

# 2017 Budget Book

## Vermont Agency of Education FY 2017 Budget Recommendations

January 2016

[www.education.vermont.gov](http://www.education.vermont.gov)



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## Agency of Education

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## Message from the Secretary

We present for consideration the budget recommendations of the Vermont Agency of Education and the Vermont State Board of Education for FY2017.

The coming year will bring a great deal of important work for the Agency at both the State and Federal levels. With our continued work with school district governance change (Act 46) and with the adoption of the Federal Every Student Succeeds Act (ESSA), as well as our ongoing work, all our resources will be fully committed. We look forward to working toward meeting these goals and hope that the work of the Legislature will be in support of them as well and not directed toward new initiatives.

**The Agency of Education is not asking for additional positions in this budget.** We lost 5 positions due to the recent retirement incentives. We have responded by letting go of some activities, lengthening implementation timelines on others, and where possible, repurposing resources towards core priorities. These core priorities include implementation of existing legislative initiatives related to Act 46 (Governance), Act 166 (PK) and Act 77 (Flexible Pathways) and supporting the implementation of Education Quality Standards, which were approved in spring of 2014. We have scaled back our ambitions with respect to hands-on support for implementation of Act 46, as well as policy evaluation and data analysis.

With the reauthorization by the federal government of the Elementary and Secondary Education Act (formerly known as the “No Child Left Behind” Act, and now called “Every Student Succeeds” Act), the Agency will be very focused on federal obligations related to reauthorization and rule-making. This Act, in exchange for test-based accountability for outcomes, provides federal dollars to support some of Vermont’s most vulnerable children, including children living in poverty, children who are learning English, and children who are homeless or in foster care.

In addition, in the next year we expect the federal government to reauthorize Acts related to children with disabilities (IDEA) and career and technical education (Perkins) and Child Nutrition. We will also be focused on supporting those pieces of legislation and thinking ahead to the implications for the Vermont context.

Given this substantial legislative activity, both at the federal and the state level, the AOE is hoping to spend FY17 focused on rule-making and support for effective implementation of these existing state and federal acts by our school systems. We are appreciative of the efforts our districts are making to support the goals of equity and quality, using the policy tools provided by these various state and federal acts. Implementation of Act 46, Act 166 and Act 77, as well as the Education Quality Standards, takes time, thought and hard work by our school boards and educators. We encourage the Vermont Legislature to be mindful of this current policy load as it enters the 2016 legislative session.

The AOE has been able to achieve some efficiencies in the past year, which enable it to carry out core obligations with reduced staffing. Last year, for example, the Legislature asked the Vermont Standards Board for Professional Educators to revise licensing requirements. The change was made after the beta testing of the new online licensing system, so effective implementation of the new system was disrupted and delayed in FY15. However, we have been working effectively with the Vermont Standards Board for Professional Educators to support smoother, more streamlined processes and the new, restructured licensing system is now operational online. Because of the new system, and because of more effective sharing of staff within the Agency, we are now able to process licenses without hiring temporary workers. The new system has also enabled us to pull and analyze data related to educator quality much more quickly in response to federal requests, in order to meet federal requirements and reporting obligations required under the federal Elementary and Secondary Education Act. As federal requirements related to educator quality have intensified, this automated system and tight collaboration between licensing and the Educator Quality division within the AOE have been invaluable.

As we enter FY17, the AOE will continue to work on strategies for aligning resources and staffing behind core purposes of state government. In addition, we are working to enhance collaboration with other Agencies behind shared priorities. In particular, we have worked closely with the Department of Labor to identify priority pathways for our CTE programs, which align high-quality educational preparation with economic sectors that promise both job growth and decent compensation. In addition, we have begun a very productive partnership with the Agency of Human Services to explore service gaps and identify promising interventions and support for students who have experienced trauma or are demonstrating extreme emotional needs.

The AOE continues to be committed to improving equity, enhancing quality and improving efficiency with respect to how we deliver education in Vermont. To that end, we will continue to support implementation of the Education Quality Standards developed by Vermont's State Board of Education, as well as the development of Education Quality Reviews, which are designed to ensure all our schools receive high-quality feedback on their performance relative to these standards, and next steps to improve. We began piloting these reviews in the current year. In the coming year, we will work on reconciling the EQRs with the newly reauthorized ESSA, and specifically, work on achieving the goals of quality and transparency in the most affordable way. This process will provide our systems with better data on the equity and quality of the educational opportunities they provide children, including data on post-secondary and workforce attainment.

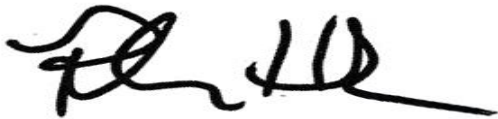
Just as the AOE is working to think strategically about how to best leverage state dollars for shared public purposes, we will continue to support our school systems as they work locally to determine how to best use their state dollars to locally achieve the goals of equity, quality and affordability. The recent governance efforts of a number of our systems under Act 46 suggest that hard work, compromise and some creative local thinking are freeing up resources and enabling local administrators to target time in ways that will enhance student opportunities, improve prospects for our most vulnerable students, and reduce cost pressures.

Not only does our data suggest that a growing number of children in our state are living in poverty, but that children across the state do not have equitable opportunities to thrive. When children are hungry, unstimulated or unsafe, they cannot learn and thrive. Available research suggests that a substantial proportion of our achievement gap derives from differential opportunities to learn beyond the 8:00 a.m. to 3:00 p.m. school day. Systems that have developed afterschool programming and summer programming for those who need them most are making headway towards ensuring that every child at least has equitable opportunities to learn, be fed and be safe. Given copious research in the field of neuroscience on the impacts of consistent nutrition, support and positive interactions on brain development, we see these extended opportunities as a policy imperative. We encourage our systems, as they free up resources and capacity through governance reform, to consider extended learning an integral part of an equitable education.

We look forward to supporting the goals of equity and quality over the coming year. However, we are mindful of the limits to our capacity. With this letter, we are advising the Legislature that our capacity is strained, and we have limited or nonexistent ability to support new legislative initiatives.

Please do not hesitate to contact our office at (802) 479-1030 if you have any further questions.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'RH 10', with a long horizontal line extending to the right.

Rebecca Holcombe  
Secretary

## Message from the State Board of Education

In 2013, the Vermont legislature created an Agency of Education and assigned the State Board of Education, education policy authority. Education Secretary Holcombe and the State Board of Education enjoy an excellent and productive working relationship. We believe this relationship has well-served the educational interests of the state.

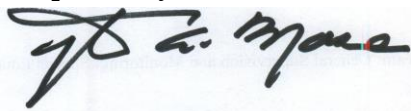
With the passage of Act 46, Vermont is now engaged in a state-wide education governance change. Around the state twenty-eight “study committees” are exploring governance structures. By the end of 2015, the Board had approved four new districts and expects to review at least five more proposals before Town Meeting Day. Certainly, this is a historic time for Vermont’s educational system.

When the Agency was created in 2013, the new law recognized the Board would require independent staffing. At that time, a section was added (16 VSA 161) stating the “Board shall be supported by adequate staff.” To date, no funding for State Board of Education staff has been allocated. As the Board works through Act 46, it is evident that staff is needed to successfully fulfill the Board's obligation under the law. The State Board is requesting an additional \$200,000 for three staff positions to enable the Board to carry out its legislatively required duties.

With many new initiatives in place (dual enrollments, preK-education, school governance and educational quality standards), it is a time for consolidating the gains we have made. And we ask the legislature to assist Vermont school districts and the SBE by focusing on improving and streamlining existing programs.

The State Board of Education continues to work effectively with the Agency, the Legislature and all our partners. Working together, our educational system will continue to be recognized as one of the best in the nation.

Respectfully submitted on behalf of the State Board of Education,

A handwritten signature in black ink, appearing to read "Stephan Morse", written over a light blue horizontal line.

