



House Ways & Means Report

Improving on Act 68 **Core Concepts for Change**

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Act 68 Failure

➤ **Act 68 Increases Inequities in Resources**

- Disparity in education spending is up not down from Brigham Decision levels

➤ **Act 68 has Led to Spending Beyond Our Means**

- While we spent 10% above the national average in the 90s, today we spend 50-70% more, without the rise in income to support it
- While median income has just kept pace with inflation at 25%, 2000 to 2011 spending/ pupil has increased 80%
- In FY11, 47% of all state and local tax revenues went to fund education, and the costs just keep climbing

2014 Expenditures in Review

- Expenditures/student range from \$10k to \$33k
- Average Expenditure/ Student = \$17,513
- 16 Schools spend under \$13,500/ student
 - 258 students in schools < 130 students
 - 2,572 students in schools > 130 students and < 801
- 14 schools in Vermont spend over \$25,000/ student
 - 266 students in schools < 130 students (not all operating)
 - 1,816 students in schools between 130 % 1000 students
 - 2,184 students in schools > 1000 students

Discounted Spending thru Act 68

School	Students (ADM)	Expenditures/Student	Education Spending/Equalized Pupil
VERMONT	89,060	\$17,513	\$13,524
Fayston	108	\$16,302	\$15,406
Waitsfield	144	\$15,957	\$14,472
Harwood UHSD	723	\$18,011	\$14,036
Burlington	3,944	\$19,095	\$13,322
Rutland City	2,119	\$22,313	\$12,909
Essex Comm. UHSD	1,112	\$28,537	\$14,466
Brattleboro	1,1074	\$25,774	\$15,883
Bellows Free	664	\$30,359	\$14,325
Woodstock	440	\$25,708	\$15,982
Mill River	387	\$25,537	\$13,967
Oxbow	325	\$28,433	\$13,290

To Reduce Spending...

- **Stop Discounting Extreme Spending & Promoting Inequity!**
 - Tax on All New Dollars (Net Fund Balances, Federal Reimbursements and Tuitions)
 - Stop Selective Giveaways- (Inefficient & Fundamentally Unequal)
- **Tackle Right Sizing Head On!**
 - Align incentives
 - Promote best practices
 - Target out of bounds staffing: discern between problems of governance, overall scale & special ed./support delivery)

Criteria for a Better Funding System

- Simple Enough to Describe & Understand
- Ensure Equal and Strong Local Accountability for Expenditures
- Not Fund Unreasonable Spending Levels
- Incentives to Reduce the Variance in Expenditures
- Everyone Taxed By the Same Means
- Rises Proportionally
- Gets Measures & Reported On: Coefficient of Variance, Real \$ & Accountability

Dangerous Distraction

➤ **Statewide Consolidation**

- Totally Shuffles the Deck & Undermines Measuring Impact of The Most Time Critical & Financially Critical Reform- Funding
- Huge Distraction & Inevitable Resource Drain
- Governance is NOT the Cost Driver or Source of Our Uppermost Problems: Inequality, Expense & Tax Disparities
- Leadership Issue Real- Right Size the Solution & Time It Right



15 years...

- There is no excuse for letting this persist
- Greater things have been accomplished in 2 months