

Vermont Education Fund Budget Presentation



February 12, 2019
House Appropriations Committee

Agenda

- Summary of AOE General Fund Budget Changes
- The Work of the Agency
 - Policy Initiatives
- Agency Budget Highlights
 - Funding for the Agency Operating Appropriations
- Education Fund
 - What do we buy with our Education Fund Dollars?
 - Budget book introduction and walk through appropriations

AOE Summary of General Fund Budget Changes

FY 2020 GF Increase	601,820
173 Changes	325,000
Pay Act	119,606
Internal Service Funds	34,671
ADS Increases	87,753
Net Increases	567,030
Agency Reorganization	136,670
Vacancy Savings	(74,345)
Other Operating Savings	(27,535)
Total	601,820

The Work of the Agency

Current Education Policy Context

- **Act 77** – personalized learning
- **Education Quality Reviews** – school accountability
- **Act 166** – a re-design of Vermont’s early learning and care system;
- **Act 173** – special education finance and delivery
- **Statewide Systems** - State Longitudinal Data System (SLDS), Uniform Chart of Accounts, and a statewide school accounting system
- **Act 46** - governance

Agency Capacity

- Staffing and Organizational Structure
 - Creation of the Data Management Team
- Does the Agency need more resources?
 - Resources Organizational changes included in the budget
- Future resources needs in the area of Data and Finance
 - Examples:
 - School Construction
 - H.3

Greater Policy Coherence

- For new policy initiatives:
 - 1) To what extent does the new initial complement or interfere with current initiatives?
 - 2) To what extent can the project be managed within the Agency's organization structure?
- Focus and Time

Agency of Education Budget Highlights



Agency of Education – Operating Budget

- Two appropriations support the operations of the AOE - \$163.5M
 - B.500 – Finance and Administration
 - Secretary’s Office; Legal; Finance
 - B.501 – Education Services
 - Federal Education and Support Program
 - Student Support Services
 - Data Management
 - Education Quality
 - Student Pathways

FY 2020 Funding for the Agency of Education, including Grants

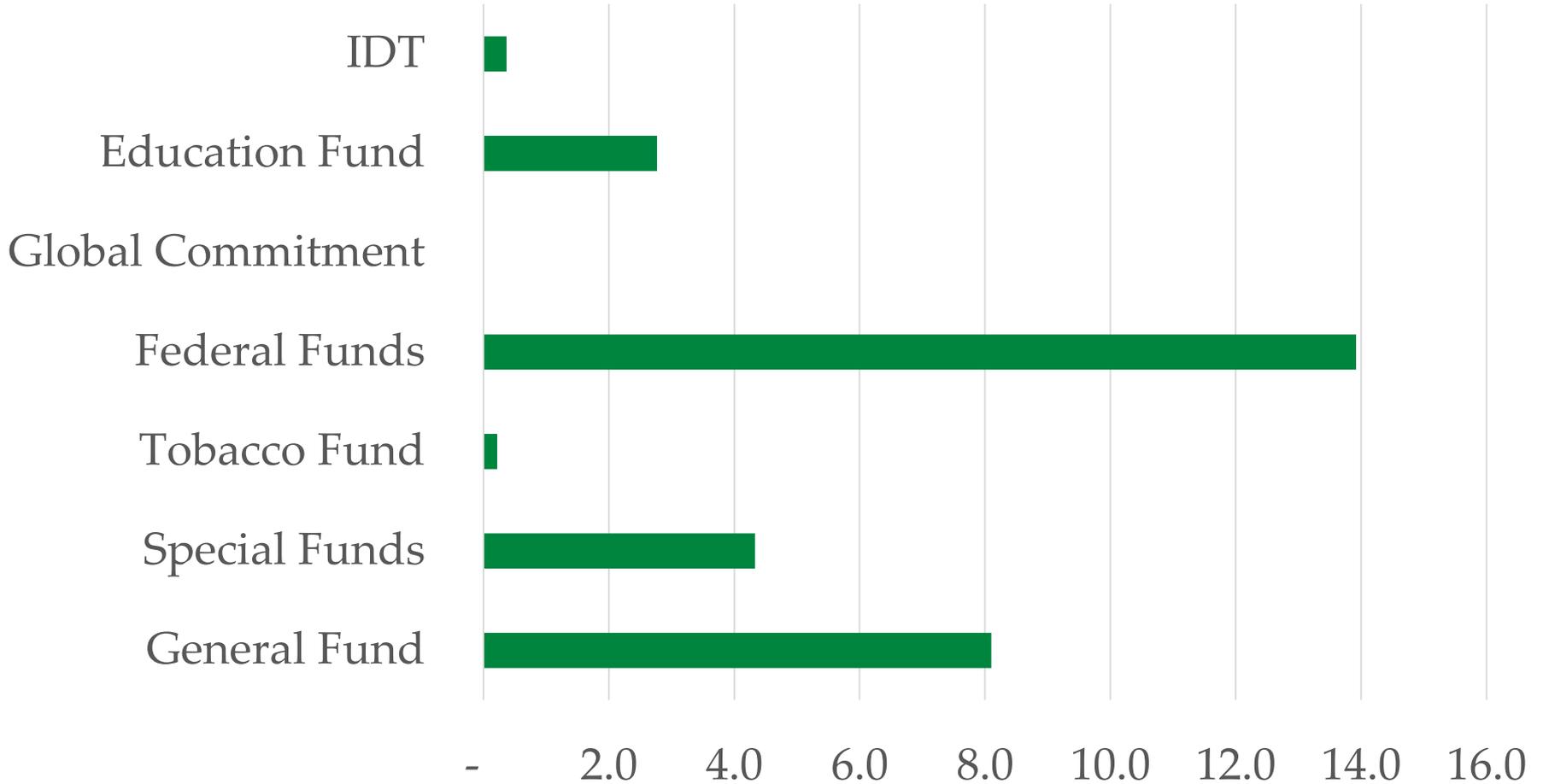
- General Fund
- Special Funds
- Tobacco Fund
- Federal Funds
- GC
- Education Fund
- IDT



