

2014-2015 Call for Public Input
Education Reform
Document 1

- [1. Sean-Marie N Oller](#)
- [2. Andrew Pond](#)
- [3. Kathryn Grace](#)
- [4. Ward Heneveld, Ed.D.](#)
- [5. John Benjamin](#)
- [6. Robert Messner](#)
- [8. Vicki Strong](#)
- [9. Tom Marsh](#)
- [10. Allen Gilbert](#)
- [11. Rick Kehne/Scott Thompson](#)
- [12. Richard Raubertas](#)
- [13. Sharon Racusin](#)
- [14. Margaret Harrington Tamulonis](#)
- [15. Amos Kornfeld](#)
- [16. Nick Nikolaidis](#)
- [17. Peter and Sandy Gregg](#)
- [18. Dick Marron](#)
- [19. Ann C Kehoe](#)
- [20. Matt Dugan](#)
- [21. David Brynn](#)
- [22. Tom Sullivan](#)
- [23. Jackie Kelly](#)
- [24. Rob Anderegg](#)
- [25. Thomas](#)
- [26. Edward Letourneau](#)
- [27. Chris Johnson](#)
- [28. Eli Lesser-Goldsmith](#)
- [29. Scott Johnson](#)
- [30. Greg Allen](#)
- [31. Meg Streeter](#)
- [32. Chris Jones](#)
- [33. Tom Cecere](#)
- [34. Wayne Senville](#)
- [35. Jeff Teitelbaum](#)
- [36. Joe Fitzgerald](#)
- [37. J. Paul Sokal](#)
- [38. Tim Ford](#)
- [39. Ritva Burton](#)
- [40. Gerald Balkom](#)
- [41. Tracy Wrend](#)
- [42. Bob Rosane](#)
- [43. Greg and Susan Lapworth](#)
- [44. Moshe Braner](#)
- [45. Bruce Lierman](#)
- [46. Steve Ames](#)
- [47. Rick Scott](#)
- [48. Joel D. Cook](#)
- [49. Walter Medwid](#)
- [50. Noah Noyes](#)
- [51. Daniel M. French, Ed.D.](#)
- [52. Mike Ryan](#)
- [53. Jackie Weyrauch](#)
- [54. Gretchen Cotell](#)

[55. Jamie Carter](#)
[56. Jessica Demeritt](#)
[57. Rick Detwiler](#)
[58. Mark Struhsacker](#)
[59. Todd Jemison](#)
[60. Lisa Baraw](#)
[61. Ronald Rogers](#)
[62. David Dewyea](#)
[63. Joe Benning](#)
[64. Angelo Odat](#)
[65. Bradley Stephenson](#)
[66. Matt Cota](#)
[67. Dee Reever](#)
[68. Stuart Hurd](#)
[69. George Cross](#)
[70. Peter Bauer](#)
[71. Grant Geisler](#)

Sean-Marie N Oller
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Sent via email
January 4th, 2015

Dear House Speaker Smith ,

My name is Sean-Marie Oller. I am writing in response to your request for feedback regarding soliciting education finance reform proposals from the public. I live in Bennington and have a twenty year tenure as a school board member on both the Mount Anthony Union School Board as well as the Supervisory Union Board. I was chair for many years of the MAU Board. (I chose not to run last March). I currently work at a parent /child center as a case manager for Reach-Up as well as an outreach and home visitor with pregnant and parenting teens. My earlier work involves mentoring and coordinating mentoring projects through Quantum Leap. Prior to moving to Vermont, 25 years ago, I was a pre-school educator and administrative director for a large (by NYC standards) Montessori preschool.

I went to college in VT and my early career post college was in the arts and design on the management end. I am also mid-way through a six-year term on the VT State Board of Education. (I write this as a citizen of Vermont not as a State Board member) . I have two grown children who went through VT's public school system as well as attending both Champlain College and VT Tech. I write not to give you a specific proposal per se as you requested in the VT Digger article but to share with you some of my thoughts and ideas. There are a couple areas I will touch on.

A few years back I suggested to a few House Education committee members (and really to anyone who would listen) that perhaps legislation could be written to turn the existing Supervisory unions into Supervisory Districts as a way to start a shift to a slightly different more efficient governance model. Of course there are supervisory unions with less than 300 students (Battenkill) and supervisory unions with over 3,000 students, but it would be a start. I going to assume you know the difference between a supervisory unions and a supervisory districts.(if this were to happen there would be sixty or so School districts instead of almost 300 school districts The idea behind turning SU's into SD's is that folks in the supervisory unions (board members, citizens, teachers district personnel...) are familiar with one another and they have the same superintendent. (of course this idea does not eliminate the need for 60 qualified superintendents but it is a start to having the Superintendent answering to one board and more importantly focusing his or her attention on the education of students and not the endless preparation

for meetings generated by multiple boards. As a MAU member I never thought to ask what town a student was from but instead how students would benefit from a program proposed. There are some inherent problems with this model specifically for small towns as they often feel the bigger town will rule . My view is that they are all our students no matter what town in a supervisory union the student resides. Bylaws can be written to alleviate some fear with super majority voting methods or similar rules around how things will be governed . This kind of approach would allow those in supervisory Districts/ Unions to work out how they want to organize within the structure instead of being told by law. I suggest with this approach a date certain be picked, perhaps by 2020. In addition, AHS delivers services county wide and many school districts cross into multiple Counties.

Another issue for me is the small school's grant allocation. In one breath the state is saying: think about sharing services, think about if your school is too small and in the next breath the state is giving out 7.5 million dollars to sustain small schools. I believe this is a mixed message. In 2009 a report was commissioned and I have attached it along with current FY'15 numbers. Of course each time this comes up the constituents in the districts that receive grants pressure their legislators to keep the funding in place. Seven million dollars could go a long way if redirected.

