

Investing in Our Future

**State Board of Education
FY 07 Budget Recommendations
and Annual Report**

January 2006

http://www.state.vt.us/educ/new/html/pubs/budget_book_07.html

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A Message from the State Board Chair & the Commissioner

We submit the State Board of Education's recommended FY 2007 budget as adopted by the Board on January 17, 2006. This budget supports the important work of Vermont's education system as we invest in our future to help all Vermont students to achieve success.

During the past year, the State Board and the department have worked on several key initiatives that will have a positive long-term impact on education in Vermont. The State Board's ongoing work to achieve its goals is outlined in its Strategic Plan. The Board has chosen specific strategies on which to focus in the coming year. The Board's 2006 focus strategies specifically direct attention to the subjects of early childhood education, world languages, educator licensing, educational leadership, communication with the field, and containing costs while ensuring quality in Vermont's education system.

Based on the 12 principles of *High Schools on the Move*, the Lifelong Learning Division has made strides in renewing Vermont's commitment to secondary education. The commissioner and department staff have been visiting programs and making observations in the schools. By June 2007, the team will have visited every public high school and technical center in the state. These visits are designed to gather information about the challenges confronting teachers and administrators in high school education, and identifying best practices that are being used to expand educational opportunities for students.

Another milestone in the department's work this year has been the administration of the New England Common Assessment Program (NECAP). This fall, students in grades three through eight in Vermont, New Hampshire and Rhode Island took the exam for the first time. We incurred significant cost savings with this tri-state assessment due to economies of scale and it is better aligned with our standards than the previous exams. To our knowledge, this multi-state assessment effort is the first of its kind in the country. With the results of this exam, we can better determine what our students know, what else they need to learn and how to better meet their needs in the future.

In collaboration with the Vermont Data Consortium, we have put into operation our education data warehouse. This technology allows the department and school staff to transfer and access student data electronically. Information generated by this system will inform state and local policy to help more students achieve the standards. It also provides one consistent means of transmitting data, thereby saving time and money.

The State Board and the commissioner are committed to supporting and advocating for this budget proposal as we prioritize our work and focus on activities that support students and all who work on their behalf. The commissioner is prepared to respond to any questions about this budget. Thank you for considering our request.



Tom James, Chair
State Board of Education



Richard H. Cate, Commissioner
Department of Education

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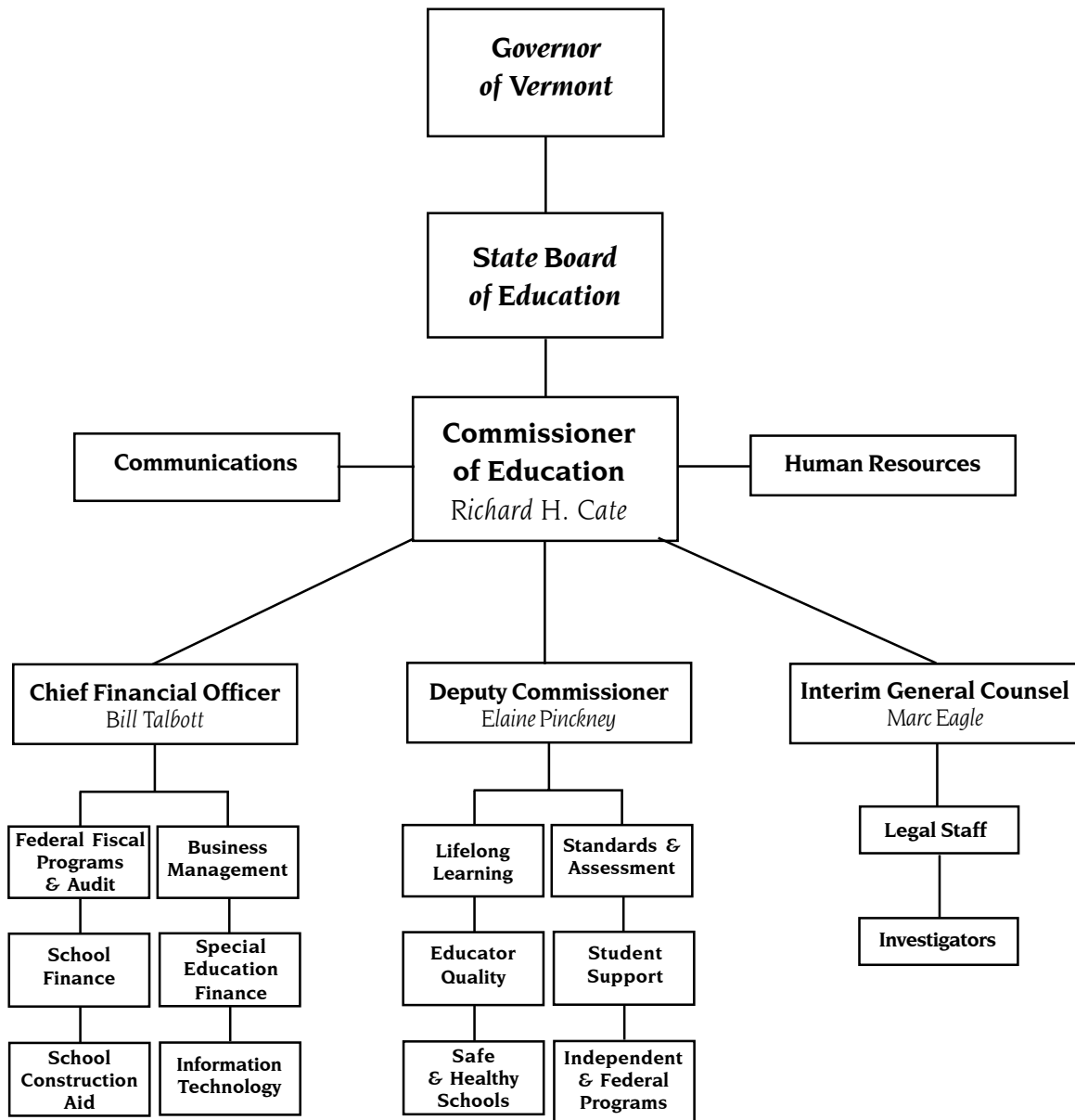
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Organizational Chart



Vermont State Board & Department of Education Strategic Plan

Mission

The State Board of Education and the Department of Education provide leadership and support to help all Vermont students achieve excellence.

Vision

The State Board of Education and the Department of Education shall sustain a vision of high skills, creative thinking and love of knowledge and learning for every student while ensuring student achievement in a safe and healthy learning environment.

Strategic Plan

Section 180 of Title 16 requires the State Board of Education to “adopt through a public process a statewide strategic education plan to describe how the agency will help school boards to improve student performance.”

The goals and objectives outlined in the Strategic Plan to guide the work of the department over the next five years follow:

Goal I. Support high-quality, innovative instruction to improve student achievement

Objective A. All students achieving their full potential

Objective B. A statewide accountability system identifying student needs related to achievement

Objective C. A clear statewide definition of high-quality instruction

Objective D. All schools meeting or exceeding the School Quality Standards

Objective E. A sufficient number of well-prepared instructional and support staff for all schools

Goal II. Provide and promote high-quality educational leadership

Objective A. State Board of Education members who are well prepared and effective

Objective B. A Department of Education that provides effective leadership

Objective C. Well-prepared and effective administrators and school board members serving all schools

Goal III. Promote safe and positive learning environments

Objective A. All schools supporting the needs of a diverse student and staff population

Objective B. All schools working with other organizations and parents to improve and maintain student well-being

Objective C. School facilities that provide a safe and productive learning environment

Objective D. All schools with an effective comprehensive plan that addresses student behavior

The complete Vermont State Board and Department of Education Strategic Plan can be found at:
www.state.vt.us/educ/new/pdfdoc/pubs/strategic_plan_05/strategic_plan_05.pdf

Goal IV. Build department capacity to best support external needs

Objective A. A positive and effective working environment for all department employees

Objective B. A State Board of Education annual budget that adequately supports the Strategic Plan

Objective C. Department of Education staff that has the knowledge and skills to carry out its responsibilities

Objective D. A Department of Education communications strategy that supports the vision of the Board and department

Objective E. Vermont statutes and State Board regulations that enable improvements in our education system

Objective F. A State Board of Education with clearly communicated roles and responsibilities

Goal V. Practice and promote effective use of all resources

Objective A. A Department of Education with effective and efficient operations

Objective B. Department of Education resources that are aligned with the mission and goals

Objective C. Technology that improves the efficiency and effectiveness of the department

Objective D. Cost-effective, high-quality delivery models for all students

2005-2006 State Board Focus Strategies

The Strategic Plan includes objectives and strategies that support each goal. Annually, the Board reviews all of the strategies and has selected the following six to be included in its work plan for the 2007 fiscal year. The prefix designations (e.g. I.A.4.) refer to the goal, objective and strategy designations that appear in the Strategic Plan (e.g. Goal I, Objective A, Strategy 4). Each objective has indicators, which are measurable results that reflect the success of the objective.

- **Gain an understanding of the issues associated with early education in order to develop a position on a coordinated statewide system of early childhood education. (I. A. 1.)**
- **Develop a long-term plan for implementation of the K-12 expectations for Modern and Classical (non-native) Languages within the *Vermont Framework of Standards and Learning Opportunities*. (I.D.4.)**
- **In collaboration with the Vermont Standards Board for Professional Educators (VSBPE), examine the roles and relationships of the Board and the VSBPE with a focus on policy issues relating to high quality alternate routes to licensure. (I.E.4)**
- **Develop, coordinate and improve administrative and educational leadership skills in the state of Vermont by working with the Vermont Educational Leadership Collaborative. (II.C.2)**
- **Enhance Board decision-making through two-way communication with educational leadership organizations, school boards, legislative education committees, parents, home study groups and post-secondary education institutions. (II.C.4.)**
- **Analyze the cost and quality of education in Vermont in comparison to national data and develop specific recommendations to contain costs while ensuring the quality of education. (V.D.6.)**

Supporting Schools & Educators

	FY 05	FY 06
	School Year	School Year
	2004-05	2005-06
Public Schools*	335	330
Elementary (K-6)	156	153
Secondary (7-12)	58	58
Combined (Elementary & Secondary)	106	104
Technical Centers	15	15
<i>*Includes four private academies</i>		
Independent Schools	162	154
Approved Independent Schools	97	102
Approved Kindergartens	6	5
Recognized Independent Schools	51	41
State-operated Facilities	1	1
Approved Tutorials	4	4
Approved Pregnant and Parenting	1	1
School Districts & Supervisory Unions/Districts	356	359
Supervisory Unions/Districts	59	59
Town, City & Incorp. School Districts, Gores.....	251	253
Union School Districts	39	40
Interstate School Districts	2	2
Joint School Districts	5	5
Public School Administrators	548	545
Superintendents	58	58
Principals	316	315
Vocational/Tech. Center Directors	24	22
Business Managers	63	61
Special Education Directors	87	89
Teachers (FTE)	8,328	8,564
School Boards	280	274
Local School Board Members	1,425	1,487

Supporting Learners

	FY 05	FY 06
	School Year	School Year
	2004-05	2005-06
Vermont Students	112,242	109,813
Elementary (K-6)	50,479	49,079
Secondary (7-12)	47,464	46,663
Approved Independent (K-12)	8,100	8,100
Recognized Independent (K-12)	1,900	1,900
Home Study (K-12)	2,094	2,003
Early Education Initiative	1,146	1,089
Essential Early Education*	1,151	1,151
Approved Kindergarten	88	88
Students in State-operated Facilities	3	3

*Children ages 3 to 5, excluding those enrolled in kindergarten programs

Technical & Adult Education (categories not mutually exclusive)

Technical	5,020	5,499
Adults - Daytime Courses	58	58
Adults - Evening Courses	4,459	4,905
Adult Education & Literacy	5,600	5,697
GED Certificates Granted	850	841
Education & Training - Criminal Offenders	400	400
Adult Diploma Program	480	709

Student Support Programs (categories not mutually exclusive)

Special Education (birth-21)	15,429	14,498
Act 230 Instructional Support	7,500	7,500
Title I	29,312	30,609
Title I (preschool)	1,511	1,569
Migrant Education	688	447
Limited English Proficiency (LEP)	1,350	1,400
Neglected and/or Delinquent	609	721
Homeless	665	643
Even Start - Children	362	237
Even Start - Adult	255	172

Department of Education Budget Overview

The FY 2007 budget proposal increases General Fund amounts by 6.15 percent (about \$800,000). However, this is primarily from funding shifts and increased charges from other state departments and not due to department program increases. The largest increase results from a \$525,000 shift from Transportation Funds to the General Fund for the driver education program as part of an effort to limit the use of Transportation Funds. The driver education program is level-funded and only the funding source changed.

