



# Education Finance Subcommittee - Commission on the Future of Public Education in Vermont

September 30, 2024, 9:30 a.m. – 1:00 p.m.

## Microsoft Teams Virtual Meeting

Call In: 1-802-828-7667

Conference ID: 878 397 138#

1 National Life Drive, Davis 513

Montpelier, VT 05620-2501

## DRAFT MEETING MINUTES

**Subcommittee Members:** Representative Emilie Kornheiser, Chair; Nicole Mace; Commissioner Craig Bolio; Michael Leichter; Senator Ann Cummings; Elizabeth Jennings; Zoie Saunders, Megan Roy (Commission Chair)

**AOE:** Ted Gates, Sean Cousino, Nicole Lee, Suzanne Sprague, Roseanne Neddo, Maureen Gaidys.

**Others:** Jeanne Albert, Austin Davis, Bill Edgerton, Bridget Burkhardt, Chelsea Myers, Chester Telegraph, Craig Miskovich, David S., Doug Bishop, Elaine Bellavance, Elizabeth St. James, Erica Prudente, Evan Karl Hoffman, Emma Fedorchuk, Jay Nichols, Jeanne Jenson, John Clifford, Julia Richter, Katrina Menard, Leanne-Poker Hill School, Meagan K, Mill Moore, Representative Lanpher, Steve Rosenberg, Jake Feldman, Lisa Estler, Meg Fuerst-Action Circles, Ashely Moore, Clare Buckley, Meghan Metzler, Mill Moore, Heather Bushey, Sue Ceglowski.

### Call to Order, Roll Call, Amendments to the Agenda

Chair Kornheiser called the meeting to order a 9:34 a.m. and reviewed the agenda and goals for the meeting, to accomplish some level setting and to get clear on spending and revenue, how that has changed over time, and then spend some time talking about what is possible. She said public comment would happen at the end of the meeting. Interim Secretary Saunders said she had to leave for part of the meeting starting at about 10:15 a.m. She shared her goals for getting concrete around specific questions that need to be answered so that the AOE can prepare an analysis that is targeted at helping to inform decision making.

### Approval of Meeting Minutes from September 4, 2024

Chair Kornheiser asked for a motion to approve the [meeting minutes from September 4, 2024](#). Leichter moved; Cummings seconded. There was no discussion. Chair Kornheiser called the vote. The minutes were approved.

## **Data Review**

Kornheiser welcomed Nicole Lee, AOE Education Finance Manager, and Sean Cousino, AOE Interim Chief Financial Officer, who shared their [Data Presentation](#).

There was discussion on using Long Term Average Daily Membership (ADM) as the most effective way to understand spending patterns and that weighted pupils should be saved for tax rate discussions, understanding demographics, using weights to help understand equity, value added in scrubbing data for a longer period, maximizing the use of the AOE's time, assumption that long-term trends are being written off due to COVID, using macro trends across a broader period of time, enrollment decline was prior to pandemic, distinguishing revenue sources between education spending and statewide spending, and cost shifting.

Lee and Cousino continued explaining the [Growth and Percent Change FY2020-2023 in Major Function and Object Codes](#).

There was discussion on pulling out Education Fund and looking at the entirety of education spending, needing clarification around the 2000 series (support services), personnel that is a purchased service vs. employed bargaining unit professional, having a pie chart for visualization of data, contextualizing some spending trends, regional data, and impact of staffing vacancies.

Chair Kornheiser asked members to spend 5 minutes taking notes/reflecting on what was heard so far. Chair Kornheiser recessed for a 10-minute break at 10:47 a.m. and reconvened at 11:00 a.m.

Jake Feldman, Senior Fiscal Analyst, Tax Department, shared his presentation, "[Profile of Education Fund Revenues Sources](#)."

There was discussion on considering uses and cost shifts, changes in teachers' retirement, mapping out revenue available, what districts are spending and how that has changed, how spending and revenue connect, Tax Increment Financing (TIF) and current use data, interest in a broader sweep of Education Fund expenditures, and the Common Level Appraisal (CLA).

## **History of Education Finance Reform**

Chair Kornheiser said she had hoped to review the policy history of education finance, but that it will be discussed at the next meeting as well as a discussion on school lunches, Act 173 and special education. There was discussion on needing a base understanding of CLA and needing a targeted conversation for FY26 to have something to present to the full commission on October 21, 2024.

## **Discussion and Brainstorm**

Chair Kornheiser asked subcommittee members to brainstorm brilliant ideas using the Jamboard. These ideas would then be sorted into shorter- and longer-term ideas, from which a work plan would be built allowing the subcommittee to dive deeper into this work.

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The group brainstormed for 10 minutes on Policy Ideas to Control Cost Drivers, Policy Ideas to Reduce Property Tax Rates, Policy Ideas to Reduce District Spending, Data Desires and Ideas to Increase Equity.

The subcommittee produced a [Jamboard of their brainstorm](#).

Chair Kornheiser said the next steps are to organize this brainstorm and use it to draft a work plan and agenda for the next meeting. Mace volunteered to assist Kornheiser and expressed interest on what can be accomplished and the state's obligation to equity. Chair Kornheiser reminded the group that the next meeting will be in-person at the Agency of Education on October 14, 2024, at 9:30 a.m.

### **Public to be Heard**

Chair Kornheiser asked members of the public to keep their comments to three minutes. She offered that there will be a larger meeting with a longer public participation segment and there will also be additional feedback from the field.

Sue Ceglowski, Executive Director, Vermont School Board Association (VSBA): provided [public comment from the VSBA, Vermont Superintendents Association \(VSA\), and Vermont Association of School Business Officials \(VASBO\)](#).

Chelsea Myers, Executive Director, VSA: thanked the subcommittee for their work; confirmed support of Ceglowski's joint testimony; and shared that she hears daily from school districts having difficulty with their budgets; she encouraged subcommittee members to peruse some of the school board meetings and that would provide good insight to their work.

Steve Rosenberg, member of Harwood Unified Union School District School Board: appreciated the discussion on health care costs, shares subcommittee's concern over further increases; and shared that his district is hosting a panel in November to discuss the current system and future proposals of education funding for our general community. He encouraged other districts to have similar panels as there is much misinformation.

Bill Edgerton: spoke about Vermont tax policy, quality education in rural districts and urged the subcommittee and AOE to zero in on the pluses and minuses of income sensitivity and be aware of its impact.

### **Next Steps/Planning for Future Meetings/Agenda Setting**

The next meeting will be in-person at the Agency of Education on October 14, 2024, at 9:30 a.m. Chair Kornheiser asked members to advise her if there were agenda items they wanted included that were not discussed today.

### **Adjourn**

Kornheiser adjourned the meeting at 1:06 p.m.

Minutes prepared by Maureen Gaidys.