



Vermont Agency of Education **FY27 Budget Book**

March 25, 2026

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Message from the Secretary

Vermont's education system is at a pivotal moment.

Across our state, educators and school communities demonstrate an extraordinary commitment to supporting students. Every day, teachers, school leaders, and support staff help young people learn, grow, and prepare for the future. That commitment remains one of Vermont's greatest strengths—and the foundation for the next chapter of our work.

At the same time, the data make clear that our system must improve.

Statewide assessment results show that student proficiency in English language arts, mathematics, and science remains below Vermont's long-term goals. Achievement gaps persist, chronic absenteeism continues to affect too many students, and fewer than half of graduates enroll in postsecondary education within sixteen months. Vermont also faces longstanding noncompliance and federal findings related to the uneven rigor of graduation requirements and flexible pathways. These challenges are compounded by limited resources to support literacy and strengthen accountability.

These trends do not reflect a lack of effort. They reflect the need for our system to evolve to meet the needs of today's students.

This moment calls for focus, clarity, and leadership.

Over the past year, the Agency of Education has begun a comprehensive effort to strengthen how the state supports schools and improves outcomes. This work began by listening. Through our statewide Listen and Learn tour, we engaged educators, students, families, and school leaders across Vermont—hearing both pride in our schools and urgency about the challenges they face.

Those conversations, combined with analysis of student outcomes and system performance, led to a new statewide strategic planning process and a major reorganization of the Agency's work.

Our strategic plan focuses on five priorities critical to improving outcomes: strengthening academic performance, expanding college and career readiness, promoting safe and healthy schools, improving operational effectiveness, and enhancing services for students with disabilities and differentiating support for all learners.

These priorities now guide every major decision we make—from policy development to program implementation to budget investments.

To support this work, the Agency undertook a reorganization designed to reduce silos, clarify roles, and better align staff expertise with the needs of the field. The goal is

straightforward: to provide clear leadership, strong oversight, and meaningful support to Vermont's educators and school communities.

An output of this work is transitioning to a single operating budget. Historically, the Agency's budget separated finance and program functions into different appropriations. As these functions became more integrated, it became clear that the budget structure should reflect how the work is actually carried out. A unified operating budget allows us to better align fiscal management with program priorities and direct resources toward the initiatives that will have the greatest impact for students.

For a small agency overseeing a complex statewide system, this structure also improves efficiency and allows us to respond more nimbly to changes in funding conditions—particularly shifts in federal education funding.

Importantly, this change does not reduce transparency or accountability. The Agency remains fully committed to clear reporting and strong oversight of all state and federal funds. Instead, it allows us to better use the resources we have and reflect the collaborative way our teams now operate.

All of this work is happening within our current staff and funding resources. While the Agency administers more than \$2.7 billion in statewide education funding, only a small portion supports Agency operations. Even so, the Agency remains responsible for leadership, support, and oversight of Vermont's entire public education system.

The FY27 budget reflects a disciplined approach to this responsibility, focusing resources on the areas that matter most for students—strengthening academic supports, improving accountability and data systems, modernizing programs such as career and technical education, and expanding efforts to address persistent challenges like chronic absenteeism.

We are clear-eyed about the challenges ahead. Improving outcomes across an entire education system requires sustained effort and strong collaboration across schools, communities, and policymakers.

We are equally clear and about the opportunity and inspired by the work ahead.

Vermont has the talent, commitment, and shared values necessary to build one of the strongest public education systems in the country. By aligning our work around clear priorities, strengthening our systems, and focusing resources where they matter most, we can ensure that every student has access to high-quality learning and the preparation they need to succeed.

Improving outcomes at this scale requires sustained focus, shared responsibility, and the courage to do the hard work of improvement.

The Agency of Education is ready to lead that work.

Improving student outcomes must remain the North Star for every decision we make about education in Vermont. Together—with educators, families, and policymakers—we can strengthen Vermont’s education system and ensure that every student has both the roots to grow and the wings to succeed.

This budget reflects how the Agency is advancing statewide priorities and supporting the long-term vision for Vermont’s public education system.

Sincerely,

Zoie Saunders, M.Ed.
Secretary of Education

Vision Statement



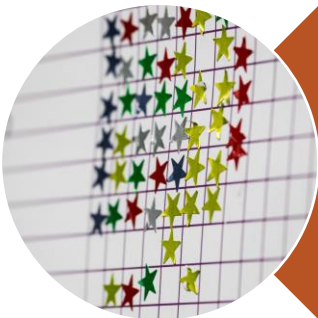
Our vision is for Vermont to become the best public education system in the country—one where every student has both roots and wings.



Roots reflect our deep commitment to personalized learning grounded in community, where every student is known, supported, and connected to the people and places that shape Vermont.



Wings represent opportunity: high-quality instruction, real-world learning, and the skills students need to shape their futures and strengthen the communities they call home.



Achieving this vision requires both a clear understanding of the challenges facing Vermont's education system and a focused strategy for improvement.

Executive Summary

Vermont's education system is entering a period of meaningful transformation. The Agency of Education is aligning its strategic planning, organizational structure, and budget around a clear goal: improving outcomes for students while ensuring that the education system remains strong and sustainable for the future. By focusing resources on a defined set of priorities, strengthening accountability and support for schools, and modernizing how the Agency operates, Vermont is building the foundation for a more coherent and student-centered education system.

This work reflects a commitment to both urgency and optimism—acknowledging the challenges facing the system while focusing on the opportunity to strengthen Vermont's public education system for the next generation of learners.

Across the state, educators, school leaders, and communities remain deeply committed to supporting students, yet the data show that the system must evolve to meet the challenges ahead. Student outcomes across several key indicators—including academic proficiency, postsecondary enrollment, and college and career readiness—remain below the state's long-term goals. Achievement gaps persist, and chronic absenteeism continues to affect too many students. These trends underscore the need for a focused, coordinated effort to strengthen the education system and improve outcomes for every Vermont learner.

At the same time, schools and communities are navigating rising costs, changing demographics, and increasing student needs. Vermont now serves fewer students overall, while maintaining a similar number of schools and educational programs. These realities place growing pressure on the system and require thoughtful stewardship of public resources.

This budget reflects the Agency of Education's response to that moment.

Over the past year, the Agency has begun a major transformation of its work. Through a statewide strategic planning process and a comprehensive reorganization, the Agency is aligning its staff, resources, and programs around a clear set of priorities designed to improve outcomes for Vermont students and strengthen the overall education system.

The Agency's strategic plan focuses on five core priorities:

- improving statewide academic performance
- expanding college and career readiness
- promoting safe and healthy schools
- strengthening operational effectiveness
- enhancing special education delivery and differentiated support for all learners

These priorities now guide the Agency's policy development, program implementation, and budget decisions.

The FY27 budget reflects a disciplined effort to align resources with these strategic priorities. The Agency continues to carry out this work with relatively limited operational resources. While the Agency administers more than \$2.7 billion in statewide education funding, only a small portion (1.55% of the total) supports Agency operations. The Agency is responsible for leadership, oversight, and support of Vermont's entire public education system, including the administration of substantial federal funding that supports the state's most vulnerable students.

As part of its transformation, the Agency is transitioning to a single operating budget structure. Historically, Agency appropriations were divided between finance and programmatic operations. The new structure consolidates these functions into a unified operating budget that reflects the Agency's reorganization and more accurately mirrors how the work of the Agency is carried out.

This approach allows the Agency to better align staff and resources with strategic priorities, reduce administrative barriers, and operate more efficiently as a small organization responsible for overseeing a complex statewide education system. It also provides the flexibility needed to respond more quickly to shifts in federal funding, which can occur with little notice but significantly impact programs and services delivered to Vermont schools.

Importantly, this change does not reduce transparency or accountability. The Agency will continue to report on expenditures and program investments with full clarity. Instead, the unified operating structure allows the Agency to manage resources more effectively while maintaining strong fiscal oversight.

Ultimately, this budget represents a focused strategy to maximize the impact of every dollar while strengthening the Agency's ability to support the field. Through strategic planning, organizational alignment, and disciplined fiscal management, the Agency of Education is positioning itself to lead the next phase of Vermont's education transformation.

Improving outcomes for Vermont students will require sustained effort and collaboration across the entire education system. The Agency of Education is committed to leading this work with clarity of purpose, transparency, and a strong focus on results.

The following overview highlights the key elements of this transformation and how the Agency is aligning its work to support Vermont students and schools.

Education Transformation at a Glance

Vermont's education system is entering a period of transformation. While educators and communities remain deeply committed to supporting students, recent data show that outcomes must improve. In response, the Agency of Education is aligning its strategy, organization, and budget around a clear priority: **improving outcomes for every Vermont student while ensuring the long-term strength of the education system.**

A Strategy Focused on Student Success

The Agency's strategic plan focuses its work on five priorities:



Academic Excellence – strengthening high-quality instruction



College and Career Readiness – expanding pathways that prepare students for life



Safe & Healthy Schools – improving school climate & reducing chronic absenteeism



Operational Effectiveness – strengthening data systems, accountability, and support for schools



Special Education and Differentiated Supports – enhancing special education and differentiated support for all learners

Strengthening the Agency

In 2025, the Agency undertook a major reorganization designed to reduce silos, align staff expertise with strategic priorities, and strengthen coordination across teams responsible for academics, operations, and accountability.

This structure supports clearer leadership and more effective support for Vermont's educators and school districts.

Aligning the Budget with the Work

The FY27 budget reflects this transformation through a single operating budget structure that aligns financial resources with strategic priorities and reflects the integrated way the Agency now operates.

This approach improves efficiency and allows the Agency to respond more effectively to changes in federal funding while maintaining transparency and accountability.

Our Goal

Vermont's goal is clear: to build the best public education system in the country—one where every student has both roots and wings.

Strategic Priorities for Improving Student Outcomes

The Agency of Education has reorganized its work around a focused set of strategic priorities designed to improve student outcomes while maximizing the impact of limited resources. These priorities guide the Agency's policy work, technical assistance to schools, and investment of state and federal funds.

1 Academic Excellence

Strengthening academic outcomes by ensuring every Vermont student has access to high-quality instruction and achieves proficiency in core academic areas

Key Efforts:

- Read Vermont and Math Pilot initiatives
- Improved proficiency and English Language Arts, Mathematics, and Science
- Expanded access to high-quality teachers and Kindergarten readiness

2 College and Career Readiness

Preparing students for success after graduation through expanded pathways, statewide graduation expectations, and real-world learning opportunities.