An increase of \$50,000 was made by the Administration, requesting that the department add a part-time consultant to work with technical education activity clubs around the state. Increased charges from the Department of Innovation and Information account for another \$156,000, and finally another \$115,000 cover salary and benefit changes for department staff.

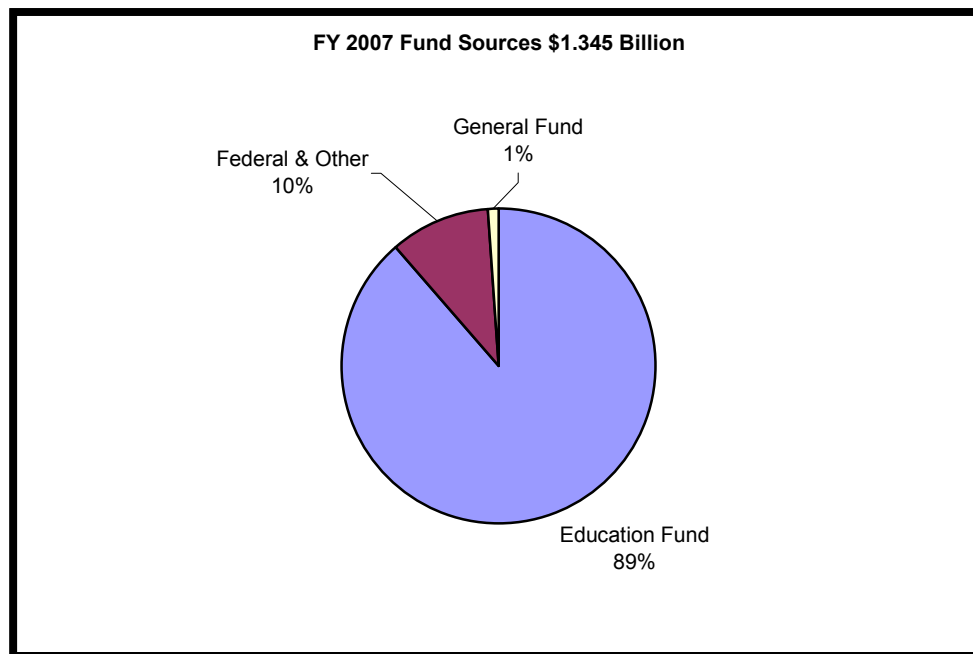
The Education Fund budget increases \$65 million (5.8 percent). This is primarily due to a projected \$52 million (5.4 percent) increase in school district education spending, a \$9 million increase (7.9 percent) in the special education aid formula, and \$2 million increase (15.3 percent) in state-placed student funding.

The increase in Essential Early Education funding of \$500,000 (10.5 percent) is due to a correction in the way the department calculates the increase required by statute. In past years the department was increasing the amount by the annual change in the state and local government price index, and law (16 VSA § 2948(c)) requires that we adjust the amount using the annual change in the index but basing the rate by going back to a base year of FY 2002.

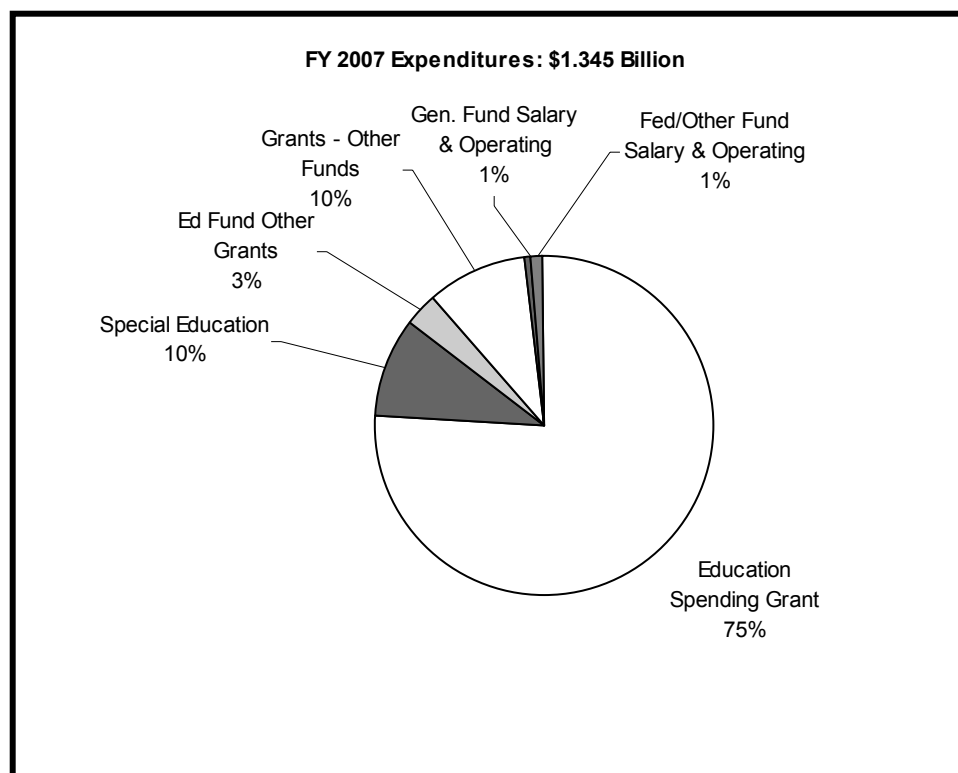
The pie charts on the following page are intended to provide some context. The first one shows major sources of funding. The department's total budget of \$1.345 billion is quite large. However, 89 percent of this amount comes from the Education Fund and only one percent is made of General Fund dollars. The second pie chart shows major categories of expenditures. Less than two percent of the total budget funds department operations, while the remaining 98.3 percent comprises grants. Again, the vast majority of expenditures are from the Education Fund in the form of direct payments to school districts.

Department of Education Budget Overview

The pie chart below shows major sources of funding. Eighty-nine percent of the \$1.345 billion budget comes from the Education Fund, and one percent is from General Fund dollars.



This chart shows major categories of expenditures. Two percent of the total funds department operations, the remaining 98 percent comprises grants. Again, the vast majority of expenditures are from the Education Fund in the form of direct payments to school districts.



Department of Education Budget Overview

Appropriation Categories By Funding Source	FISCAL 2006 APPROP ACT	FISCAL YEAR 2007	
		STATE BOARD RECOMMEND	FY2007 TO FY2006
DEPARTMENT GRAND TOTAL			
CATEGORY OF EXPENDITURE			
PERSONAL SERVICES	17,726,408	19,169,401	1,442,993
OPERATING EXPENSES	3,488,696	3,784,813	296,117
GRANTS	<u>1,251,833,895</u>	<u>1,322,008,416</u>	<u>70,174,521</u>
TOTAL ALL CATEGORIES	1,273,048,999	1,344,962,630	71,913,631

SOURCE OF FUNDS DETAIL

GENERAL FUND			
PERSONAL SERVICES	6,104,017	6,462,974	358,957
OPERATING EXPENSES	1,160,701	1,303,927	143,226
GRANTS			
1 Finance and Administration	20,000	0	(20,000)
2 Education Services	3,013,888	3,332,661	318,773
3 Adult Education & Literacy	<u>2,717,398</u>	<u>2,717,398</u>	<u>0</u>
GRANT TOTAL	5,751,286	6,050,059	298,773
TOTAL GENERAL FUND	13,016,004	13,816,960	800,956
EDUCATION FUND			
OPERATING EXPENSES	0	0	0
GRANTS			
4 Small School Support Grants	5,250,000	5,360,000	110,000
5 Special Education Formula	116,120,000	125,280,000	9,160,000
6 Essential Early Education	4,379,337	4,838,045	458,708
7 State-placed Students	12,500,000	14,416,000	1,916,000
8 Capital Debt Service Aid	450,355	380,000	(70,355)
9 Transportation	13,496,399	13,978,220	481,821
10 Education Grant	966,000,000	1,018,388,625	52,388,625
11 Adult Education & Literacy	250,000	0	(250,000)
12 Technical Education	<u>9,836,396</u>	<u>10,598,329</u>	<u>761,933</u>
GRANT TOTAL	1,128,282,487	1,193,239,219	64,956,732
TOTAL EDUCATION FUND	1,128,282,487	1,193,239,219	64,956,732

Grants

These grants are described in greater detail as referenced:

- | | |
|--|---|
| 1. Finance and Administration: page 14 | 7. State-placed Students: page 56 |
| 2. Education Services: page 18 | 8. Capital Debt Service Aid: page 58 |
| 3. Adult Education & Literacy: page 54 | 9. Transportation: page 58 |
| 4. Small Schools Support Grants: page 57 | 10. Education Grant: page 55 |
| 5. Special Education Formula: page 46 | 11. Adult Education & Literacy: page 54 |
| 6. Essential Early Education: page 57 | 12. Technical Education: page 60 |

Department of Education Budget Overview

SOURCE OF FUNDS DETAIL CONTINUED

Appropriation Categories By Funding Source	FISCAL 2006 APPROP ACT	FISCAL YEAR 2007	
		STATE BOARD RECOMMEND	FY2007 TO FY2006
TRANSPORTATION FUND			
PERSONAL SERVICES	177,479	0	(177,479)
OPERATING EXPENSES	34,362	0	(34,362)
GRANTS			
13 Driver Education Program Grants	313,005	0	(313,005)
TOTAL TRANSPORTATION FUND	524,846	0	(524,846)
TOBACCO LITIGATION FUND			
PERSONAL SERVICES	116,151	130,133	13,982
OPERATING EXPENSES	25,073	17,752	(7,321)
GRANTS			
14 Tobacco Litigation Grants	842,783	842,783	0
TOTAL TOBACCO LITIGATION FUND	984,007	990,668	6,661
FEDERAL, SPECIAL & INTERDEPARTMENTAL FUNDS			
PERSONAL SERVICES	11,328,761	12,576,294	1,247,533
OPERATING EXPENSES	2,268,560	2,463,134	194,574
GRANTS			
15 Finance & Administration	10,600,000	12,000,000	1,400,000
16 Education Services	104,995,715	108,801,736	3,806,021
17 Act 117 Cost Containment	65,000	91,000	26,000
18 Adult Education & Literacy	983,619	983,619	0
TOTAL GRANTS	116,644,334	121,876,355	5,232,021
TOTAL FED, SPEC, INTERDEPT. FUND	130,241,655	136,915,783	6,674,128
TOTAL ALL CATEGORIES	1,273,048,999	1,344,962,630	71,913,631

Grants

These grants are described in greater detail as referenced:

13. Driver Education Program Grants: page 39

17. Act 117 Cost Containment: page 59

14. Tobacco Litigation Grants: page 59

18. Adult Education & Literacy: page 54

15. Finance & Administration: page 14

16. Education Services: page 18

Finance & Administration

The Groups

Central Office

Legal Unit

Finance and Administration

- ▣ Provide information technology, business and financial management for the Department of Education
- ▣ Administer state special and regular education funding
- ▣ Establish criteria for school district accounting and auditing
- ▣ Conduct school district revenue and expenditure analyses
- ▣ Oversee human resources
- ▣ Provide legal guidance to the Board and commissioner

Draft Appropriations Bill

Finance & Administration

Personal Services \$4,579,438
 Operating Expenses \$1,623,008
 Grants \$12,000,000
Total \$18,202,446

Source of Funds

General Fund \$3,389,969
 Federal Funds \$1,964,748
 Special Funds \$69,894
 Interdepartmental Funds ... \$12,777,835
Total \$18,202,446

Related appropriations:

Education Grant Page 55
 Small School Support Page 57
 Capital Debt Service Aid Page 58
 Transportation Page 58

The **Central Office** staff report directly to the commissioner. They support his or her work and that of the State Board and department as a whole.

The *Communications* director manages public relations and public information inquiries for the range of constituencies interested in and served by the department. The Web manager oversees and maintains the department Web site, its contents and operations.

Human Resources coordinates with the State Department of Human Resources to provide personnel services for Department of Education staff, including professional development, orientation and recruitment.

The **Legal Unit** includes the department's general counsel, attorneys and investigators. Attorneys represent the Vermont State Board of Education and Department of Education in litigation and contract matters, as well as review and draft legislation and regulations. They also oversee administrative hearing processes and administrative complaint procedures required by state and federal statutory provisions.