In a similar vein some districts get federal land/ forest money. There was talk a number of years ago about this money going to the education fund directly, again this idea of centralizing the money is not popular in the districts who currently receive money. Which leads me to the issue of the language that is used in the ed funding world. The dollars per pupil are reported on a net number, not a gross dollar number . So take a small school district like Woodford, it receives both federal money for forest land and a small school grant. The school has 18 students K-6 and with a tax rate below a dollar; who could argue with the cost to educate those students? But what if we compared gross costs per student, perhaps citizens may think they would want more for the money spent.

I believe act 60 & 68 are working as reported in numerous reports. However, for the amount of money the state spends per student we should be doing better. In the current system there is little time for the Superintendents to evaluate staff and oversee education.

Please take advantage of Secretary Holcome's expertise, she is very smart and has the education of all of Vermont's students in her sights not just some of our students.

Just a quick word on the income sensitivity pre-bate. If it went back to the old system of getting a rebate folks may see it more as help with their taxes, I believe in the current system, it is not thought of as helping with their taxes.

I am happy to elaborate on what I have written should you wish to hear more. Thank you requesting input from citizens.

Best of luck in the coming session.

Sincerely,
Sean-Marie Oller

My opinions around Education Reform are largely based on my experience as chair of the board of a small school that joined the first Modified Union in Vermont. Our school struggled with declining enrollment, skyrocketing taxes, and a recurring town meeting question: “how small is too small?” Our experience may provide some information useful to the statewide consolidation discussions. Some believe that combining school districts will result in significant cost savings. Others fear that consolidation will eliminate local control. We found neither of these convictions to be pragmatically accurate. But we can do better for our students, taxpayers, and communities by merging some districts.

The inflexibility of operating multiple separate school districts in the Chittenden East Supervisory Union (CESU) prompted a Regional Educational District (RED) proposal. We began to realize how much effort was expended by boards and administrators simply coordinating among the boards. The RED failed in 2011 when the electorate did not approve in all six required districts.

Bolton subsequently commissioned a feasibility study and the results were compelling. Sending our students to one or two other schools was not cost-effective. In all permutations taxes would have increased in at least one community. Downsides included Increased transportation time, potential loss of local control (tuitioning students), reduced sense of community (no one school had the capacity for all of our students).

Despite our best cost-containment efforts, taxes continued to increase and we feared that the taxpayers would no longer be able to continue to support Smilie in providing educational opportunities comparable to other CESU elementary districts. It is important throughout the supervisory union that students are similarly prepared when they come together in the middle schools (and eventually the high school). CESU resumed the merger process under the new Modified Union structure. The merger would allow administrators and boards to focus more on education and less on coordination among the districts, and small but significant financial savings are expected. The voters were resolute in 2013: five communities to merge and one to keep their elementary district independent.

The merged community will be better able to focus more on learning and less on administration, to increase equity and share staff among schools, and to make decisions on a PreKindergarten -12 continuous educational and budgetary bases. Perhaps most importantly, our definition of community has changed. Instead of being delineated by five separate elementary schools in four towns, we are now one municipality. It is too early to predict exactly how we will adjust staffing or educational delivery, or if the merger will result in school closings, or simply better distribution of students and resources. It will also be interesting to see the actual costs of separate administration for the non-member elementary district.

The new Mount Mansfield Modified Union (MMMU) board has 15 school board members mirroring the configuration of the Mount Mansfield Union (MMU) board that oversaw “just” the high school and two middle schools. Essentially, the new board replaced the old board plus the five-member elementary school boards. During the merger discussions, critics bemoaned the loss of these volunteers, questioned how fewer people could do the work, and lamented the loss of local control. Existing board members did not share the apprehension. The goal is to provide oversight to the schools, not to preserve school boards. Much of the work done by each board was duplicated by other boards: reviewing what had been done in the same committees, receiving identical information from the administration,

budgeting. While the size of the district is larger and includes more buildings, I believe the new board will perform essentially the same tasks as each of the former boards. There will be fewer people doing less redundant work, allowing the board to focus on more vision and less on coordination.

During the merger discussions, some said we would lose local control. Smilie had a school board member for each classroom (including preschool). Now we have “only” 1 member on a 15 person board for 2,500 students. A concern was expressed that larger towns could “gang up” on towns with fewer residents. In CESU, we have the benefit of a 50 year history running middle and high schools together. The MMU board members all said there was never any discussion about what town students (or board members) lived in and everyone viewed all the students as “theirs.” Similarly, most of the Bolton board is from “West Bolton” and we never paid any attention to a student’s neighborhood. The MMU board has managed the two middle schools without discriminating, and I trust the MMMU board will continue to do the same with our five elementary schools.

The CESU merger can inform the statewide discussion. Many Vermont schools can be considered too small. We were lucky enough to already be part of a larger union to draw expertise and economy of scale on things like technology and transportation that we could not have implemented as well on our own. Superintendents oversee multiple districts with multiple boards and multiple agendas. Again, as part of CESU, we were able to coordinate policy and curriculum with more efficiency than we could have on our own. Combining districts can increase focus on educational delivery instead of administration.

In recent years, incentives have been largely ineffective in encouraging a significant number of mergers. Only voluntary mergers may leave some districts isolated.

Some have proposed forcing consolidation into county-wide districts, or districts arranged around technical centers. These models may make the most sense, but would be way too much way too fast for not only the schools, but the population. The path envisioned in H. 883 from 2013-2014 is less clear-cut, but incorporates local knowledge and values important to Vermonters. It would have required districts to investigate how they would best fit into a PreK -12 district.. The merged districts are anticipated to have 1,000 or more students, a reasonable size. I believe this is an important first step in improving statewide educational delivery by moving to a model where districts are big enough to be efficient without being so large they become unmanageable.

