



TO: House Education Committee

FROM: Flor Diaz Smith, President, Vermont School Boards Association

RE: School budgets

DATE: March 20, 2024

Good morning, I am Flor Diaz Smith, President of the Vermont School Boards Association (VSBA), Chair of Washington Central Unified Union School District, CVCC Facilities Committee member, Co-Chair of Building Bright Futures State Advisory Council, Eastern Representative to the National School Boards Association and finally an immigrant from Guatemala. Why do I mention my homeland and my different volunteer or appointed roles? I mention them to you so you understand my commitment to children and families. I'm a passionate supporter of public education as a pillar for our democracy, and I'm committed to educational equity for all. I just absolutely love kids and want to have thriving communities. We have to invest in the next generation to have thriving communities. I know what it means to a country to not invest in public education.

Thank you for inviting me to provide follow up testimony on some of the themes that emerged from the testimony on school budgets that you heard last week. My goal is to provide the school board perspective to inform your work. As you know, it is imperative that we do something to address the crisis we now find ourselves in. The cost of doing nothing has never been higher - our children's future and the future of our democracy depends on finding solutions to this education funding crisis today.

School boards play an important role in Vermont's education system. Our organization is committed to ensuring that public schools provide high quality education to all of our students in a way that is sustainable to all of our communities.

Although the catalyst for this conversation is the FY25 school budget crisis, I urge you to think about how we go to this point - it has been years in the making. As we look for solutions, I ask that you center the student in your discussions. Containing costs is essential for ensuring taxpayer support for our school budgets, but we must ground policy discussions and decisions in what we are doing for students. If we focus solely on cost containment then we will not fulfill our obligation to our children.

We need stronger leadership from Montpelier.

You heard from our members that school boards are asking for stronger leadership. We need trusted leadership and vision at the state level in order to elevate the vision for public education in Vermont. But, what does that mean? Who are the leaders we need more from? How do we get there?

Unlike most other government functions, education is overseen by a combination of governmental entities. The State Agency of Education and the State Board of Education together have broad oversight responsibility to establish and enforce minimum standards, to administer the education finance system, and to support districts in fulfilling their responsibilities. The VSBA collaborates with:

- VT Agency of Education
- State Board of Education

In our mind, leadership means action - taking action when VSBA and other public education advocacy organizations request changes in education laws, regulations, and support structures. Both the Legislature and the Governor's office have a long history of ignoring, in part or in whole, the recommendations of the VSBA (and others) and that has helped to put us in the position we are in now.

Here are some recent examples:

2023 - H.483, supported by VSBA, VSA, VPA & VTNEA, would have increased the requirements for approved independent schools that receive public tax dollars from the state's Education Fund. Bill passes the House but stalls in Senate Education. By 2024 over \$1million of money from the Education fund is going to religious schools that openly discriminate, putting a drain on our educational funding system and violating our own constitution.

2022/23 - a PCB remediation bills pass with aggressive testing timelines, insufficient funding and without concern for the broader construction aid needs of schools despite concerns expressed by both the VSBA and VSA.

2021 - VSBA supports H.63 that recommended much needed changes to statewide teacher healthcare negotiations that could have helped address the dramatic increases in the cost of healthcare. Instead of adopting those recommendations into law the legislature passed a

competing bill supported by Vermont NEA - measures that did nothing to address future cost increases.

2019, 2020, 2021, 2022, 2023 - VSBA and VSA push for construction aid for schools. The legislature declines to address the issue. By 2024 the current price tag for school facilities improvements tops \$6 billion. This despite adding over \$100 million in unfunded mandates in recent years to the Education Fund forcing school districts to tradeoff facilities updates for other initiatives.

2017: In response to significant cuts to K-12 education proposed in the Governor's budget, VSBA and VSA identify a series of opportunities for cost containment in education. One proposal is to move to statewide teacher health care negotiations coincident with a move to new VEHI health plans. The Legislature declines to act on the proposal and instead claws back nearly \$13 million from individual school districts.

Who are the leaders we need more from? The legislature, State Board of Education, Agency of Education, and the Governor. Not only do we need our leaders to lead, but in some instances, we need leadership positions filled. The one public good that is guaranteed in our state constitution is public education, yet we've been without a Secretary of Education for almost a year. Over the last several years AOE has been unable to meet the needs of local school districts. In addition, the Governor has not been a strong proponent of public education or the governance structure that supports it. His appointments to the State Board of Education have consistently supported a separate system of accountability for private schools that receive public funds. In addition, since the Agency of Education has not brought a request before the State Board of Education to reconsider approval status for a group of religious schools, they continue to receive taxpayer funding while openly discriminating against students, families and staff.

Ideally, the legislature, Agency of Education, State Board of Education, and Governor will get behind public schools. The creation of programs and initiatives, such as Act 46, Proficiency Based Grading, the Covid 19 era, health care bargaining at the state level and now Act 127, have tried to consolidate and create equity, but instead, they have left many districts floundering to figure things out for themselves and have not contained costs.