Finance & Administration

Legal Unit, continued

Two separate and distinct programs require the work of the department investigators. First, federal law requires investigations into special education administrative complaints that necessitate a written decision by the commissioner. Second, reports of educator misconduct or incompetence must be investigated to determine whether an educator's license should be suspended or revoked. Investigations related to other issues may be necessary on a case-by-case basis.

The following **Finance and Administration** programs are overseen by the chief financial officer.

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

Special Education Finance provides the department'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 (IDEIA). Services include distribution of financial aid for special education, as well as the audit and monitoring requirements of these programs. This group also provides the department's administrative services and technical assistance to the school districts for claiming eligible special education expenses under 16 V.S.A. §2959(a) (Education Medicaid Receipts).

The *Federal Fiscal Programs and Audit Team* is responsible for the fiscal monitoring of school districts and other organizations receiving federal grants and reviews all school district audits required under 16 V.S.A. §§323 and 563(17). This team is also responsible for managing the department's contracting process.

School Finance administers public school funding as required by 16 V.S.A. Chapter 133, a.k.a. 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 policy-makers and others. The team also conducts training sessions for school business managers each year and works closely with the Vermont Association of School Business Officials (VASBO).

School Construction provides technical assistance and state grants that provide 30 percent of eligible construction costs to public schools with voter- and State Board-approved construction projects as prescribed by 16 V.S.A §3448. Additionally, Act 68 of 2003 provides for 50 percent state funding for approved projects which facilitate cost-effective school consolidations. On average, the department provides assistance for 20 to 30 projects each year.

Information Technology oversees data management, systems development and network administration.

Finance & Administration Budget Summary

	FISCAL 2006 APPROP ACT	FISCAL YEAR 2007	
		STATE BOARD RECOMMEND	FY2007 TO FY2006
CATEGORY OF EXPENDITURE			
PERSONAL SERVICES	4,533,633	4,579,438	45,805
OPERATING EXPENSES	1,377,940	1,623,008	245,068
GRANTS	<u>10,620,000</u>	<u>12,000,000</u>	<u>1,380,000</u>
TOTAL ALL CATEGORIES	16,531,573	18,202,446	1,670,873
SOURCE OF FUNDS			
GENERAL FUND (A)	3,166,006	3,389,969	223,963
FEDERAL FUNDS (B)	1,968,752	1,964,748	(4,004)
SPECIAL FUNDS (C)	63,697	69,894	6,197
INTERDEPT. TRANSFER (D)	<u>11,333,118</u>	<u>12,777,835</u>	<u>1,444,717</u>
TOTAL ALL SOURCES	16,531,573	18,202,446	1,670,873

SOURCE OF FUNDS DETAIL

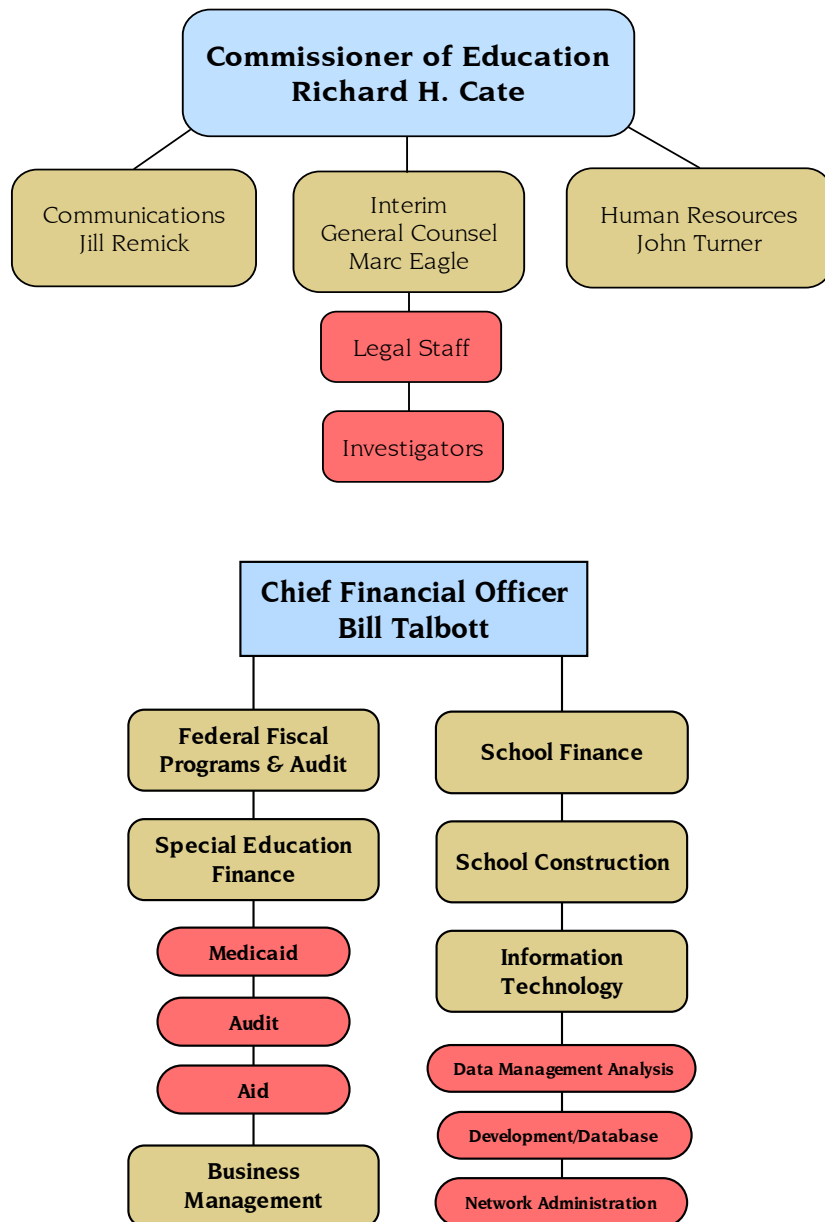
(A) GENERAL FUND			
PERSONAL SERVICES	2,583,308	2,656,363	73,055
OPERATING EXPENSES	562,698	733,606	170,908
1 GRANTS	<u>20,000</u>	<u>0</u>	<u>(20,000)</u>
TOTAL GENERAL FUND	3,166,006	3,389,969	223,963
(B) FEDERAL FUNDS			
PERSONAL SERVICES	1,258,161	1,195,929	(62,232)
OPERATING EXPENSES	<u>710,591</u>	<u>768,819</u>	<u>58,228</u>
TOTAL FEDERAL FUNDS	1,968,752	1,964,748	(4,004)
(C) SPECIAL FUNDS			
PERSONAL SERVICES	54,948	64,148	9,200
OPERATING EXPENSES	<u>8,749</u>	<u>5,746</u>	<u>(3,003)</u>
TOTAL SPECIAL FUNDS	63,697	69,894	6,197
(D) INTERDEPT. TRANSFER			
PERSONAL SERVICES	637,216	662,998	25,782
OPERATING EXPENSES	95,902	114,837	18,935
GRANTS			
2 Medicaid	<u>10,600,000</u>	<u>12,000,000</u>	<u>1,400,000</u>
TOTAL INTERDEPT. TRANSFER	11,333,118	12,777,835	1,444,717
TOTAL ALL SOURCES	16,531,573	18,202,446	1,670,873

Grants

1. Grant: This was a one-time appropriation of funds provided by the Legislature for school construction interest expenses.

2. Medicaid: Funds are derived from federal Medicaid reimbursements for school-based services to children on Individual Education Programs (IEPs). Under 16 V.S.A. §2959 (e), school districts use these grants for prevention and intervention programs in grades Pre-K through 12 and for the administrative costs of school-based health services.

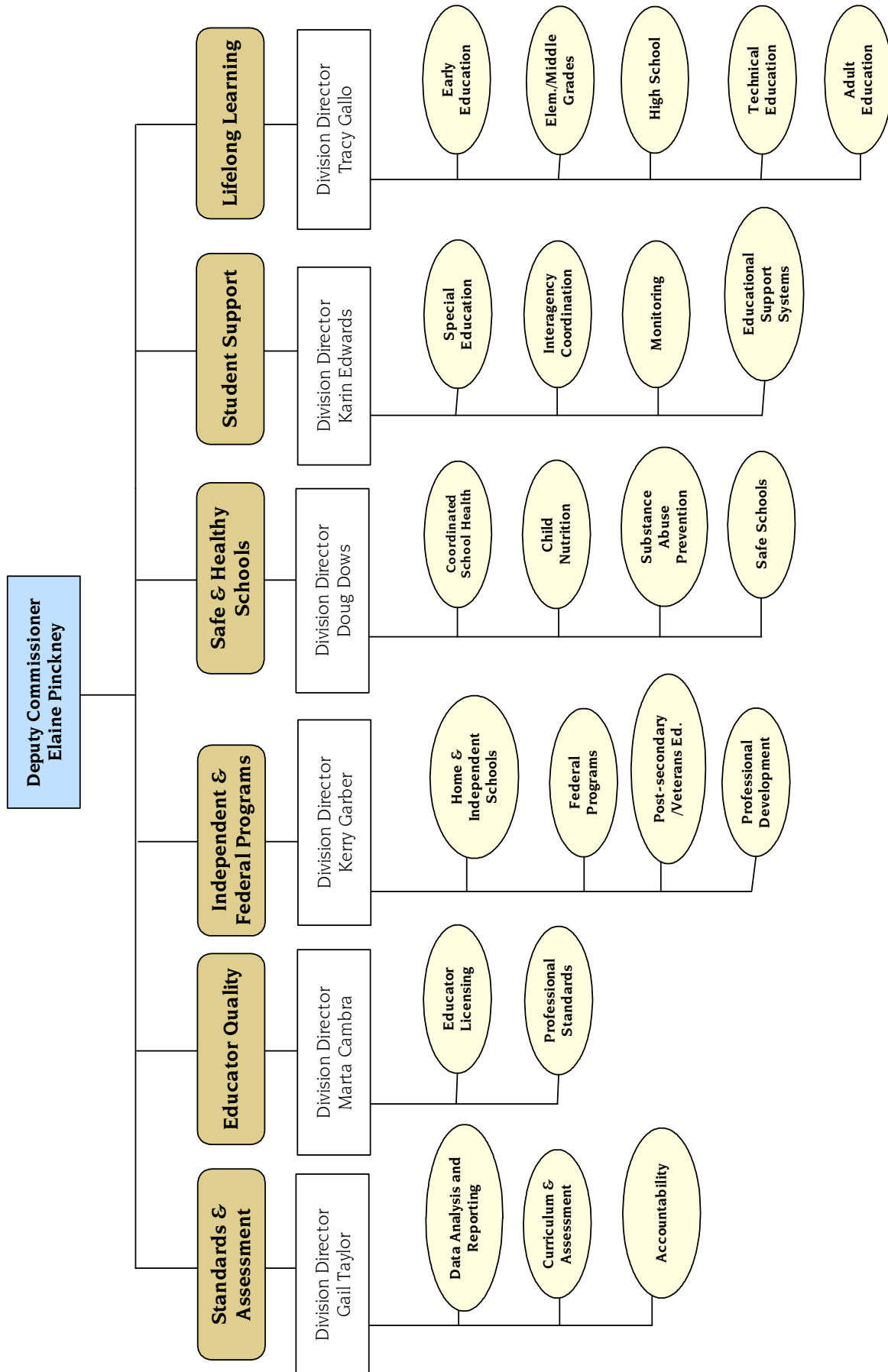
Finance & Administration Organizational Chart



