

Section 1: Education Policy Goals

Response: Overall, we are in agreement with these goals: they are commendable.

However, we are concerned that reaching the goal defined in #2 (“to enable Vermont schools to meet and exceed Educational Quality Standards”) may be made more difficult for a number of Vermont schools by provisions included in this bill.

Sections 2,3,4,5 & 6 Yield; Dollar Equivalent; Property tax adjustment/lag/withholding

Response: In general, we concur with the 2/18/15 testimony of Public Assets President Paul Cillo.

In particular, we note Public Assets recommendation of the following:

- Establishing a proportional relationship among various tax payer groups by setting the dollar equivalent for the homestead tax then set the income tax rate and non-residential rate so that median income, median homestead property and median non-residential tax will have same proportional change each year
- Use current year's budget and school tax rates and last year's income.
- Eliminate the school property tax on primary residences and move to an income based tax for schools.

Section 7: Ballot Language; Per-pupil Spending

Response: We agree.

Section 9: Small School Support

Response: We strongly disagree with this provision, which would dramatically decrease the number of Vermont schools eligible for Small Schools Grants. These important supports have helped to level the playing field for smaller schools, allowing them to continue to offer students in smaller communities access to a strong educational program. Over 90 Vermont schools representing close to 9,000 students were recipients of a Small Schools Grant this year. These grants have represented since their inception an acknowledgement on the part of policymakers and legislators that small schools can provide high-quality education, but require some degree of support to provide that education at a reasonable cost to their local communities.

Given the Legislature's investment in Act 77 and personalized learning, it is important to keep in mind that small schools have the capacity to work with

students more personally. Many have outstanding track records, and have shown themselves to be ideally equipped to implement the vision of an individual learning “pathway” for Vermont’s rural students.

Additionally we believe the 2009 determination of geographic isolation is flawed as it is based on school-to-school driving distances not home to next nearest school driving times. The bill should require the Agency of Education to complete a new study to determine geographic isolation based on appropriate transportation criteria. We believe many more small schools are geographically isolated than those currently identified by this flawed criteria.

Section 12: Declining Enrollments; Equalized Pupils; 3.5% Limit

Response: We disagree with this provision, which largely eliminates the “soft landing” afforded by the present Equalized Pupil calculation that has allowed a wide range of schools across Vermont to maintain a consistent program despite occasional drops in enrollment. Going ahead with this change will not decrease educational costs but will instead shift them onto the schools experiencing the fluctuations. Schools of smaller size will be more affected by this cost shift, and will as a result have more difficulty in maintaining staff and programs if this provision is enacted.

Section 13: Declining Enrollment; Transition

Response: We oppose eliminating the 3.5% cap on drop in equalized student count and we oppose applying the drop to the previous year’s actual equalized student count rather than the previous year’s adjusted equalized student count. If the proposed provision is adopted, we support limiting the drop in equalized student count to 90% in the first year.

Section 14: Special Education; Funding; Average Daily Membership; Study and Proposal

Response: We support this provision of the draft bill in principle: special education comprises a significant portion of school cost, and it makes sense to study ways in which it might be provided more efficiently and funded from other sources.

Section 15: Publicly-Funded Tuition; Vermont Schools

Response: We agree with this provision

Section 17: Integrated Education Systems; Governance; Transitions to Achieve Education Policy Goals

Response: We are in agreement with many of the educational goals of this provision, but disagree with the mechanism prescribed to achieve them. We do not believe that mandating consolidation of Vermont's school districts into larger educational units will necessarily by itself decrease costs or improve outcomes for Vermont students. A brief review of the various reports concerning school cost and student performance on the Vermont Agency of Education website will confirm this: there are small school districts that are well above the state average in measures of academic success, and there are large supervisory districts that are well above the state average in cost. We are concerned that the requirement spelled out in this section- that all school districts in Vermont shall one way or another combine into an Integrated Education System of at least 1,000 students by August of 2019- may if enacted into law actually diminish the education obtained by many of our students while doing relatively little to reduce our state's overall educational cost.

Many schools in Vermont's smaller communities benefit from their location and their size. In many small rural communities, the school is the community hub. Schools enrich and strengthen rural communities, and in turn, communities support their schools not only with dollars but with their time and talent. Given the Legislature's investment in Act 77 and personalized learning, which will include community-based learning, it is especially important to retain community connection to schools.

Based on our understanding of the current draft bill's language, a 1,000-student minimum for school districts creates a 1,000-student minimum for the democratically elected body (school board)—the body that will make decisions about spending. Although the current draft leaves it to local communities to decide on the specifics of board structure, the result of this 1,000-student minimum will be that local boards' current decision-making power will be consolidated into regional boards. This is a dramatic departure from rural Vermonters' current ability to elect, connect and communicate with their local educational representatives.

Vermont students benefit when parents and local residents are invested in the performance of their schools through local decision making. We are deeply concerned that this proposal would result in citizens having less connection to democratic decision making, less buy-in to their schools, and ultimately less support for their school budgets.

Of the 90 schools that, because of their size, received a Small Schools Grant this year from the State of Vermont, approximately half had per-pupil costs in FY 2014 (represented by education spending per equalized pupil) that were below the state

average of \$13,524. It's unclear whether closing those schools would reduce or increase our overall costs, but it's likely that a number of them would close because of the provisions in this draft bill.