Significant savings would be realized, but not enough to address the perceived crisis in education spending. Too much of the funding has been shifted away from the general fund and onto the property tax. Once we move from hundreds of districts with different grade configurations and of vastly different sizes to a manageable number of Pre-K to 12 districts with enrollments at least in the same order of magnitude, it will be possible to have meaningful comparisons of costs and results. This doesn’t address the learning gap predicted by parental income, and smaller and rural districts will have different challenges than more urban ones.

Good afternoon,

I tried to reach you by phone but I noted that you have **Fairpoint** which wasn't delivering messages.

I have a suggestion for education reform. I think the time has come for a statewide teacher and administrator contract. I believe this idea is much more palatable to the teachers and administrators at large in Vermont than one might think at first glance.

Equalizing school dollars does not equal school quality. It depends on what you buy with that money. Yet our current way of paying for public schools is based on an elusive accounting of dollars that no one seems to really understand.

I believe that school quality is very closely linked to how knowledgeable, experienced and dedicated a classroom teacher is and the school leaders that truly guide them in that endeavor. Yet these sought after teachers and administrators do not often apply for jobs in the neediest areas of Vermont or if they do, they only stay there until they are experienced enough to be hired in a better paying school district. Some Vt. schools cannot even hire speech/language pathologists or special educators to work with our neediest students because of their location and pay discrepancy. If you equalize school salaries through a statewide teacher's contract than this disparity would disappear and all children would have access to excellent teachers and school leaders who would end up making long term commitments to their students, schools and communities.

Today, we are spending an exorbitant amount of money on central office personnel, school coaches, curriculum coordinators, etc. who spend a small percentage of their contracted time with a real student. Yet, I rarely see state data on these positions. Instead, many of these positions are used to determine staff/student ratios which only add to the anger taxpayers feel about local schools hiring "too many teachers". Central office and district-wide salaries are often buried in the ubiquitous "grants" given to school districts in the name of "school quality" that are coincidentally overseen by the same central office personnel. Additionally, many school districts now use Policy Governance whereby the only person the school board communicates with is the Superintendent who will understandably seek to protect his/her central office interests. If you have a question or want to discuss something that is not a written "policy", you are given no more than 5 minutes at the start of a meeting under "Citizens to be heard". I believe this change in government has added to increased apathy and anger on the part of both taxpayers and teachers since their voices are no longer heard.

I think approximately 85 to 90% of local school budgets are teacher/administrative salaries that could be covered in a statewide teacher/administrator contract. That would leave only 10 to 15% for local school districts to debate and pay for with their local property tax. Taxpayers would once again have some local say in what they wanted to fund out of their local budgets and voter participation would be restored as a result. There would no longer be a need for complicated equalization formulas or

the staff to compute them or explain them to legislators and Vermont taxpayers. School administrative salaries and central office costs would now be a matter of clear record since they would not be co-mingled with the staff members who actually work face to face with students in school buildings each and every day.

I have been a Vt. teacher for the past 41 years - all of that time in **Chittenden** County although I live in Washington County. I have 5 other family members who are/were teachers in five different towns so I am well aware of the disparity between salaries and staff qualifications among districts. I also have several family members who are or were state employees who retired with equal benefits to me although most of them only have a high school degree and I have 40+ credits past a Master's degree.

Vermont State Employees have a statewide contract. If you are a court manager in Burlington or Montpelier or **Lamoille** County, you will make the same amount of money and therefore retire with similar pensions for doing the same work. However, a Vt. teacher working in the northeast kingdom will retire with a pension approximately \$15,000 less/year than those in **Chittenden** County for doing the same teaching job since your pension is based on the average of the top 3 salaried years just like state employees.

Although most people think a teacher works far less than a state employee that is not necessarily true. When you factor in their sick time, personal time, 18 paid state holidays and their 2-6 week paid vacation days, the annual work days of a state employee actually comes very close to that of teachers. The difference is that teachers must take summer courses to stay abreast in their field and that is done without compensation since we are only paid for the days we actually work.

I know this is a lengthy email but I am hopeful you will consider my suggestion since I know many teachers agree with me. I am not sure Vt/**NEA** will embrace it but I think the idea should be vetted to the teachers at large since we are all anxious to find a workable solution for our students and families so everyone can afford to work and live in Vermont.

Sincerely,

Kathryn Grace, **CAGS**

Language and Learning Disabilities

As you well know, the education costs and financing problems facing the state are formidable. Don't conflate the two!

On the costs, I agree that *we are spending too much per pupil*, but we don't have good enough information about what goes on in schools to cut costs quickly by something as simple as increasing the student/teacher ratio. A couple of examples:

1. The expectations on teachers to serve the system take away from being excellent teachers. They are dealing with computerized administration, preparing and monitoring learning plans, changing teaching methods to accommodate Common Core, staying alert to social issues in school (bullying, texting, nutrition, etc.), and other challenges. What's their workload add up to? If you haven't done so already, you and others would do well to read Garret Keizer's book *Getting Schooled* which is describes his experience during his recent return to teaching at Lake Region HS for a year.
2. The SDE's data on employees in the school system indicate that the number of transportation employees and food workers have increased 20% over the last 10 or so years, and the SU's "Central Services-Business" staff have grown by over 70%. The teaching aide population may have also had growth. Whatever is going on, there needs to be careful school improvement research on the culture, operation, and teaching in a credible sample of Vermont schools to obtain a better understanding of which personnel provide the most benefits for learning.