Key Efforts:

- Statewide graduation requirements
- Dual enrollment and career-connected learning
- Improved graduation rates and college persistence

3 Safe and Healthy Schools

Creating school environments where students feel safe, supported, and included.

Key Efforts:

- Harassment, hazing, and bullying prevention
- Restorative discipline frameworks
- Improved school climate and belonging

4 Operational Effectiveness

Aligning Agency structures, resources, and funding to better support schools and respond to changing policy and funding environments.

Key Efforts:

- Agency reorganization
- Development of a single operating budget
- Stronger data systems and cross-agency coordination

5 Enhancing Special Education and Differentiated Supports for All Students

Ensuring high-quality instruction and differentiated supports across the education system to support all learners.

Key Efforts:

- Full implementation of the best practices outlined in Act 73
- Closing the achievement gap for historically marginalized students and students with disabilities
- Achieving full compliance with federal requirements

Understanding Vermont's Education System

Vermont's public education system serves students across diverse communities throughout the state, from small rural schools to larger regional districts. Recent statewide analysis has highlighted several trends shaping the system today, including declining student enrollment, variation in student needs across communities, and persistent challenges in improving academic outcomes. Understanding the structure and scale of Vermont's education system provides important context for the student outcome data presented in the following sections.

Schools and Learning Environments

Type of School	School Year 2020-2021	School Year 2025-2026	Change (#)
Elementary Schools (Grades K-6)	146	152	6
Secondary Schools (Grades 7-12)	51	44	-7
Combined (Elementary and Secondary)	91	86	-5
Public Career Technical Education Centers	15	15	0
Total Public Schools	303	297	-6
Approved Independent Schools***	86	82	-4
Independent CTE centers	2	2	0
Approved Therapeutic Schools	26	23	-3

***Following the passage of Act 73, additional criteria were established for independent schools to be eligible to receive publicly funded tuition on behalf of students residing in an area without a public school. For more information about these changes and the list of eligible independent schools, visit [the Agency's Act 73 webpage](#).

Students

Vermont serves approximately 81,750 publicly funded students.

This includes preK-12 students enrolled in Vermont public schools, approved independent schools and academies, career and technical education programs and out-of-state placements. Statewide enrollment has declined in recent decades as Vermont's population and birth rates have shifted.

Vermont's Student Populations

81,750

Total Publicly Funded Students (FY2025)

-5,902

Change in Total Students Since FY2020

+4,174

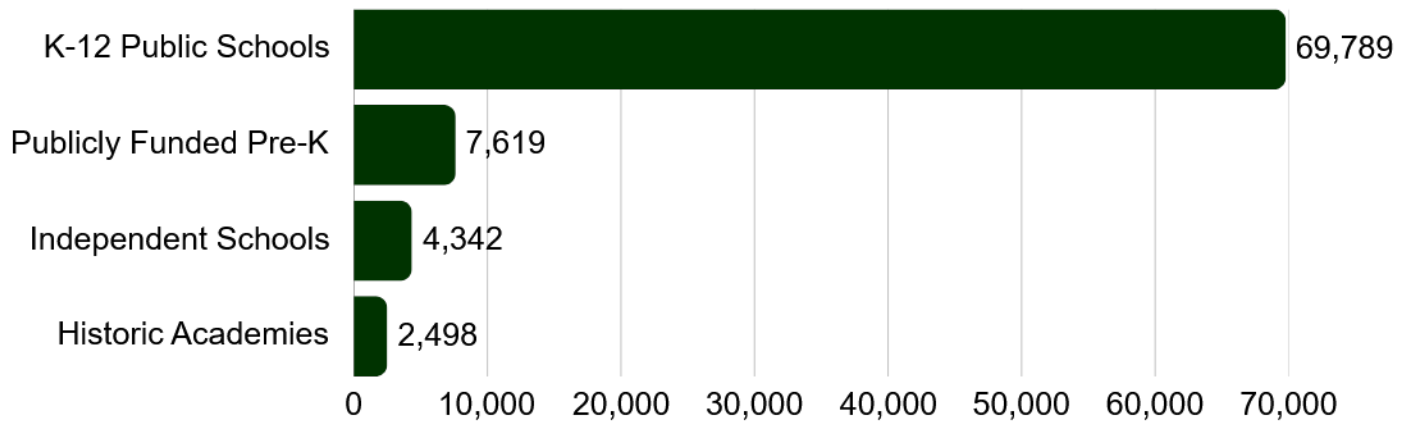
Growth in Economically Disadvantaged Students

EDUCATIONAL SETTINGS	FY2020	FY2025	CHANGE (#)
Total number of publicly funded students	87,652	81,750	-5,902
Enrolled in K-12 public schools	74,621	69,789	-4,832
Enrolled in publicly funded Pre-K	8,742	7,619	-1,123
Enrolled in VT approved independent schools	4,289	4,342	+53
Enrolled in historic academies	2,459	2,498	+39

STUDENT CHARACTERISTICS	FY2020	FY2025	CHANGE (#)
Qualify as economically disadvantaged	32,345	36,519	+4,174
Students on IEPs	13,015	13,449	+434
EL/ML students	1,681	2,242	+561

FY2025 Enrollment Breakdown

Proportion of publicly funded students by school type



Student Outcomes at a Glance

Academic Achievement

State assessments (VTCAP SY 2024-2025) show that many students are not yet meeting Vermont's long-term goals for academic proficiency.

English Language Arts

Average proficiency range: 46% (Grade 9) to 61% (Grade 4)

Mathematics

Average proficiency range: 33% (Grade 3) to 48% (Grade 6)

Science

Average proficiency range: 41% (Grade 8) to 45% (Grade 11)

Key Takeaway:

These results highlight the importance of continued focus on high-quality instruction in literacy and mathematics.

Student Engagement

Student attendance and engagement are key factors in academic success.

In FY25, 1 in 4 (25%) Vermont students were chronically absent, making it more difficult for some learners to stay connected to school and maintain consistent progress. Reducing chronic absenteeism is a statewide priority.

Equity and Opportunity

Achievement gaps remain between student groups, particularly for students from historically marginalized backgrounds.

Closing these gaps requires:

- improved access to high-quality instruction
- targeted supports for schools and districts
- strengthened services for students with disabilities and multilingual learners

The next section provides a closer look at statewide assessment results and other indicators used to monitor school performance.

Student Outcomes and Academic Recovery

Statewide assessments provide important insight into how well students are mastering core academic skills. Vermont’s assessment system measures student proficiency in English language arts, mathematics, and science across multiple grade levels. Together, these indicators provide a snapshot of student learning across the state and help identify areas where additional support and improvement efforts may be needed.

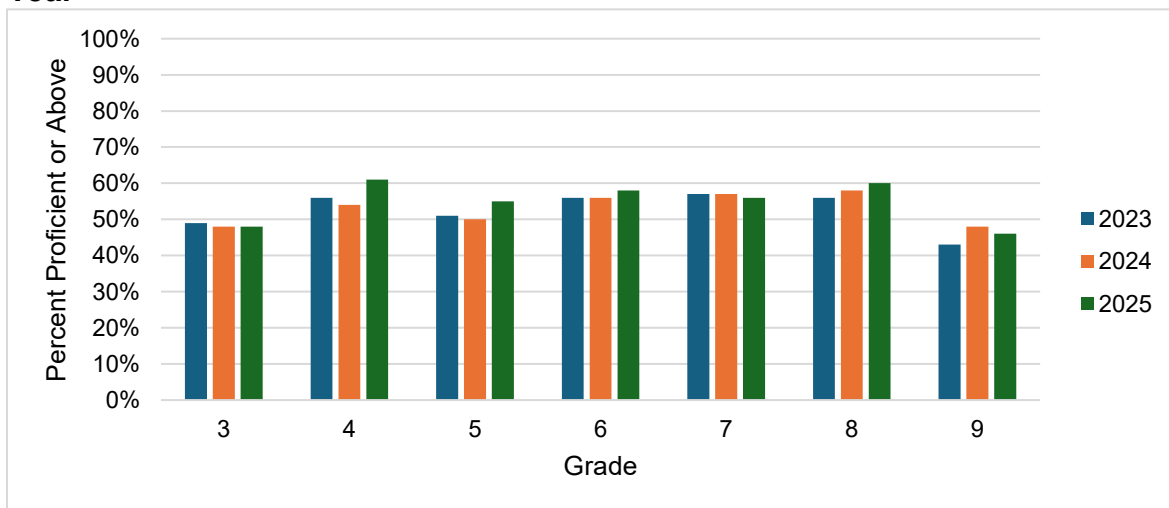
English Language Arts

English language arts (ELA) assessments measure students’ ability to read closely, analyze text, and communicate ideas effectively through writing. Literacy skills are foundational to learning across all subject areas and are closely linked to long-term academic success.

Recent assessment results show that the percentage of Vermont students that meet state expectations in English language arts ranges from 46 percent (Grade 9) to 61 percent (Grade 4). While many students demonstrate strong literacy skills, these results also indicate that a significant share of students are not yet meeting proficiency expectations.

Performance varies across grade levels and student groups, highlighting the importance of continued focus on high-quality literacy instruction and early reading development.