Stephan Morse  
State Board Chair

# Inside This Book

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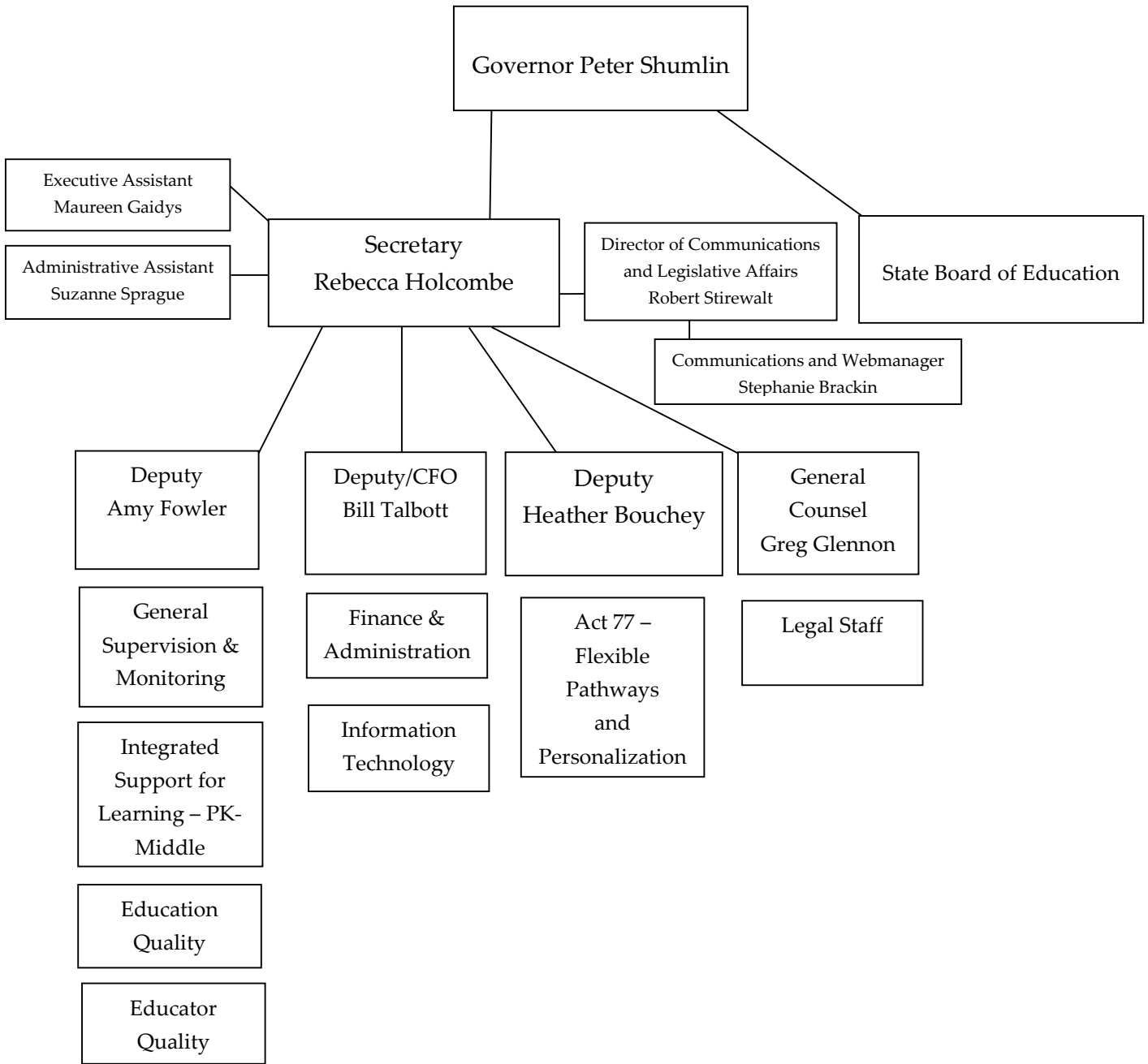
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# Organizational Chart





# Supporting Schools, Educators & Learners: The Numbers

	FY 15 School Year 2014-2015	FY16* School Year 2015-2016
<b>Public Schools and Private Academies</b>		
Elementary (K-6).....	152	150
Secondary (7-12).....	51	50
Combined (Elementary & Secondary) .....	96	97
Private Academies .....	4	4
<b>Total Public Schools .....</b>	<b>303</b>	<b>301</b>
Technical Centers.....	15	15
<b>Total Public Schools &amp; Technical Centers .....</b>	<b>318</b>	<b>316</b>
<b>Independent Schools &amp; Approved Programs</b>		
Approved Independent Schools .....	87	91
Approved Kindergartens.....	3	3
Recognized Independent Schools.....	31	32
State Operated Facilities .....	1	1
Approved Tutorials.....	3	4
Approved Pregnant and Parenting Programs.....	1	1
<b>Total Independent Schools &amp; Approved Programs.....</b>	<b>126</b>	<b>139</b>
<b>Public Education Governing &amp; Administrative Entities</b>		
Town, City and Incorporated School Districts (including 12 supervisory districts) .....	232	227
Union School Districts (includes four unified union districts).....	39	39
Interstate School Districts .....	2	2
<b>Total School Districts .....</b>	<b>273</b>	<b>268</b>
Technical Center School Districts .....	3	3
Supervisory Unions .....	45	45
Joint Contract Schools .....	5	6
Gores and Unorganized Towns.....	9	9
<b>Total Public Education Governing and Administrative Entities .....</b>	<b>335</b>	<b>331</b>
<b>Public School Administrators</b>		
Superintendents .....	57	**
Principals .....	309	**
Vocational/Tech Center Directors .....	25	**
Business Managers .....	64	**
Special Education Directors .....	84	**
<b>Total Public School Administrators .....</b>	<b>539</b>	<b>**</b>
<b>Teachers (FTE) .....</b>	<b>8,370</b>	<b>**</b>
<b>School Boards .....</b>	<b>285</b>	<b>**</b>
<b>Local School Board Members .....</b>	<b>1,442</b>	<b>**</b>

# Supporting Schools, Educators & Learners: The Numbers

	FY 15 School Year 2014-2015	FY16* School Year 2015-2016
<b>Publicly Funded Students (enrolled as of October 1)</b>		
Vermont Public Schools.....	84,111.....	84,081
Vermont Approved Independent Schools .....	1,580.....	1,604
Vermont Private Academies .....	1,959.....	1,986
Out-of-State Schools.....	921.....	901
Vermont State Agency and Other .....	245.....	282
<b>Total Publicly Funded Students .....</b>	<b>88,816.....</b>	<b>88,854</b>
<b>Public School Enrollment</b>		
<b>K-12 .....</b>	<b>78,255.....</b>	<b>77,078</b>
Early Education (Pre-K).....	5,067.....	6,242
Essential Early Education** .....	1,138.....	1,059
<b>Total Public School Enrollment .....</b>	<b>84,460.....</b>	<b>84,379</b>
Academies .....	2,466.....	2,509
Approved Independent (K-12) .....	5,085.....	6,578*
Recognized Independent (K-12).....	544.....	748*
Home Study (K-12).....	2,290.....	2,198*
Approved Independent Kindergartens .....	100.....	137*
<b>Total Pre-K-12 Enrollment .....</b>	<b>94,945.....</b>	<b>96,549*</b>
<b>Technical &amp; Adult Education Enrollment (categories not mutually exclusive)</b>		
Technical Centers.....	5,400.....	4,577*
Adult Education & Literacy .....	3,500.....	2,678
GED Certificates Granted .....	100.....	22
Education & Training – Criminal Offenders .....	81.....	52
Adult Diploma Program.....	60 (33 served).....	65 (94 served)
High School Completion .....	350 (450 served).....	320 (381 served)
Other Secondary Diplomas Awarded Through AEL .....	25.....	27
<b>Student Support Programs Enrollment (categories not mutually exclusive)</b>		
Special Education (ages 3-21).....	13,885.....	13,885*
Title I .....	50,886.....	52,963
Title I (Preschool)** .....	500*** .....	2,925
Migrant Education.....	410.....	359
Limited English Proficiency (LEP) .....	1,545.....	1,550*
Neglected and/or Delinquent .....	252.....	333
Homeless .....	1,250.....	1,124

\*Estimated numbers as of December 2015, subject to change.

\*\*Teacher staff survey data not yet available.

\*\*\*Children ages 3 to 5, excluding those enrolled in kindergarten programs. Expected dramatic decrease as it is now State law to provide PK services and Title I will only fund services to eligible students beyond the 10 hour/week mandate.

## Agency of Education Budget Overview

The Agency's total budget proposal increases by \$43 million (out of \$1.74 billion) due largely to our estimated increase in school district education spending. State aid for special education is also up \$0.9 million based on spending projections from the districts. This compares favorably to last year's projected \$6.5 million increase. Special Education is reimbursed based on actual expenses and our budget recommendation is a projection based on school district budgets. The last two years these projections have been significantly higher than actual expenses so we have submitted a lower request this year in an attempt to budget more accurately.

The category of Federal and Special funds shows an increase of \$8.5 million. Of this \$7 million is from the new Federal Preschool Expansion grant and \$625,000 is from the Next Generation Fund to pay half of the dual enrollment costs.