The financing problems defy understanding, but it seems to me that one useful possibility stands out: Make special education a state-funded activity that is not funded by property taxes. This would conform to the state's mandate to offer such support; it would eliminate this costly budget item from local tax requirements; and it will eliminate SU finance officers' tendency to pad the local special budget each year to provide a cushion against overall overspending.

Good luck with what is going to be a hard slog to change current arrangements in Vermont's education system.

Yours,

Ward Heneveld, Ed.D.
Enosburg Falls, VT
802-933-8351

In order for this to be understood in the context of Vermont school spending, please read through to the end.

In Connecticut (“CT”), automobiles and trucks are subject to an annual property tax just like real estate. This is in addition to a 6% sales tax on the net purchase price. Motorcycles, ATVs and snowmobiles, etc., are subject to CT sales tax, but I do not know whether they are subject to an annual property tax.

CT takes the vehicle registration (year, make and model) and assigns the NADA Wholesale “book value”. Then, the vehicle is taxed annually at the owner’s town/city mil rate. No one can complain that they’re overtaxed due to vehicle condition or lack of optional equipment, because the tax is based on the wholesale value.

Each year that owners retain their same vehicles, the NADA book value decreases and their tax bills decrease.

Since CT taxes vehicles, this takes some of the heat off of property and school taxes.

The potential benefits for Vermont:

- 1) Lower property taxes, shifting some of the tax burden to vehicle ownership
- 2) Many residents own multiple vehicles
- 3) Renters who own vehicles will contribute directly by paying taxes on their vehicles**
- 4) Vehicle tax is somewhat progressive – the newer and more expensive the vehicle, the greater the annual tax
- 5) Vehicle valuation is done by NADA, a widely respected independent valuation firm
- 6) Easy to implement by running the VT DMV list against the NADA guide (check with CT about the interface it uses)
- 7) Tax rate on vehicles does not have to be the same as the tax rate on real property (so it could be phased in)
- 8) Ability to include any registered vehicle (ATVs, etc) in tax base

When I lived in CT, I owned a new car for which I paid about \$283 property tax the first year. I also had a 10 year old car for which I paid about \$100 per year and a 40 year old car for which I paid about \$12 per year. I was actually shocked when I moved to VT and learned that I didn’t have to pay an annual property tax on my vehicles.

John Benjamin

Representative Smith,

I believe you have stated that the property tax/school cost issue has an extremely high priority for you and the House in the coming session, and rightly so. My thoughts on this are as follow:

The issue is not so much how to jigger the property tax or pass some of the school financing onto other revenue sources, but to attack the cost side. Compared to other states on a per-pupil basis, we spend way too much money on our schools, and frankly, we do not get particularly outstanding results from them. Basically, the schools determine what their budgets are, and the State adds up these budget numbers and sets a property-tax rate to fund them (I realize this is a little too simplistic, but good enough for my argument). Certainly some budgeting districts do a good job on this, but many/most don't have to be very cost conscious as the State will essentially fund all they ask for. This has lead to the ever-growing school cost, amid a shrinking student body, and has become an unsupportable load on the State's taxpayers. But you know this.

I suggest that the State determine the two or three or even four best states in the country in terms of education quality, and average their costs per pupil. Set that cost-per-pupil number, multiplied by the number of students in the Vermont system each year, as the total amount of State contribution to the school districts, passed out to them on a per-pupil basis. Distribution to the districts could be adjusted as necessary (for small schools, for example), but the total dollars available for distribution would be as determined above. This contribution would come from a mixture of State-wide property tax receipts and funds from the State's General Fund as has been historically done. It would seem this should completely satisfy the requirements the Supreme Court ordered in the Brigham case, and give the districts enough money to fund a high-quality education for everyone, based on the results the chosen best states above are able to achieve.

Whether the districts can spend the money wisely, including making some hard choices on staffing, should not be a burden placed on the State's general population. Further, if some districts want to budget more money than they receive from the State, that extra amount should be completely up to them to raise in their own districts on a dollar-for-dollar basis, as was done before Acts 60/68. That is the local control everyone wants.

Perhaps a bit of radical thinking, but I don't see the problem ever being fixed just with politically-palatable minor tinkering here and there from time to time. Bold moves are needed, albeit maybe difficult politically. The driving factor in our high school costs is payroll, which means staff and teacher head count. That can only be resolved by head count reduction, a very unsavory prospect for elected officials. I realize such a plan could not be adopted right away, but it could be set up as a goal to be reached incrementally over a few years. But if the head count issue is not faced, the problem will never disappear. I hope the legislature will accept the responsibility to address this in the new year. I would be happy to discuss this further with you or the appropriate committee.

Respectfully yours,
Robert Messner
Warren, VT 05674
802-496-7111

Shap,

I hope you had a pleasant holiday season with your family and that you had time to relax and enjoy some much needed rest. I noticed that you were asking for input from the public and from legislators about how to lower the cost of education and improve the outcomes in the classroom. As we start our new session I am working with any legislators who are interested to propose a school choice bill in the first few weeks of the session. I believe that having more opportunities for parents and educators to choose their place and method of education will bring better education and lower the overall cost for communities throughout our state. This has been proven in Vermont, and in other states, where independent and private schools show great results in lowering costs and giving high quality education. I would ask that the Legislative leadership will allow this discussion to come forward and bring this idea to the table this year. Thank you for your time and consideration.