Figure 1: Statewide Proficiency Rates in English Language Arts by Grade and Year



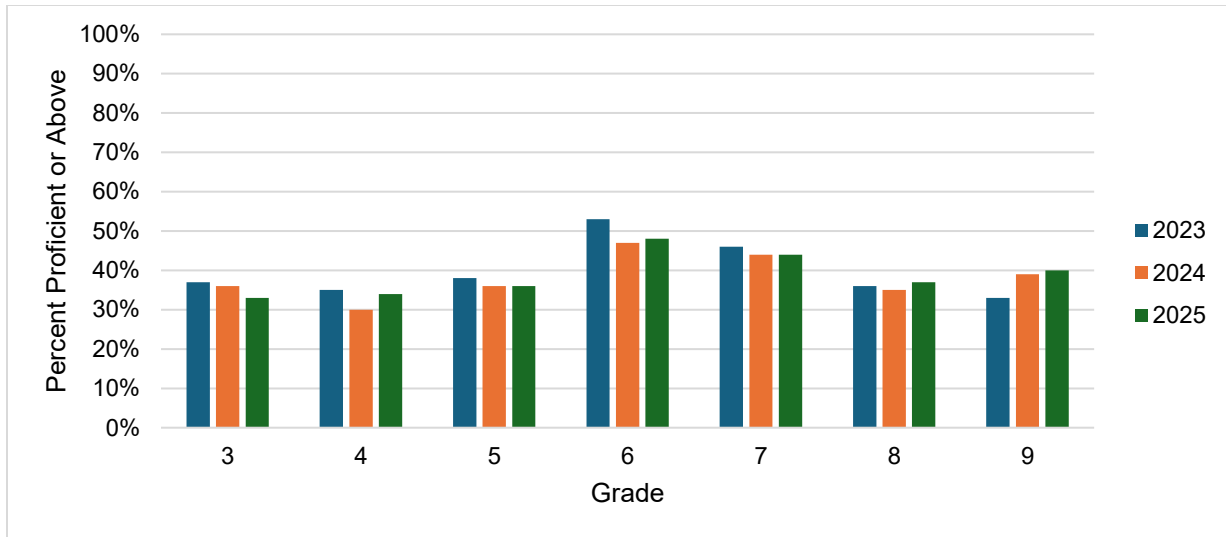
Mathematics

Mathematics assessments measure students’ ability to apply mathematical reasoning, solve problems, and demonstrate conceptual understanding across a range of topics.

Across Vermont, mathematics proficiency rates remain lower than those observed in English language arts, ranging from 33 percent (Grade 3) to 48 percent (Grade 6). These results indicate that fewer than half of Vermont students meet state expectations in mathematics in most tested grades.

Mathematics performance has been a persistent challenge across many states following the COVID-19 pandemic, and improving student outcomes in mathematics remains an important priority for education systems nationwide.

Figure 2: Statewide Proficiency Rates in Mathematics by Grade and Year



Science

Science assessments evaluate students’ understanding of scientific concepts and their ability to apply scientific practices such as analyzing data, constructing explanations, and evaluating evidence.

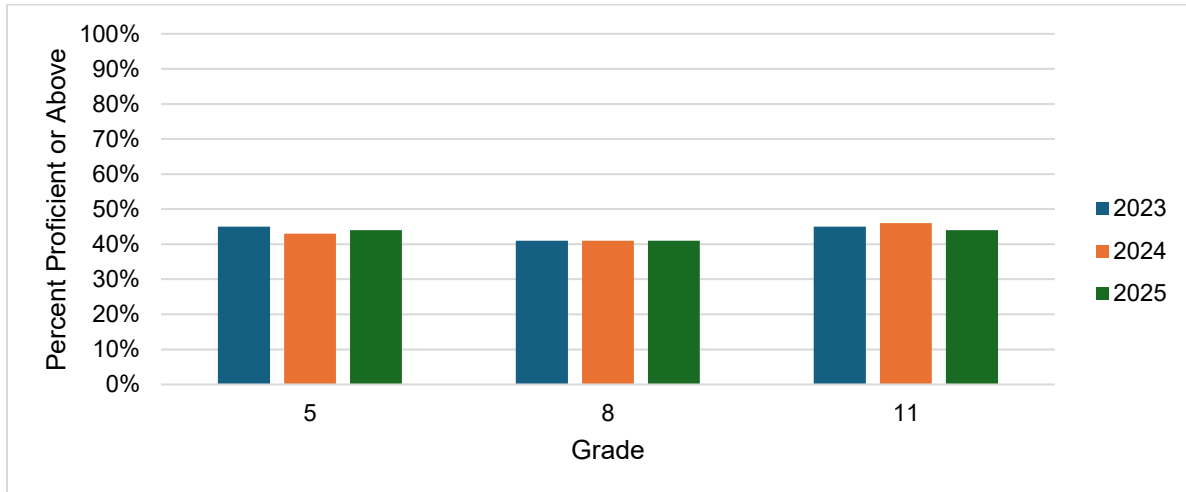
Recent statewide results on the VTCAP show that the percentage of Vermont students that meet proficiency expectations in science range from 41 percent (Grade 8) to 45 percent (Grade 11). These results suggest that many students are struggling to develop important scientific knowledge and skills, highlighting opportunities to strengthen science instruction and student engagement in STEM learning.

Science assessments are administered less frequently than literacy and mathematics assessments, but they provide an important indicator of how well students are developing critical thinking and problem-solving skills.

While academic proficiency provides an important measure of student learning, additional indicators—such as graduation rates, college and career readiness, and

postsecondary enrollment—help provide a broader picture of how well Vermont’s education system is preparing students for life after high school.

Figure 3. Statewide Proficiency Rates in Science by Grade and Year



College and Career Readiness

Academic proficiency is an important indicator of student learning, but it does not fully capture whether students are prepared for success after high school. Vermont tracks several additional indicators to measure readiness for postsecondary education, training, and employment, including graduation rates, participation in advanced coursework, and postsecondary enrollment.

Together, these measures provide insight into how effectively Vermont’s education system prepares students to pursue college, careers, and other postsecondary opportunities.

Expanding Access to College-Level Learning

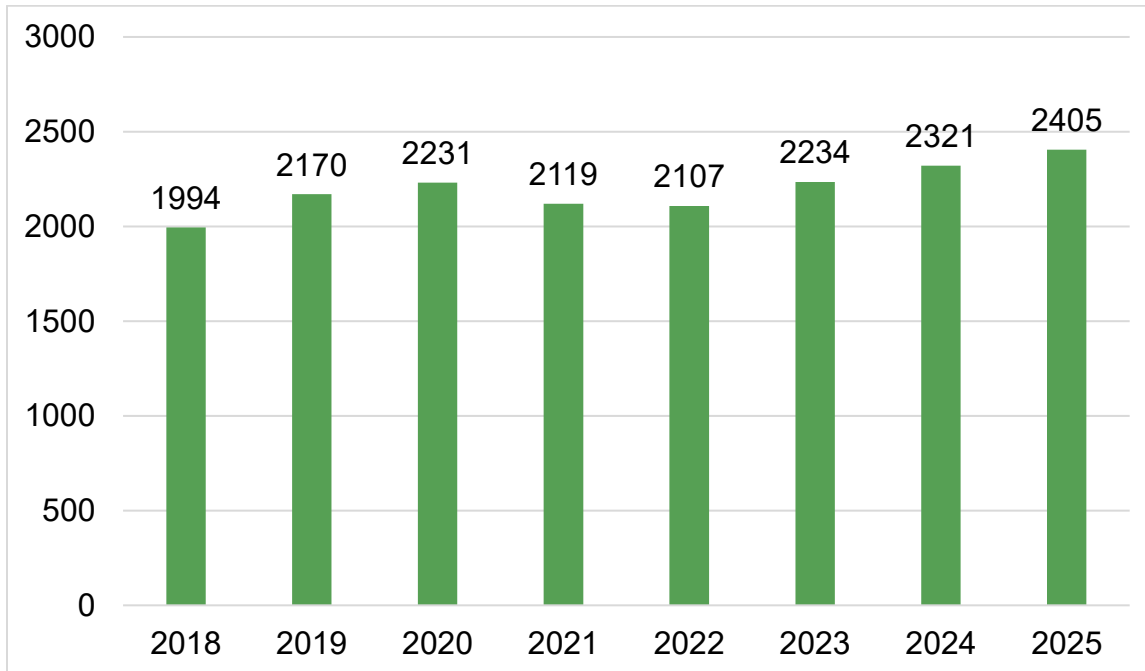
Vermont’s Flexible Pathways system provides students with multiple opportunities to engage in college-level coursework while still in high school. Programs such as Dual Enrollment, Early College, Career and Technical Education (CTE), and Fast Forward allow students to earn college credit and explore career interests before graduation.

Participation in these pathways continues to grow. In Fiscal Year 2025 2,440 students participated in the Dual Enrollment program, representing 21.7 percent of Vermont juniors and seniors statewide. In addition, 875 students participated in the Fast Forward program, earning college credit through career and technical education programs.

Across these programs, more than one-third of Vermont’s junior and seniors now engage in college-level coursework before graduating from high school, expanding opportunities for early exposure to postsecondary learning.

These experiences help students build academic confidence, explore career interests, and reduce the cost of postsecondary education.

Figure 4: Total Dual Enrollment Participation, School Years 2018-2025



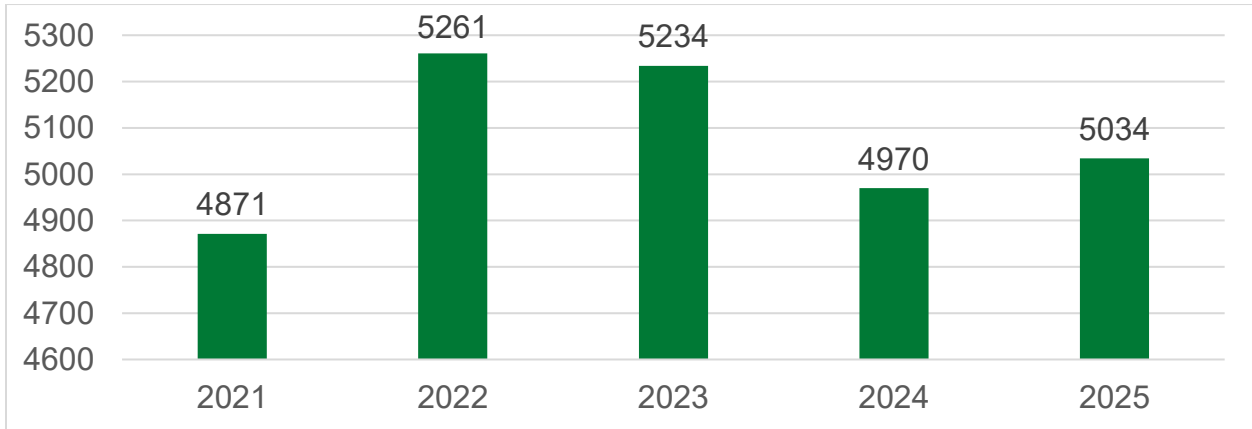
Career and Technical Education

Career and Technical Education (CTE) is a central component of Vermont’s strategy to improve college and career readiness by connecting students to high-quality, career-aligned learning opportunities. Enrollment data show strong student demand, particularly in high-growth fields such as health sciences, construction, transportation, and communications. However, access to CTE remains uneven across program areas and regions, and persistent program waitlists indicate that current capacity does not fully meet student interest. Expanding access to high-quality CTE programs is an important opportunity to strengthen student engagement, improve postsecondary readiness, and better align education with workforce needs across the state.