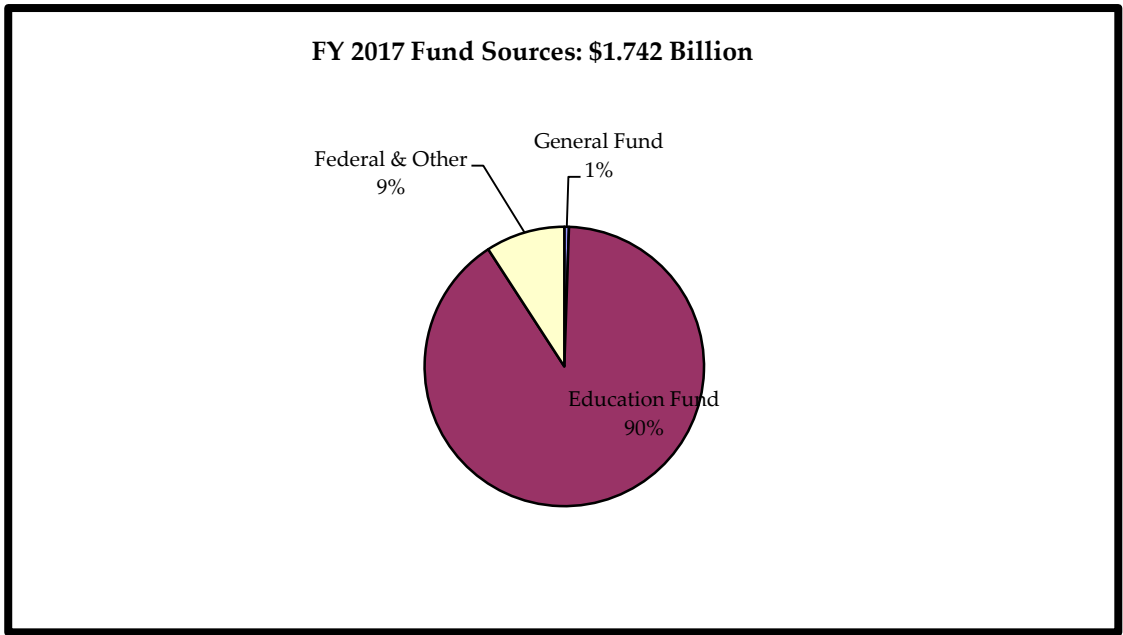
The General Fund is \$241,009 lower because of the loss of 4 employees paid from this source who took advantage of the retirement incentive program. The table below shows the major categories of the agency's general fund changes.

<b>FY 2016 General Fund</b>	<b>9,567,661</b>
2016 Labor Savings Adjustment	(13,227)
2016 Annualized Retirement Savings	(425,347)
2017 Allocation to Cover salary increase	182,984
Increase in internal service funds	14,581
<hr/>	
FY 2017 Total General Fund	<hr/> 9,326,652

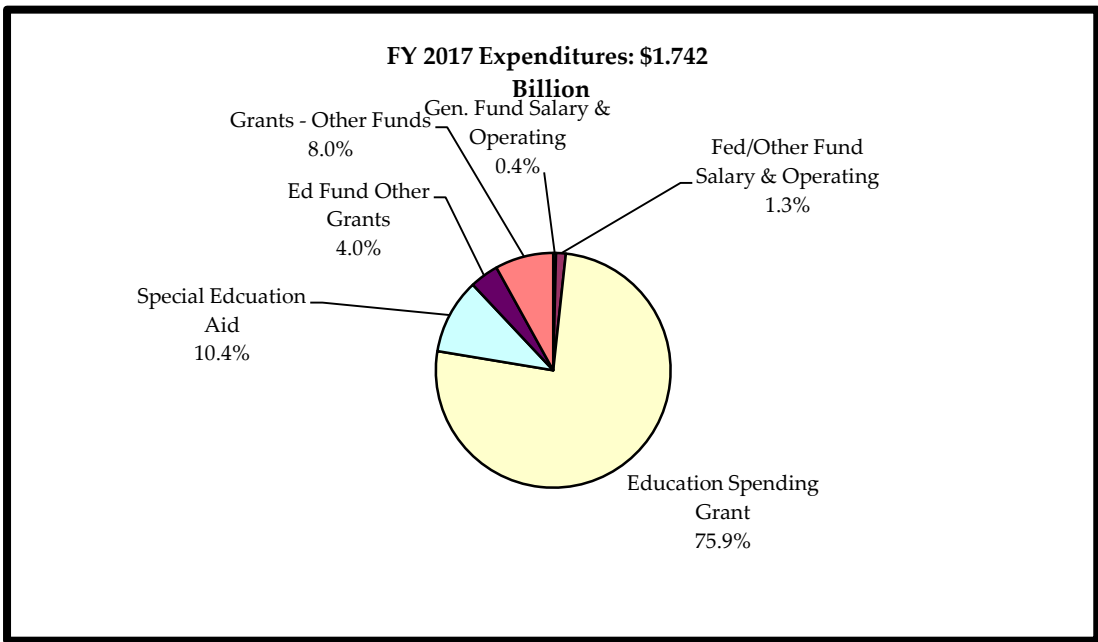
The total Education Fund budget proposal is up \$35.4 million (out of \$1.57 billion) as described above. This is based largely on estimates made by the agency this fall on how much school district budgets will increase. We will update this amount at the end of February after we compile school board budget submissions that will be presented to district voters on town meeting day. Estimating this amount this year was especially challenging for two reasons. Preschool Education under Act 166 of 2014 will be fully implemented in FY 2017 and there is significant uncertainty as to what this cost increase will be. Also at the time we made the estimate we had little information on how district boards would respond the Allowable Growth Threshold in Act 46 of 2015.

# Agency of Education Budget Overview

The pie chart below shows major sources of funding. Ninety percent of the \$1.742 billion budget comes from the Education Fund, and one percent is from General Fund dollars.



This chart shows major categories of expenditures. One and seven tenths percent of the total funds Agency operations. The remaining 98.3 percent comprise grants. Again, the vast majority of expenditures are from the Education Fund in the form of direct payments to school districts.



# Agency of Education Budget Overview

Appropriation Categories By Funding Source	FISCAL 2016 APPROP ACT	FISCAL YEAR 2017	
		AGENCY RECOMMEND	FY2016 TO FY2017
		<b>DEPARTMENT GRAND TOTAL</b>	
<b>CATEGORY OF EXPENDITURE</b>			
<b>PERSONAL SERVICES</b>	26,095,981	26,099,446	3,465
<b>OPERATING EXPENSES</b>	3,969,907	3,913,623	(56,284)
<b>GRANTS</b>	<u>1,669,171,814</u>	<u>1,712,246,788</u>	<u>43,074,974</u>
<b>TOTAL ALL CATEGORIES</b>	1,699,237,702	1,742,259,857	43,022,155
<b>SOURCE OF FUNDS DETAIL</b>			
<b>GENERAL FUND</b>			
<b>PERSONAL SERVICES</b>	5,888,890	5,599,602	(289,288)
<b>OPERATING EXPENSES</b>	994,570	1,042,849	48,279
<b>GRANTS</b>			
1 Finance & Administration	2,500	0	(2,500)
2 Education Services	1,893,706	1,896,206	2,500
3 Adult Education & Literacy	<u>787,995</u>	<u>787,995</u>	<u>0</u>
<b>GRANT TOTAL</b>	<u>2,684,201</u>	<u>2,684,201</u>	<u>0</u>
<b>TOTAL GENERAL FUND</b>	9,567,661	9,326,652	(241,009)
<b>EDUCATION FUND</b>			
<b>PERSONAL SERVICES</b>	0	0	0
<b>OPERATING EXPENSES</b>	962,145	1,014,007	51,862
<b>GRANTS</b>			
4 Technical Education	13,331,162	13,530,912	199,750
5 Special Education Formula	179,823,434	180,749,796	926,362
6 State-placed Students	16,400,000	16,700,000	300,000
7 Adult Education & Literacy	5,800,000	6,550,000	750,000
8 Statewide Education Spending	1,289,600,000	1,322,319,706	32,719,706
9 Essential Early Education	6,356,188	6,400,000	43,812
10 Transportation	17,734,913	18,240,000	505,087
11 Small School Support	7,615,000	7,700,000	85,000
12 Capital Debt Service Aid	122,000	30,000	(92,000)
<b>GRANT TOTAL</b>	<u>1,536,782,697</u>	<u>1,572,220,414</u>	<u>35,437,717</u>
<b>TOTAL EDUCATION FUND</b>	1,537,744,842	1,573,234,421	35,489,579

## **Grants**

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These grants are described in greater detail as referenced:

- |   |   |
|---|---|
| 1. <b>Finance &amp; Administration:</b> page 19   | 7. <b>Adult Education &amp; Literacy:</b> page 36 |
| 2. <b>Education Services:</b> page 23             | 8. <b>Statewide Education Spending:</b> page 38   |
| 3. <b>Adult Education &amp; Literacy:</b> page 36 | 9. <b>Essential Early Education:</b> page 39      |
| 4. <b>Technical Education:</b> page 32            | 10. <b>Transportation:</b> page 39                |
| 5. <b>Special Education Formula:</b> page 34      | 11. <b>Small School Support:</b> page 40          |
| 6. <b>State-placed Students:</b> page 35          | 12. <b>Capital Debt Service Aid:</b> page 40      |