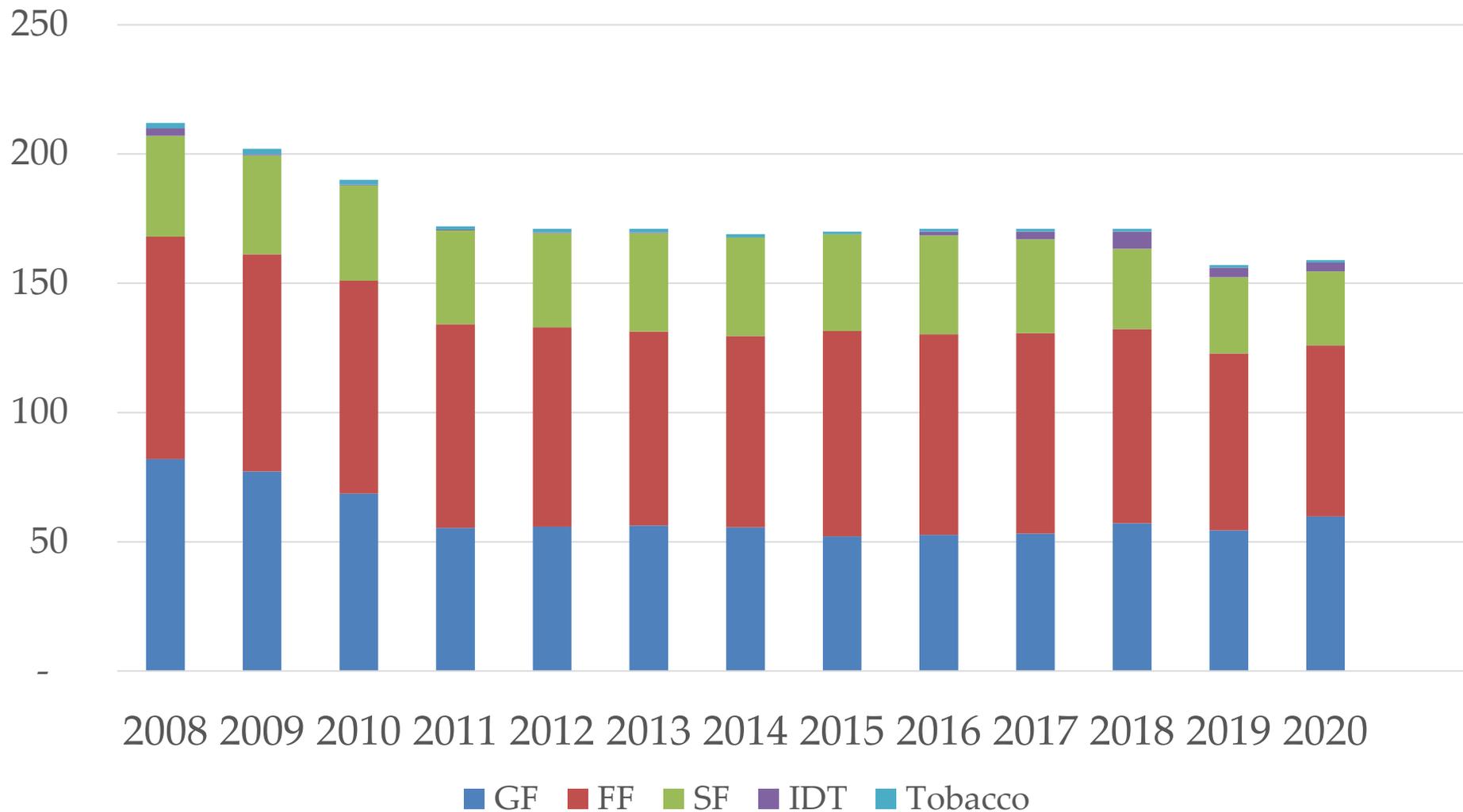
AOE Operating Budget – Grants

(Dollars in Millions)	Including Grants		Without Grants		Difference
General Fund	10.0	6.1%	8.1	27.3%	1.9
Special Funds	18.6	11.4%	4.3	14.6%	14.3
Tobacco Fund	0.8	0.5%	0.2	0.7%	0.5
Federal Funds	130.7	80.0%	13.9	46.9%	116.8
GC	0.3	0.2%	-	0.0%	0.3
Education Fund	2.8	1.7%	2.8	9.3%	-
IDT	0.4	0.2%	0.4	1.2%	-
Total	163.5		29.7		133.8

