high schools if programs do not require much space or equipment, on college campuses if they have already made investments in facilities and equipment, and via technology. CTE centers could continue to oversee and coordinate the offerings. This shift could allow for the expansion of programs with more sophisticated equipment needs at the centers. As a small state with geographically isolated regions, Vermont should consider how to better incorporate educational technology as a learning tool in CTE programming. This can not only improve student access to specialized courses and programs, it also gets students comfortable with tools they will likely use in the increasingly technology-focused work environment across all career areas. In addition, some of the more immersive technologies like augmented reality/virtual reality can help CTE students experience what it is like to work in different fields and in a wide variety of scenarios without leaving the classroom. Using these kinds of technology well will involve long term planning to consider how and where to best enhance current programming, how to choose high quality and useful tools, programs where new programming can be added and what kind of training and support will be needed to implement it effectively.*

## **Coordinated Statewide Strategy**

**APA Recommendation 10:** Consider creating either a coordinated regional governance structure or a single district for CTE. If the state's intentions are equity for all students and developing a statewide workforce, then the state needs a more coordinated and coherent statewide strategy for CTE.

*To that end, Vermont could consider a regional or single statewide district model for CTE to ensure more consistency and equity in how CTE is delivered, improve coordination with public and private partners and ensure that CTE programs stay up-to-date and aligned with larger statewide economic and workforce goals. Currently, the state's complex CTE governance system has a very localized focus with no statewide framework or coordination. Given the small population and scarce resources, Vermont may benefit from more centralized decision-making around staff hiring and development, facilities and equipment updates, programmatic choices, and linkages to the business and postsecondary communities.*

*This kind of structure would not directly impact how students experience CTE and would still require the state to make many of the changes recommended above. A unified*

*structure would likely make it easier to make some of these changes, however, and may set up Vermont to be better prepared to continue to adapt its CTE system to the changing needs of the economy and of the state. A more streamlined CTE governance system would also allow AOE to more successfully support CTE centers and teachers, along with providing leaders more authority in coordinating the system.*

## **Recommendations for Session 2024**

The Vermont Agency of Education has already made several policy recommendations to the General Assembly as part of our annual policy and budget development process. One of these recommendations is reflected in the Governor's proposed budget, and the others are reflected in as introduced language in the House and Senate ([H.716](#) and [S.207](#) respectively).

The Agency is pleased to make, by way of this report, additional recommendations for CTE funding reform. The Agency has developed legislative language to accompany these recommendations for consideration by the General Assembly.

All of these proposals address, in whole or in part, the recommendations from the APA report. Taken together, these two sets of recommendations reflect our assertion that there is much that we can do this session, even if we must wait a while more work is done on CTE governance.

## **Policy Recommendations Reflected in As Introduced Language**

The Agency is very grateful to the sponsors of H.716 and S.207 for considering our recommendations. The as introduced version of H.716 includes language requested by the Agency that addresses APA report recommendations, as well as other recommendations that we believe would be helpful changes this session. S.207 is more general, however we understand that the committees of jurisdiction plan to take up similar language when they consider the recommendations of this report.

Already submitted for consideration are the following PA recommendations:

- [APA Recommendation 2](#) by proposing intent language to the effect that the General Assembly will include career technical education centers in any new school construction or facilities legislation passed this year or in the future. Legislative conversations about school facilities are underway, and the Agency does not believe it would be wise to establish a duplicative or potentially conflicting policy conversation on facilities as part of our CTE policy efforts. That said, we are strongly committed to doing everything possible to ensure the needs of the CTE system are reflected in school facilities work. In fact, the Agency and the Office of the State Treasurer just submitted a [report on school facilities](#) that recommends that the needs of career technical education generally, and CTE centers specifically are included in the development of any state aid for school facilities.