Respectfully,

Rep. Vicki Strong

Dear Speaker Smith;

While the current education tax system may not be perfect, it is relatively transparent. All property taxes are so by their nature. The yearly amount paid by each taxpayer is made evident through the billing process (as opposed to asking someone how much they paid in sales or gasoline tax every year). This taxpayer ability to understand their tax burden is the strongest asset of the current system as well as the cause of all of the consternation. In essence the state is held to the same scrutiny as every municipal leader when setting a property tax. The impact of spending, either increasing or decreasing is easily and immediately understood by the taxpayer. As a result the local official, and in the case of the education tax, the legislature, is held immediately accountable. This must be preserved.

Other strengths, which I think are generally not understood by the tax base, is the fact that 1/3 plus or minus of the education tax burden is paid by non-residents:

http://vttransparency.org/index.cfm?section=all&pg=Education_Finance. And with the homestead rebate, which 2/3 of all Vermonters receive, an income sensitivity component is already built in. <http://www.burlingtonfreepress.com/story/money/industries/2014/04/17/two-thirds-vt-homeowners-get-school-tax-break/7816099>.

I think the point here is not that VT residents are upset with paying a higher property education tax, they are upset with how much they are paying period. I also don't hear many asking for less education, rather they want someone else to pay for it. High quality has a cost. Perhaps the issue is not in changing how education is funded but how education is promoted:

- Insure that the VT education system provides the highest value possible to the taxpayers and children of Vermont
 - Value is admittedly difficult to agree upon, as some may feel that strong local representation is a key component in value, others a more regional approach provides a greater value. That is an issue for the legislature to figure out.
- Insure that the strengths of our education system are promoted effectively, aggressively tout the systems accomplishments, understand the weaknesses and inform the public as to how those weaknesses will be addressed
- Insure that taxpayers understand the value of the current taxation system; how it leverages investment from out of state, how it takes into account low and moderate income needs.
- Insure that taxpayers understand the cost of mandated services such as universal pre-k and how these programs impact the tax rate

There is always room for improvement in how education is delivered both in quality and cost, but diluting the transparency of the level of spending serves no one other than those who wish to hide the fiscal ramifications of their decisions.

Thank you for your consideration.

Tom Marsh
Town Manager, Windsor

Dec. 31, 2014

Dear Speaker Smith/Shap:

I wish first to make some comments in my role as American Civil Liberties Union executive director, and then as one of your constituents who served nearly 20 years on Vermont school boards. I have tried to avoid contacting you in such a dual role, but on this issue I don't believe I can avoid it. Serving kids through public schools was my personal passion for 20 years, and for the last 11 it's also been part of my professional responsibilities.

The ACLU perspective first. As you know, a team of lawyers assembled by the ACLU brought the *Brigham* case. The successful litigation led to passage of Act 60 four months after the court's decision was handed down in February 1997. The fact the law remains largely intact 17 years later is testimony to the state's commitment to equal access to school resources for children in all districts. The judgment of education finance analysts that Vermont has the fairest funding system in the country is something we should all be immensely proud of. The ACLU is committed to ensuring that the core financial equity principle of *Brigham* – that all students in all school districts “should be afforded a substantially equal opportunity to have access to similar educational revenues” – is protected. We worry when proposals such as one to replace Act 60 with “regional block grants” are put forth. Details are few about how exactly this new funding model would work. But removing spending decisions from local to regional or state levels through a system of caps will likely invite the divisive private foundation end-runs that proliferated immediately following Act 60's passage. Children in most Vermont towns were not served by such a situation, and acrimony between “gold” towns and “poor” towns was intense. We can't go back to the days when the state accepted second-class citizenship for some students while others prospered. As discussions to change the education funding formula move forward, the ACLU will work very hard to ensure equity is not compromised.

Let me now speak not for the ACLU, but as one of your constituents and a former school board member. I feel that the legislature has tangled money and program to the point that each is being used as a weapon against the other in debates over education finance. *Brigham* was brought as an equity claim rather than an adequacy claim because adequacy claims, even if won, often are dead-ends. New Hampshire argued for years – and I believe is still doing so -- over what an “adequate” education is. Money, on the other hand, can be counted; as the Vermont Supreme Court noted in *Brigham*, “Money is clearly not the only variable affecting educational opportunity, but it is one that government can effectively equalize.”

I believe the legislature's proper purview in the current debate is financing. If the level of education spending is identified by the legislature as the main issue to be addressed this session, I have these suggestions:

1. Labor costs are a school's largest single expense. The current district-by-district or supervisory union-by-supervisory union contracts create significant disparities in teacher compensation. A statewide contract offering uniform pay levels for the same job – which is how, I believe, state workers are paid – would moderate wages over time. But perhaps more importantly, a statewide contract would remove the incentive teachers now have to jump to a higher-paying district during their final teaching years in order to boost their pension benefits. This out-migration of experienced teachers hurts students; children in a needy school suffer when their best teachers leave for monetary reasons.

2. Even if a statewide teachers' contract is not adopted, the teacher pension system should be changed from one where benefits are calculated based on highest salary years to one where benefits are equal across the state based on the number of years in the classroom. Currently, the liability for pension benefits is created at the local level, but the responsibility for paying the benefits is spread around the whole state. The result is a substantial shift of retirement costs from high-paying to low-paying districts. The Vermont School Boards Association recognized this burden and once had a resolution to make the pension system more equitable; I don't know if the resolution is still in place or not.

3. School boards pay attention to high-spending penalties. I was on the U-32 Finance Committee for a number of years, and we worked hard to keep spending below the penalty threshold. I would suggest a review of the penalties currently in place so there's an understanding of how they've been working to ensure the Education Fund is not unduly impacted by one town's decision to spend high.

4. End the cost shifts. This is difficult for lawmakers to acknowledge, but the legislature bears some of the responsibility for pressure on the education fund. Legislative protests of ever-higher school taxes ring hollow when the legislature itself has mandated new school programs that cost additional money, shifted to the Education Fund what had been General Fund expenses, and reduced the yearly transfer to the Education Fund from the General Fund. School board members feel disrespected when they are blamed for something not entirely of their own making.

