

State Aid for School Construction

Background

The state has taken major steps to reestablish a State Aid for School Construction Program. One of the most important milestones was completing Vermont's first statewide school facilities condition assessment. That assessment created a clear baseline picture of the condition of public school buildings and confirmed the growing cost of deferred maintenance and aging infrastructure across the state.

At the same time, the Agency has strengthened expectations for facilities stewardship through the District Quality Standards. These standards establish clear measures for responsible maintenance, capital planning, and budgeting practices. Together, these efforts laid the groundwork for the work of the State Aid for School Construction Taskforce and its Working Groups, whose recommendations informed the legislative framework adopted in Act 73.

Act 73 establishes eligibility criteria for receiving construction aid and creates a prioritization system for awarding funds. It is intended that the School Construction Advisory Board will periodically review these criteria, along with any incentive structures, to ensure they remain aligned with the state's evolving educational and policy goals.

Next Steps to Support State Aid for School Construction

Before the first application for state aid for school construction can be received, there are key steps that must be completed. These steps include appropriate resourcing of the AOE, rule-making and grant management and extensive technical assistance to districts to support the development of projects that will meet the prioritization criteria already described in [Act 73, Section 17](#). All of the steps outlined below can be taken prior to or coincident with the establishment of a funding source for state aid for school construction, although many of the steps have associated costs.

Facilities Integration Specialist

The Governor's FY2027 budget request includes making the five limited service positions created in the last legislative session permanent. This role is critical to future school construction, because the position will support districts in a strategic evaluation

of their building portfolios under new districts and facilitate conversations between the AOE, districts and school communities as they make long term capital planning decisions. The hiring of this role as a permanent, field-facing support position is an important and immediate step that should be taken in this Legislative session.

Appropriation for the School Facilities Master Planning Grant

Act 73 sets the requirements districts must meet to qualify for state construction aid, including the development of a comprehensive, district-level facilities master plan. To help districts undertake this work, the Legislature created the School Facilities Master Planning Grant program in [Act 149 of 2024](#). However, no funding was appropriated to support it.

Providing an appropriation for this grant, once new district boundaries are established, would enable districts to begin the extensive and time-intensive process of facilities master planning. This work is a critical component of the broader education transformation effort, as it prompts important conversations about the future use of school buildings and how facilities can be aligned with educational quality standards and expanded student opportunities.

Creation of AOE State Aid for School Construction team

In the [Act 73, Section 9 legislative report](#) the AOE identified the positions needed to establish and run the State Aid for School Construction Program, the roles and responsibilities for each position and the sequence for hiring these positions. While the AOE is already engaging in preparatory work to support the field in decision-making and best practices in school facilities management, the bulk of work necessary must be undertaken by a team of specialists with dedicated roles.

Rule-making, Grant Management and Technical Assistance

Prior to the first award of state construction aid, the AOE is tasked with reviewing and revising the existing State Board rules for school construction, creating a Construction Guide, and other forms of technical assistance. This work should be undertaken by the AOE State Aid for School Construction Team, although the AOE is beginning the review of existing rules and some other necessary activities now. This tranche of work is essential to planning that districts will undertake for any eligible construction project and has real implications for how much funding support the state would provide for any approved project.

Current Work to Support School Facilities and Future State Construction Aid

- Development and dissemination of model templates of Operations and Maintenance Manuals and Capital Improvement Plans for school district use.
- Review and approval of requests for Emergency Construction aid.
- Work with facilities assessment contractor on a means to updating facilities assessment database for schools conducting capital renewal work.
- Development of a facilities safety checklist
- Research of space standards for 21st century modern schools to inform development of new space standard tables
- Ongoing support of School Construction Advisory Board
- Ongoing support for districts seeking information/assistance with facilities related issues
- A roadmap sequencing the tasks required to build the new construction program is in development

Considerations

Both the Administration's proposed foundation formula and the version ultimately adopted by the Legislature in Act 73 were developed with Vermont's existing school building portfolio in mind. They recognize that Vermont will continue to operate schools that are smaller than the national average, including some that are geographically isolated.

The Agency of Education has consistently emphasized that school construction is a long-term undertaking that must be considered within the context of a transformed education system. Without that broader planning, the state risks creating stranded costs—investing in facilities that may not be needed or fully utilized in the future.

District leaders have also described the difficulty of engaging in long-term planning across district lines, even within the same Supervisory Union. Planning for declining enrollment, potential grade reconfigurations, consolidations, or the development of new regional high schools requires shared assumptions about the future structure of the system. Without that clarity, districts are hesitant to make significant facility decisions.

Finally, the AOE urges the Legislature to not lose sight of how delays in key policy decision will impact the entire process. Providing districts with a clear understanding of

the future direction of Vermont's education system is the essential first step in launching responsible long-term facilities planning. With that clarity, districts can ensure that public dollars are invested wisely, that students and educators learn and work in safe and supportive environments, and that communities can trust that decisions about school buildings are grounded in thoughtful analysis and a shared vision for a strong and sustainable future.