Education Services

<p>The Divisions</p> <p>Standards and Assessment</p> <p>Lifelong Learning</p> <p>Student Support</p> <p>Educator Quality</p> <p>Safe and Healthy Schools</p> <p>Independent and Federal Programs</p>	<ul style="list-style-type: none"> ▣ Assist schools, higher education programs and other partners to recruit, prepare and develop skilled and well-qualified educators and school leaders ▣ Help schools develop safe learning environments and programs that support healthy behaviors and choices ▣ Help schools develop effective and efficient programs and services for students with special circumstances ▣ Strengthen statewide systems for schools and learners from early education through adult education ▣ Develop and administer statewide and national assessments
<p>Draft Appropriations Bill</p> <p>Education Services</p> <p>Personal Services \$13,445,907</p> <p>Operating Expenses \$2,026,972</p> <p>Grants \$112,134,397</p> <p>Total \$127,607,276</p> <p>Source of Funds</p> <p>General Fund \$7,709,593</p> <p>Transportation Fund \$0</p> <p>Federal Funds \$117,422,925</p> <p>Special Funds \$1,286,863</p> <p>Interdept. Transfer \$1,187,895</p> <p>Total \$127,607,276</p> <p>Related appropriations:</p> <p>Safe & Healthy Schools</p> <p>Tobacco Litigation Fund Page 59</p> <p>Student Support</p> <p>Special Education Formula Page 46</p> <p>State-placed Students Page 56</p> <p>Act 117 Cost Containment Page 59</p> <p>Lifelong Learning</p> <p>Essential Early Education Page 57</p> <p>Adult Education & Literacy Page 54</p>	<p>Under the supervision of the deputy commissioner, these six divisions in Education Services administer programs that support and assist schools and other education programs, educators and education staff.</p> <p>The divisions, outlined below, are described in greater depth on pages 22 to 53.</p> <p>The Standards and Assessment division includes curriculum and assessment, school accountability, data analysis and reporting.</p> <p>The Educator Quality division administers the educator licensing process and professional standards.</p> <p>The Independent and Federal Programs division oversees leadership development, home-study programs, independent school approval, post-secondary and veterans education and federal programs administration.</p> <p>The Safe and Healthy Schools division helps schools create safe and healthy learning environments for all students through child nutrition, safe schools, substance abuse prevention and a range of school health-related programs.</p> <p>The Student Support division provides services and resources to schools in the areas of special education and Act 117, compensatory education and state-placed students.</p> <p>The Lifelong Learning division administers early education, elementary and middle school grades, high school innovation, career and technical education and adult education.</p>

Education Services Organizational Chart



Education Services Budget Summary

	FISCAL 2006 APPROP ACT	FISCAL YEAR 2007	
		STATE BOARD RECOMMEND	FY2007 TO FY2006
CATEGORY OF EXPENDITURE			
PERSONAL SERVICES	12,107,019	13,445,907	1,338,888
OPERATING EXPENSES	1,981,112	2,026,972	45,860
GRANTS	<u>108,322,608</u>	<u>112,134,397</u>	<u>3,811,789</u>
TOTAL ALL CATEGORIES	122,410,739	127,607,276	5,196,537
SOURCE OF FUNDS			
GENERAL FUND (A)	7,132,600	7,709,593	576,993
TRANSPORTATION FUND (B)	524,846	0	(524,846)
FEDERAL FUNDS (C)	112,461,461	117,422,925	4,961,464
SPECIAL FUNDS (D)	1,139,188	1,286,863	147,675
INTERDEPT. TRANSFER (E)	<u>1,152,644</u>	<u>1,187,895</u>	<u>35,251</u>
TOTAL ALL SOURCES	122,410,739	127,607,276	5,196,537

SOURCE OF FUNDS DETAIL

(A) GENERAL FUND			
PERSONAL SERVICES	3,520,709	3,806,611	285,902
OPERATING EXPENSES	598,003	570,321	(27,682)
GRANTS	<u>3,013,888</u>	<u>3,332,661</u>	<u>318,773</u>
TOTAL GENERAL FUND	7,132,600	7,709,593	576,993
(B) TRANSPORTATION FUND			
PERSONAL SERVICES	177,479	0	(177,479)
OPERATING EXPENSES	34,362	0	(34,362)
GRANTS	<u>313,005</u>	<u>0</u>	<u>(313,005)</u>
TOTAL TRANSPORTATION FUND	524,846	0	(524,846)
(C) FEDERAL FUNDS			
PERSONAL SERVICES	7,470,256	8,619,485	1,149,229
OPERATING EXPENSES	1,102,473	1,182,687	80,214
GRANTS	<u>103,888,732</u>	<u>107,620,753</u>	<u>3,732,021</u>
TOTAL FEDERAL FUNDS	112,461,461	117,422,925	4,961,464
(D) SPECIAL FUNDS			
PERSONAL SERVICES	745,367	786,178	40,811
OPERATING EXPENSES	214,321	247,185	32,864
GRANTS	<u>179,500</u>	<u>253,500</u>	<u>74,000</u>
TOTAL SPECIAL FUNDS	1,139,188	1,286,863	147,675

Education Services Budget Summary

SOURCE OF FUNDS DETAIL CONTINUED

	FISCAL 2006 APPROP ACT	FISCAL YEAR 2007	
		STATE BOARD RECOMMEND	FY2007 TO FY2006
(E) INTERDEPT. TRANSFER			
PERSONAL SERVICES	193,208	233,633	40,425
OPERATING EXPENSES	31,953	26,779	(5,174)
GRANTS	<u>927,483</u>	<u>927,483</u>	<u>0</u>
TOTAL INTERDEPT. TRANSFER	1,152,644	1,187,895	35,251
TOTAL ALL SOURCES	122,410,739	127,607,276	5,196,537

Additional funding source information appears with the budget summaries for the divisions' sections: Standards and Assessment (pages 22 to 25), Educator Quality (pages 26 to 29), Independent and Federal Programs (pages 30 to 35), Safe and Healthy Schools (pages 36 to 41), Student Support (pages 42 to 47) and Lifelong Learning (pages 48 to 53).

Standards & Assessment

The Standards and Assessment division oversees curriculum and assessment, school improvement and accountability, and data analysis and reporting. All of the programs in this division support the State Board's accountability goal. Programs combine technical and analytical expertise in testing and measurement; technical assistance for school improvement; action planning and resource allocation to ensure that all students have equal access to educational opportunities and resources, and that schools allocate their resources to support high achievement of all students.

The division administers assessment requirements of the Equal Educational Opportunity Act (Act 60), as well as the federal No Child Left Behind Act (NCLBA). In addition, State Board regulations require administration of a Comprehensive Assessment System.

The Programs

Curriculum and Assessment

School Improvement and Accountability

Data Analysis and Reporting

Curriculum and Assessment

The Comprehensive Assessment System includes both state and local assessments. The Curriculum and Assessment program supports the development and implementation of state assessments. It also supports professional development networks and other opportunities that focus on the coordination of curriculum, instruction and assessment (both local and state) with the *Vermont Framework of Standards and Learning Opportunities* and the accompanying *Grade Expectations*. Under the realignment of department resources, the curriculum team has added consultants in the arts, reading, technology education and enrichment.

School Improvement and Accountability

This program uses assessment data and information about school quality to identify priority schools for technical assistance. This program is responsible for determining the necessary technical assistance, establishing expectations for priority schools and coordinating the delivery of assistance across the department to priority schools.

Data Analysis and Reporting

This program supports the assessment, school improvement and accountability functions of the Standards and Assessment division. Staff work with contractors to produce accurate state assessment reports, generates the state accountability reports, and analyze and report on this and other data for purposes of school improvement and technical assistance.

Standards & Assessment Budget Summary

	FISCAL 2006 APPROP ACT	FISCAL YEAR 2007	
		STATE BOARD RECOMMEND	FY2007 TO FY2006
CATEGORY OF EXPENDITURE			
PERSONAL SERVICES	4,878,296	5,674,753	796,457
OPERATING EXPENSES	601,841	618,437	16,596
GRANTS	<u>5,701,948</u>	<u>5,215,998</u>	<u>(485,950)</u>
TOTAL ALL CATEGORIES	11,182,085	11,509,188	327,103
SOURCE OF FUNDS			
GENERAL FUND (A)	1,992,941	2,011,272	18,331
FEDERAL FUNDS (B)	9,114,644	9,408,228	293,584
SPECIAL FUNDS (C)	<u>74,500</u>	<u>89,688</u>	<u>15,188</u>
TOTAL ALL SOURCES	11,182,085	11,509,188	327,103

SOURCE OF FUNDS DETAIL

(A) GENERAL FUND			
PERSONAL SERVICES	1,517,111	1,575,142	58,031
OPERATING EXPENSES	<u>254,780</u>	<u>240,130</u>	<u>(14,650)</u>
TOTAL P/S AND O/E	1,771,891	1,815,272	43,381
GRANTS			
1 Teacher Networks	22,050	0	(22,050)
2 Governor's Institutes	196,000	196,000	0
TOTAL GRANTS	221,050	196,000	(25,050)
TOTAL GENERAL FUND	1,992,941	2,011,272	18,331

Grants

1. Teacher Networks: These funds support implementation, coordination and integration of teacher networks focused on standards, curriculum and assessment. Funding is no longer done through grants. Funds are now provided as operating expenses.

2. 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.

Standards & Assessment Budget Summary

SOURCE OF FUNDS DETAIL CONTINUED

	FISCAL 2006 APPROP ACT	FISCAL YEAR 2007	
		STATE BOARD RECOMMEND	FY2007 TO FY2006
(B) FEDERAL FUNDS			
PERSONAL SERVICES	3,341,185	4,039,713	698,528
OPERATING EXPENSES	<u>322,561</u>	<u>348,517</u>	<u>25,956</u>
TOTAL P/S AND O/E	3,663,746	4,388,230	724,484
GRANTS			
3 Title I - School Improvement	800,000	1,000,000	200,000
4 Comprehensive School Reform	866,288	619,888	(246,400)
5 Math & Science Partnership	729,590	729,590	0
6 Title III ELA	500,000	400,000	(100,000)
7 Refugee Children's Schooling	115,000	0	(115,000)
8 Title II, Part D	2,390,020	2,270,520	(119,500)
9 MCI	<u>50,000</u>	<u>0</u>	<u>(50,000)</u>
TOTAL GRANTS	5,450,898	5,019,998	(430,900)
TOTAL FEDERAL FUNDS	9,114,644	9,408,228	293,584
(C) SPECIAL FUNDS			
PERSONAL SERVICES	20,000	59,898	39,898
OPERATING EXPENSES	<u>24,500</u>	<u>29,790</u>	<u>5,290</u>
TOTAL P/S AND O/E	44,500	89,688	45,188
GRANTS			
10 Private Grants	30,000	0	(30,000)
TOTAL SPECIAL FUNDS	74,500	89,688	15,188
TOTAL ALL SOURCES	11,182,085	11,509,188	327,103

3. Title I School Improvement: Pass-through funds are allocated to Title I schools by a formula that considers poverty, school size and other indicators for which the school does not make Adequate Yearly Progress. Schools apply for funds by developing a budget aligned to the commissioner's required actions.

4. Comprehensive School Reform (CSR): Funds support schools in implementing federally defined projects. Projects must be comprehensive and include scientifically based research and effective practices emphasizing basic academics and parental involvement to help all students meet state standards.

5. 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 Arts and Sciences 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.

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

7. Refugee Children's Schooling: For FY06, this grant was used to hire, train and support bilingual-bicultural liaisons who work to improve communication between schools and refugee families with school-age children. About 450 refugee students attended schools in the communities served by the grant. Federal funding has ended.

8. Title II, Part D (Enhancing Education Through Technology): A combination of entitlement and competitive grants, funds help high-needs schools purchase technology hardware and provide training and support for technology applications that enhance learning. Funds also support implementation of approved technology plans and related professional development activities.

9. MCI: This grant originated through an agreement between the Vermont Public Service Board and MCI. Funds supported the Vermont Interactive Learning Network (ILN) by providing personnel and telecommunication connections that establish efficient videoconferencing links between all Vermont high schools, the Department of Education, and other partners. Over the next year, FY06 funds will be used to support a technical upgrade to ILN in the conversion to an IP-based system. In FY07 these funds will no longer be used to award grants, but will be used for operating expenses of the ILN.

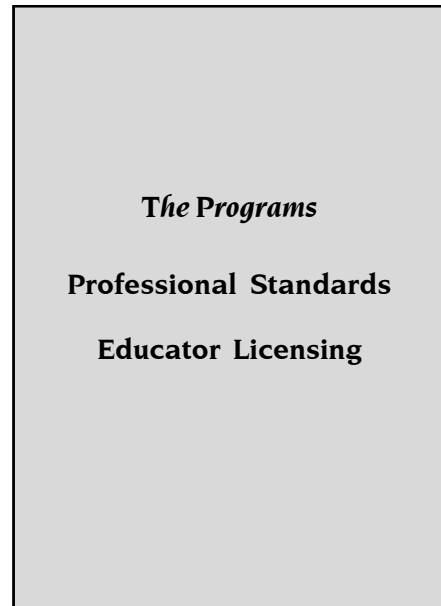
10. Private Grants: Vermont is one of nine national sites to participate in the IBM Reinventing Education-3 Partnership (RE3), which creates online tools that support the development of high-quality teachers. Programs are administered through a collaborative effort of the Vermont Department of Education, University of Vermont, Vermont State Colleges and Vermont Mathematics Partnership. Focusing on both pre-service and in-service teachers, the grant is used to create technology solutions that address needs in mentoring, reflective practice and professional portfolios. The final stage of this grant was providing hardware, infrastructure, and Web-based applications for the Vermont educational community that will be managed by the Vermont Department of Education. Funding has ended.