5. It may not be wise to cut all small-schools grants. I understand the urge to eliminate this program. But I would suggest that such grants not be eliminated to small schools that show consistent above-average student performance – especially above-average performance for low-income students. Every year when I reviewed NSRE (and then NECAP) test scores for Worcester and U-32, I cringed when I saw the low scores for children from poor families (especially boys; poor boys are always in the lowest academic cohort). We need to find proven methods to help low-income kids do better. If certain small schools are able to do this, I would hate to see them go under because they lose their small-school grants. I have long argued in my mind to what extent a community deserves to have its own school. I generally believe a school is an important part of a town's soul, and therefore vital to maintaining a vibrant, nurturing community. But this belief weakens when a school is unable to raise its neediest kids higher.

Thank you for the opportunity to comment on current education finance issues. I wish you and other members of the legislature well in the coming session.
Allen Gilbert, Worcester

Dear Speaker Smith,

First, thank you for meeting with the Vermont School Boards Association (VSBA) Board of Directors on December 17. It was good to hear your perspectives on issues that are of great importance to our members. The day following our meeting, you put out a request for ideas to be considered during the upcoming legislative session. The VSBA has tried to steer clear of specific proposals to which it must remain wed in the midst of a dynamic debate. At the same time, we, as much as anyone, recognize the compelling need for change and want to be positive contributors to solutions. Therefore, what we will be offering in response to your request is fairly broad in nature. We look forward to working with you to clarify a path ahead that can receive the support of Vermont's school boards. Please include us in your planning. We are most likely to succeed as a state if there can be strong alignment between state and local officials.

We assume two closely-related issues will dominate the legislative debate on public education. Both are matters of concern to school board members who are charged with assuring all students in their communities receive a quality education at an affordable price. The first issue is rising property taxes. The second is assuring our ability over the long-run to provide equal access to quality education at a reasonable cost. We believe that both must be addressed this session.

Property Tax Relief

Some measure of property tax relief must be achieved this legislative session. Failure to do so will likely result in a large number of budget defeats with serious consequences for education quality. We believe that there are four primary actions that are needed to address the rise in

property taxes:

1. Control Costs

We understand that boards need to continue to work to control the per-student cost of education. Local boards have an obligation to reduce personnel at a time of decreasing enrollment and to explore every possible avenue available to them to achieve cost savings, including partnering with neighboring districts to achieve efficiencies. We assume that the legislature will adopt measures that will place additional pressure on districts that have high per-pupil spending or that have very low student/teacher ratios.

The VSBA is hopeful that legislators will spend equal time exploring ways to temper health care costs borne by school districts; one promising idea is the creation of a statewide health insurance pool for all public employees, which would mean the health insurance benefit for school employees would be negotiated at the state level. Should such an approach be enacted, it will be critical for school boards to have a voice at the table during those negotiations.

We also urge the General Assembly to support the Governor's call for a moratorium on unfunded mandates.

2. Support Board Efforts to Negotiate Contract Changes

A major cost driver for education budgets is contracts governing employee pay and benefits. Vermont-NEA has been very effective at establishing a comparable pattern

of contract settlements that is then used regionally to pressure other school boards to accept similar salary and health insurance settlements. This “comparability pattern” is the single most important factor used by neutral fact-finders when making their statutorily required report to the negotiating parties. Fact-finders give much greater weight to regional teacher settlements than more meaningful economic factors, such as the condition of the local economy, the consumer price index (CPI), tax burdens, employment data, salaries or pay raises by community members, or measures of household and personal income.

In order for locally-elected boards to have a chance at negotiating much-needed changes to their collective bargaining agreements – changes to health benefits plans, salary indexes and reduction in force provisions – the influence of this comparability factor must be reigned-in by legislators. The right to organize, bargain, and strike need not be modified. However, because the fact-finder’s report carries such weight in public opinion as the bargaining process nears closure, it should be based on more substantive and credible criteria. We urge the legislature to consider modifying 16 V.S.A. §2007 to require neutral fact-finders to consider only a statutory list of legitimate measures of a community’s ability to pay, rather than a pattern of area salary and insurance benefits that purports to demonstrate financial wherewithal but in fact does not.

Dear Mr. Speaker,

The text of our first document (also attached) follows. **The second document (attachment only) fleshes out the idea somewhat.** We've exercised restraint in not piling on too much detail here. If more detail is wanted, more can certainly be provided.

Thank you for this opportunity, and best wishes for a happy & successful 2015! Scott Thompson and Rick Kehne

A PROPOSAL to fund 100% of yearly local pre-K-to-12 public school expenses with a two-track, state-local financing system that revitalizes the spirit of Acts 60/68:

Recognizing that widespread and growing dissatisfaction with the current property tax-based education funding system threatens the state's commitment to high-quality public education under local control, we propose to split the actual funding mechanism into a two-track taxation system: one track to be based on local property tax, the other to be shifted to a statewide income tax platform. The goal is to ease the property tax burden on property

and business owners while continuing, and even strengthening, Vermont's educational excellence as well as our unique and effective tradition of local governance.

Track I - Local property-based: non-educational expenses (real property, capital spending, building operations and maintenance, debt service -- may also include busing, perhaps even sports, etc., comprising about 20% of costs)

We aim to relieve the unequal property tax burden and to reconnect voters with the direct consequences of their decisions for themselves and their schools.

The statewide residential property tax would end. Local towns and school districts would take it over for the purpose of funding the upkeep of their school's physical shell and other school-related non-educational costs.