Comparing costs of supervisory unions with supervisory districts to project the spending effect of converting to all K-12 IESs is simply not appropriate. It's not accurate to assume that closing small rural schools and transporting their students to some larger facility where the classes will be larger will save money.

Transportation is expensive in dollars as well as students' time. The "supervisory districts" that comprise the schools within the few relatively large cities in Vermont enjoy the advantages of high population density and low transportation costs, and for that reason boast a lower cost per pupil than "supervisory unions" that now transport students across several towns to a central middle or high school. In our view, it seems unreasonable to believe that we can approach the efficiencies now available in Rutland or Burlington by pooling together students from the number of adjacent, rural towns that would be needed to reach the 1,000 student minimum.

It would be more logical to compare K-12 supervisory districts with districts operating K-12 systems within supervisory unions, since that is much closer to the model the bill aspires for everyone. There are 33 K-12 operating districts in Vermont. According to the Vermont Agency on Education report titled "Comparative School District Data for Cost-Effectiveness, FY 2014," the average current expenditure per student for these K-12 districts was \$12,511.

Eleven of these 33 are supervisory districts and 22 are K-12 school districts operating as part of supervisory unions.

Five of the 11 supervisory districts are in Chittenden County. Others are in larger regional centers, including Rutland City, Hartford, Springfield, and Montpelier. They are larger districts. All of the K-12 systems with more than 1,000 students are supervisory districts. Yet five of these eleven supervisory districts spent above the state average for K-12 systems, including the two largest.

Spending and size are related in complex ways in Vermont. While advocates of consolidation may speculate about cost savings, data from the real world does not support their speculations.

Section 21: Data; Quality Assurance; Accountability

Response: We wholeheartedly support this provision. This kind of program should be able to identify schools' strengths and challenges and, if properly funded and implemented, should also provide ways for schools to get the help they need to

improve. It would also provide a legitimate process that could be used to close schools that were unable to improve. In our view, it would be wise to fund and fully implement this program before instituting a mandate for forced consolidation. In that way we would have a much more accurate idea of where our strong and effective schools are before setting in motion a plan that might negatively impact them. School closings would be based on failure to perform, and schools of all sizes would be expected to perform.

- Regarding quality assurance and opportunity, we recommend that the Agency on Education contract with a recognized institution of higher education to conduct a census study of whether access to or use of curricular opportunities at Vermont high schools varies by the enrollment size of the high school. The study shall use a standardized measure of course units and student enrollment units to determine how course offerings and student enrollment in courses vary by five cohorts of high schools configured such that one-fifth of the state student high school enrollment is represented as near as possible in each cohort. The reported output shall include:
 1. The cohort school enrollment size intervals;
 2. The total course units in each cohort
 3. The total enrollment units in each cohort
 4. The enrollment units per student in each cohort
 5. The percent of the enrollment units that are academic units
 6. The academic enrollment units per student
 7. The enrollment units per student in study hall and similar undirected study
- Regarding a merger, consolidation, boundary change, or any other reorganization of schools, school districts, or supervisory unions must be approved by the State Board of Education. The request for approval may contain such information as the Board may require, but in each case the information submitted shall include:
 - a plan describing the effect on the education tax rate for each town affected by the change,
 - any change in curriculum for each school affected by the change,
 - any change in the length of school bus rides for all students affected by the change, and
 - any change in the per capita representation to the school board for each affected district and the effects that representational change will have on voters' ability to affect decisions for specific schools within a new governance structure.
- Any proposal by a supervisory district to close a school must be submitted for approval or rejection by the voters in the town or towns that the school serves. If the voters of the town(s) reject the proposal, the supervisory district may not propose closing the same school for five years.
- No school may be closed by a supervisory district until its performance has been reviewed by a team consisting of under the Educational Quality Standards, it has had three years to make substantial progress in implementing the improvement plan that results from that review, and in the judgment of both the Secretary of

Education and the State Board of Education, it has failed to do so. At that time, the school may be closed by either the supervisory district or the Board.

- The Agency on Education shall institute educational quality assurance reviews of schools and supervisory districts under the Education Quality Standards. The review teams shall include personnel from the AOE; School Board members; business managers; administrators and teachers and parents from the school or SD under review; selected staff from other state agencies as the Secretary may determine. Reviews must take place at the school level and not at the Pk-12 district or SU level. All schools should be reviewed within five years. Each review should include an assessment of the reviewed entity's performance academically and fiscally. Schools and supervisory districts should be prioritized for review based upon assessment of meeting EQSs and/or if their equalized per pupil spending exceeds 20 per cent of the average for schools and districts in their cohort.

Section 22: Principals and Superintendents; Study and Proposal

Response: We are in support of this provision particularly as it allows principals to make flexible local decisions appropriate to their schools.

Section 23: Contract Imposition; Strikes; Binding-Interest Arbitration

Response: We are neutral on this pending further review.

Section 24: Education Property Tax Increases; Moratorium

Response: We do not support this. A moratorium on property taxes will likely have an adverse effect on the state's bond rating and, absent further study, could result in other unanticipated negative impacts. Furthermore, we believe the Quality Assurance System needed to enforce the EQS will need staff funding to be effective.

. *Vermonters for Schools and Community* - www.vtschoolsrock.org

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