

January 2017
DRAFT – DISCUSSION PAPER
Item G

Vermont law (16 VSA 164 (21)) requires the State Board of Education to report annually to the Governor and General Assembly on the progress made on the development of the state's education policy. This report shares policy concerns and recommends actions for Vermont's education system.

The State Board of Education's Strategic Plan embraces two major Goals:

- *Ensure that Vermont's public education system operates within the framework of high expectations for every learner and ensure that there is equity in opportunity for all.*
- *Ensure that the public education system is stable, efficient, and responsive to ever-changing population needs, economic and 21st century issues.*

With equity and equality as our primary goals, we must address the opportunity and achievement gaps. Solving this problem also requires going beyond the schoolhouse walls. With two-thirds of test score variation due to outside of school factors, we must address the root causes of poverty and inequality. This inevitably raises the need for high quality jobs, at a livable wage. With the number of single and working families, wage equity is also required. This also necessitates continuing our work in universal health care and controlling medical costs (which also has a direct effect on school budgets). We must also ensure that Vermont parents have affordable high quality daycare and equitable access to high quality pre-school.

While our greatest returns are found in prevention activities, we realize that our social support network must effectively address addiction issues, provide mental health support, and assure food security for all.

Schools are essential partners in this work. They must work effectively and efficiently with other government agencies. Full service schools, the maturation of our early education initiative, and high quality summer and after school activities must be encouraged. We have state accountability laws in place (which will be affected by the new federal law) but our capacity to carry out current legal obligations for bi-annual evaluations of each school and the articulation of professional improvement is not possible within our diminished resources.

Preserving and Enhancing our Progress: Sufficient agency and state board support : Curtail the incremental expansion of new and unfunded mandates –The state board has asked that no new programs be added. The state has fiscal limitations and the state board would rather fund a few programs well rather than a larger number poorly. The agency has suffered a forty percent absolute budget loss since the Great Recession. Consequently, the state agency has been reduced from 211 positions to 170.

These cuts directly and/or indirectly threaten the timely and proper performance of all vital programs. Some examples of legislated initiatives requiring extensive support:

- Prekindergarten education – Act 166 - Major program expansion
- School governance – Act 46 – This fundamental statewide reorganization has one support position and ad hoc consultants.
- Flexible pathways – Act 77 – Dual college enrollments

- Individual learning plans – Act 77 - Mandatory for grades 7 and above.
- Unfolding federal accountability changes – ESSA – Announced major push for privatizing by the federal administration. Currently, the federal budget is running on a continuing resolution.

State Board Support – With the legislature’s separation of the Secretary and Agency from the state board and the simultaneous increase in legislated responsibilities (noted above), the legislature mandated that the state board be adequately staffed (16 VSA 163). To date, no staff has been provided.

Goal One - Equity and Opportunity for All – A number of inter-related policy areas are prominent:

- Universal Pre-K – The universal pre-k law is a great step forward. Among the most worthwhile of educational initiatives, this program’s limits on hours per week and weeks of service represent an obstacle for many working families. The capped public-private funding system has the unintended effect of forming a regressive system. Furthermore, there are concerns that inequities between providers will result in inequities for children. This may be a venue where more direct local control is the most viable approach. The SBE asks the legislature to address this situation.
- Update Independent School Rules– Equality of opportunity and accountability of public funds are being partially addressed in the rules making process. It is expected that this will also become a legislative issue. The common benefits clause states that no citizen may receive a benefit not available to other citizens. The provision of a subsidy which can be realized by some parents but not others does not provide equality of opportunity.
- Generally speaking, the state has no Excess school capacity, and opening new schools – Vermont has experienced a loss of 16% of its school population from 2001 to 2014. Consequently, the state suffers from excess capacity and expensive duplication.
 - Current law says the state board must approve new school proposals if they meet the criteria regardless of capacity and/or socio-economic balance.
 - Paradoxically, during this time, the number of independent schools grew from 68 to 93 but the number of publicly funded students going to these same schools declined by 29% from 4361 to 3392. Most of the new schools are small private schools. Act 46 was passed to deal with the excess capacity concern at the district level but the costs are at the school level.
 - authority to right-size the system either in public or independent capacities absent a town vote.
- Tuitioning – Independent schools and academies have been, and continue to be, an integrated element in Vermont. Some advocates argue for the broader use of tuitioning as a solution to the student decline. However, such a move would be counter-productive. Tuitioning causes significant cost duplication and research evidence shows it is segregative.
- Act 46 - The Consolidation of Administrative Structures – Act 46 has had a successful first year with 18 new governance structures approved affecting approximately half the student population. Approximately 10 more configurations are in the state board approval pipeline. Some technical issues regarding timelines, clarification of plan types, tuitioning and fiscal support are expected to arise. The state board will address these as they occur.

Goal Two - Enhancing Fiscal Efficiency – *The SBE’s second priority is to ensure that the public education system is stable, efficient, and responsive to ever-changing population needs, economic and 21st century issues.*

Vermont’s education spending is one of the highest in the nation regardless of how the number is calculated. However, this arithmetic fact is due to the aforementioned 16% decline in the state’s student population. Meanwhile, capital costs still have to be paid and staffing ratios have not dropped at the same rate as enrollments. This calls for fiscal discipline. The SBE’s key fiscal principles are:

- Cost-shifts must be avoided,
- unfunded mandates must not be adopted,
- any change in the funding system should advance tax progressivity and rely on broad-based taxes,
- Special education funding needs revisiting with a focus on simplicity and the elimination of excessive bureaucracy, and
- Fiscal reporting needs to be regularized so as to provide common definitions across and within public and independent schools.