# Agency of Education Budget Overview

SOURCE OF FUNDS DETAIL CONTINUED			
Appropriation Categories By Funding Source	FISCAL 2016	FISCAL YEAR 2017	
	APPROP	AGENCY	FY2016
	ACT	RECOMMEND	TO FY2017
<b>TOBACCO LITIGATION FUND</b>			
PERSONAL SERVICES	101,707	79,251	(22,456)
OPERATING EXPENSES	29,115	25,162	(3,953)
<b>GRANTS</b>			
13 Tobacco Litigation	<u>635,719</u>	<u>645,976</u>	<u>10,257</u>
<b>TOTAL TOBACCO LITIGATION FUND</b>	<b>766,541</b>	<b>750,389</b>	<b>(16,152)</b>
<b>FEDERAL, SPECIAL &amp; INTERDEPARTMENTAL FUNDS</b>			
PERSONAL SERVICES	18,914,680	19,174,550	259,870
OPERATING EXPENSES	1,968,848	1,813,280	(155,568)
<b>GRANTS</b>			
14 Finance & Administration	15,808,700	15,810,700	2,000
15 Education Services	113,611,957	120,761,392	7,149,435
16 Adult Education & Literacy	763,473	1,388,473	625,000
17 Act 117 Cost Containment	<u>91,000</u>	<u>0</u>	<u>(91,000)</u>
<b>GRANT TOTAL</b>	<b><u>130,275,130</u></b>	<b><u>137,960,565</u></b>	<b>7,685,435</b>
<b>TOTAL FED, SPEC, INTERDEPT. FUND</b>	<b>151,158,658</b>	<b>158,948,395</b>	<b>7,789,737</b>
<b>TOTAL ALL CATEGORIES</b>	<b>1,699,237,702</b>	<b>1,742,259,857</b>	<b>43,022,155</b>

## Grants

These grants are described in greater detail as referenced:

- |   |   |
|---|---|
| <p><b>13. Tobacco Litigation:</b> pages 29 and 41</p> <p><b>14. Finance &amp; Administration:</b> page 19</p> <p><b>15. Education Services:</b> pages 25-29</p> | <p><b>16. Adult Education &amp; Literacy:</b> page 36</p> <p><b>17. Act 117 Cost Containment:</b> pages 29 and 42</p> |
|---|---|

## **Finance & Administration**

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The **Central Office** includes the Secretary and her direct staff. They support her work and that of the State Board and Agency as a whole.

The *Legal Unit* represents the Secretary and the Agency of Education in litigation and contract matters, as well as legislative advocacy, administrative rulemaking and educator licensing sanctions. They conduct administrative hearings and oversee the dispute resolution processes for special education.

The following Finance and Administration programs are overseen by the *Deputy/Chief Financial Officer*:

**Business Management** performs the accounting, budgeting, grants management, payroll, logistics and other business management functions of the agency.

**Special Education Finance** provides the agency's administrative services for claiming eligible special education expenses under 16 V.S.A. Chapter 101 and the federal Individuals with Disabilities Education Improvement Act. Services include distribution of financial aid for special education, as well as the audit and monitoring requirements of these programs, as required by Act 117. This group also provides the agency's administrative services and technical assistance to school districts for claiming eligible special education expenses under 16 V.S.A. §2959(a).

**School Finance** administers public school funding as required by 16 V.S.A. Chapter 133, better known as Act 68, which distributes over \$1 billion to Vermont's public schools. It also collects and analyzes school expenditure and revenue data for use by policymakers and others. The team conducts training sessions for school business managers each year and works closely with the Vermont Association of School Business Officials (VASBO).

The **Fiscal & Regulatory Compliance Team** is made up of two staff members and has four main areas of responsibility. This team conducts fiscal monitoring of grant recipients for both state and federal funds to help ensure that funds are properly used and accounted for. The second area is to provide technical assistance for school facilities. Third and fourth is to administer the State Board of Education approval process for independent school and post-secondary institutions.

The **School District Governance Team** consisting of one staff person is responsible for the agency's role in administering Act 46 of 2015 titled, An Act Relating to Education Funding, Education Spending, and Education Governance. This Act also includes the provisions of Act 153 of 2010 and Act 156 of 2012 both relating to education governance.

The **Information Technology (IT)** division serves the agency in its networking, system development, and data administration needs.



# Finance & Administration

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		FISCAL 2016 APPROP ACT	FISCAL YEAR 2017	
			AGENCY RECOMMEND	FY2016 TO FY2017
<b>CATEGORY OF EXPENDITURE</b>				
	PERSONAL SERVICES	8,452,624	9,135,219	682,595
	OPERATING EXPENSES	2,409,879	2,507,191	97,312
	GRANTS	<u>15,811,200</u>	<u>15,810,700</u>	<u>(500)</u>
<b>TOTAL ALL CATEGORIES</b>		<b>26,673,703</b>	<b>27,453,110</b>	<b>779,407</b>
<b>SOURCE OF FUNDS</b>				
	GENERAL FUND (A)	3,338,940	3,621,946	283,006
	EDUCATION FUND (B)	962,145	1,014,007	51,862
	FEDERAL FUNDS (C)	4,778,175	5,036,834	258,659
	SPECIAL FUNDS (D)	17,594,443	17,780,323	185,880
	INTERDEPT. TRANSFER (E)	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL ALL SOURCES</b>		<b>26,673,703</b>	<b>27,453,110</b>	<b>779,407</b>

# Finance & Administration

		FISCAL 2016 APPROP ACT	FISCAL YEAR 2017	
			AGENCY RECOMMEND	FY2016 TO FY2017
<b>(A) GENERAL FUND</b>				
	PERSONAL SERVICES	2,599,730	2,874,580	274,850
	OPERATING EXPENSES	736,710	747,366	10,656
	GRANTS			
	1 Teacher of the Year	<u>2,500</u>		<u>(2,500)</u>
	<b>TOTAL GENERAL FUND</b>	<b>3,338,940</b>	<b>3,621,946</b>	<b>283,006</b>
<b>(B) EDUCATION FUNDS</b>				
	PERSONAL SERVICES	0	0	0
	OPERATING EXPENSES	962,145	1,014,007	51,862
	GRANTS	<u>0</u>	<u>0</u>	<u>0</u>
	<b>TOTAL EDUCATION FUNDS</b>	<b>962,145</b>	<b>1,014,007</b>	<b>51,862</b>
<b>(C) FEDERAL FUNDS</b>				
	PERSONAL SERVICES	3,860,257	4,118,476	258,219
	OPERATING EXPENSES	357,918	358,358	440
	GRANTS			
	2 Longitudinal Data Systems	<u>560,000</u>	<u>560,000</u>	<u>0</u>
	<b>TOTAL FEDERAL FUNDS</b>	<b>4,778,175</b>	<b>5,036,834</b>	<b>258,659</b>
<b>(D) SPECIAL FUNDS</b>				
	PERSONAL SERVICES	1,992,637	2,142,163	149,526
	OPERATING EXPENSES	353,106	387,460	34,354
	GRANTS			
	3 Medicaid	12,248,700	12,250,700	2,000
	4 Property Tax Relief	<u>3,000,000</u>	<u>3,000,000</u>	<u>0</u>
	<b>TOTAL SPECIAL FUNDS</b>	<b>17,594,443</b>	<b>17,780,323</b>	<b>185,880</b>
	<b>TOTAL ALL SOURCES</b>	<b>26,673,703</b>	<b>27,453,110</b>	<b>779,407</b>

## Finance & Administration Grants

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**1. Teacher of the Year:** This grant has been moved to Education Services.

**2. Longitudinal Data Systems:** This portion of Vermont's Statewide Longitudinal Data Systems grant received from the US Department of Education will be awarded to LEAs to help pay for customizations to local computer systems so that those systems will be able to interoperate with the Statewide Longitudinal Data System. Customizations to local systems may include confirmation of Schools Interoperability Framework (SIF) agents or the implementation of extract report functionality. The initial federal grant period ran from July 1, 2012 through June 30, 2015; however, due to procurement delays encountered at the outset of the project, Vermont has been granted a no-cost-extension through June 30, 2016 and is likely to request and receive an additional extension at the end of this year.

**3. Medicaid:** School districts use these grants for prevention and intervention programs in grades Pre-K-12 and for the administrative costs of school-based health services.

**4. Property Tax Relief:** These funds are being used in three ways. One is to fund an education analyst to assist the agency in developing appropriate indicators that measure school performance and fiscal efficiency. The second is to fund a contract that evaluates the financial management systems of supervisory unions and districts and provide options for upgrading systems to report consistently under a new district financial chart of accounts. Once a suitable option is chosen and to the extent funds are remaining, funds will be used to provide grants to SUs to make needed upgrades to financial management systems. The third use is to support the development of the Education Quality Reviews which provide supervisory unions feedback on their progress toward meeting the Education Quality Standards.

## Education Services

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Working under the direction of two Deputy Secretaries, the Education Services Teams provide technical assistance, performance feedback and support to schools, and carry out state and federal requirements for special education, assessment, and other direct support services.

**Integrated Support for Learning:** Staff with expertise in multi-tiered support systems, school effectiveness, early learning and development, student health and learning, special education, and content-based instruction work together, and in collaboration with other agency divisions, to create integrated teams of consultants providing support to schools, early learning programs, after school sites, and community-based providers in implementing evidence-based practices, school-wide improvement models, and prevention models to improve instruction and learning outcomes for every student.

**Act 77 (2013) – Flexible Pathways and Personalization:** Staff with expertise in educational support systems, school improvement, career and technical education, adult education, English-language learners, standards, and content-based instruction work together, and in collaboration with the ISL Division, to create integrated teams of consultants providing support to schools, career centers, and community-based providers in implementing evidence-based practices, school-wide improvement models, and prevention models to improve instruction and learning outcomes for every student.