FY 2020 Agency Operations by Fund - Not including Grants



Positions by Funding Source at the AOE 2008-20 budget request

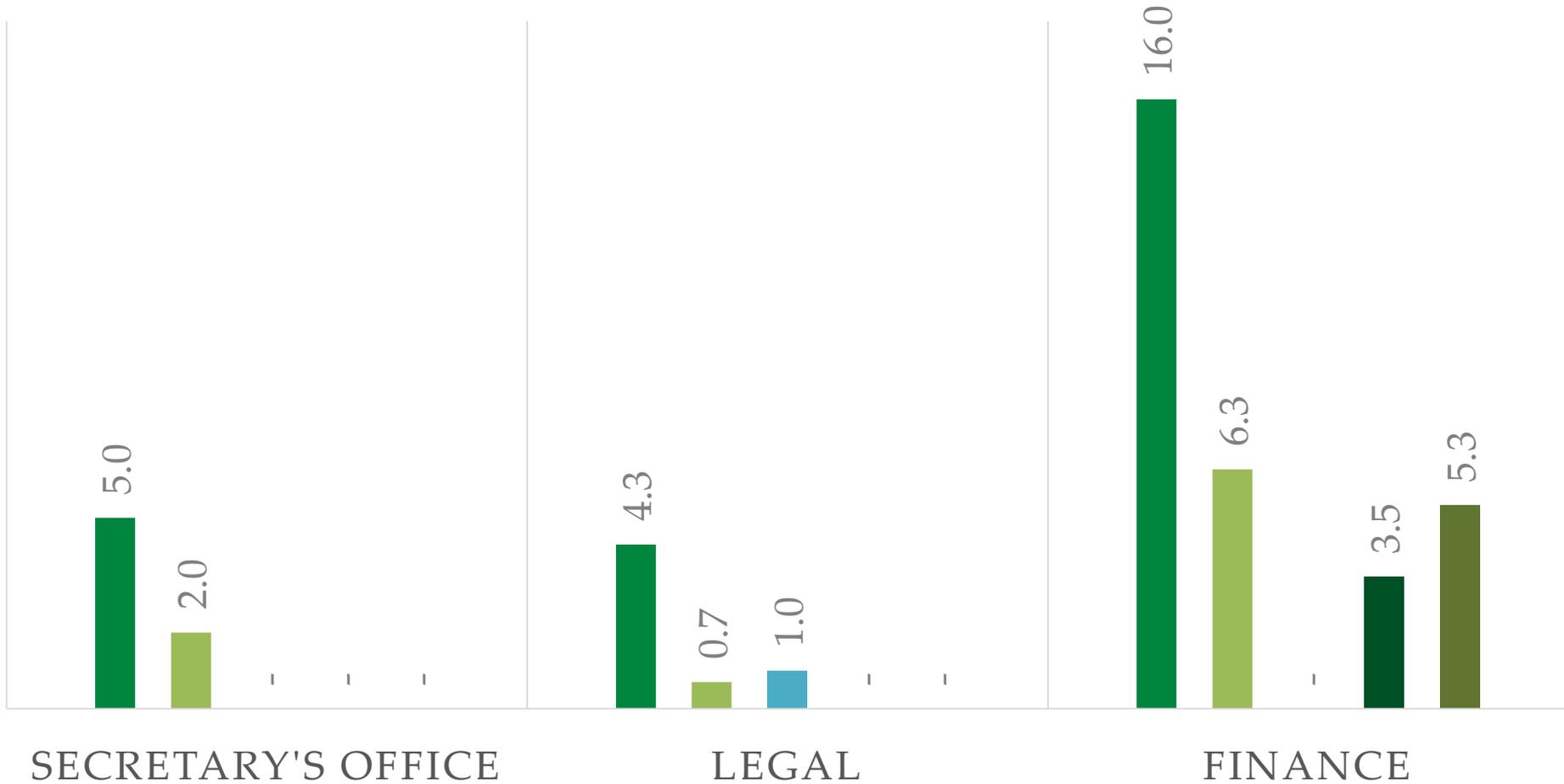


B. 500 – Finance and Administration

- Total FY 2020 Budget Request - \$24.56M
 - Increases associated with Pay Act and Internal Service Funds
 - Position and Operating changes due to Agency Reorganization
 - Ongoing Appropriation for SLDS and SSDDMS
 - Termination of Federal Funds
 - Shifting State board to its own appropriation
 - Adding Act 173 positions to the Base Budget