How can we support public schools and our students without creating more burdens on the school districts? How can we move forward and not have to balance a budget that is directly tied to the astronomical increase in property values at the expense of our students? We need strong leadership about the right size school to provide the best education opportunities. We need strong leadership regarding how to contain health care costs. We need strong leadership with how to help students and families that are struggling with a variety of needs, including basic needs such as housing and food, and more complex needs such as mental illness and generational poverty. No one wants to close schools and no one wants to be the one to make the final decision, but when costs are escalating and the high cost of small schools is impacting all of us through the funding formula (the yield), we need to recognize that the formula

is not working and that students are suffering because of it. While student enrollment is declining, student needs are increasing. How do we recognize that doing more with less has an impact on all of our students? How do we create a plan that incorporates all of the services that schools are providing like mental health services, universal meals, universal pre-k, after school programming, etc. that does not bankrupt the average taxpayer?

How do we get to a better place? I encourage you to listen to the voices of the folks that are doing the work. Collaborate with them. Act on their suggestions.

We need a statewide vision for education in Vermont.

Again, what does this mean more specifically, especially in an environment where Vermont has allowed local decision-making for 200 years? How deep should that "vision" go? Who does this? How do we get there?

You have heard from school leaders that we need a statewide vision for education in Vermont. Rather than creating a new vision, I encourage you to look at existing legislation and regulation such as Vermont's Education Quality Standards and Act 46. Potentially, the problem is not a lack of vision, but an inability to implement that vision. Looking at Vermont's Education Quality Standards, we have struggled to fully implement the vision articulated in the education quality standards, as demonstrated in our failures to:

- make those standards apply to all schools receiving public taxpayer dollars;
- find the appropriate way to fund education that is fair to taxpayers;
- close micro-schools that don't benefit students and are expensive to run;
- stop the flow of public tax dollars to private and religious schools both in Vermont and outside of our borders; and
- bridge the gap between school boards and school administrators (the folks that know how, why and where the money is used) and legislative leadership (the folks that need to figure out where the money is coming from).

A statewide vision for education was also baked into the goals of Act 46 - "to move the State toward sustainable models of education governance ... that:

1. provide substantial equity in the quality and variety of educational opportunities statewide;
2. lead students to achieve or exceed the State's Education Quality Standards;
3. maximize operational efficiencies through increased flexibility to manage, share, and transfer resources, with a goal of increasing the district-level ratio of students to full-time equivalent staff;
4. promote transparency and accountability; and
5. are delivered at a cost that parents, voters, and taxpayers value."

In order to build a sustainable, high-quality education, modern education system, we need help. For decades, the legislature has imposed countless unfunded mandates on local school districts. Collectively, they come at an enormous cost. It is time to throw school districts a life

line, please, no more bricks. We need to build upon the work that is already being done - provide us with incentives to continue our work to realize the vision articulated in our Education Quality Standards and Act 46.

And, as you consider ways to address the challenges we face today, I ask you to run proposed solutions through four lenses:

1. How will this legislation promote student achievement and opportunities for each of our students?
2. What will the fiscal and administrative impact be on local communities?
3. Does this bill or proposed bill belong in the education fund or should it be coming from the general fund?
4. Does this bill strengthen the accountability of the use of public dollars?

Addressing our declining enrollment. How should this be done? Who should be doing this? How do we get there?

We must make data informed decisions. We encourage you to look at student opportunities, costs, capacity, class sizes, staff salaries and benefits, logistical/transportation issues. As Meagan Roy, Superintendent of Washington Central, testified in this committee, the General Assembly has long contemplated adult:student ratio limits as a cost containment strategy; a better approach may be to remain student centered and focus on ensuring that our schools have enough students in classrooms for effective education. This focus on good instruction will bring people to the table rather than turn them away. Further, focusing on class size rather than overall adult:student ratios acknowledges the important role of support professionals in our schools - positions that are essential (counselors, mental health supports, academic interventionists, etc). The VSBA has not taken a position on class sizes or adult:student ratio limits, but we encourage you to listen to experts from the field so that you make informed decisions that are student-centered.

We should also look at the other side of this equation - why is the student population decreasing? If housing remains unaffordable or unavailable we're not going to attract families or businesses. A smaller population to support the same services means higher taxes. The system feeds itself. If we're going to reverse it we'll need to be intentional - this issue will continue to get worse, not better, if left alone.

If schools close: where do those students go and who should decide? What are the costs/risks of blanket tuition/choice verses going to the next closest public, etc?

Vermont needs to review its system of tuitioning. There may be a path forward for private schools receiving public money but at the very least it needs to be a system that operates under the same rules and regulations as public schools. Perhaps that means removing outdated or poorly conceived regulations on public schools, perhaps it means applying additional requirements on private schools. Switching to a complete school choice system in Vermont will be the end of public education. Before we consider expanding school choice we need to have a better understanding of how the current system which funds two parallel systems of public and

private schools works - how much it costs, how it meets the needs of students, etc. If leaders don't have a shared understanding of how the current system works, they are likely to make catastrophic missteps in any efforts to reform our current system, which will ultimately drive up costs, decrease quality and make everyone unhappy.

VSBA does not pretend to have all the answers. There is a lot of work to be done and difficult decisions must be made, many of them by you. We know it will not be easy. Hopefully, our shared commitment to public education transcends our differences and provides a common ground for finding solutions. Education is a moral imperative. It lays the groundwork for individual empowerment and societal advancement. It is an investment today in our tomorrow. Through education, individuals cultivate essential skills for informed citizenship. Education fosters civic engagement and responsible decision-making, an educated citizenry is the cornerstone of a democracy. By upholding education as a fundamental human right, societies uphold the principles of equity, justice, and freedom, all of which are essential for a functioning democracy.