**General Supervision and Monitoring:** This division supports SU's in the implementation of federal grant and reimbursement programs, provides interagency support for students with multi-agency needs, drivers education program reimbursement and review of home study program enrollments for completion. The Consolidated Federal Programs Team oversees the implementation of the Every Student Succeeds Act (ESSA). This team assists local education agencies and other eligible entities to apply for competitive and formula grants, comply with grant terms and conditions, and achieve the maximum benefit from grant investments. The Child Nutrition staff administers the federal programs that support nutritious meals and snacks in schools, daycare settings, and summer program sites, ensuring that nutritious, high-quality meals are served to program participants in all eligible sites in Vermont. The Child Nutrition staff supports program sponsors through program guidance, technical assistance, training, monitoring, and evaluation to assure that every program receives the maximum federal and state funding available. Our Interagency workgroup supports SU's in the coordination and provision of services for students with disabilities receiving or in need of multi-agency (AHS) services, in accordance with state and federal mandates, through technical assistance and collaboration with AHS partners.

**Education Quality:** In 2015, staff were realigned to support the implementation of Vermont’s Education Quality Review process. In addition to carrying out the initial implementation of these reviews, staff carry out the statewide assessment systems, analyze and report academic data for use in schools and in policy settings.

**Educator Quality (comprises Licensing and Professional Standards):** Well-prepared, supported educators and leaders in the field are essential, as we know that this makes a significant difference in the educational lives of our students. High-quality teaching standards tied to evidence-based teaching practices provide a foundation for teacher and administrator preparation and ongoing professional learning. The Educator Quality Division developed standards that build a career continuum focused on teacher and leader effectiveness, and also being developed is an evaluation system for teachers and leaders. This Division provides professional licensure to Vermont educators, and works with the Vermont Standards Board for Professional Educators (VSBPE). Finally, the division oversees the selection of the Vermont Teacher of the Year.

## Education Services Budget Summary

		FISCAL 2016 APPROP ACT	FISCAL YEAR 2017	
			AGENCY RECOMMEND	FY2016
				TO FY2017
<b>CATEGORY OF EXPENDITURE</b>				
PERSONAL SERVICES		16,454,867	16,964,227	509,360
OPERATING EXPENSES		1,382,706	1,406,432	23,726
GRANTS		<u>114,299,730</u>	<u>122,039,206</u>	<u>7,739,476</u>
<b>TOTAL ALL CATEGORIES</b>		<b>132,137,303</b>	<b>140,409,865</b>	<b>8,272,562</b>
<b>SOURCE OF FUNDS</b>				
GENERAL FUND (A)		5,440,726	4,916,711	(524,015)
FEDERAL FUNDS (B)		123,005,164	130,421,580	7,416,416
SPECIAL FUNDS (C)		2,425,480	3,747,206	1,321,726
INTERDEPT. TRANSFER (D)		<u>1,265,933</u>	<u>1,324,368</u>	<u>58,435</u>
<b>TOTAL ALL SOURCES</b>		<b>132,137,303</b>	<b>140,409,865</b>	<b>8,272,562</b>
		<b>SOURCE OF FUNDS DETAIL</b>		
<b>(A) GENERAL FUND</b>				
PERSONAL SERVICES		3,289,160	2,725,022	(564,138)
OPERATING EXPENSES		257,860	295,483	37,623
GRANTS				
1	Adult Services Coordinator	211,233	211,233	0
2	Tech Ed Adult Formula	29,320	29,320	0
3	Early Reading	104,860	104,860	0
4	Special Olympics	13,778	13,778	0
5	Child Nutrition - State Match	408,348	408,348	0
6	Child Nutrition - Child Care	223,268	223,268	0
7	Child Nutrition - Breakfast	277,632	277,632	0
8	Child Nutrition - Summer Food	51,387	51,387	0
9	Child Nutrition - Free Lunch Initiativ	297,250	297,250	0
10	Child Nutrition - TEFAP	83,976	83,976	0
11	Governor's Institutes	192,654	192,654	0
12	Teacher of the Year	<u>0</u>	<u>2,500</u>	<u>2,500</u>
<b>TOTAL GRANTS</b>		<b><u>1,893,706</u></b>	<b><u>1,896,206</u></b>	<b><u>2,500</u></b>
<b>TOTAL GENERAL FUND</b>		<b>5,440,726</b>	<b>4,916,711</b>	<b>(524,015)</b>

# Education Services Grants

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## 1. Adult Services Coordinator Salary

**Assistance:** These funds are disbursed as payments to each technical center district to pay a portion of its adult education coordinator's salary.

## 2. Adult Technical Education Formula:

These grants are awarded to 15 regional technical centers and 2 independent schools serving their region as a CTE center to support educational services for adults. Grants provide resources necessary to address the training needs of students and businesses in the region.

**3. Early Reading:** These funds support the implementation of the State Board's Comprehensive Plan for Early Reading Success. Major components include professional development for educators and administrators in order to improve content knowledge and instructional competency in literacy for educators working with children in preschool through grade 3.

**4. Special Olympics:** This program helps ensure that children and adults who have developmental delays have access to unified sports activities with non-disabled peers.

**5. Child Nutrition – State Match:** Regulations for the National School Lunch Program require states to provide funds to schools participating in the school lunch program. The amount is based on appropriated federal funds. Ninety percent of the state match is allocated to schools on a per-meal basis. Ten percent of the total required state matching funds are set aside for a competitive grant program for food service equipment.

**6. Child Nutrition – Day Care Home Tier 2 Meal Initiative (Child Care):** These funds support tier 2 low breakfasts, lunches and snacks served in day care homes where federal subsidies were cut by the federal Welfare Reform Act of 1996.

## 7. Child Nutrition – Reduced Price Breakfast Initiative (Breakfast):

To the extent funds are appropriated, this program helps to fill the gap between the amount of federal reimbursement schools receive per meal and the actual cost to prepare a school breakfast. This funding also eliminates the reduced price charge of 30 cents for low income students whose household income is between 130 and 185% of poverty.

## 8. Child Nutrition – Summer Food Service Program:

These funds supplement the cost of lunches served at summer food service sites where federal subsidies were cut by the federal Welfare Reform Act.

## 9. Child Nutrition – Reduced Price Lunch Initiative (Free Lunch Initiative):

This funding covers the reduced price lunch charge of 40 cents for low income students whose household income is between 130 and 185% of poverty.

## 10. Child Nutrition – The Emergency Food Assistance Program (TEFAP):

Funds to assist in the distribution and transportation process of donated food to recipient agencies for support of low income households.

**11. Governor's Institutes:** These funds provide about 20 percent of the costs for summer institutes for highly motivated high school students. Institutes are held on Vermont college campuses and draw additional support from businesses, foundations, schools and participating students' families.

**12. Teacher of the Year:** The purpose of this grant is to support travel expenses related to being named Teacher of the Year. In this role it is expected that he/she will travel across Vermont to speak with schools, education partners and legislation in order to better inform and engage the public in Vermont's education system. Additionally, he/she attends the National Teacher of the Year conference. This grant was previously budgeted in the Education Programs appropriation.

## Education Services Budget Summary

		FISCAL 2016 APPROP ACT	FISCAL YEAR 2017	
			AGENCY RECOMMEND	FY2016 TO
				FY2017
<b>(B) FEDERAL FUNDS</b>				
PERSONAL SERVICES		9,945,419	10,508,897	563,478
OPERATING EXPENSES		981,721	834,659	(147,062)
GRANTS				
13	Carl Perkins Secondary	2,500,072	2,500,072	0
14	Perkins Secondary Reserve	300,000	300,000	0
15	Carl Perkins Post-secondary	881,657	881,657	0
16	Post-secondary Reserve	100,000	100,000	0
17	Carl Perkins Leadership	100,000	100,000	0
18	Carl Perkins Corrections	42,149	42,149	0
19	21st Century	6,850,000	6,850,000	0
20	Title I Grants to LEAs	32,000,000	32,000,000	0
21	Title I Migrant	881,225	881,225	0
22	Title I Migrant Consortium	200,000	200,000	0
23	Title I Neglected or Delinquent	300,000	300,000	0
24	Homeless Education Act	196,887	196,887	0
25	Title II, ITQ	10,500,000	10,500,000	0
26	Title II, ITQ SAHE	400,000	400,000	0
27	IDEA-B Flow-Thru & Disc.	23,834,519	23,834,519	0
28	Preschool Incentive	781,689	781,689	0
29	State Improvement Grant (SPDG)	68,000	68,000	0
30	School Lunch Program	14,500,000	14,500,000	0
31	Child & Adult Care Food Program	5,886,400	5,886,400	0
32	School Breakfast Program	5,582,000	5,582,000	0
33	Summer Food Service Program	1,210,000	1,210,000	0
34	Special Milk Program	97,416	97,416	0
35	Cash in Lieu of Commodities	105,019	105,019	0
36	CN Fruits & Vegetables	1,700,337	1,700,337	0
37	Child Nutrition - TEFAP	56,000	56,000	0
38	CN Sponsor Admin	600,000	600,000	0
39	CN Equipment Assistance	54,654	54,654	0
40	Title I - School Improvement	1,000,000	1,000,000	0
41	Math & Science Partnership	900,000	900,000	0
42	Title III ELA	325,000	325,000	0
43	Health Education	125,000	125,000	0
44	Preschool Development	0	7,000,000	7,000,000
<b>TOTAL GRANTS</b>		<b>112,078,024</b>	<b>119,078,024</b>	<b>7,000,000</b>
<b>TOTAL FEDERAL FUNDS</b>		<b>123,005,164</b>	<b>130,421,580</b>	<b>7,416,416</b>



# Education Services Grants

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**13. Carl Perkins Secondary:** These federal funds are awarded as formula grants to regional technical centers for career technical education (CTE) program development and improvement within the scope of the Carl D. Perkins Career and Technical Improvement Act of 2006.