Educator Quality

The Educator Quality Division works to enhance the quality of educators by:

- Developing and implementing standards for high quality educators through licensing
- Establishing and maintaining rigorous standards for the approval of educator preparation programs
- Working with local and regional standards boards to promote high-quality professional development through the re-licensing process

The Educator Quality Division works closely with the 23-member, teacher-majority Vermont Standards Board for Professional Educators (VSBPE) that was established through 16 V.S.A. §164(5) to develop policies regarding educator preparation, licensing and relicensing requirements, professional development, mentoring, and advanced educator certification.



Professional Standards

The major responsibilities of the Professional Standards program are developing policy, collecting and analyzing data, generating reports on aspects of educator quality, and administering specific initiatives. The funds supporting this program are federal monies, general state funds, and special funds from educator licensing fees.

Professional Standards reviews and approves educator preparation programs that are offered at 14 of Vermont's institutions of higher education through the Results Oriented Program Approval (ROPA) process. This program was developed to monitor and improve the quality of these programs and the implementation of initial educator licensure portfolios. Staff members also implement educator licensure testing (i.e., Praxis tests), analyze test results and complete the state's annual Title II Higher Education report on the quality of teacher preparation programs.

Professional Standards also administers Peer Review, the state's alternative educator licensure process. In addition, it administers Troops-To-Teachers, a federally funded program to assist retired military personnel who want to become educators. This program also recognizes educators who have earned their National Board Certification.

The No Child Left Behind Act (NCLBA) requires that all teachers of core academic subjects meet its requirements for "highly qualified teachers" (HQT) by the end of the 2005-2006 school year. Professional Standards assists in the development of policies and procedures for determining HQT, gathers and analyzes HQT-related data, provides technical assistance to teachers and school administrators to meet this mandate, and prepares all reports of HQT data and progress that are required by the federal government.

Educator Quality

Educator Quality, continued

Educator Licensing

Funded solely by special funds generated from educator licensing fees, this program issues Vermont educator licenses, analyzes licensing data, and reports on its findings.

The Educator Licensing program verifies the eligibility of educators completing Vermont's preparation programs for initial licensure. It also evaluates the eligibility of educators who are licensed in other states through a reciprocal agreement. This program reviews course transcripts of Vermont licensed educators seeking to add another teaching area to their license. It also completes transcript reviews for some licensed educators from states and countries that are not part of the interstate reciprocity contract.

Educators who are employed in Vermont schools renew their licenses through a Local Standards Board (LSB), and administrators renew their licenses through a Regional Standards Board (RSB). This program accepts the LSB and RSB recommendations for renewals, and reviews the renewals of all educators who are not currently employed in a Vermont school. In addition, the program determines the eligibility of educators seeking to reinstate a license that has expired.

When school districts are unable to find an appropriately licensed educator for a vacancy, the superintendent must seek permission to hire an educator who is not fully licensed for the assignment. This program reviews schools' applications for hiring personnel on provisional or emergency licenses. It also reviews educators' applications for provisional or emergency licenses.

Educator Quality Budget Summary

	FISCAL 2006 APPROP ACT	FISCAL YEAR 2007	
		STATE BOARD RECOMMEND	FY2007 TO FY2006
CATEGORY OF EXPENDITURE			
PERSONAL SERVICES	1,192,782	1,190,333	(2,449)
OPERATING EXPENSES	191,713	206,142	14,429
GRANTS	<u>77,500</u>	<u>77,500</u>	<u>0</u>
TOTAL ALL CATEGORIES	1,461,995	1,473,975	11,980
SOURCE OF FUNDS			
GENERAL FUND (A)	316,086	310,732	(5,354)
FEDERAL FUNDS (B)	225,755	228,408	2,653
SPECIAL FUNDS (C)	<u>920,154</u>	<u>934,835</u>	<u>14,681</u>
TOTAL ALL SOURCES	1,461,995	1,473,975	11,980

SOURCE OF FUNDS DETAIL

(A) GENERAL FUND			
PERSONAL SERVICES	301,249	297,195	(4,054)
OPERATING EXPENSES	<u>14,837</u>	<u>13,537</u>	<u>(1,300)</u>
TOTAL P/S AND O/E	316,086	310,732	(5,354)
TOTAL GENERAL FUND	316,086	310,732	(5,354)
(B) FEDERAL FUNDS			
PERSONAL SERVICES	199,831	205,863	6,032
OPERATING EXPENSES	<u>25,924</u>	<u>22,545</u>	<u>(3,379)</u>
TOTAL P/S AND O/E	225,755	228,408	2,653
TOTAL FEDERAL FUNDS	225,755	228,408	2,653
(C) SPECIAL FUNDS			
PERSONAL SERVICES	691,702	687,275	(4,427)
OPERATING EXPENSES	<u>150,952</u>	<u>170,060</u>	<u>19,108</u>
TOTAL P/S AND O/E	842,654	857,335	14,681
GRANTS			
1 Licensing	<u>77,500</u>	<u>77,500</u>	<u>0</u>
TOTAL GRANTS	77,500	77,500	0
TOTAL SPECIAL FUNDS	920,154	934,835	14,681
TOTAL ALL SOURCES	1,461,995	1,473,975	11,980

Grants

1. Licensing: Generated from educator licensing fees, these funds support the 72 local and regional standards boards that are responsible for recommending educator re-licensure, which is based on approved individual professional development plans and activities, professional portfolios, and standards defined by the Vermont Standards Board for Professional Educators and approved by the State Board.

Independent & Federal Programs

The Independent and Federal Programs division works to support schools statewide by:

- Establishing partnerships that provide high quality professional development opportunities for Vermont educators
- Linking a variety of state and federal funding sources for school improvement efforts
- Supporting home and independent schools to provide quality options for student education
- Ensuring quality post-secondary education opportunities for adult students in Vermont

The Programs

**Home and Independent
Schools**

**Post-secondary
and Veterans Education
Services**

Professional Development

Federal Programs

Home and Independent Schools Workgroup (HISW)

The Home and Independent Schools Workgroup is focused on quality education in non-public settings. Each year HISW enrolls over 2,000 students in home schooling programs that meet legislative and State Board requirements for a minimum course of study. In addition, HISW approves over 150 K-12 independent and recognized schools, tutorials and programs to ensure quality curriculum, staff, facilities and student services.

Post-secondary and Veterans Education Services

This program evaluates applications to offer courses and degrees for post-secondary credit. With assistance from the Vermont Higher Education Council, program staff make recommendations to the State Board of Education for course and program certification.

Operating as the State Approving Agency under a contract with the Department of Veterans Affairs, program staff review education and training programs so that veterans and eligible individuals may receive their Montgomery GI Bill educational benefits.

Professional Development Workgroup

This group develops statewide systems to deliver quality professional development to Vermont teachers. Currently it is focused on Educational Service Agency partnerships (ESA), the Higher Education Collaborative and implementing the Reading First state grant.

Federal Programs Workgroup

The primary focus of this group is the administration and approval of the Consolidated Federal Programs grant application that each Local Education Agency (LEA) is required to submit annually to receive federal funds. In addition, this group manages a number of other federal grants and programs, some of which are competitive, that target particular needs or populations.

Independent & Federal Programs Budget Summary

	FISCAL 2006 APPROP ACT	FISCAL YEAR 2007	
		STATE BOARD RECOMMEND	FY2007 TO FY2006
CATEGORY OF EXPENDITURE			
PERSONAL SERVICES	1,454,079	1,653,997	199,918
OPERATING EXPENSES	245,795	306,041	60,246
GRANTS	<u>50,247,784</u>	<u>55,752,022</u>	<u>5,504,238</u>
TOTAL ALL CATEGORIES	51,947,658	57,712,060	5,764,402
SOURCE OF FUNDS			
GENERAL FUND (A)	504,023	607,690	103,667
FEDERAL FUNDS (B)	50,618,498	56,109,282	5,490,784
SPECIAL FUNDS (C)	25,137	195,088	169,951
INTERDEPT. TRANSFER (D)	<u>800,000</u>	<u>800,000</u>	<u>0</u>
TOTAL ALL SOURCES	51,947,658	57,712,060	5,764,402

SOURCE OF FUNDS DETAIL

(A) GENERAL FUND			
PERSONAL SERVICES	399,947	406,336	6,389
OPERATING EXPENSES	<u>104,076</u>	<u>96,494</u>	<u>(7,582)</u>
TOTAL P/S AND O/E	504,023	502,830	(1,193)
GRANTS			
1 Early Reading	<u>0</u>	<u>104,860</u>	<u>104,860</u>
TOTAL GRANTS	0	104,860	104,860
TOTAL GENERAL FUND	504,023	607,690	103,667

Grants

1. 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, development and distribution of reading materials for parents, and assistance to strengthen instruction and curricula for pre-school and pre-service teachers. These funds were formerly administered by the Lifelong Learning Division.

Independent & Federal Programs Budget Summary

SOURCE OF FUND DETAIL CONTINUED

	FISCAL 2006 APPROP ACT	FISCAL YEAR 2007	
		STATE BOARD RECOMMEND	FY2007 TO FY2006
(B) FEDERAL FUNDS			
PERSONAL SERVICES	1,048,132	1,226,710	178,578
OPERATING EXPENSES	<u>128,582</u>	<u>196,410</u>	<u>67,828</u>
TOTAL P/S AND O/E	1,176,714	1,423,120	246,406
GRANTS			
2 Title V	1,326,509	928,297	(398,212)
3 Community Learning Centers	4,411,603	5,440,000	1,028,397
4 Reading First	1,897,986	4,150,000	2,252,014
5 Byrd Honors Scholarship	81,000	81,000	0
6 Title I Grants to LEAs	25,847,722	27,525,200	1,677,478
7 Title I Migrant	856,314	941,118	84,804
8 Title I Neglected or Delinquent	363,534	550,000	186,466
9 Homeless Education Act	125,000	114,770	(10,230)
10 Even Start	1,052,900	997,000	(55,900)
11 IDEA-B Discretionary (HEC)	0	155,726	155,726
12 State Improvement Grant (HEC)	0	46,807	46,807
13 Title II, ITQ	13,133,576	13,412,344	278,768
14 Title II, ITQ SAHE	<u>345,640</u>	<u>343,900</u>	<u>(1,740)</u>
TOTAL GRANTS	49,441,784	54,686,162	5,244,378
TOTAL FEDERAL FUNDS	50,618,498	56,109,282	5,490,784

Grants

2. Title V (Innovative Programs): Under NCLBA, Title V funds support innovative programs in schools for improving student achievement, promoting rigorous standards and contributing to overall school reform efforts.

3. 21st Century Community Learning Centers (Title IV B): This federal appropriation 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.

4. Reading First: This competitive grant is available to LEAs, and schools within those LEAs that are eligible, based on poverty and performance criteria. Schools must use scientifically based instruction, reading programs and materials. Reading First supports statewide and local professional development opportunities.

5. Byrd Honors Scholarship: Granted through Vermont Student Assistance Corporation (VSAC), these funds are used to award up to 15 scholarships of \$1,500 each to high school graduates who have demonstrated outstanding academic achievement and show promise of continued excellence. Scholarships are renewable for an additional three years.

6. Title I Grants to LEAs: These funds support academic assistance for eligible students who are failing – or at risk of failing – the state's content and performance standards. Title I supports educator professional development as a means of helping all students succeed.

7. 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 36 months.

8. 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.

9. 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. Vermont has five programs, including one that provides technical assistance to schools. Mini-grants support allowable expenses for individual homeless children and youth.

10. Even Start: Funds are used to integrate adult, parenting and early childhood education into a comprehensive program designed to break intergenerational cycles of poverty and low literacy. Services focus on children from birth to age seven, and their parents. Families are selected for services based on economic and educational needs.

11. IDEIA-B Discretionary: These funds support a variety of Higher Education Collaborative (HEC) professional development programs and activities in areas of critical special education need related to preparation, support and retention of special educators and in the expansion of regional personnel capacity.

12. State Improvement Grant (SIG): These funds are used to support the same types of programs and activities as the IDEIA-B Discretionary grant described above, and are also part of the Higher Education Collaborative initiative.

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

14. 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.