Vermont’s regional approach to delivering CTE reflects the state’s geography and district structure, but also introduces complexity in governance, funding, and program consistency. Variability in how CTE coursework is recognized for graduation, along with differences in program availability, can limit students’ ability to fully benefit from these opportunities. Recent statewide work has identified the need to strengthen alignment

across governance and funding models, ensure consistent recognition of CTE learning toward graduation requirements, and better integrate CTE into Vermont’s broader education system. These efforts are closely connected to the Agency’s strategic priorities and ongoing work to expand pathways, improve student outcomes, and ensure that all learners have access to meaningful, high-quality opportunities that prepare them for success beyond high school.

Figure 5: Total CTE Enrollment 2021-2025



Ensuring Equitable Access to Pathways

While participation in flexible pathways has expanded, data also show differences in access among student groups. Students from economically disadvantaged backgrounds participate in programs such as Dual Enrollment and Early College at lower rates than their peers.

Figure 6: Dual Enrollment Participation by Gender

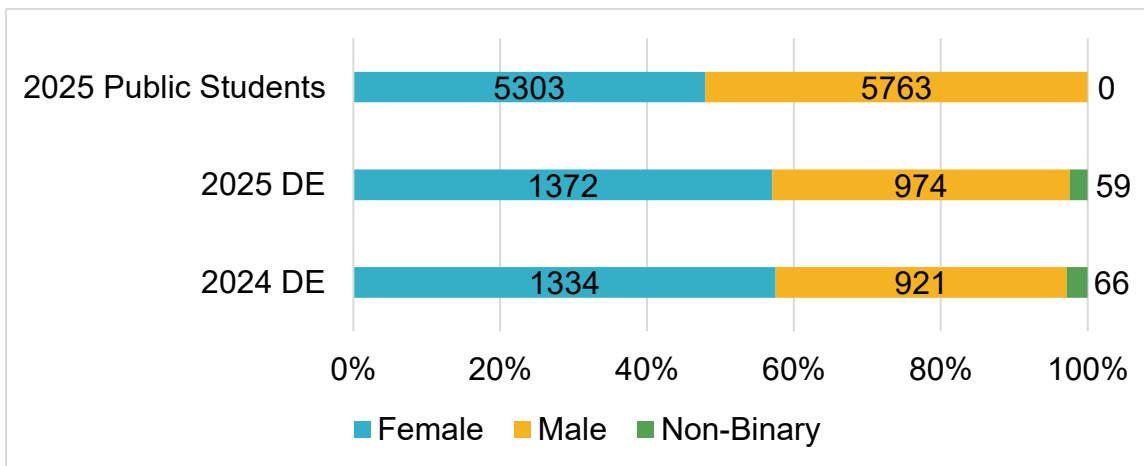


Figure 7: Dual Enrollment Participation Among Economically Disadvantaged Students

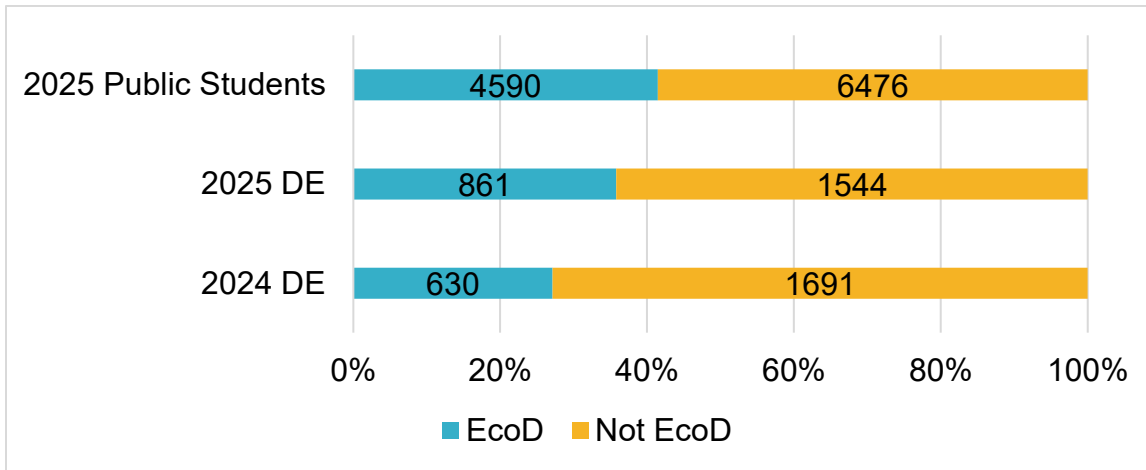
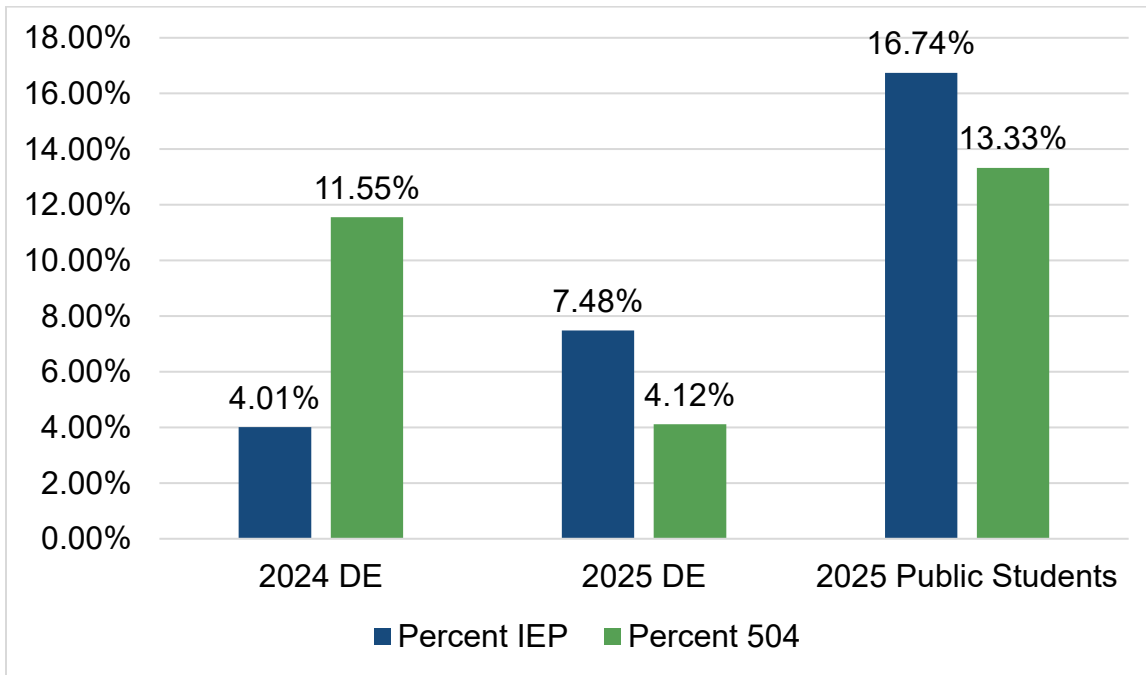


Figure 8: Dual Enrollment Participation Among Students with Disabilities



These differences reflect a broader pattern seen in statewide assessment results, where students experiencing economic disadvantage are less likely to meet proficiency expectations in core academic subjects. Because participation in college-level coursework typically requires students to demonstrate readiness in literacy and mathematics, gaps in academic preparation can affect whether students are able to take advantage of these opportunities during high school.

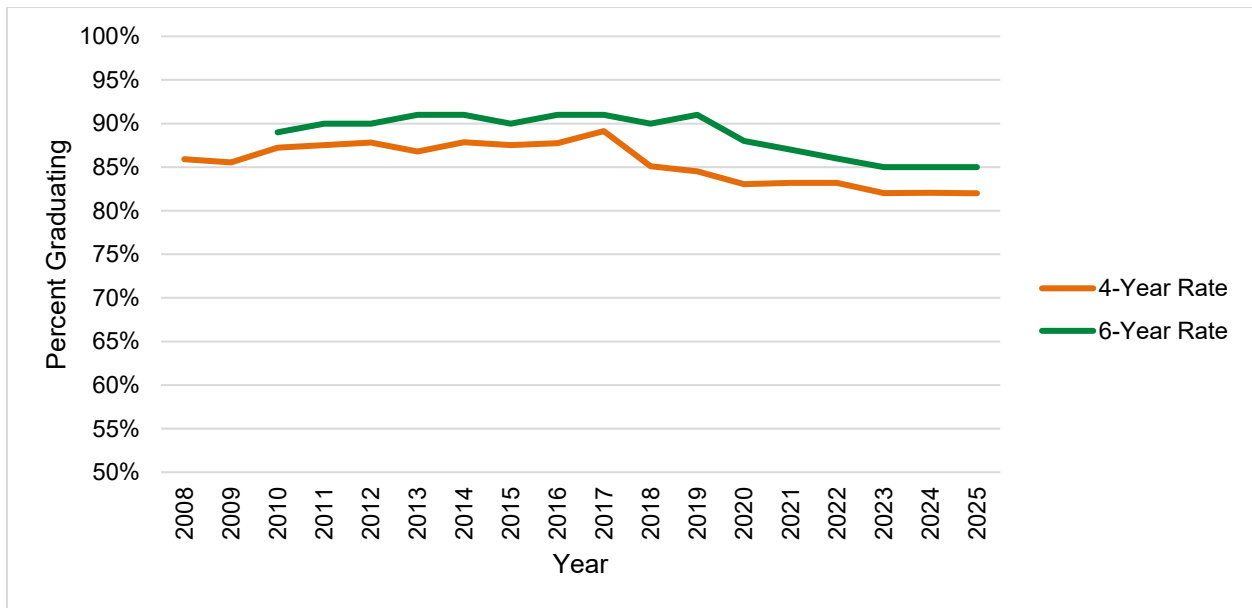
As a result, participation in programs designed to expand opportunity may also reveal important questions about preparation earlier in students’ educational experiences. Ensuring that all students are academically prepared to access advanced coursework, dual enrollment, and career pathways requires continued attention to foundational learning, particularly in literacy and mathematics.