**14. Perkins Secondary Reserve:** These federal funds are made up of set-aside amounts within the formula grant and returned Perkins secondary funds. Grants awarded from the reserve are competitive and intended for new program development and implementation in the secondary CTE centers.

**15. Carl Perkins Post-secondary:** These federal funds are awarded as formula grants to post-secondary career technical education providers for program development and improvement with transitions from secondary CTE programs.

**16. Post-secondary Reserve:** These federal funds are made up of set-aside amounts within the formula grant and returned Perkins post-secondary funds returned by post-secondary Perkins recipients. Grants awarded from the reserve are competitive and intended for new program development, implementation and alignment with secondary CTE programs at regional CTE centers.

**17. Carl Perkins State Leadership:** These funds are used to support and expand CTE within the scope of the Carl Perkins Act and to assist in developing high standards and high-quality curricula.

**18. Carl Perkins Corrections:** This item is a part of Carl Perkins State Leadership and supports career and technical education programming for inmates at correctional facilities throughout the Community High School of Vermont.

**19. 21st Century Community Learning Centers:** This grant is distributed to school districts that create highly structured innovative extended-day or extended-year programs. Funds provide expanded opportunities for student learning in safe, supervised settings and promote parental involvement in schools.

**20. Title I - Grants to LEAs:** Funds allocated to local educational agencies on a formula basis to ensure that all children have a fair, equal, and significant opportunity to reach proficiency on the State academic achievement standards. Funds are focused on meeting the supplemental educational needs of low-achieving students in high poverty schools.

**21. Title I - Migrant:** These funds are used for the design of educational and support services for children of migratory agricultural workers who have changed school districts within the preceding 12 months.

**22. Title I – Migrant Consortium:** Funds to help support Vermont’s participation in multi-state consortia to design and implement educational support services for eligible migrant students.

**23. Title I – Neglected or Delinquent:** These funds support education activities, such as transition and dropout prevention, for youth in state correctional facilities, state-operated institutions or community day programs.

# Education Services Grants

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**24. McKinney Vento Homeless Education Act:** Funds support programs to ensure that homeless children and youth have equal access to the same free, appropriate public education – including preschool – provided to other children and youth.

**25. Title II, Part A - Improving Teacher Quality State Grants:** This program is funded by federal monies for LEA entitlement subgrants and State Education Agency technical assistance. Funds support professional development and other initiatives to ensure that schools have highly qualified teachers, principals and paraprofessionals.

**26. Title II, Part A - State Agency for Higher Education (SAHE):** This competitive grant program supports partnerships between institutions of higher education and LEAs to provide quality professional development for teachers, principals and paraprofessionals.

**27. IDEA-B - Subgrants:** These federal funds flow directly to schools to assist with the costs of special education for children and youth ages 3 to 22.

**28. IDEA, Part B, Preschool (sec. 619) (Preschool Incentive):** These funds flow directly to schools to assist with special education costs for children ages 3 to 5. Funds also support statewide projects, technical assistance, compliance monitoring and training regarding special education costs for children ages 3 to 5.

**29. State Personnel Development Grants (SPDG):** These federal special education funds support training and personnel development in the areas of early and school age multi-tiered systems of supports, secondary transition and career readiness to improve outcomes for students with disabilities.

**30. School Lunch Program:** Funds are used to provide a per meal reimbursement to school food service programs to support meals serviced in school lunch programs.

**31. Child and Adult Care Food Program:** These funds are used to provide a per meal reimbursement to program sponsors to support meals served in child care and adult care programs. In addition, centers can receive cash in lieu of commodity foods.

**32. School Breakfast Program:** These funds provide a per meal reimbursement and administrative rate for meals served in breakfast programs.

**33. Summer Food Service Program:** These funds provide a per meal reimbursement and administrative rate for meals served.

**34. Special Milk Program:** These funds are used to provide reimbursement to support the cost of 8 oz. servings of milk served to students at schools or sites that do not participate in a federal meal program.

## Education Services Grants

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**35. Cash in Lieu of Commodities:** Funds allow participating child care centers to choose to receive cash payments for lunches/dinners instead of U.S. Department of Agriculture donated food.

**36. Child Nutrition Fresh Fruits & Vegetables:** These funds provide funding assistance for increasing fruit and vegetable consumption in low-income schools.

**37. Child Nutrition – The Emergency Food Assistance Program:** Funds to assist in the distribution and transportation process of donated food to recipient agencies for support of low income households.

**38. Child Nutrition – Sponsor Admin:** Day care home sponsors receive administrative funds on a per home rate to support the cost of managing and administering the program to the day care home recipients.

**39. CN Equipment Assistance**  
Federal funds provided through the Healthy, Hungry Free Kids Act of 2010. Funds are provided to low income schools to improve the infrastructure of their food service programs.

**40. Title I School Improvement:** Funds allocated to Title I schools that are in need of improvement under the State's accountability system. Funds are to coordinate and implement the school's continuous improvement plan.

**41. Math & Science Partnership:** This competitive grant program funds high-quality, content-driven professional development in mathematics and science. Partnerships must include a high-needs Local Education Agency (LEA) and STEM faculty from an institution of higher education. Additional partners may include education department faculty, non-profits, businesses and other LEAs. The goal is to deepen knowledge of mathematics and science content for K-8 teachers.

**42. Title III English Language Instruction for Limited English Proficient (LEP) and Immigrant Students:** These funds assist LEAs in addressing the needs of LEP students. Formula-based subgrants are awarded to eligible LEAs to provide language instruction to help LEP students meet Vermont's academic standards.

**43. Health Education - The Centers for Disease Control:** Provides funding to Vermont AOE and 18 other SEAs to help districts and schools implement four approaches to reduce adolescent sexual risk behaviors and adverse health outcomes including HIV, other STDs, and teen pregnancy.

**44. Preschool Development Expansion:** Ninety-five percent of these funds go directly to public and private providers to support high quality early learning and development programs for low income four year olds.

## Education Services Budget Summary

		FISCAL 2016 APPROP ACT	FISCAL YEAR 2017	
			AGENCY RECOMMEND	FY2016 TO FY2017
<b>(C) TOBACCO LITIGATION FUND</b>				
	PERSONAL SERVICES	0	79,251	79,251
	OPERATING EXPENSES	0	25,162	25,162
	GRANTS			
	45 Tobacco	<u>0</u>	<u>645,976</u>	<u>645,976</u>
<b>TOTAL TOBACCO FUND</b>		<b>0</b>	<b>750,389</b>	<b>750,389</b>
<b>(D) SPECIAL FUNDS</b>				
	PERSONAL SERVICES	2,029,584	2,405,014	375,430
	OPERATING EXPENSES	127,896	232,803	104,907
	GRANTS			
	46 Licensing	30,000	30,000	0
	47 Reading Readiness	238,000	238,000	0
	48 Act 117	<u>0</u>	<u>91,000</u>	<u>91,000</u>
	TOTAL GRANTS	<u>268,000</u>	<u>359,000</u>	<u>91,000</u>
<b>TOTAL SPECIAL FUNDS</b>		<b>2,425,480</b>	<b>2,996,817</b>	<b>571,337</b>
<b>(E) INTERDEPT. TRANSFER</b>				
	PERSONAL SERVICES	1,190,704	1,246,043	55,339
	OPERATING EXPENSES	15,229	18,325	3,096
	GRANTS			
	49 Race to the Top Early Lrng Challeng	<u>60,000</u>	<u>60,000</u>	<u>0</u>
<b>TOTAL INTERDEPT. TRANSFER</b>		<b>1,265,933</b>	<b>1,324,368</b>	<b>58,435</b>
<b>TOTAL ALL SOURCES</b>		<b>132,137,303</b>	<b>140,409,865</b>	<b>8,272,562</b>

## Education Services Grants

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**45. Tobacco:** While great strides have been made to reduce youth cigarette smoking here in Vermont from 40% in 1995 to a statewide average of 13% in 2013, significant disparities presently exist between Supervisory Unions/Supervisory Districts which range from a low of 6% to a high of 24%. [Source: 2013 Vermont Youth Risk Behavior Survey.] Based upon this reality, FY 2017 brings a change in AOE's grant making effort related to school-based tobacco use prevention from a non-competitive award process to a competitive, targeted award process. This change provides increased funding while at the same time requires funded Supervisory Unions/Supervisory Districts to embrace a comprehensive approach. This comprehensive approach requires implementation of programming in each of six key strategy areas; assessment, curriculum, policy, youth asset development, teen smoking cessation and community engagement.