## LEADERSHIP · SUPPORT · OVERSIGHT

- [APA Recommendation 3](#) by changing the six-semester average for CTE tuition calculation, effective FY25. This will be an important change, because disruption to program participation during the COVID-19 pandemic is still negatively impacting CTE tuition rates, leading to a funding gap.
- [APA Recommendation 4](#) by recommending additions to the powers and duties of the State Workforce Development Board and regional advisory boards to align regional school calendars and bell times. It should be noted that the House sponsors have included an alternative approach by mandating a uniform statewide school calendar. The AOE looks forward to conversations about the benefits and drawbacks of various options to address this recommendation.
- [APA Recommendation 6](#) by requesting an additional position for AOE's CTE unit (in the Governor's recommended budget)
- [APA Recommendation 7](#) by establishing CTE exposure and awareness requirements for middle school and younger high school (grade nine and 10) students, as well as a model CTE policy requirement.
- [APA Recommendation 8](#) by requiring the state colleges system to establish agreements with CTE establishment to align CTE programs with relevant higher education fields of study.

While AOE's policy proposals may not exhaustively address the recommendations and associated concerns identified in the APA report, we assert that our policy proposals represent critical and important first steps that address most of the areas identified. Most importantly, this is work we can start working on now, even as further study on broader systems change continues.

### CTE Funding Recommendations

As required pursuant to Act 127, Sec. 17(d), the AOE proposes the following additional recommendations to change the way CTE is funded in Vermont. While these changes will take several years to fully implement, we believe they are an important step forward, and can be addressed this year.

#### Direct Education Funding Transportation Funding

[APA Recommendation 1](#) notes that CTE participation is correlated to proximity to the CTE center, and makes recommendations, including increasing the transportation funding available to districts to facilitate travel from sending high schools to the CTE center.

Transportation assistance is provided to school districts pursuant to [16 V.S.A. § 1563](#), reimbursing the actual numbers of road miles traveled at a rate of \$1.50 per mile in 1998 dollars (\$3.23 today).

The Agency proposes that the General Assembly require us to review this reimbursement structure, and the amount as part of a report back requirement (see [Proposal Elements](#) below), and make recommendations as to whether the

reimbursement amount should be changed or other structural changes to the program would be beneficial.

### **Six Semester Average**

One element of APA's [Recommendation 3](#) is eliminating the so-called "Six Semester Average" in [16 V.S.A. § 1552\(d\)](#) and [16 V.S.A. § 1561\(a\)\(2\)](#). The AOE proposes that the General Assembly adopt this recommendation effective July 1, 2024, in order to provide some immediate relief to CTE centers. Assuming the General Assembly adopts the CTE State Funding Allocation we propose in the following section, the Six Semester Average will be repealed in a future fiscal year in favor of a new statewide funding formula.

### **Career Technical Education State Funding Allocation**

[APA Recommendation 3](#) recommends that Vermont move from a CTE tuition model to a model whereby the AOE directly allocates CTE funding from the Education Fund to the entities that operate CTE centers (school districts and independent technical center districts). The APA's justificatory language focuses on equity of CTE funding across Vermont, as well as the ability to better incentivize capacity in certain high priority programs. While these are important reasons, from the Agency's perspective there is another important rationale: CTE tuition calculation, payment and budgeting at the local level is a technical, burdensome process for both the CTE center and sending school districts. In addition, we believe that direct allocation of funds to CTEs will reduce the likelihood of schools indirectly discouraging students from CTE participation due to fiscal pressures.

Under our proposed model, funding will flow directly from AOE to the parent organization of the CTE center, whether that is via a separate, single budget line item for the school district or directly to the business office of an independent technical center district. This direct funding model would also supplant several state financial assistance programs under law in favor of a single funding allocation.

### **Funding Concept**

The proposed end state for a Statewide Funding Allocation for Career Technical Education is a program where AOE calculates a funding allocation amount for each CTE center based on the following:

- 1) A statewide cost allocation for each center and its distinct CTE programs determined by the AOE based on cost data provided by the CTEs. Allocations for specific programs within each center, including potential weighting to incentivize program growth, will be based on final APA modeling.
- 2) Student participation data reported by the CTE programs, disaggregated by program.
- 3) Shared, fixed and administrative costs.

The AOE proposes to begin this allocation model in FY27, based on data reported by CTE centers over the next two fiscal years.

### Design Cycle

The AOE proposes to run an implementation or transition year in FY26. This “design cycle” year will still use a statewide funding allocation, however the AOE will calculate the allocations based on:

- (1) The full time equivalent student tuition charged by each center in FY25
- (2) Supplemental grants allocated pursuant to [16 V.S.A § 1561](#) and salary assistance pursuant to [16 V.S.A § 1565](#)

The Agency proposes that the General Assembly require that AOE’s funding allocation for FY26 be no less than the total tuition charged, and supplemental grants received by the center in FY25, adjusted for inflation using the annual price index for state and local government purchases of goods and services.