FY 2020 FUNDING BY DIVISION: B. 500 FINANCE AND ADMINISTRATION

■ GF ■ Fed ■ Licensing ■ InterUnit ■ Medicaid



On-going funding for SLDS and SSDDMS

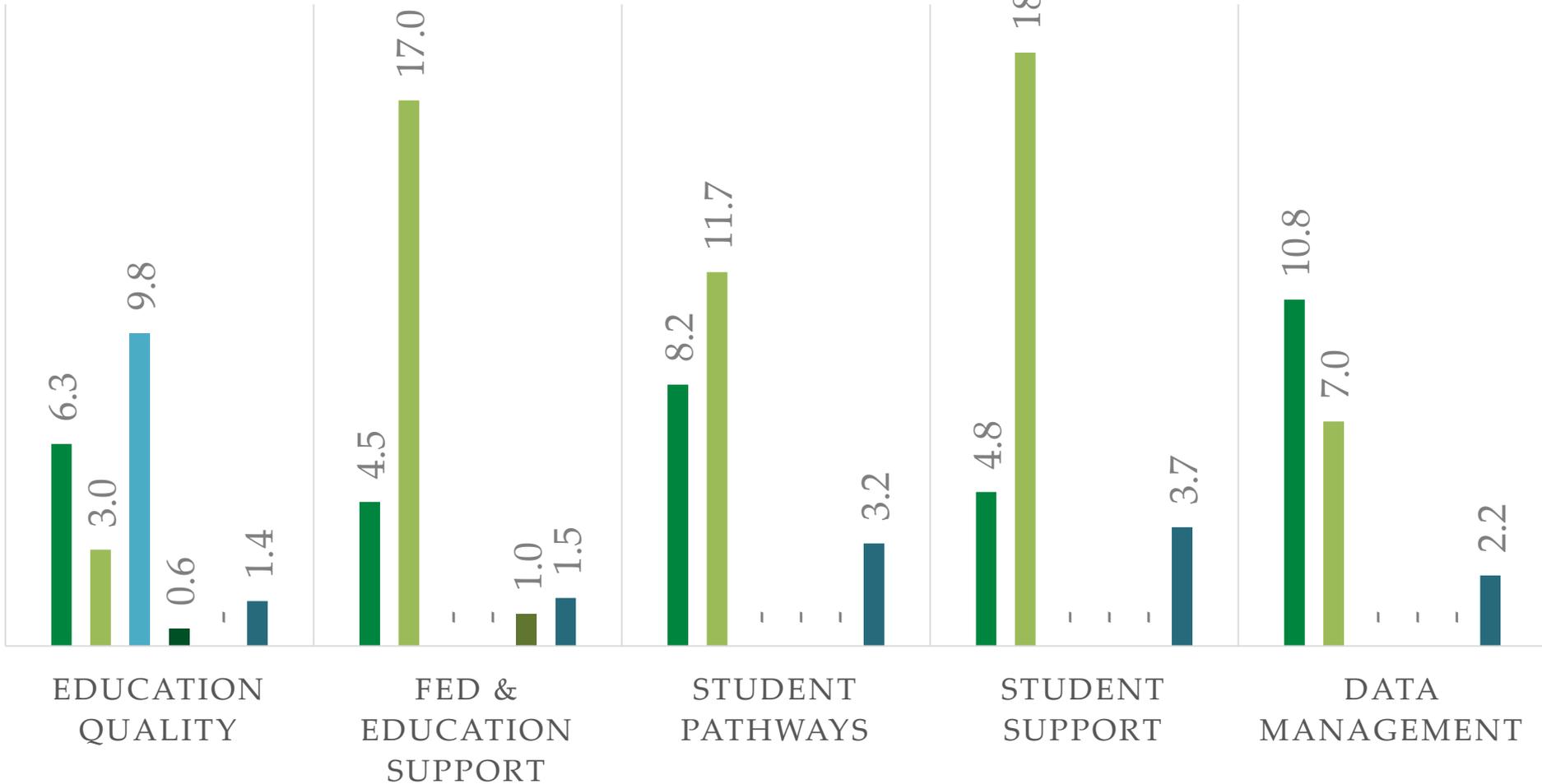
- The Education fund does not support operations of the AOE
- The Appropriation in B.500 from the education fund supports:
 - The Audit of the Education Fund
 - The funds share of VISION costs
- In FY 2020 the AOE is proposing to use the Education fund to pay for the ongoing costs of the SLDS and SSDDMS

B. 501 – Education Services

- Total FY 2020 Budget Request - \$138.9M
 - Increases associated with Pay Act and Internal Service Funds
 - Position and Operating changes due to Agency Reorganization
 - Termination of Federal Funds
 - Adding Act 173 positions to the Base Budget

FY 2020 FUNDING BY DIVISION: B. 501 EDUCATION SERVICES

■ GF
 ■ Fed
 ■ Licensing
 ■ ROPA
 ■ Tobacco
 ■ Medicaid



Summary Education Services Divisions

Division	FTE	Operating	Grants
Student Support Services	27	4.94	25.02
Federal Education & Support Programs	24	4.54	80.87
Education Quality	21	2.43	2.30
Student Pathways	23	3.16	11.08
Data Mgmt. & Analysis	20	4.60	-