**46. Licensing:** Generated from educator licensing fees, these funds support the local and regional standards boards that are responsible for recommending educator re-licensure.

**47. Reading Readiness:** These funds are given as subgrants to support local and regional efforts to help students meet or exceed literacy standards. Grants support the Vermont Reads Institute and other providers of professional development in literacy to provide technical assistance, professional development and resources to educators.

**48. Act 117:** Grants to support the development of tiered systems of support as described in 16 VSA § 2902. Eligible applicants are supervisory unions/districts whose applications demonstrate a sound plan for improving its system.

**49. Race to the Top-Early Learning Challenge:** Grants will support regional and program wide readiness, adoption and implementation of Early Multi-Tiered Systems of Support (MTSS). Grants will be allocated to 3 regional Building Bright Futures councils and pilot sites per cohort year.

# Categorical Grants

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The following grants are referred to as stand-alone grants because each one has a separate appropriation.

Technical Education.....	31
Special Education Formula .....	33
State-placed Students.....	35
Adult Education & Literacy .....	36
Statewide Education Spending .....	37
Essential Early Education.....	39
Transportation .....	39
Small School Support.....	40
Capital Debt Service Aid .....	40
Tobacco Litigation Fund.....	41
Act 117 Cost Containment .....	42

# Technical Education

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

		FISCAL 2016 APPROP ACT	FISCAL YEAR 2017	
			AGENCY RECOMMEND	FY2016 TO FY2017
<b>CATEGORY OF EXPENDITURE</b>				
<b>GRANTS</b>		<b>13,331,162</b>	<b>13,530,912</b>	<b>199,750</b>
<b>SOURCE OF FUNDS</b>				
<b>EDUCATION FUND</b>		<b>13,331,162</b>	<b>13,530,912</b>	<b>199,750</b>
<b>SOURCE OF FUNDS DETAIL</b>				
<b>(B) EDUCATION FUND</b>				
<b>GRANTS</b>				
1	Tech. Ed. Tuition Reduction	8,746,000	8,762,000	16,000
2	Tech. Ed. Salary Assistance	2,037,000	2,138,000	101,000
3	Tech. Ed. Transportation	1,526,000	1,608,750	82,750
4	Youth Leadership	78,328	78,328	0
5	Secondary School Reform	200,000	200,000	0
6	Innovative Program Development	243,834	243,834	0
7	Tech Ed Equipment	<u>500,000</u>	<u>500,000</u>	<u>0</u>
<b>TOTAL GRANTS</b>		<b>13,331,162</b>	<b>13,530,912</b>	<b>199,750</b>
<b>TOTAL EDUCATION FUND</b>		<b>13,331,162</b>	<b>13,530,912</b>	<b>199,750</b>

# Grants

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**1. CTE Tuition Reduction (Technical Education Tuition Reduction):**

Funds are disbursed as payments to technical centers to reduce the tuition paid by school districts, based on three-year average enrollments.

**2. CTE Salary Assistance (Technical Education Salary Assistance):**

Funds are disbursed as payments to technical center districts to help defray the costs of salaries for technical center directors, guidance coordinators and cooperative education coordinators.

**3. CTE Transportation (Technical Education Transportation):**

Funds reimburse costs of transporting students to CTE centers. The per mile adjusted reimbursement rate is calculated annually.

**4. Career Technical Student Organizations (CTSO) (Youth Leadership):** Funds support CTSO's that promote youth leadership development activities and participation in regional, state and national skills competitions.

**5. Secondary School Transformation**

**(Secondary School Reform):** Funds support school change initiatives at the middle and secondary levels. Initiatives include but are not limited to student engagement, proficiency based learning, Education Quality Standards and improvement of instructional practice.

**6. Innovative Program Development:**

Funds help cover start-up costs for new and innovative CTE programs that prepare students for careers and/or further studies in emerging career fields with high skills, high wage and high demand jobs.

**7. CTE Equipment (Technical Education Equipment):**

Funds are made available to regional career centers through a reimbursement program to update or replace equipment.



## Special Education Formula

The Special Education Formula provides funding for Vermont school districts for their K-12 special education eligible costs not covered by federal funds or other State funds such as State placed student funding. The grant categories 4-9 provide funding for specialized services and training.

		FISCAL 2016 APPROP ACT	FISCAL YEAR 2017	
			AGENCY RECOMMEND	FY2016 TO FY2017
<b>CATEGORY OF EXPENDITURE</b>				
	<b>GRANTS</b>	179,823,434	180,749,796	926,362
<b>SOURCE OF FUNDS</b>				
	<b>EDUCATION FUND</b>	179,823,434	180,749,796	926,362
<b>SOURCE OF FUNDS DETAIL</b>				
<b>(A) EDUCATION FUND</b>				
<b>GRANTS</b>				
	1 Mainstream Block Grant	31,578,424	31,457,040	(121,384)
	2 Special Ed. Expend. Reimb.	129,033,117	129,906,593	873,476
	3 Extraordinary Reimbursement	15,565,372	15,627,329	61,957
	4 I-Team & Regional Specialist	1,038,052	1,070,024	31,972
	5 Hearing Impaired	912,100	940,193	28,093
	6 Visually Impaired	555,264	572,366	17,102
	7 BEST	549,183	566,098	16,915
	8 Act 230 Training	404,878	417,348	12,470
	9 Higher Education Participation	<u>187,044</u>	<u>192,805</u>	<u>5,761</u>
	<b>TOTAL GRANTS</b>	179,823,434	180,749,796	926,362
	<b>TOTAL EDUCATION FUNDS</b>	179,823,434	180,749,796	926,362
	<b>TOTAL ALL SOURCES</b>	179,823,434	180,749,796	926,362

# Grants

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1. **Mainstream Block Grant:** These funds provide a block grant for each school district based on 60 percent of the statewide average salary for: (1) 9.75 special education teaching positions per 1,000 Average Daily Membership (ADM), and (2) up to two special education administrators per supervisory union/district based on ADM (16 V.S.A. § 2961).
2. **Special Education Expenditures Reimbursement (Intensive Services Reimbursement):** This funding reimburses a portion of eligible special education costs not covered by another part of the formula or by federal or other state funds (16 V.S.A. § 2963).
3. **Extraordinary Reimbursement:** Funds provide 90 percent reimbursement for high-cost students for cost in excess of \$50,000 for individualized education programs (IEPs) (16 V.S.A. § 2962).
4. **Interdisciplinary Team (Interdisciplinary Team and Regional Multi-disability Specialist):** This grant provides parents and school staff services and consultation to support successful inclusion of children who have multiple disabilities. The grant supports statewide consultants with expertise in specialized areas as well as regional consultants.
5. **Students who are Deaf or Hard of Hearing (Hearing Impaired):** These funds support consultation and services for students who are deaf or hard of hearing. Regionally assigned consultants assist school staff and parents in arranging for assistive technology, accommodations, training and technical assistance.
6. **Students with Visual Impairments (Visually Impaired):** These funds support services by the Vermont Association for the Blind and Visually Impaired for itinerant teachers to consult with school staff and parents and provide direct instruction in Braille, assist with selection of low-vision aids, recommend accommodations and provide mobility training.
7. **Building Effective Supports for Teaching (BEST):** These funds assist schools in developing and implementing systemic plans to improve staff's ability to effectively respond to challenging student behaviors. They support training opportunities, coaching, technical assistance and regional partnerships to meet the needs of students who have emotional and behavioral challenges.
8. **Act 230 Training Grants:** Funds are granted to supervisory unions/districts for training and technical assistance to better meet student needs and to enhance tiered systems of supports.
9. **Higher Education Participation:** These funds support tuition reimbursement and stipends for special education teacher training.

## State-placed Students

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A state-placed student is one who is placed by the Agency of Human Services or a state-licensed agency in a school district outside of his or her guardians' district(s) of residence. The GSM team works with special education directors, principals, other school staff and AHS staff to ensure timely enrollment and educational continuity for students who may be in care outside of their parent's school district or in residential settings.

	FISCAL 2016 APPROP ACT	FISCAL YEAR 2017	
		AGENCY RECOMMEND	FY2016 TO FY2017
<b>CATEGORY OF EXPENDITURE</b>			
GRANTS	16,400,000	16,700,000	300,000
<b>SOURCE OF FUNDS</b>			
EDUCATION FUND	16,400,000	16,700,000	300,000
<b>SOURCE OF FUNDS DETAIL</b>			
<b>EDUCATION FUND</b>			
<b>GRANTS</b>			
1 LEA Reimbursement	8,200,000	8,780,000	580,000
2 Individ. Residential Placement	7,200,000	7,500,000	300,000
3 Special Services	700,000	220,000	(480,000)
4 Regular Education Tuition	300,000	200,000	(100,000)
<b>TOTAL GRANTS</b>	<b>16,400,000</b>	<b>16,700,000</b>	<b>300,000</b>
<b>TOTAL EDUCATION FUNDS</b>	<b>16,400,000</b>	<b>16,700,000</b>	<b>300,000</b>

## Grants

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**1. LEA (Local Education Agency) Reimbursement:** These funds are used to reimburse school districts for special education costs being incurred for students with individualized education programs (IEPs).