Independent & Federal Programs Budget Summary

SOURCE OF FUND DETAIL CONTINUED

	FISCAL 2006 APPROP ACT	FISCAL YEAR 2007	
		STATE BOARD RECOMMEND	FY2007 TO FY2006
(C) SPECIAL FUNDS			
PERSONAL SERVICES	6,000	20,951	14,951
OPERATING EXPENSES	<u>13,137</u>	<u>13,137</u>	<u>0</u>
TOTAL P/S AND O/E	19,137	34,088	14,951
GRANTS			
15 Post-secondary	6,000	6,000	0
16 Nellie Mae Foundation	<u>0</u>	<u>155,000</u>	<u>155,000</u>
TOTAL GRANTS	6,000	161,000	155,000
TOTAL SPECIAL FUNDS	25,137	195,088	169,951
(D) INTERDEPT. TRANSFER			
GRANTS			
17 Reading Readiness	400,000	400,000	0
18 Statewide System of Support	<u>400,000</u>	<u>400,000</u>	<u>0</u>
TOTAL GRANTS	800,000	800,000	0
TOTAL INTERDEPT. TRANSFER	800,000	800,000	0
TOTAL ALL SOURCES	51,947,658	57,712,060	5,764,402

Grants

15. Post-secondary: Funds reimburse the Vermont Higher Education Council (VHEC) for its role in reviewing institutions applying for post-secondary approval.

16. Nellie Mae Foundation: The Nellie Mae Foundation and the department's 21st Century Community Learning Centers Program are collaborating by providing grant funds to identify, support and replicate promising practices for middle school students. Grants are awarded for exemplary afterschool and summertime programs.

17. Reading Readiness: These funds are given as subgrants to support school, community and regional efforts to help students meet or exceed reading standards. Grants support America Reads, the Vermont Reads Institute and regional consortia in providing technical assistance, professional development and resources to schools and communities. Needs are identified through local action plans and assessments.

18. Statewide System of Support: Funds are used for the development of Educational Services Agencies (ESAs) that identify professional development needs and deliver high-quality professional development opportunities to LEAs on a regional basis. Professional development opportunities are aligned with the requirements and goals of NCLBA and the *School Quality Standards*.

Safe & Healthy Schools

The Safe and Healthy Schools division works to strengthen schools' ability to provide healthy, safe, civil, orderly and positive learning environments through better nutrition, substance abuse prevention, coordinated school health and hazing, harassment and bullying prevention.

Child Nutrition

Funded by the U.S. Department of Agriculture, Child Nutrition Programs help children enter school ready to learn and perform to the best of their abilities by reimbursing schools for providing high-quality nutritious meals. The program administers the School Breakfast Program, National School Lunch Program and the Summer Food Service Program. The Child and Adult Care Food Program subsidizes meals at adult and child day care programs. A Special Milk Program subsidizes milk served to children in schools that do not participate in the school breakfast or lunch program.

Safe Schools

The Safe Schools Programs help schools provide safe, civil, orderly and positive learning environments free from hazing, harassment and bullying. The A World of Difference program trains adults and students to offer diversity awareness training for school communities. The Character Education Project pilots whole school and classroom strategies to help students develop knowledge of caring, civic virtue, citizenship, justice, fairness, respect, responsibility and trustworthiness.

Alcohol, Tobacco and Other Drug (ATOD) Prevention and Traffic Safety

The ATOD and Traffic Safety workgroup administers programs to reduce substance abuse and the harmful consequences of alcohol, tobacco and other drug use.

The Tobacco Use Prevention Program, funded with state Tobacco Settlement funds, passes funds directly to school districts to conduct research-based tobacco prevention. The federally funded Alcohol and Traffic Safety Program promotes highway safety to reduce injury and death due to teen motor vehicle crashes.

The federal Safe and Drug-free Schools and Communities Program provides funds to schools to prevent violence, illegal use of alcohol, drugs and tobacco and foster safe and drug-free learning environments that support academic achievement.

The Driver Education Program helps schools deliver high-quality, school-based driver education by providing instructor training, issuing completion cards to students, approving driver education programs, registering and insuring the driver education automobile fleet and reimbursing schools for instructional costs.

The Programs

Child Nutrition

Safe Schools

**Alcohol, Tobacco and
Other Drug (ATOD)
Prevention and Safety**

**Coordinated
School Health**

Safe & Healthy Schools

Safe and Healthy Schools, continued

Coordinated School Health

The Coordinated School Health Program provides a variety of professional development, technical assistance and resources to schools interested in improving student health and creating healthier school environments. The Centers for Disease Control and Prevention provides funding to assist schools in establishing school health teams focused on improving nutritional behaviors and physical fitness practices of school-aged youth; developing comprehensive health education curriculum and assessments aligned with *Vermont's Framework of Standards and Learning Opportunities*; and developing programs to prevent the spread of HIV and other sexually transmitted infections.

Safe & Healthy Schools Budget Summary

	FISCAL 2006 APPROP ACT	FISCAL YEAR 2007	
		STATE BOARD RECOMMEND	FY2007 TO FY2006
CATEGORY OF EXPENDITURE			
PERSONAL SERVICES	1,364,911	1,396,195	31,284
OPERATING EXPENSES	352,162	352,335	173
GRANTS	<u>22,177,088</u>	<u>22,216,449</u>	<u>39,361</u>
TOTAL ALL CATEGORIES	23,894,161	23,964,979	70,818
SOURCE OF FUNDS			
GENERAL FUND (A)	1,196,665	1,726,348	529,683
TRANSPORTATION FUND (B)	524,846	0	(524,846)
FEDERAL FUNDS (C)	21,888,958	21,928,512	39,554
SPECIAL FUNDS (D)	24,650	24,650	0
INTERDEPT. TRANSFER (E)	<u>259,042</u>	<u>285,469</u>	<u>26,427</u>
TOTAL ALL SOURCES	23,894,161	23,964,979	70,818

SOURCE OF FUNDS DETAIL

(A) GENERAL FUND			
PERSONAL SERVICES	239,205	396,225	157,020
OPERATING EXPENSES	<u>67,425</u>	<u>96,265</u>	<u>28,840</u>
TOTAL P/S AND O/E	306,630	492,490	185,860
GRANTS			
1 Child Nutrition - State Match	453,348	453,348	0
2 Child Nutrition - Child Care	223,268	243,268	20,000
3 Child Nutrition - Breakfast	132,632	132,632	0
4 Child Nutrition - Summer Food	51,387	51,387	0
5 School Wellness	29,400	30,000	600
6 Driver Education Program	<u>0</u>	<u>323,223</u>	<u>323,223</u>
TOTAL GRANTS	890,035	1,233,858	343,823
TOTAL GENERAL FUND	1,196,665	1,726,348	529,683
(B) TRANSPORTATION FUND			
PERSONAL SERVICES	177,479	0	(177,479)
OPERATING EXPENSES	<u>34,362</u>	<u>0</u>	<u>(34,362)</u>
TOTAL P/S AND O/E	211,841	0	(211,841)
GRANTS			
7 Driver Education Program	<u>313,005</u>	<u>0</u>	<u>(313,005)</u>
TOTAL GRANTS	313,005	0	(313,005)
TOTAL TRANSPORTATION FUND	524,846	0	(524,846)

1. 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. About 20 schools receive grants each year.

2. Child Nutrition – Child Care: These funds support breakfasts and lunches served in daycare homes where federal subsidies were cut by the federal Welfare Reform Act of 1996.

3. Child Nutrition – Breakfast: Funds help narrow the gap between the amount of federal reimbursement schools receive per meal and the actual cost to prepare a school breakfast.

4. 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. Funds also support the cost of expanding the program to new sites or underserved areas and the costs of activities designed to increase participation.

5. School Wellness: Grants may be used to establish a wellness program advisory council, inventory programs and assets, gather data about the health status of children in the community, adopt a fitness and nutrition policy or to implement and coordinate wellness programs in the school community based on the adopted policy.

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. However, the source of these funds has been transferred from the Transportation Fund to the General Fund.

7. Driver Education Program Grants: These funds provide partial reimbursement to schools that offer driver education programs. However, the source of these funds has been transferred from the Transportation Fund to the General Fund.

Safe & Healthy Schools Budget Summary

SOURCE OF FUND DETAIL CONTINUED

	FISCAL 2006 APPROP ACT	FISCAL YEAR 2007	
		STATE BOARD RECOMMEND	FY2007 TO FY2006
(C) FEDERAL FUNDS			
PERSONAL SERVICES	846,196	866,922	20,726
OPERATING EXPENSES	<u>196,197</u>	<u>206,482</u>	<u>10,285</u>
TOTAL P/S AND O/E	1,042,393	1,073,404	31,011
GRANTS			
8 School Lunch Program	10,500,000	10,500,000	0
9 Child & Adult Care Food Program	4,200,000	4,200,000	0
10 School Breakfast Program	3,200,000	3,200,000	0
11 Summer Food Service Program	355,000	355,000	0
12 Special Milk Program	81,000	81,000	0
13 Dietary Guidelines Training	100,000	100,000	0
14 Cash in Lieu of Commodities	50,500	50,500	0
15 Coordinated School Health	190,000	190,000	0
16 Safe & Drug-free Schools	1,847,157	1,855,700	8,543
17 Community Service	55,000	55,000	0
18 Learn & Serve America	42,908	42,908	0
19 Character Education	<u>225,000</u>	<u>225,000</u>	<u>0</u>
TOTAL GRANTS	20,846,565	20,855,108	8,543
TOTAL FEDERAL FUNDS	21,888,958	21,928,512	39,554
(D) SPECIAL FUNDS			
OPERATING EXPENSES	<u>24,650</u>	<u>24,650</u>	<u>0</u>
TOTAL SPECIAL FUNDS	24,650	24,650	0
(E) INTERDEPT. TRANSFER			
PERSONAL SERVICES	102,031	133,048	31,017
OPERATING EXPENSES	<u>29,528</u>	<u>24,938</u>	<u>(4,590)</u>
TOTAL P/S AND O/E	131,559	157,986	26,427
GRANTS			
20 Driver Education Program	<u>127,483</u>	<u>127,483</u>	<u>0</u>
TOTAL GRANTS	127,483	127,483	0
TOTAL INTERDEPT. TRANSFER	259,042	285,469	26,427
TOTAL ALL SOURCES	23,894,161	23,964,979	70,818

8. School Lunch Program: Funds are used to reimburse school food service programs for meals served in school lunch programs. Nearly nine million lunches were served under this program in FY 06.

9. Child and Adult Care Food Program: These funds are used to reimburse program sponsors for meals served in child care and adult care programs. In addition, centers can receive cash in lieu of commodity foods. Daycare home sponsors receive administrative payments.

10. School Breakfast Program: These funds reimburse school food programs for meals served in school breakfast programs. Nearly three million meals were served at 280 sites in FY 06.

11. Summer Food Service Program: These funds reimburse sponsors for meals served and for administrative costs.

12. Special Milk Program: These funds are used to reimburse providers for milk served at schools or other sites that do not participate in a federal meal program. Thirty-one schools received funding under this program in FY 06.

13. Dietary Guidelines Training: Grants are given for training food service staff, faculty and community members. Funds also support nutrition education as part of a comprehensive school health program.

14. Cash in Lieu of Commodities: Funds allow participating child care centers to choose to receive cash payments instead of U.S. Department of Agriculture food.

15. Coordinated School Health Grant: These funds support programs for HIV/AIDS prevention education, health education, physical activity promotion and nutrition education.

16. Safe and Drug-free Schools and Communities: These funds support school programs that work to prevent alcohol, tobacco and other substance use, and to reduce school violence.

17. Community Service: These grants to schools pilot federally mandated alternatives to suspension and expulsion.

18. Learn and Serve America: This program funds five pilot schools for service learning initiatives in support of *High Schools on the Move* principles. Service learning engages students in community activities where academic skills are used to solve real-life problems.

19. Character Education: Funds support two pilot programs to help schools promote the *School Quality Standards* related to safe, civil, orderly and positive learning environments.

20. 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.

Student Support

The Student Support division helps schools meet the needs of all students by:

- Assisting schools in developing, maintaining and improving Educational Support Systems and Educational Support Teams as required by Vermont Act 117
- Supporting schools in the provision of services to students with disabilities as required by the federal Individuals with Disabilities Education Act, Section 504, and by Vermont Act 117
- Overseeing programs and budget for state-placed students

The Programs

Act 117

Special Education

Act 117

The Act 117 workgroup assists schools throughout the state to build local school capacity to meet the needs of more students outside of special education.

Two primary areas of focus are the Educational Support System and the Educational Support Team. Act 117 team members help school personnel to identify components of Educational Support Systems and assess their effectiveness. They provide technical assistance to help schools develop more comprehensive support systems. In addition, the team assists schools in reviewing and improving Educational Support Team procedures and practices.

All Vermont schools are surveyed annually in order to collect data regarding support systems, teams and students served. This data is analyzed and becomes the basis for an annual Act 117 report.