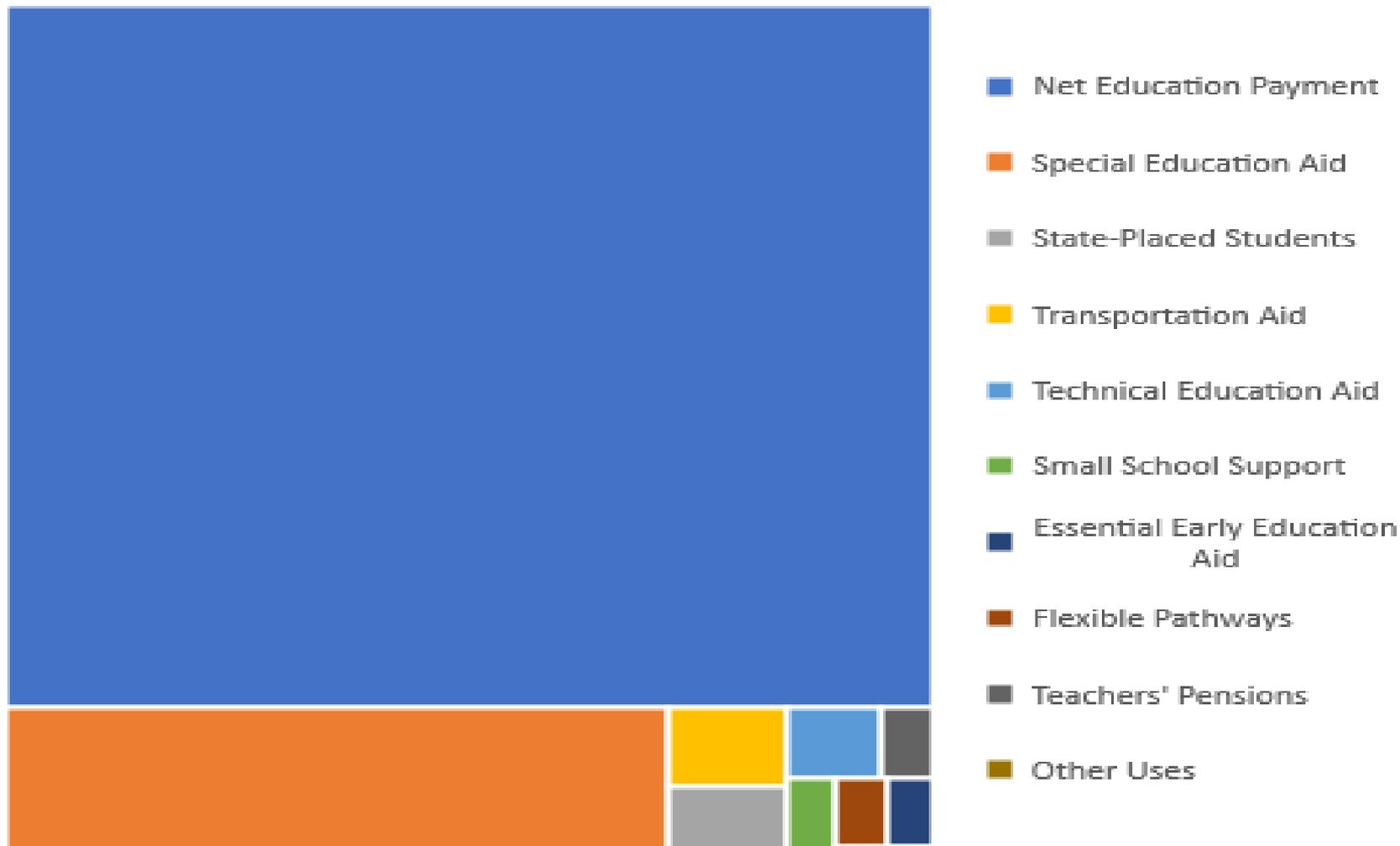
Education Fund



Challenge with Education Funding

- The Education pressure:
 - We have fewer students,
 - In the same number of schools (public and independent)
 - With proportionally more overhead to support education on a per pupil basis.

FY 2019 Education Fund Appropriations by ADM



Change in Education Fund Spending

	Education Expenses (millions)	Percent Change
FY 2016 Actuals	1,553	
FY 2017 Actuals	1,578	1.61%
FY 2018 Actuals	1,635	3.61%
FY 2019 Projection	1,651	0.98%
FY 2020 Projection	1,708	3.45%

Education Fund Appropriation Changes

Base Budget Pressures	FY 2019	FY 2020	Delta
Special Education	198.5	213.0	14.5
State Placed Students	15.7	16.5	0.8
Flexible Pathways	7.3	8.6	1.2
Education Grant	1,371.1	1,421.7	50.7
Transportation Grants	19.2	19.8	0.6
Small Schools Grants	7.6	8.2	0.6
Essential Early Education Grant	6.6	6.8	0.2
Technical Education	13.9	14.2	0.2

Budget Book

- Review
 - Carryforward
 - Reversions
- Education Fund Appropriations
 - B.502 through B.511