Strengthening early academic preparation and expanding access to rigorous learning opportunities are both critical to ensuring that Vermont’s flexible pathways system benefits students across all communities.

Graduation Rates and Statewide Graduation Requirements

Graduating from high school represents an important milestone for Vermont students and remains a central indicator of student success. For many years, Vermont maintained graduation rates that compared favorably with national averages. In recent years, however, statewide graduation rates have declined, reflecting challenges that have affected education systems across the country following the COVID-19 pandemic, but have persisted in Vermont.

Figure 9: Statewide 4-Year and 6-Year Adjusted-Cohort Graduation Rate by Year



Graduation rates provide an important measure of completion, but they do not fully capture whether students leave high school prepared for success in college, careers, or other postsecondary pathways. Vermont therefore tracks additional indicators of college and career readiness, including performance on national assessments, completion of college-level coursework, and attainment of industry-recognized credentials. Recent data show that 59 percent of Vermont seniors demonstrate readiness through at least

one college and career readiness indicator, while approximately 46 percent of graduates enroll in a postsecondary institution within sixteen months of graduation.

Statewide analysis has also highlighted significant variation in local graduation expectations. Current graduation requirements across Vermont's supervisory unions range from 16.5 to 28.5 credits, reflecting differences in course requirements and program structures across districts.

To strengthen consistency and preparation for postsecondary success, Vermont is developing statewide graduation requirements under Act 73. These requirements are intended to establish common expectations for student learning while maintaining Vermont's commitment to flexible pathways that allow students to demonstrate proficiency in multiple ways.

The development of statewide graduation requirements represents a significant system reform and was a major achievement of the Agency during the FY26 budget year. The Agency of Education led the development process in partnership with educators, districts, and stakeholders across the state, executing this new legislative requirement without additional appropriated resources. This work reflects the Agency's broader focus on strengthening statewide coherence in expectations, curriculum, and student outcomes while continuing to support local flexibility to meet the unique needs of students.

The Agency of Education has recommended that the State Board of Education finalize statewide graduation requirements by December of 2026, though Act 73 sets a deadline of July 1, 2027, with implementation beginning for the graduating class of 2031. Establishing common statewide expectations will help ensure that all Vermont students graduate with the knowledge and skills needed for success in college, careers, and civic life.

Ensuring that students remain engaged in school throughout their educational experience is essential to improving both graduation rates and college and career readiness outcomes. One of the clearest indicators of student engagement is school attendance.

For this reason, Vermont tracks chronic absenteeism as an important measure of student engagement and an early indicator of potential academic risk.

FY26 Key Achievement:

Development of statewide graduation requirement recommendations under Act 73, completed without additional appropriations.

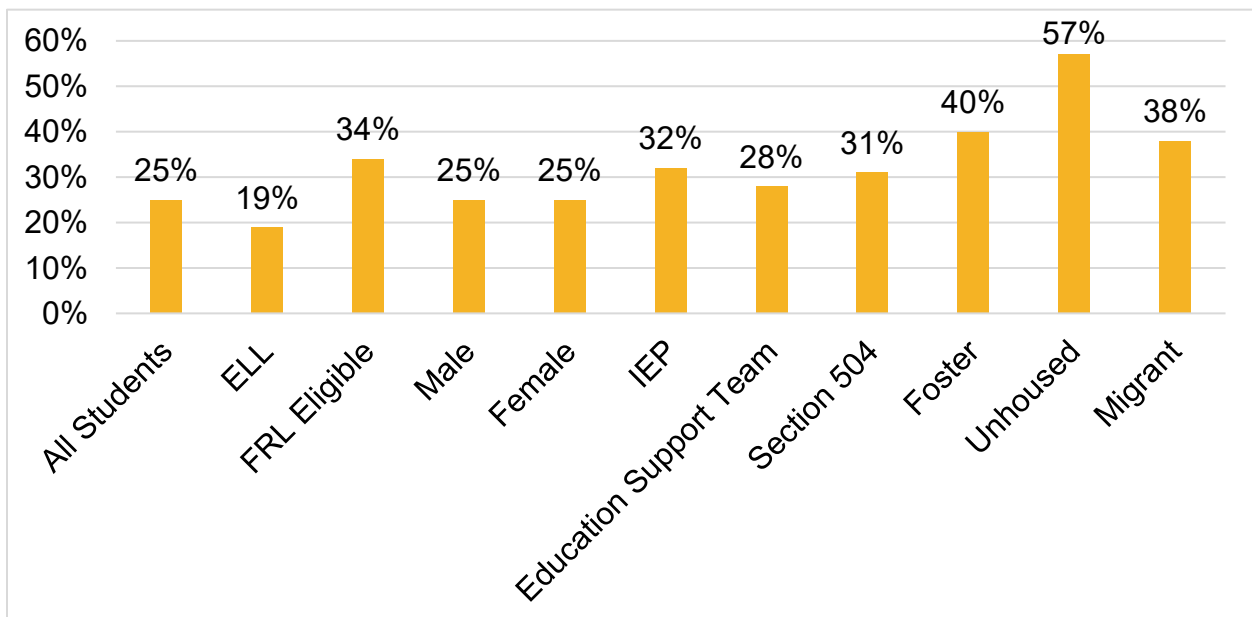
Student Engagement and Chronic Absenteeism

Chronic absenteeism is defined as missing 10 percent or more of the school year for any reason, including excused and unexcused absences. Research consistently shows that students who are chronically absent are significantly more likely to fall behind academically and less likely to graduate on time.

Like many states, Vermont experienced a sharp increase in chronic absenteeism following the COVID-19 pandemic. The statewide rate increased from approximately 18 percent in 2019 to nearly 30 percent in 2023, mirroring national trends. While attendance has improved since that peak, absenteeism remains elevated compared with pre-pandemic levels. In the 2024–2025 school year, roughly one in four Vermont students was chronically absent, meaning they missed enough school to place them at risk of academic disengagement.

Chronic absenteeism is not evenly distributed across the student population. Higher rates are observed among students experiencing poverty, housing instability, disability, or involvement in the foster care system. These patterns highlight the complex factors that influence student attendance, including health challenges, transportation barriers, school climate, and access to family supports.

Figure 10: Percent of Students Chronically Absent, SY2024-2025



Because students must be present in school to benefit from Vermont’s investments in instruction, mental health supports, school nutrition programs, and career pathways, improving attendance has become a statewide strategic priority. Since 2023, the Agency

of Education has worked with educators, state agencies, and community partners to better understand the causes of absenteeism and develop a coordinated statewide response.

During the FY26 budget year, the Agency advanced this work by conducting statewide stakeholder engagement, developing proposed updates to Title 16 related to attendance and truancy, and beginning development of a statewide model policy to guide school attendance practices. These efforts were undertaken without additional appropriated resources, reflecting the Agency's commitment to addressing emerging challenges while maintaining core responsibilities.

Looking ahead, the Agency's strategic reorganization and planning efforts will allow additional resources and staff capacity to be directed toward attendance and engagement initiatives beginning in FY27. This work will include the development of statewide guidance and model policies, stronger interagency collaboration, and improved data systems to support early identification and intervention for students experiencing attendance challenges.

Strengthening student engagement and improving attendance will be an important component of Vermont's broader effort to improve academic outcomes and ensure that all students remain connected to school and on track for graduation.

Improving student attendance requires more than monitoring absences. Students attend school consistently when they feel safe, connected, and supported in their learning environments.

For this reason, strengthening school climate, preventing harassment and bullying, and ensuring inclusive learning environments are central components of Vermont's strategy to improve student engagement and outcomes.

FY26 Key Achievement:

Development of Vermont's statewide strategy to address chronic absenteeism, including stakeholder engagement, proposed statutory updates to Title 16, and development of a statewide model policy — completed without additional appropriations

Safe, Healthy, and Inclusive School Environments

Safe and inclusive school environments are foundational to student success. When students feel safe and connected to their schools, they attend more regularly, engage more deeply in learning, and demonstrate stronger academic outcomes. Conversely, harassment, hazing, bullying, and unsafe school climates can contribute directly to disengagement, absenteeism, and declining academic performance.

Recognizing this connection, the Agency of Education has identified Safe and Healthy Schools as a central pillar of its strategic framework. Efforts to improve school climate are closely linked to the Agency’s work on attendance, student engagement, and academic recovery.

Vermont law requires all schools to maintain policies and procedures for preventing and responding to harassment, hazing, and bullying (HHB). These policies establish reporting requirements, investigation timelines, and staff training expectations designed to ensure that incidents are addressed quickly and appropriately.

However, stakeholders across Vermont have consistently noted that existing systems focus heavily on investigation and response rather than prevention. Educators, students, and families have called for clearer guidance, stronger training, and more consistent tools to help schools build positive climates and prevent incidents before they occur.

In response, the Agency is strengthening statewide supports for school climate and HHB prevention, including expanded educator training, clearer procedures for reporting and investigation, and stronger integration of restorative practices that help repair harm and rebuild relationships when incidents occur.

Equitable and Inclusive School Environments

Improving school climate also requires ensuring that all students feel a sense of belonging and inclusion in their schools. In 2022 the statewide Task Force on Equitable and Inclusive School Environments found that while Vermont has strong commitments to equity and inclusion, student experiences can vary significantly across districts due to differences in training, resources, and policy implementation.

The task force recommended establishing clearer statewide expectations for inclusive environments, expanding professional learning for educators, strengthening data systems to monitor disparities, and ensuring that policies and accountability systems support inclusive practices.

[These recommendations](#) are informing the Agency’s broader work to strengthen school climate, support culturally responsive teaching, and ensure that all students—particularly those who have historically experienced exclusion—have access to safe and supportive learning environments.

Aligning Systems to Support Student Engagement and Academic Outcomes

Taken together, these efforts reflect a shift toward a more integrated statewide approach to improving student engagement and academic outcomes. Strengthening attendance,

improving school climate, preventing harassment and bullying, and ensuring inclusive learning environments are mutually reinforcing strategies that support student success.