**2. Individual Residential Placement:** These funds provide payments to approved independent schools or tutorial programs for educational costs of students in residential facilities.

**3. Special Services:** These funds are used to reimburse school districts for special services approved by the commissioner for non-IEP students. They also may be used for payments to the Lund Home for daytime educational services for pregnant or parenting teens, or for tuition or special education costs for Vermont students placed in foster care in other states.

**4. Regular Education Tuition:** These funds are used to reimburse the regular tuition to school districts that do not operate their own schools.



# Statewide Education Spending Grant

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

	FISCAL 2016 APPROP ACT	FISCAL YEAR 2017	
		AGENCY RECOMMEND	FY2016
			TO FY2017
<b>CATEGORY OF EXPENDITURE</b>			
GRANTS (ONLY CATEGORY)	1,289,600,000	1,322,319,706	32,719,706
<b>SOURCE OF FUNDS</b>			
EDUCATION FUND (A)	1,289,600,000	1,322,319,706	32,719,706
<b>SOURCE OF FUNDS DETAIL</b>			
<b>EDUCATION FUND</b>			
<b>GRANTS</b>			
1 Education Spending Grant	1,286,325,294	1,318,000,000	31,674,706
2 Adult Diploma Program	850,000	850,000	0
3 VT Academy of Science & Tech	494,000	494,000	0
4 Tech FTEs Not Enrolled	380,000	400,000	20,000
5 Early College	1,100,000	1,100,000	0
6 Driver Education	450,706	450,706	0
7 Act 46	<u>0</u>	<u>1,025,000</u>	<u>1,025,000</u>
<b>TOTAL EDUCATION FUND</b>	1,289,600,000	1,322,319,706	32,719,706

# Grants

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**1. Education Spending Grant:** Under 16 V.S.A. §4011(a), funds must be appropriated to pay for each district's education spending amount. The amount provided here is an estimate.

**2. Adult Diploma Program:** This program allows adults, 20 years and older, to earn a high school diploma through an assessment process administered by the Agency.

**3. Vermont Academy of Science and Technology (VAST):** VAST operates an approved independent 12th-grade program housed at Vermont Technical College.

**4. Tech Full-time Equivalents Not Enrolled:** Under 16 V.S.A. § 4011(g), this payment is to refund districts for resident students attending a technical center at public expense but who are not enrolled in a public high school. These students are not counted in the district ADM.

**5. Early College:** This program directs the Agency to pay an amount equal to 0.87 times the Base Education Amount as the full tuition for each 12<sup>th</sup> grade Vermont resident student enrolled in an early college program, which includes the Vermont Academy of Science and Technology (16 V.S.A. §4011(e)). Early college programs are developed and operated by Vermont colleges and have been approved by the Secretary for that purpose.

**6. Driver Education Program Grants:** These funds provide partial reimbursement to schools that offer driver education programs. The state share of support for this program is less than 25 percent.

**7. Act 46:** Act 46 of 2015 titled An Act Relating to Making Amendments to Education Funding, Education Spending, and Education Governance provides for three types of grants. The first is for \$5,000 to cover consulting services to supervisory unions to explore the various merging options provided in the Act. The second is up to \$20,000 for legal and consulting services once supervisory unions have chosen a governance option and form a study committee under 16 VSA § 706b. The third is up to \$150,000 to assist with transition costs of a merged district if a merger vote is successful. The \$150,000 transition grant is reduced by the amount expended of the \$20,000 study grant.

## Essential Early Education

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Essential Early Education grants are made to school districts to fund preschool special education services for children ages 3 through 5. If grant funds are available after providing preschool special education services, the balance of funds can be used to serve preschool children ages 3 through 5 at risk of school failure.

	FISCAL 2016 APPROP ACT	FISCAL YEAR 2017	
		AGENCY RECOMMEND	FY2016 TO FY2017
<b>CATEGORY OF EXPENDITURE</b>			
GRANTS (ONLY CATEGORY)	6,356,188	6,400,000	43,812
<b>SOURCE OF FUNDS</b>			
EDUCATION FUND	6,356,188	6,400,000	43,812

## Transportation

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Administered through the School Finance Team, these funds are used to reimburse up to half of school district expenditures to transport students to and from school. Exact reimbursement percentages are limited by appropriated amounts and are determined by the amount of district expenditures, as per 16 V.S.A. § 4016.

	FISCAL 2016 APPROP ACT	FISCAL YEAR 2017	
		AGENCY RECOMMEND	FY2016 TO FY2017
<b>CATEGORY OF EXPENDITURE</b>			
GRANTS (ONLY CATEGORY)	17,734,913	18,240,000	505,087
<b>SOURCE OF FUNDS</b>			
EDUCATION FUND	17,734,913	18,240,000	505,087

## Small School Support Grants

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Under 16 V.S.A. §4015, these funds provide formula grants to school districts operating schools with a two-year average combined enrollment of less than 100 students, or with an average grade size of 20 or fewer students. They also provide financial stability grants to limit the loss of funds in small schools with declining enrollments. These funds are administered through the School Finance Team.

	FISCAL 2016 APPROP ACT	FISCAL YEAR 2017	
		AGENCY RECOMMEND	FY2016 TO FY2017
<b>CATEGORY OF EXPENDITURE</b>			
GRANTS	7,615,000	7,700,000	85,000
<b>SOURCE OF FUNDS</b>			
EDUCATION FUND	7,615,000	7,700,000	85,000

## Capital Debt Service Aid

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Administered through the School Finance Team, these formula grants are awarded to eligible school districts for principle and interest payments on projects adopted before July 1, 1997.

	FISCAL 2016 APPROP ACT	FISCAL YEAR 2017	
		AGENCY RECOMMEND	FY2016 TO FY2017
<b>CATEGORY OF EXPENDITURE</b>			
GRANTS (ONLY CATEGORY)	122,000	30,000	(92,000)
<b>SOURCE OF FUNDS</b>			
EDUCATION FUND	122,000	30,000	(92,000)



## Tobacco Litigation Fund

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The Tobacco Litigation Fund allocation to the Education Agency will no longer be appropriated separately but is now contained in the Education Services appropriation as a source of funds. This will allow the program director to track total budgeted funds more easily. The use of the funds will continue to be tracked to enable full reporting of this results based budgeting program.

	FISCAL 2016 APPROP ACT	FISCAL YEAR 2017	
		AGENCY RECOMMEND	FY2016 TO FY2017
<b>CATEGORY OF EXPENDITURE</b>			
PERSONAL SERVICES	101,707	0	(101,707)
OPERATING EXPENSES	29,115	0	(29,115)
GRANTS	<u>635,719</u>	<u>0</u>	<u>(635,719)</u>
<b>TOTAL ALL CATEGORIES</b>	<b>766,541</b>	<b>0</b>	<b>(766,541)</b>
<b>SOURCE OF FUNDS</b>			
<b>TOBACCO FUND</b>	<b>766,541</b>	<b>0</b>	<b>(766,541)</b>

## Act 117 Cost Containment

Passed by the Legislature in 2000, Act 117 was designed to increase the capacity of the educational system to meet the needs of more students outside of special education, while curbing increases in special education costs. It provided funds for agency staff including specialists in certain disability categories such as autism, funding for auditors to review district special education submissions for reimbursement, and education consultants with expertise in maintaining a solid education support systems. The growth rate in special education spending has slowed down since the inception of Act 117. It is difficult to claim that these efforts were the sole reason for this result but we believe they have had a strong influence on reduced spending growth rate.

Today our approach to serving all students has evolved and the focus is now on assisting schools to provide a tiered system of support for all students as set out in 16 VSA § 2902. This new integrated support no longer requires a separate appropriation as funds will be used to support appropriate staff throughout the agency. These dollars will now show up as a source of funds in the various teams in the agency. We will maintain the ability to track spending that came under this appropriation but will now be better able to budget and track agency program costs.

	FISCAL 2016 APPROP ACT	FISCAL YEAR 2017	
		AGENCY RECOMMEND	FY2016 TO FY2017
<b>CATEGORY OF EXPENDITURE</b>			
PERSONAL SERVICES	1,086,783	0	(1,086,783)
OPERATING EXPENSES	148,207	0	(148,207)
GRANTS	91,000	0	(91,000)
<b>TOTAL ALL CATEGORIES</b>	<b>1,325,990</b>	<b>0</b>	<b>(1,325,990)</b>
<b>SOURCE OF FUNDS</b>			
SPECIAL FUND	1,325,990	0	(1,325,990)