### Data Collection

The AOE proposes a data collection requirement, starting in 2024, to collect average actual full time equivalent per student cost of CTE program administration, disaggregated by program type for fiscal years 2023-2026. These data will be used to calculate the statewide per program cost factor, aligned with results from final APA contracted modeling.

### Report Back

The AOE proposes a reporting requirement, whereby the Agency will provide status updates, recommendations for additional legislative language, and relevant data to the General Assembly. Our proposed report back language includes:

- Status updates on the transition to the funding allocation from a tuition-based model
- Identified cost and program data as reported by centers
- Preliminary program specific rates
- Additional identified funding needs and cost pressures identified during the transition

The AOE also intends to include policy recommendations and lessons learned, including:

- Additional legislative language
- An overview of the funding construct and program-specific allocation development process
- Recommendations for transportation funding or other measures designed to address barriers to participation in career technical education

- Whether the state should incentivize development and expansion of certain career technical education programs identified as statewide priorities, by increasing funding allocation for those programs, or by some other means.

This reporting requirement is also potentially an opportunity for the General Assembly to codify the AOE's intent to bring additional policy recommendations next year related to CTE governance.

### Proposal Summary

Given the legislative charge of this report, it was important to crosswalk AOE's policy proposals with the recommendations of the APA report. This section summarizes the proposals in terms of what elements must be included in law, as well as the timeline of effective dates for the same.

### Proposal Elements

Establishing CTE funding allocation outlined above will require the following elements:

- Updates to statute (specifically Title 16, Chapter 37, Subchapter 4) to codify the statewide funding allocation, as well as a section narrowing supplemental and salary assistance grant language to comprehensive high schools only.
- Legislative language codifying the transition process to the new model. AOE defers to the expertise of the Office of Legislative Counsel regarding whether this should be session law or statute.
- Data collection and reporting requirements for CTE Centers and the AOE.
- Substantive and technical edits to various parts of the CTE chapter (specifically [16 V.S.A § 1561](#) and [16 V.S.A § 1565](#)), and other conforming changes elsewhere in Title 16.

### Timeline

The AOE's policy proposals for CTE funding come with a range of effective dates to ensure a smooth transition. The following timeline outlines activities and changes proposed for the next several fiscal years.

#### In Fiscal Year 2025:

- Repeal of the Six Semester Average
- The AOE studies transportation aid to school districts
- Data collection requirement for CTE centers to report FY2023 and 24 cost and program participation data to AOE.
- AOE designs transition year allocation process.
- AOE recruits, hires and onboards an additional Education Programs Coordinator role for AOE's CTE unit.
- The AOE continues governance work to bring additional policy recommendations to the General Assembly

**In Fiscal Year 2026:**

- Transition and “design cycle year” for statewide funding allocation.
- Effective date for changes to sections of Title 16, Chapter 37, Subchapter 5 repealing supplemental assistance and salary assistance provisions that are no longer necessary.

**In Fiscal Year 2027:**

- Final funding allocation construct takes effect.

## **Recommendations for Session 2025**

As noted above, it is AOE’s intention to bring additional policy recommendations next year, based on ongoing work with APA in their capacity as contractor for the Agency, additional policy deliberations by the AOE in concert with stakeholders and the General Assembly, and lessons learned from implementing legislation passed this year.

While the AOE may bring additional recommendations or adjustments related to the APA recommendations we are addressing this year it is also our intent to address the broader questions of the system. As it was captured in APA’s final two recommendations for larger systems change: changes to the [structure and delivery model](#) of CTE instruction and changes to the [governance structure](#).

## **Conclusion**

The Vermont Agency of Education is grateful to the General Assembly and the many stakeholders in the Career Technical Education system for their partnership and collaboration, and most of all, for the interest in making meaningful change that will improve the availability of and access to high quality CTE programs.

We submit these proposals in support of advancing our shared goals this year. There is much we can do this year to make progress on CTE funding, policy, and system capacity and access. We are looking forward to getting to work.