At the same time, the Agency has advanced key academic initiatives, including [Read Vermont](#) to strengthen literacy and **Count on Vermont** to improve mathematics instruction. These efforts focus on improving instructional practice and expanding access to high-quality materials, ensuring that students build the foundational skills needed to fully access flexible pathways and college and career readiness opportunities. The Agency is also supporting statewide implementation of Act 173 by strengthening Tier 1 instruction, expanding access to multi-tiered systems of support, and reinforcing expectations for the use of high-quality, evidence-based curriculum and instructional materials.

Importantly, this progress has been achieved without additional appropriations, reflecting a deliberate effort to align existing resources with the Agency's highest priorities. In FY26, this included targeted coaching in evidence-based practices, statewide professional learning in early literacy, improved access to instructional resources, and updates to educator preparation standards. This work continued despite disruptions in federal funding; the Agency has requested reversion and reappropriation of funds in the FY27 budget to ensure continuity of these efforts.

The Agency's reorganization and strategic planning efforts are designed to align this work within a coherent framework, improving coordination across programs and directing resources to the areas most critical for student success. This approach was reflected in the Agency's [first statewide strategic planning retreat](#) in November 2025, which convened more than 300 education leaders to align around a shared vision and key priorities for Vermont's education system.

The challenges and opportunities described in the previous sections—from academic outcomes to student engagement and school climate—are closely connected to the broader structure of Vermont's education system. Schools can only deliver these supports when they are backed by a stable and equitable funding system.

The following section provides an overview of the Vermont Education Fund and how Vermont supports public education across the state.

Vermont Education Funding System

Vermont funds public education through a statewide finance system intended to ensure equitable access to educational opportunities while allowing communities to make local decisions about school spending. Because the Vermont Constitution guarantees education as a public right, the state ultimately bears responsibility for ensuring that all students have access to a high-quality education.

Vermont's Education Fund combines statewide education property taxes with other state revenue sources to support school district budgets and a range of statewide education programs. A detailed overview of Vermont's education funding system is available in the [Agency's Education Funding Report](#).

The Education Fund

The Education Fund is the primary mechanism used to finance Vermont's public education system. Vermont school districts develop annual budgets that are approved by local voters on Town Meeting Day. These budgets represent the total cost of providing education in each district.

School districts subtract offsetting revenues—such as federal and state grants, tuition revenue, and prior-year surpluses—from the total budget. The remaining amount, known as **education spending**, is funded through the statewide Education Fund. The education spending appropriation is the largest of several appropriations from the Ed Fund (see Table below).

The Education Fund is supported by several revenue sources, including:

- Nonhomestead Education Property Tax (39%)
- Sales and Use Tax (26%)
- Income-adjusted Homestead Education Property Tax (27%)
- Meals and Rooms Tax (3%)
- Purchase and Use Tax (2%)
- Other sources (3%)

The Agency of Education administers the allocation of Education Fund appropriations in accordance with district budgets and statutory funding requirements that support Vermont's public education system.

Year-over-year changes in Education Fund Expenses: Ed Fund appropriations (millions)

Appropriation	FY26	FY27	% of Total	% Change
Education Payment	1,991	2,105*	82.0%	6%
Special Education Aid	271	277	10.8%	2%
State-Placed Students	17	18	0.7%	6%
Transportation Aid	26	27	1.1%	4%
Technical Education Aid	19	20	0.8%	5%
Small School Support/Merger Support	2	2	0.1%	0%
Essential Early Education Aid	9	10	0.4%	11%
Flexible Pathways	11	11	0.4%	0%
Universal School Meals	18	18	0.7%	0%
English Learners Services	2	3	0.1%	50%
VSTRS Pension Normal Cost	39	42	1.6%	8%
VSTRS OPEB Normal Cost	22	28	1.1%	27%
Other Uses	6	5	0.2%	-17%
TOTAL	2,433	2,565	100%	5.5%

* This number reflects projections made in December, 2025. The actual amount approved by voters is not final.

Approximately 82% of the Education Fund supports the net education payment, which covers the majority of costs associated with operating Vermont’s public schools, including tuition payments to other public and independent schools, supervisory union operations, and the local share of certain special education and transportation costs.

Cost Drivers in the Education Fund

Vermont’s education funding system operates on a “fund-to-budgets” model, meaning statewide tax rates are set to raise the revenue needed to fund school budgets approved by local voters.

Several long-term demographic and structural trends influence Education Fund spending:

- Vermont’s publicly funded student population has been declining.
- The state continues to operate many of the same schools that existed when student enrollment was higher.

- Fixed costs—such as facilities, administration, salaries, and health care premiums—continue to rise each year.

As a result, Vermont serves fewer students across roughly the same number of schools, leading to higher per-pupil costs and smaller average school sizes compared with many other states, particularly at the elementary level.

Education Fund Outlook

Each year the Joint Fiscal Office prepares an Education Fund Outlook in support of the Tax Commissioner’s December 1 letter. The outlook estimates revenues, spending, and potential funding gaps for the upcoming fiscal year.

The December 1, 2025 outlook projected a \$16.8 million deficit for FY27, with estimated appropriations of \$2.565 billion compared to revenues of \$2.548 billion. The Governor has proposed limited transfers from the General Fund to partially offset this gap and reduce pressure on property tax rates, as a bridge to the onset of the new foundation formula in FY 29.

The Tax Commissioner’s letter also projects 5.8% growth in school spending, similar to the 5.5% growth observed in the prior year, although final figures will depend on local budget votes.

Key Takeaway:

Education spending continues to grow as Vermont serves fewer students across a similar number of schools, creating ongoing pressure on the statewide education funding system.

What Vermonters Buy with Education Fund Dollars

Across all publicly funded PreK–12 students—including those enrolled in public schools, tuitioned to approved independent schools, and attending schools outside Vermont—the state spent an average of \$28,275 per student in FY25. This figure reflects total Education Fund appropriations of \$2.31 billion divided by 81,750 publicly funded students (Table “Year-over-year changes in Education Fund Expenses” and Table “Student Populations”). It is important to note that per pupil spending by district varies significantly depending on local voting decisions.

The Education Fund provides the financial foundation that supports Vermont’s public education system. However, funding alone does not ensure strong outcomes for students. Achieving the goals described throughout this report requires coordinated leadership, effective oversight, and sustained support for schools and educators across the state.

The Agency of Education plays a central role in this work. As the state agency responsible for education policy, program administration, and system oversight, the

Agency works with school districts, educators, and community partners to translate statewide priorities into action.

The following section describes how the Agency's organizational structure and resources are aligned to support these priorities and strengthen Vermont's education system.

How the Agency of Education Delivers on its Priorities

Improving outcomes for Vermont students requires more than identifying the right priorities. It requires aligning leadership, expertise, and resources across the education system to support schools and ensure that policies translate into meaningful improvements for students.

Over the past year, the Agency of Education has undertaken a comprehensive effort to align its strategy, organizational structure, and budget around the priorities outlined in this report. This work is designed to ensure that the Agency is structured to provide clear leadership, strong oversight, and practical support to Vermont's educators and school communities.

Together, these elements create a coordinated system for improving student outcomes across the state.

Strategic Priorities

The Agency's strategic plan focuses on five priorities that are most critical to strengthening Vermont's education system:

- Academic Excellence
- College and Career Readiness
- Safe and Healthy Schools
- Operational Effectiveness
- Special Education and Differentiated Supports

These priorities guide the Agency's policy development, program implementation, and technical assistance to schools and districts.

Agency Structure

To support these priorities, the Agency undertook a major reorganization in 2025. The reorganization reduced silos across teams and aligned staff expertise with the areas of work that most directly support student success.

The Agency is now organized into coordinated functional areas responsible for:

- instructional leadership and academic support
- statewide programs such as career and technical education and early learning
- data systems, assessment, and accountability
- school climate, safety, and student engagement
- fiscal oversight, grants management, and operational support

This structure strengthens collaboration across divisions and improves the Agency's ability to respond to the evolving needs of schools and communities.

Budget Investments

The Agency's FY27 budget aligns financial resources with these strategic priorities.

Through the transition to a single operating budget, the Agency is able to direct staff and resources toward the initiatives with the greatest potential to improve outcomes for students while maintaining strong fiscal oversight of state and federal education funds.

This structure also allows the Agency to operate more efficiently as a small organization responsible for overseeing a complex statewide education system and to respond more effectively to changes in federal education funding.

Delivering Results for Vermont Students

By aligning strategic priorities, organizational structure, and budget investments, the Agency of Education is strengthening its ability to support schools and improve outcomes for students.

The following section describes how the Agency is organized to carry out this work and support Vermont's educators, schools, and communities.

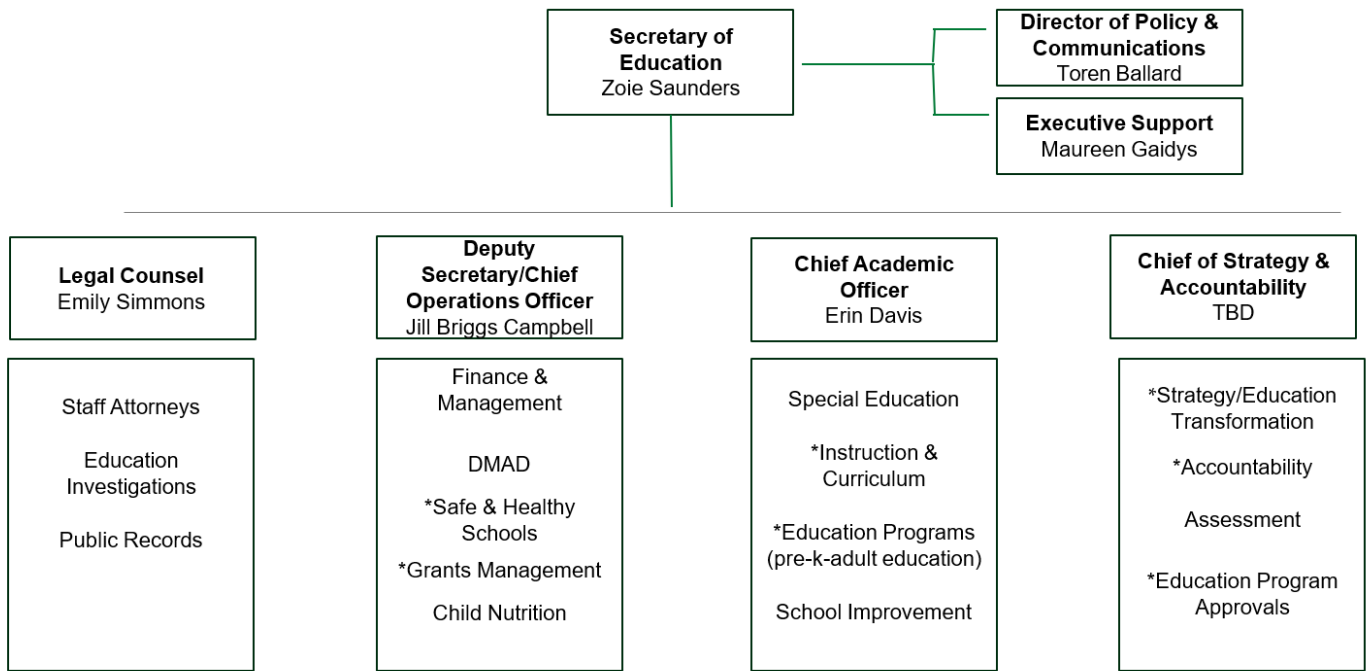
Overview of Agency Areas and Reorganization

The Agency of Education’s organizational structure reflects the strategic priorities outlined in this report and the broader commitment to strengthening Vermont’s education system. Over the past year, the Agency undertook a significant reorganization designed to align staff expertise, programs, and operational functions with the work most critical to improving outcomes for students.