Special Education

Three workgroups support schools in the provision of services for students with disabilities in accordance with state and federal mandates. Special education consultants provide technical assistance to schools regarding programming for students with disabilities and implementation of legal requirements of special education.

The monitoring workgroup is responsible for monitoring schools to ensure that requirements of state and federal mandates are met. If those requirements are not met, the workgroup assists schools in developing and completing corrective action plans.

The interagency workgroup helps to coordinate services for students who are served by multiple agencies and in collaboration with schools and human services agencies regarding programs and policies for these students.

Student Support Budget Summary

	FISCAL 2006 APPROP ACT	FISCAL YEAR 2007	
		STATE BOARD RECOMMEND	FY2007 TO FY2006
CATEGORY OF EXPENDITURE			
PERSONAL SERVICES	1,261,068	1,734,021	472,953
OPERATING EXPENSES	240,112	229,103	(11,009)
GRANTS	<u>23,344,549</u>	<u>22,544,549</u>	<u>(800,000)</u>
TOTAL ALL CATEGORIES	24,845,729	24,507,673	(338,056)
SOURCE OF FUNDS			
GENERAL FUND (A)	50,949	50,949	0
FEDERAL FUNDS (B)	24,725,698	24,384,888	(340,810)
SPECIAL FUNDS (C)	1,082	1,353	271
INTERDEPT. TRANSFER (D)	<u>68,000</u>	<u>70,483</u>	<u>2,483</u>
TOTAL ALL SOURCES	24,845,729	24,507,673	(338,056)

SOURCE OF FUNDS DETAIL

(A) GENERAL FUND			
GRANTS			
1 Surrogate Parent	36,502	36,502	0
2 Special Olympics	<u>14,447</u>	<u>14,447</u>	<u>0</u>
TOTAL GRANTS	50,949	50,949	0
TOTAL GENERAL FUND	50,949	50,949	0

Grants

1. Surrogate Parent and Homeless Children and Youth Project: Federal law requires the appointment of educational surrogate parents for students whose birth parents are unable to act as educational advocates for them. In some circumstances, advocates are appointed for students who are homeless. This project serves about 900 Vermont students.

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

Student Support Budget Summary

SOURCE OF FUNDS DETAIL CONTINUED

	FISCAL 2006 APPROP ACT	FISCAL YEAR 2007	
		STATE BOARD RECOMMEND	FY2007 TO FY2006
(B) FEDERAL FUNDS			
PERSONAL SERVICES	1,195,493	1,665,379	469,886
OPERATING EXPENSES	<u>236,605</u>	<u>225,909</u>	<u>(10,696)</u>
TOTAL P/S AND O/E	1,432,098	1,891,288	459,190
GRANTS			
3 IDEA-B Flow-Thru	22,100,000	21,300,000	(800,000)
4 Preschool Incentive	668,600	668,600	0
5 State Improvement Grant	<u>525,000</u>	<u>525,000</u>	<u>0</u>
TOTAL GRANTS	23,293,600	22,493,600	(800,000)
TOTAL FEDERAL FUNDS	24,725,698	24,384,888	(340,810)
(C) SPECIAL FUNDS			
OPERATING EXPENSES	<u>1,082</u>	<u>1,353</u>	<u>271</u>
TOTAL SPECIAL FUNDS	1,082	1,353	271
(D) INTERDEPT. TRANSFER			
PERSONAL SERVICES	65,575	68,642	3,067
OPERATING EXPENSES	<u>2,425</u>	<u>1,841</u>	<u>(584)</u>
TOTAL INTERDEPT. TRANSFER	68,000	70,483	2,483
TOTAL ALL SOURCES	24,845,729	24,507,673	(338,056)

Grants

3. IDEA-B Flow-thru: These federal funds flow directly to schools to assist with the costs of special education for children and youth ages 5 to 22.

4. Preschool Incentive: These funds flow directly to schools to assist with special education costs for children ages 3 to 5. Remaining funds support statewide projects, technical assistance, compliance monitoring and training.

5. State Improvement Grant: These federal funds support training and personnel preparation programs to address staff shortages, early intervention, students with intensive needs and secondary transition services.

Special Education Formula

The Special Education Formula is part of the Special Education program administered under the Student Support division. The formula is largely a reimbursement system that distributes funds through the grants listed on the next page. For more information on special education, see page 42.

	FISCAL 2006 APPROP ACT	FISCAL YEAR 2007	
		STATE BOARD RECOMMEND	FY2007 TO FY2006
CATEGORY OF EXPENDITURE			
GRANTS	116,120,000	125,280,000	9,160,000
SOURCE OF FUNDS			
EDUCATION FUND	116,120,000	125,280,000	9,160,000

SOURCE OF FUNDS DETAIL

EDUCATION FUNDS			
GRANTS			
1 Mainstream Block Grant	29,342,541	29,167,052	(175,489)
2 Special Ed. Expend. Reimb.	81,079,005	89,239,703	8,160,698
3 Extraordinary Reimbursement	2,697,323	3,797,686	1,100,363
4 I-Team & Regional Specialist	857,407	878,670	21,263
5 Hearing Impaired	749,593	768,183	18,590
6 Visually Impaired	456,334	467,652	11,318
7 BEST	451,336	462,529	11,193
8 Act 230 Training	332,741	340,993	8,252
9 Higher Education Participation	153,720	157,532	3,812
TOTAL GRANTS	116,120,000	125,280,000	9,160,000
TOTAL EDUCATION FUNDS	116,120,000	125,280,000	9,160,000

Grants

1. Mainstream Block Grant: These funds provide a block grant for each town 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 grant reimburses expenses based on a fixed rate for eligible special education costs not covered by another part of the formula or by federal or other state funds.

3. Extraordinary Reimbursement: Funds provide 90 percent reimbursement for high-cost services in excess of \$50,000 for individualized education programs (IEPs).

4. Interdisciplinary Team and Regional Multi-disability Specialist: This grant supports services and consultation for children who have multiple disabilities and serious emotional disturbances.

5. Hearing Impaired: Funds support services for students with hearing impairments, including salaries for six regional specialists who consult with schools on accommodating children with severe hearing impairments.

6. Visually Impaired: These funds enable the Vermont Association for the Blind and Visually Impaired to employ itinerant teachers to consult with schools, provide direct instruction in Braille, assist with selection of low-vision aids and provide mobility training.

7. Building Effective Supports for Teaching (BEST): These funds assist schools in developing and implementing school-based plans to improve their ability to effectively respond to challenging student behaviors. They support training opportunities, technical assistance and regional service partnerships to meet the needs of students who have emotional and behavioral problems.

8. Act 230 Training Grants: Funds are granted to supervisory unions/districts for administrator and staff training to better meet student needs and to enhance education support systems.

9. Higher Education Participation: These funds support tuition reimbursement and stipends for special education teacher training.

Lifelong Learning

The Lifelong Learning division supports schools and learners from early education through adult education.

Early Education

The Early Education team includes Essential Early Education, the Early Education Initiative and other initiatives that prepare and support children for success in pre-school, kindergarten and beyond. This team coordinates with numerous state and community programs to avoid duplication and to make the best use of resources.

Elementary & Middle Grades

The department provides support to elementary and middle schools, educators and learners through technical assistance and professional development initiatives to promote best practice and collaboration at the local level.

Secondary Education

High schools and technical centers work collaboratively in an integrated secondary system to provide optimal learning opportunities for all students.

Department resources have been allocated to support the *High Schools on the Move* initiative involving high schools and technical centers across the state. This initiative supports field-based research (secondary school visits), policy development, best practices and local and state initiatives that enable high schools to adopt and implement recommendations outlined in the *High Schools on the Move: Renewing Vermont's Commitment to Quality Secondary Education* guidebook.

Through the Career and Technical Education program, the department provides leadership, grants administration, regulation and technical assistance to secondary and post-secondary schools to assist students in acquiring the academic, workplace and occupational skills necessary to pursue careers and post-secondary opportunities.

Adult Education and Literacy

The Adult Education and Literacy (AEL) program provides educational opportunities for thousands of adults who did not obtain the essential knowledge and skills equivalent to high school completion. AEL supports the State Board's goals of strengthening workforce preparation and enabling parents to support their child's success in school.

The Programs

Early Education

Elementary and Middle Grades

Secondary Education

Adult Education and Literacy

Lifelong Learning Budget Summary

	FISCAL 2006 APPROP ACT	FISCAL YEAR 2007	
		STATE BOARD RECOMMEND	FY2007 TO FY2006
CATEGORY OF EXPENDITURE			
PERSONAL SERVICES	1,787,598	1,609,714	(177,884)
OPERATING EXPENSES	321,603	306,732	(14,871)
GRANTS	<u>6,723,739</u>	<u>6,327,879</u>	<u>(395,860)</u>
TOTAL ALL CATEGORIES	8,832,940	8,244,325	(588,615)
SOURCE OF FUNDS			
GENERAL FUND (A)	2,875,765	2,807,526	(68,239)
FEDERAL FUNDS (B)	5,887,908	5,363,607	(524,301)
SPECIAL FUNDS (C)	43,665	41,249	(2,416)
INTERDEPT. TRANSFER (D)	<u>25,602</u>	<u>31,943</u>	<u>6,341</u>
TOTAL ALL SOURCES	8,832,940	8,244,325	(588,615)

Lifelong Learning Budget Summary

SOURCE OF FUNDS DETAIL

	FISCAL 2006 APPROP ACT	FISCAL YEAR 2007	
		STATE BOARD RECOMMEND	FY2007 TO FY2006
(A) GENERAL FUND			
PERSONAL SERVICES	894,912	944,819	49,907
OPERATING EXPENSES	<u>128,999</u>	<u>115,713</u>	<u>(13,286)</u>
TOTAL P/S AND O/E	1,023,911	1,060,532	36,621
GRANTS			
1 Adult Coordinator	221,480	221,480	0
2 Technical Education Adult	79,380	79,380	0
3 Youth Leadership	4,418	4,418	0
4 Statewide Infants & Toddlers	139,507	139,507	0
5 Early Reading	104,860	0	(104,860)
6 Early Education Initiative	<u>1,302,209</u>	<u>1,302,209</u>	<u>0</u>
TOTAL GRANTS	1,851,854	1,746,994	(104,860)
TOTAL GENERAL FUND	2,875,765	2,807,526	(68,239)

Note: Technical Education Grants from the Education Fund are now in a separate section. See page 60.

Grants

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

2. Technical Education Adult: These grants are awarded to 15 regional technical centers to support educational services for adults. Grants provide the resources necessary to address the training needs of students and businesses in the region.

3. Youth Leadership: These funds support coordination of statewide student leadership organizations to support youth leadership development activities.

4. Statewide Infants and Toddlers: These funds support services for children with disabilities and their families, from the child's birth to age three. The program is administered jointly with the Agency of Human Services.

5. 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, development and distribution of reading materials for parents, and assistance to strengthen instruction and curricula for pre-school and pre-service teachers. These funds are now administered by the Independent and Federal Programs Division.

6. Early Education Initiative (EEI): These funds support grants to organizations and schools to provide early childhood education services to at-risk preschoolers.

Lifelong Learning Budget Summary

SOURCE OF FUNDS DETAIL CONTINUED

	FISCAL 2006 APPROP ACT	FISCAL YEAR 2007	
		STATE BOARD RECOMMEND	FY2007 TO FY2006
(B) FEDERAL FUNDS			
PERSONAL SERVICES	839,419	614,898	(224,521)
OPERATING EXPENSES	<u>192,604</u>	<u>182,824</u>	<u>(9,780)</u>
TOTAL P/S AND O/E	1,032,023	797,722	(234,301)
GRANTS			
7 Carl Perkins Secondary	3,100,000	3,100,000	0
8 Carl Perkins Post-secondary	900,000	900,000	0
9 Carl Perkins Tech. Prep.	400,000	360,000	(40,000)
10 Carl Perkins State Leadership	70,000	70,000	0
11 Carl Perkins Corrections	47,149	47,149	0
12 Advanced Placement Incentive	250,000	0	(250,000)
13 Preschool Incentive - Discr	<u>88,736</u>	<u>88,736</u>	<u>0</u>
TOTAL GRANTS	4,855,885	4,565,885	(290,000)
TOTAL FEDERAL FUNDS	5,887,908	5,363,607	(524,301)
(C) SPECIAL FUNDS			
PERSONAL SERVICES	27,665	18,054	(9,611)
OPERATING EXPENSES	<u>0</u>	<u>8,195</u>	<u>8,195</u>
TOTAL P/S AND O/E	27,665	26,249	(1,416)
GRANTS			
14 National Science Foundation	<u>16,000</u>	<u>15,000</u>	<u>(1,000)</u>
TOTAL GRANTS	16,000	15,000	(1,000)
TOTAL SPECIAL FUNDS	43,665	41,249	(2,416)
(D) INTERDEPT. TRANSFER			
PERSONAL SERVICES	25,602	31,943	6,341
OPERATING EXPENSES	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL P/S AND O/E	25,602	31,943	6,341
TOTAL INTERDEPT. TRANSFER	25,602	31,943	6,341
TOTAL ALL SOURCES	8,832,940	8,244,325	(588,615)

Grants

7. Carl Perkins Secondary: These federal funds are awarded as formula grants to regional technical centers for program improvement.