Track II - Statewide income-based: educational services (all that pertains to teaching & learning, comprising about 80% of total costs)

We aim to assure substantial equality of educational opportunity *and* to distribute fairly the burden of supporting it, taking account of growing disparities in income. The aggregate cost of educational services would claim a statewide revenue stream from personal income.

The income assessment could draw from adjusted gross income (AGI) or a new base (e.g., gross income minus annualized livable wage, adjusted for family size). Each income-earning household would pay at a minimum the same share of aggregate costs for educational services as its share of aggregate AGI (or aggregate surplus income otherwise defined). For example, if "the top 2% of tax filers in Vermont reported 24% of all income," then the top 2% of tax filers would pay at least 24% of aggregate educational services costs, as all others would pay in due proportion.

This payment would adjust up or down, depending on where the filer's local school budget stood in relation to the state average.

Further incentives to spend more efficiently for educational excellence

A statewide non-residential and commercial property tax could finance a "structural adjustment fund" to help schools improve student outcomes more efficiently. The state could make use of excess school capacity for social services, e.g., embedding DCF case workers, developing peri-natal courses and crèches for new mothers. Etc.

Rick Kehne, rkehne@gmail.com, 229-4545
Scott Thompson, hernalser@aol.com, 223-8483

Dear Mr. Smith,

This is in response to your invitation to Vermonters to offer ideas and suggestions about education spending and financing. In my opinion:

1. The problem is too much spending, not too little revenue. The fact that spending is increasing rapidly while enrollment is going down is one sign that spending is the problem. And Vermont already has the highest per student spending and employee/student ratio in the country, but per capita income is 18th (according to Wikipedia). Our spending is out of balance with our resources.
2. The people who decide spending have to be the same people who pay the taxes to fund it! Otherwise there is no incentive to balance spending against costs. If spending is decided locally, then taxes must be raised locally (basically the current property tax system). Conversely, if statewide revenues (income tax or statewide property tax) are to be used to fund education, then per student spending also needs to be determined statewide. Otherwise the state is writing a blank check to local districts, and local districts will act as if 'the rich people' somewhere else can pick up the tab.

My proposal is that the state should set a per student spending rate, targeted at something like 5th-10th nationally, and raise that amount by a combination of statewide property tax and income tax. Any school district that wanted to spend more would have to raise the extra money from an additional local property tax. And there should be no income sensitivity adjustment for that additional tax, so that all voters have to contribute at least a little to the extra spending.

Regards,
Richard Raubertas
East Montpelier

Speaker Smith;

Here are my thoughts on the list of initiatives you may consider this session. From this list published in the Valley News, the root of the problems - as usual - are completely overlooked and that root is poverty.

- NO! EDUCATION IS IMPORTANT! SPEND MORE-GET EDUCATED! Putting more pressure on schools to reduce spending;
- YES & YOU NEED TO KNOW WHY? Changing the financing system to include an income tax and lessening the burden on property taxes;
- NO! NOT EQUITABLE! Creating a regional block grant system in which the state would set education spending targets and appropriate funds by region, based on student enrollment levels.

We are not only funding education which is obviously key but we are using property taxes to pay for health and human services that should be equitably financed through other means. The property tax is unfair and certainly not equitable although we have tweaked that with income sensitivity in the past.

As Jack Hoffman from Public Assets states so clearly is...

"Schools, in fact, may be an ideal setting for delivering social services and even health care services. But Speaker Smith was correct in the sense that we shouldn't be using the education funding system to pay for human services.

Before the Legislature starts thinking about reforming education funding, it should identify the education services to be supported with property taxes and the human services that need to be supported with General Fund taxes, like personal income, corporate income, sales, and rooms and meals taxes.

Perhaps in the course of understanding exactly what we're asking of our school system, we'll discover that the real problem we face isn't education funding, but the societal ills that flow from Vermont's increasing income inequality and poverty."

To that end, I would like to see a more equitable tax system overall (health care act 48; HHS, transportation, childcare, education). Start by figuring out what all of these things cost and raise that money without being regressive. Yes, that means starting from scratch....see the VT Workers' Center's Peoples Budget. All the tweaking around the edges will not fix a system that built on poorly thought out principles over the years.

Sharon Racusin
Norwich

Here are my suggestions for an improved public education system in Vermont:

- 1) Consolidate the town and city school boards so that they are all in one place in Montpelier. This will eliminate the local control over the hiring and employment of teachers and principals. Also there can be one board which administers the considerable funding for all the schools.
- 2) Consolidate schools where school enrollment has dropped. Also consolidate schools where the property tax base has shrunk, where financing the schools is on the shoulders of a small number of homeowners.
- 3) If property taxes are needed to continue financing public education, then let it be a more democratic method; for example, the owner of each and every property is required to pay a set percentage amount based on the evaluation of each property and that would include non profits.
- 4) Begin at the beginning and provide pre-K education for all students in Vermont.

I believe that privatizing public education is undemocratic. Privatization can come in the form of vouchers paid by taxpayers for children to go to private schools.

My personal experience is: As the children of immigrants, my brother and I were educated in Roman Catholic parochial schools through high school and then on through Roman Catholic college and graduate and medical schools.

My own children were educated in public schools and went on to higher education and successful careers.

Separation of church and state is all important in education. Equally important is the opportunity for each student to get a fair and balanced education – which students are not getting when school policies are determined by special interest groups and closed circle school boards. I would be interested in seeing just what percentage of the voting population actually votes on school board elections. Privatization, in any way, of public education is undemocratic.