This new structure reduces traditional silos between policy, program, and fiscal functions and brings teams together around shared priorities such as academic excellence, student engagement, and safe and healthy schools. By aligning its internal organization with these priorities, the Agency is better positioned to provide coordinated leadership, oversight, and support to Vermont’s schools and communities. Importantly, this reorganization was implemented within existing staffing levels and reflects the Agency’s commitment to maximizing the impact of limited resources.

The following sections describe the Agency’s major divisions and their responsibilities in carrying out this work.

Overall Agency Structure



*New Team

Office of the Secretary

The Office of the Secretary includes the Secretary of Education, Deputy Secretary, and three administrative support staff. The office leads major agency initiatives, manages

the work of the Secretary and Deputy Secretary, and provides administrative and technical support to more than ten boards, commissions, and working groups, including the State Board of Education.

Policy and Communications

The Policy and Communications team coordinates the Agency's communications, legislative engagement, and policy analysis, ensuring clear communication with the public, policymakers, and education partners.

Legal

The Legal team supports the Agency's compliance with state and federal education law, coordinates with the Attorney General's Office, and manages investigations and administrative complaints.

Operations

The Operations area strengthens internal Agency systems and supports district business processes. The team also coordinates statewide efforts related to Safe and Healthy Schools and cross-agency operational initiatives.

Grants Management

The Grants Management Division administers and oversees state and federal education grants to ensure funds are distributed efficiently, transparently, and in compliance with regulatory requirements.

The division supports the full grant lifecycle, including:

- grant allocation and application review
- reimbursement and fiscal oversight
- monitoring and compliance
- grant closeout and reporting

Finance

The Finance Division administers Vermont's education funding systems and supports the Agency's core financial operations.

Key responsibilities include:

- managing the Agency budget and business office functions
- administering education funding calculations and distributions
- collecting and analyzing school financial and staffing data
- supporting federal and state fiscal reporting requirements

The division includes the Business Office, School Finance, and Special Education Finance teams.

Child Nutrition

The Child Nutrition Division oversees federal child nutrition programs operating in Vermont schools, childcare programs, summer programs, adult day centers, and community food sites.

The division works to ensure students have access to nutritious meals that support learning and development.

Key priorities include:

- expanding access to summer and afterschool meals
- supporting financial and operational management of nutrition programs
- ensuring compliance with federal program requirements
- coordinating nutrition support during emergency or disaster situations

Data Management and Analysis

The Data Management and Analysis Division (DMAD) collects, manages, and analyzes education data reported by schools, districts, and supervisory unions.

These data support:

- federal and state reporting requirements
- funding allocations and statutory compliance
- statewide education policy and decision-making

The division also leads efforts to improve data quality, modernize data systems, strengthen data governance, and support districts in improving data reporting practices.

Safe and Healthy Schools

The Safe and Healthy Schools Division supports initiatives that promote student wellbeing, safe learning environments, and school engagement.

Key areas of work include:

- statewide efforts to reduce chronic absenteeism
- oversight and support for school facilities and consolidation efforts
- implementation of school Behavioral Threat Assessment (BTA) teams
- coordination of school safety and emergency response
- environmental health monitoring
- prevention and response to harassment, hazing, and bullying (HHB)

Education Approvals

The Education Approvals Division oversees educator licensure and the approval of independent schools, therapeutic schools, educator preparation programs, and higher education institutions.

The division also administers home study enrollment and collaborates with the Department of Labor and higher education partners to strengthen educator workforce pipelines.

Academics

The Academics area includes divisions responsible for instruction and learning, education programs, and special education.

Together, these divisions support high-quality instruction, equitable access to curriculum, and coordinated programs that serve students from early childhood through adult education.

Curriculum and Instruction

The Curriculum and Instruction Division provides leadership and support for standards-aligned curriculum and evidence-based instructional practices.

Key priorities include:

- supporting access to high-quality instructional materials
- strengthening the use of evidence-based instructional practices
- supporting school improvement efforts
- advancing statewide initiatives such as Read Vermont and statewide graduation requirements

Special Education

The Special Education Division oversees the state's general supervision system under the Individuals with Disabilities Education Act (IDEA).

The division works to improve outcomes for students with disabilities through three core functions:

- monitoring compliance with federal and state special education requirements
- providing technical assistance and professional development to districts
- developing policy and guidance to support effective special education services

Education Programs

The Education Programs Division supports a cradle-to-career continuum of learning by aligning programs across early childhood, out-of-school time, flexible pathways, career and technical education, and adult education.

The division works to expand learning opportunities and strengthen transitions between educational stages.

Key priorities include:

- expanding access to pre-kindergarten
- strengthening afterschool and extended learning opportunities
- supporting flexible pathways and career-connected learning
- modernizing career and technical education programs

Strategy and Accountability

The Strategy and Accountability area oversees statewide assessment, accountability systems, and strategic initiative management.

This work ensures that the Agency's programs and policies are aligned with clear performance expectations and continuous improvement goals.

Accountability and Support

The Accountability Division coordinates the state's education accountability system and provides differentiated support to school districts.

Key responsibilities include:

- administering federal ESSA accountability requirements
- managing the ESSA State Plan and waiver requests
- coordinating district improvement supports
- engaging education stakeholders in accountability processes

Assessment

The Assessment Division oversees Vermont's statewide assessment system to ensure assessments align with state standards and meet high technical and psychometric quality standards.

The division ensures assessments are administered securely and equitably and analyzes assessment data to support accountability, reporting, and education decision-making.

To learn more about Agency teams and areas of expertise, visit [the Agency's staff directory](#).

Agency Budget Request

The preceding sections of this report describe the challenges facing Vermont's education system, the Agency's strategic priorities for improving student outcomes, and the organizational structure designed to support that work.

This section describes the resources requested to carry out those responsibilities.

As the state agency responsible for statewide education leadership, oversight, and support, the Agency of Education administers a complex set of state and federal programs that support Vermont schools, educators, and students. The Agency's budget reflects both its operational responsibilities as a state agency and its role in distributing and overseeing education funds across the state.

In developing this budget request, the Agency has focused on aligning available resources with the initiatives most critical to improving student outcomes while maintaining responsible stewardship of state and federal funds.

Key Takeaway:

Although the Agency oversees more than \$2.7 billion in statewide education funding, less than two percent supports Agency operations.

Agency Budget for Fiscal Year 2027

The FY 2027 operations budget (excluding Education Fund grant appropriations) is reflected in a new appropriation in Sections B.500 called Education Services. The former two appropriations Finance and Administration and Educations Services have been combined during the Agency's reorganization into on appropriation called Education Services. This appropriation supports all 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.

Where the Agency's Budget Goes

The Agency of Education's operating budget supports the statewide systems, oversight, and services required to sustain Vermont's public education system. While Vermont's total education spending exceeds \$2.7 billion annually, the Agency's budget represents the resources needed to administer education programs, oversee compliance with state and federal requirements, and support schools and educators across the state.

The Agency's budget supports several core areas of work.

Statewide Leadership and Oversight

A portion of the Agency's budget supports the core leadership and administrative functions necessary to oversee Vermont's education system. This includes policy development, legislative coordination, legal support, fiscal oversight, educator licensure and program approvals, and general administration of education programs.

Academic Programs and Student Support

Agency staff provide guidance and oversight for statewide academic initiatives, including curriculum and instruction, special education services, career and technical education, early childhood programs, and flexible learning pathways. These efforts help ensure that students across Vermont have access to high-quality instruction and learning opportunities.

School Improvement, Accountability, and Data Systems

The Agency also administers statewide assessment and accountability systems, collects and analyzes education data, and provides technical assistance to school districts to support continuous improvement and compliance with state and federal laws.

Student Engagement, Safety, and Wellbeing

Another portion of the Agency's work focuses on supporting safe and healthy learning environments, including child nutrition programs, efforts to address chronic absenteeism, prevent harassment and bullying, and strengthen school climate and student engagement.

Grant Administration and Fiscal Stewardship

Finally, the Agency administers and monitors a wide range of federal and state education grants. This work ensures that education funds are distributed effectively, used for their intended purposes, and aligned with Vermont's education priorities.

Together, these functions allow the Agency to provide leadership, oversight, and support for Vermont's schools while ensuring responsible stewardship of public resources.

The following sections provide a detailed overview of the Agency's funding sources, position allocations, and major program areas.

FY27 Funding for Education Services, Including Grants

Fund	Total dollars (millions)
General Fund	15,767,667
Special Funds	5,820,607
Tobacco Funds	750,388
Federal Funds	200,665,386
Global Commitment	260,000
Education Fund	3,937,725
IDT	1,313,766
Total	228,515,539

Of the \$228.52 million appropriated to the Agency, \$42.4 million (about 18.5%) 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 (\$2.73 billion) is only 1.55%.