8. Carl Perkins Post-secondary: These federal funds are awarded as formula grants to post-secondary technical education providers for program improvement.

9. Carl Perkins Technical Preparation: These federal funds are awarded as grants to technical education providers to develop programs that link secondary and post-secondary curricula.

10. Carl Perkins State Leadership: Grants are awarded to technical education providers to assist in developing high standards and high-quality curricula.

11. Carl Perkins Corrections: This federal grant supports career education for inmates at correctional facilities.

12. Advanced Placement Incentive Program: This grant supports educator and counselor training to expand schools' capacity to offer Advanced Placement (AP) courses. Funding has ended.

13. Preschool Incentive - Discretionary: Funds support statewide projects, technical assistance, compliance monitoring and training regarding special education costs for children ages 3 to 5.

14. National Science Foundation (NSF): These funds support the development of secondary and post-secondary technical education programming that incorporates high levels of skills in science and math, and uses innovative approaches to engage students.

Adult Education & Literacy

This appropriation supports the Adult Education and Literacy (AEL) program administered as part of the Lifelong Learning division. Use of funds is coordinated with the Department of Labor and are distributed by county through a needs-based formula.

	FISCAL 2006 APPROP ACT	FISCAL YEAR 2007	
		STATE BOARD RECOMMEND	FY2007 TO FY2006
CATEGORY OF EXPENDITURE			
GRANTS	3,951,017	3,701,017	(250,000)
SOURCE OF FUNDS			
GENERAL FUND (A)	2,717,398	2,717,398	0
FEDERAL FUNDS (B)	983,619	983,619	0
EDUCATION FUND (C)	250,000	0	(250,000)
TOTAL ALL SOURCES	3,951,017	3,701,017	(250,000)

SOURCE OF FUNDS DETAIL

(A) GENERAL FUND			
GRANT (ONLY CATEGORY)	2,717,398	2,717,398	0
TOTAL GENERAL FUND	2,717,398	2,717,398	0
(B) FEDERAL FUNDS			
GRANT (ONLY CATEGORY)	983,619	983,619	0
TOTAL FEDERAL FUNDS	983,619	983,619	0
(C) EDUCATION FUND			
GRANT (ONLY CATEGORY)	250,000	0	(250,000)
TOTAL EDUCATION FUND	250,000	0	(250,000)
TOTAL ALL SOURCES	3,951,017	3,701,017	(250,000)

Note: Funding for EDUCATION FUND (C) as required under 16 V.S.A. § 4011(f)(2) is pending legislative action this session.

Education Grant

	FISCAL 2006 APPROP ACT	FISCAL YEAR 2007	
		STATE BOARD RECOMMEND	FY2007 TO FY2006
CATEGORY OF EXPENDITURE			
GRANTS (ONLY CATEGORY)	966,000,000	1,018,388,625	52,388,625
SOURCE OF FUNDS			
EDUCATION FUND	966,000,000	1,018,388,625	52,388,625

SOURCE OF FUNDS DETAIL

EDUCATION FUND			
GRANTS			
1 Education Spending Grant	965,013,185	1,016,797,312	51,784,127
2 Adult Diploma Program	774,413	800,000	25,587
3 VT Academy of Science	212,402	191,313	(21,089)
4 ADM Adjustments	0	150,000	150,000
5 Tech FTEs Not Enrolled	0	450,000	450,000
TOTAL EDUCATION FUND	966,000,000	1,018,388,625	52,388,625

Grants

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. The actual amount will be determined once all school budgets have been adopted.

2. Adult Diploma Program: This program allows adults without high school diplomas to substitute work and other experience for credit towards earning their diplomas. According to 16 V.S.A. §4011(f), the department is required to pay an amount equal to 0.26 times the Education Spending Grant for each student who completed the program's diagnostic component portion in the previous year.

3. Vermont Academy of Science and Technology (VAST): State funding for this program is required under 16 V.S.A. §4011(e), which directs the department to pay an amount equal to .87 times the Education Spending Grant for each Vermont resident enrolled in the program. VAST operates an approved independent twelfth-grade program housed at Vermont Technical College.

4. Average Daily Membership Adjustments (ADM): This adjustment is used to reconcile the amount of taxes raised based on equalized pupils when a district has miscounted its ADM prior to January 15, as allowed by 16 V.S.A. § 4030(d). This is the first year these funds have been budgeted. They previously occurred as part of the budget.

5. Tech Full Time Equivalents (FTEs) 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. This is the first year these funds have been budgeted. They previously occurred as part of the budget.

State-placed Students

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 parents' district(s) of residence. This program is administered through the Student Support division.

	FISCAL 2006 APPROP ACT	FISCAL YEAR 2007	
		STATE BOARD RECOMMEND	FY2007 TO FY2006
CATEGORY OF EXPENDITURE			
GRANTS	12,500,000	14,416,000	1,916,000
SOURCE OF FUNDS			
EDUCATION FUND	12,500,000	14,416,000	1,916,000

SOURCE OF FUNDS DETAIL

EDUCATION FUND			
GRANTS			
1 LEA Reimbursement	6,728,021	8,056,000	1,327,979
2 Indiv. Residential Placement	5,080,705	5,830,000	749,295
3 Special Services	450,988	212,000	(238,988)
4 Regular Education Tuition	<u>240,286</u>	<u>318,000</u>	<u>77,714</u>
TOTAL GRANTS	12,500,000	14,416,000	1,916,000
TOTAL EDUCATION FUNDS	12,500,000	14,416,000	1,916,000

Grants

1. LEA (Licensed Education Agency)

Reimbursement: These funds are used to reimburse school districts for special education costs beyond mainstream services 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 day 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 towns that do not operate their own schools for tuitioning students to other school districts.

Essential Early Education

Federal regulations require school districts to provide special education services to eligible children ages 3 to 5. Essential Early Education (EEE) serves children ages 3 to 5 who are at risk for early school failure and children birth to age 2 who have disabilities. This program is administered through the Lifelong Learning Division.

	FISCAL 2006 APPROP ACT	FISCAL YEAR 2007	
		STATE BOARD RECOMMEND	FY2007 TO FY2006
CATEGORY OF EXPENDITURE			
GRANTS (ONLY CATEGORY)	4,379,337	4,838,045	458,708
SOURCE OF FUNDS			
EDUCATION FUND	4,379,337	4,838,045	458,708

Small School Support Grants

Under 16 V.S.A. §4015, these funds provide formula grants to 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 2006 APPROP ACT	FISCAL YEAR 2007	
		STATE BOARD RECOMMEND	FY2007 TO FY2006
CATEGORY OF EXPENDITURE			
GRANTS (ONLY CATEGORY)	5,250,000	5,360,000	110,000
SOURCE OF FUNDS			
EDUCATION FUND	5,250,000	5,360,000	110,000

Capital Debt Service Aid

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

	FISCAL 2006 APPROP ACT	FISCAL YEAR 2007	
		STATE BOARD RECOMMEND	FY2007 TO FY2006
CATEGORY OF EXPENDITURE			
GRANTS (ONLY CATEGORY)	450,355	380,000	(70,355)
SOURCE OF FUNDS			
EDUCATION FUND	450,355	380,000	(70,355)

Transportation

Administered through the School Finance Team, these funds are used to reimburse about 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.

	FISCAL 2006 APPROP ACT	FISCAL YEAR 2007	
		STATE BOARD RECOMMEND	FY2007 TO FY2006
CATEGORY OF EXPENDITURE			
GRANTS (ONLY CATEGORY)	13,496,399	13,978,220	481,821
SOURCE OF FUNDS			
EDUCATION FUND	13,496,399	13,978,220	481,821

Act 117 Cost Containment

Passed by the Legislature in 2000, Act 117 is 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. Act 117 programs are administered by the department through the Student Support division.

	FISCAL 2006 APPROP ACT	FISCAL YEAR 2007	
		STATE BOARD RECOMMEND	FY2005 TO FY2006
CATEGORY OF EXPENDITURE			
PERSONAL SERVICES	969,605	1,013,923	44,318
OPERATING EXPENSES	104,571	117,081	12,510
GRANTS	<u>65,000</u>	<u>96,000</u>	<u>31,000</u>
TOTAL ALL CATEGORIES	1,139,176	1,227,004	87,828
SOURCE OF FUNDS			
INTERDEPT. TRANSFER	1,139,176	1,227,004	87,828

Tobacco Litigation Fund

These funds support grants to schools for tobacco prevention activities and for department personnel and operating costs. Nearly 60 local supervisory unions/districts receive up to \$30,000 annually (\$6 per pupil) to implement proven tobacco prevention initiatives. Using strategies such as district-level coordination, effective curricula, improved policies, youth cessation programs and parent and community education, Vermont schools have shown a significant decline in eighth-grade tobacco use over the last five years. The Safe and Healthy Schools division administers these funds.

	FISCAL 2006 APPROP ACT	FISCAL YEAR 2007	
		STATE BOARD RECOMMEND	FY2007 TO FY2006
CATEGORY OF EXPENDITURE			
PERSONAL SERVICES	116,151	130,133	13,982
OPERATING EXPENSES	25,073	17,752	(7,321)
GRANTS	<u>842,783</u>	<u>842,783</u>	<u>0</u>
TOTAL ALL CATEGORIES	984,007	990,668	6,661
SOURCE OF FUNDS			
TOBACCO FUND	984,007	990,668	6,661

Technical Education

These grants were formerly part of the Lifelong Learning Division budget. They are now shown separately to be grouped with other Education Fund programs.

	FISCAL 2006 APPROP ACT	FISCAL YEAR 2007	
		STATE BOARD RECOMMEND	FY2007 TO FY2006
CATEGORY OF EXPENDITURE			
GRANTS	9,836,396	10,598,329	761,933
SOURCE OF FUNDS			
EDUCATION FUND	9,836,396	10,598,329	761,933

SOURCE OF FUNDS DETAIL

(B) EDUCATION FUND			
GRANTS			
1 Tech. Ed. Tuition Reduction	6,859,735	7,318,902	459,167
2 Tech. Ed. Salary Assistance	1,487,135	1,769,709	282,574
3 Tech. Ed. Transportation	1,092,000	1,098,000	6,000
4 Technology Education	38,218	0	(38,218)
5 Industry Standards & Assessment	37,067	0	(37,067)
6 Youth Leadership	22,241	23,035	794
7 Secondary School Reform	0	77,973	77,973
8 Innovative Program Development	<u>300,000</u>	<u>310,710</u>	<u>10,710</u>
TOTAL GRANTS	9,836,396	10,598,329	761,933
TOTAL EDUCATION FUND	9,836,396	10,598,329	761,933

1. 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. 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, cooperative education and student apprenticeships.

3. Technical Education Transportation: These funds reimburse costs of transporting students to technical centers. The adjusted reimbursement rate is \$1.82 per mile.

4. Technology Education: Funds support technology education and family and consumer sciences instruction in middle and high schools through curriculum development, professional development and support of professional organizations. These funds are now included in Secondary School Reform.

5. Industry Standards and Assessment: Funds support the development and integration of industry-supported standards, reliable assessments, portable credentials and the integration of high academic skills into technical education programs. These funds are now included in Secondary School Reform.

6. Youth Leadership: These funds support six student leadership organizations that promote participation in regional, state and national skills competitions and youth leadership development activities. Approximately 1,800 students participate in youth leadership programs supported by these funds and the Education Fund Youth Leadership Grant.

7. Secondary School Reform: These funds support school reform initiatives at the secondary level related to the *High Schools on the Move* principles. Initiatives include but are not limited to the areas of rigor, relevance and relationships, transitions, school completion, curriculum development, professional development, the development and integration of industry-supported standards, reliable assessments, portable credentials and the integration of high academic skills into technical education programs.

8. Innovative Program Development: Every new career and technical program must include industry and/or post-secondary program accreditation, instruction leading to industry credentials and articulation to post-secondary programs. These funds help cover start-up costs for new programs that prepare emerging skilled students for high-wage employment.