Total Appropriation Categories

Grand Total Expenditure Categories	FY26 Appropriation	FY27 Recommend	Change FY26 to FY27
Personal Services	38,391,510	35,932,592	-2,458,918
Operating Expenses	5,901,675	6,427,189	525,514
Grants	2,591,021,642	2,692,541,827	101,520,185
Total All Categories	2,635,314,827	2,734,901,608	99,586,781

General Fund Appropriations

Grand Total Expenditure Categories	FY26 Appropriation	FY27 Recommend	Change FY26 to FY27
Personal Services	14,010,309	12,247,079	-1,763,230
Operating	1,496,110	1,635,282	139,172
Grants	7,697,710	7,944,039	246,329

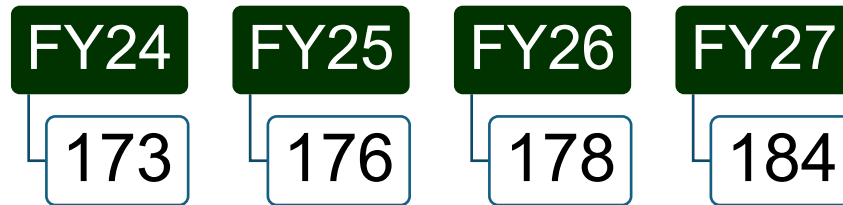
Education Fund Appropriations

Grand Total Expenditure Categories	FY26 Appropriation	FY27 Recommend	Change FY26 to FY27
Personal Services	2,100,000	3,278,000	1,178,000
Operating	1,506,201	1,742,725	236,524
Grants	2,366,021,213	2,488,203,671	122,182,458

Position Summary

The FY 2027 Position Summary includes 184 positions at the AOE. This includes the 5 positions for Education Transformation Positions included in the Governor’s FY 27 budget request. The table and graph below display the change in positions by funding source over time.

Positions by Fiscal Year



These staff support the administration of federal and state education programs, accountability systems, educator supports, and data systems used by schools and districts across Vermont.

Positions by Funding Source

Fund	FY23 Employees	FY24 Employees	FY25 Employees	FY26 Employees	FY27 Employees
General Fund	60	66	67.4	70.56	77.12
Federal Funds	68	73	70.4	65.01	66.05
Special Funds	29	30	31.2	31.83	32.83
Inter Dept. Transfer	3	3	6	9.6	7
Tobacco	1	1	1	1	1
Total Employees	161	173	176	178	184

Federal-funded positions decreased in FY26 because several positions were budgeted in FY25 in anticipation of a new federal grant that was ultimately not awarded. Special fund positions include those supported by Teacher Licensing funds, Afterschool funds, and Medicaid funds.

General Funds to Support Education

Vermont's General Fund supports several statewide education programs and responsibilities that are not funded through the Education Fund or federal sources.

These appropriations support programs and obligations including:

- Adult Education and Literacy programs
- The Community High School of Vermont
- Unfunded liabilities associated with the Teachers' Pension System
- Other Post-Employment Benefits (OPEB)

General Fund dollars also support core Agency operations that cannot be funded through federal grants or other dedicated revenue sources. These funds support key administrative and oversight functions, including:

- the Office of the Secretary and Legal Division
- the Finance Division, which manages and distributes state and federal education funds
- required state matching funds necessary to draw down federal education funding

In addition, General Fund resources support the administration and oversight of several statewide programs and regulatory responsibilities, including:

- Driver Education
- oversight of Home Study programs
- independent school review and approval
- Act 77/Flexible Pathways initiatives
- instructional technology support
- Adult Education and Literacy

Together, these investments support the Agency's role in overseeing Vermont's education system, administering statewide programs, and ensuring compliance with state and federal education requirements.

The Education Fund and Agency Operations

In addition to its operating budget, the Agency administers several major funding streams that support statewide education programs and obligations. By statute, Education Fund dollars may only be used for authorized educational purposes and generally cannot support state-level administrative activities.

Historically, however, limited Education Fund appropriations included in the Agency budget reflect the Education Fund's share of internal service fund costs (VISION) and audit allocations, totaling approximately **\$1.74 million**.

With approval from the General Assembly under **16 V.S.A. § 4025(b)(5)**, the Agency continues a **\$2.2 million administrative appropriation** from the Education Fund to support three statewide data and assessment systems:

- the Reporting Data Store
- the Statewide School District Data Management System (SSDDMS)
- Vermont's statewide assessment system

These systems support essential state and federal reporting requirements and provide the data infrastructure needed to administer education programs and monitor student outcomes statewide.

Federal Funds

The following section summarizes the major federal funding sources administered by the Agency of Education. To support administration of federal programs, the federal government provides states with a "small state minimum" set-aside. This funding supports the state-level administration required to implement federal education programs.

The small state minimum has not increased in approximately twenty years and has not been adjusted for inflation, creating ongoing challenges for small states responsible for administering the same federal programs as larger states with significantly greater administrative support. The Agency continues to raise this concern with Vermont's federal delegation and with other small states that rely on the small state minimum to sustain required program administration.

The federal grants administered by the Agency support a wide range of education programs and services across Vermont. The major federal programs are summarized below and described in greater detail within the relevant division sections.

Recent federal budget developments have also created uncertainty for states and school districts. During FY26, the U.S. Department of Education issued several last-minute changes affecting major federal programs. While some of these decisions were later challenged in court or reversed, they created uncertainty for states and school districts responsible for planning education budgets.

In addition, Congress did not pass a federal FY26 appropriations bill by the September 30 deadline and instead relied on a continuing resolution to temporarily fund the federal government at prior-year levels. The Agency continues to monitor federal developments closely and communicate with Vermont school districts as new information becomes available to support local budgeting and program planning.

Academic Support Programs

Title I, Part A – Improving Basic Programs

Title I provides funding to school districts serving students from low-income families to support academic achievement and close opportunity gaps.

Funds are distributed to districts based on federal poverty formulas and are used to support supplemental instructional services, extended learning opportunities, and targeted academic supports for students who need additional assistance.

Title II, Part A – Supporting Effective Instruction

Title II funds support professional development and educator effectiveness initiatives.

These funds help school districts strengthen educator recruitment, preparation, and professional learning to improve instructional quality and student outcomes.

Title III – English Language Acquisition

Title III supports students who are learning English and helps schools strengthen programs for multilingual learners.

Funds support instructional programs, educator training, and family engagement efforts designed to help English learners achieve proficiency in English while meeting academic standards.

Student Services

Individuals with Disabilities Education Act (IDEA)

IDEA provides federal funding to support special education services for students with disabilities.

Funds help school districts provide individualized instruction, specialized services, and supports necessary to ensure students with disabilities receive a free and appropriate public education in the least restrictive environment.

Child Nutrition Programs

Federal child nutrition programs provide funding for school meals and other nutrition initiatives that support student health and readiness to learn.

These programs include the National School Lunch Program, School Breakfast Program, Summer Food Service Program, and other initiatives that ensure students have access to nutritious meals during the school day and beyond.

McKinney-Vento Homeless Assistance Act

Supports identification and educational stability for students experiencing homelessness by funding district liaisons, transportation, and services that help students enroll in and remain connected to school.

Career and Workforce Development

Perkins V – Career and Technical Education

The Carl D. Perkins Career and Technical Education Act provides funding to support high-quality career and technical education programs.

These funds help schools and technical centers develop programs aligned with workforce needs, expand career-connected learning opportunities, and support students in gaining technical and industry-recognized skills.

Key Takeaway:

Federal education funding provides critical support for Vermont students but increasing uncertainty at the federal level presents planning challenges for the state and school districts.

Looking Ahead: Strengthening Vermont's Education System

The work described throughout this report reflects a significant moment of transition for Vermont's education system.

Across the state, educators, school leaders, and communities continue to demonstrate a deep commitment to supporting students. At the same time, the data presented in this report make clear that Vermont must strengthen academic outcomes, expand postsecondary readiness, and ensure that all students remain connected to school and engaged in learning.

The Agency of Education's strategic planning process, reorganization, and FY27 budget request represent a coordinated effort to respond to these challenges with clarity and focus.

Through this work, the Agency is aligning its strategy, staff expertise, and financial resources around a small number of priorities that are most critical to improving outcomes for Vermont students.

This effort reflects three core commitments.

First, Vermont must strengthen academic outcomes for all students. Ensuring that every learner develops strong literacy, mathematics, and critical thinking skills remains the foundation of long-term success in college, careers, and civic life.

Second, Vermont must ensure that students remain engaged in school and connected to meaningful learning opportunities. Improving attendance, strengthening school climate, and expanding access to career pathways are all central to helping students stay on track for graduation.

Third, the Agency must continue strengthening its own systems so that it can better support the field. By aligning its organization and budget around clear priorities, the Agency is working to provide stronger leadership, clearer guidance, and more coordinated support to schools and districts across the state.

This work will not be accomplished through a single initiative or program. Improving outcomes across an entire education system requires sustained focus, strong collaboration, and a willingness to adapt as new challenges and opportunities emerge.

The FY27 budget reflects the next step in that work. By aligning strategy, structure, and resources, the Agency of Education is positioning itself to better support Vermont's educators and school communities while ensuring responsible stewardship of public resources.

Together—with educators, families, policymakers, and communities across the state—Vermont has the opportunity to strengthen its education system and ensure that every student has both the roots to grow and the wings to succeed.

The work described in this budget reflects the Agency of Education’s commitment to that effort—aligning strategy, structure, and resources to better support Vermont’s schools and the students they serve.

Vermont’s education system is once again at a pivotal moment. With clear priorities, disciplined investment, and strong collaboration across communities, Vermont has the opportunity to build one of the strongest public education systems in the nation.

Our goal remains clear: ensuring that every Vermont student has both the roots to grow and the wings to succeed.

Vermont Education System Transformation



Strategies: Academic excellence, College and career readiness, Safe and healthy schools, Operational effectiveness, Differentiated support for all learners



Agency Alignment: Reorganization, Unified operating budget, Improved data systems



Investment: FY27 Budget



Outcome Goal: The best public education system in the country

Appendix A: Data Definitions

Public School Enrollment (October 1 of each year)

- K-12: All students enrolled in a public school for kindergarten through 12th grade
- Early Education (PreK): All students enrolled in public school receiving prekindergarten 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.