Margaret Harrington Tamulonis
Richford, Vermont

Dear Speaker Smith,

I want to offer ideas regarding school funding and spending in Vermont. By way of introduction, I have dedicated my career to public school education in Vermont (with a stint in New Hampshire). I have been a teacher and principal in New Vermont since 1985, serving as principal of the Ottauquechee School in Hartford for the past seven years and as the principal of the Tunbridge Central School for the five prior years. In 2010, I completed my doctorate from the University of Vermont. My research primarily focused on class size in Vermont, but in Vermont class size and school size are closely related. I am attaching my dissertation as you may find it helpful. I will highlight some passages at the end of this email.

As the leader of the House of Representatives and tackling this incredibly complex and often emotional topic, I hope my recommendations are helpful to you. Try to frame the discussion in terms of benefits to students as the most important reason to change Vermont schools and our education structure. Cost savings are an added benefit but the truth is that our students can gain tremendously from new approaches. Classes that are too small and schools that are too small simply do not benefit students in the ways that larger schools can. I have found this true in both my experience and my research.

When I began my research, I wanted to know if it was worth the money and resources to maintain the small classes we typically have in Vermont. As principal, should I do all I could to maintain class sizes of 10 and 12? Historically class size research focused on the effects of large classes, 25, 30 or more students in a class. Vermont has faced the opposite conundrum, classes that may be too small, not too large. There is not a body of research that explores the impact of the small Vermont classes. In summary, my research in Vermont found that class size did not impact student achievement, teacher quality and the relationships teachers have with students are far more important.

As a Vermont teacher, principal, and researcher, I saw in my schools and schools that I visited, the limitations of our small schools. These limits include high schools having only one science or math teacher (can we expect someone to be an excellent teacher of biology, chemistry, physics, and physical science?), few course offerings, scarce opportunities for collaboration and professional dialogue when one is the only teacher of a discipline in a school, limited peer stimulation.

In Tunbridge, for example, it was common for ten or twelve students to be together for nine years, from kindergarten through eighth grade. Even though these were some of the most talented and dedicated teachers, I do not believe it is beneficial for either the teacher or the students to have the same science or math teacher for four years and to be the only science or math teacher in a school.

I would be very glad to share or extrapolate upon my ideas, including policy ones if you would like. Please let me know.

At the end of this letter are sections from the conclusion of my dissertation, *The Effects of Class Size on Student Academic Achievement in a Rural State*.

I have attached the entire dissertation to this email. Apologies that some of the formatting is off.

Most sincerely,

Amos Kornfeld

Summary of Findings in this Study

The primary goal of this research study was to determine if small classes resulted in improved student achievement compared to those students in larger classes. Although Vermont does not have the large class sizes of the quasi-experimental studies and policy initiatives cited in the literature, it does have a wide range of average class sizes. The targeted high school math and English classes of this study ranged from an average of 11 students in the average small class to 20 in the average large class. If class size were a critical influence on students' academic achievement, one would expect to see significant differences between students who were educated in classes nearly twice as large as other classes. This study concludes that there was no such difference. In terms of academic achievement, with the exception of 10th grade math scores, students in larger classes performed the same or better than students in smaller classes. Students in larger classes had slightly higher graduation rates, and a larger proportion planned to attend two or four year college.

The literature and Vermont principals agree that teacher quality and the teacher-student relationship are what most impacts student achievement. Concepts that have been mentioned in this study that might improve teacher quality include: ongoing, high quality professional development; regular and focused teacher collaboration; strong supervision of teachers; high quality teacher training programs; and hiring and compensating skilled teachers. All schools can deliberately foster strong relationships between teachers and students. Larger schools can create teams or houses, schedules that enable students having teachers for more than one class, utilizing advisories, and creating a school culture where relationships are fundamental.

Conclusions

Popular Support for Small Classes; the World is a Different Place

Few would argue the premise that schools, teaching, and students are vastly different than they were two and even one generation ago, and yet the basic structure of our schools remains the same. To some, smaller class size is the way to address the many changes schools face. Pedagogical practices in many classes are not what they once were. Today's classes routinely emphasize group work, hands-on activities, inquiry, and discovery-oriented lessons while having less seatwork and lecture. Classroom management techniques are significantly different. No longer is corporal punishment permissible in most schools in the U.S. Respect for authority, including teachers and other educational professionals, has changed. Teachers and schools are now routinely questioned and challenged by parents, community members, and even students.

Society has different expectations of schools. Teachers are expected to educate all students to a level of proficiency, and often in the same classroom regardless of differences in ability. In the past, classroom teachers did not have students with significant special needs and behavior problems. If they did, the expectations for their learning were not the same. Schools have become social welfare institutions in addition to educational institutions. They now have an important role in children's physical and emotional well-being in addition to their intellectual health. The emphasis of many schools today is very much on the individual. There is a great deal of educational literature and pedagogical practice devoted to different learning styles, different kinds of intelligence, the importance of self-esteem and letting the individual study his passions and interests.

It is reasonable to conclude from this research study that class size does not significantly affect student academic achievement in Vermont. The differences in class size do not appear to be related to the provision of selected opportunities to learn, test scores or graduation rates. This being so, it behooves educators and policy makers to consider

both the educational and economic effects of class size when making decisions concerning the future organization of Vermont schools. Policy makers and educators would be wise to address and institutionalize procedures that more positively impact student achievement than does class size.

With the above forces at work, it is no wonder that many educators and parents view small classes as vital. While small classes may help address the needs stated above, they are apparently not related to academic achievement in Vermont.

Implications

Potential Effects

As student enrollment declines, schools are able to offer fewer programs and classes making them less attractive to students and families. This is important as some forms of school choice exist in Vermont. High schools in Vermont enroll some students from outside their district boundaries; therefore the perspectives of potential students influence their enrollment. In addition, Vermont allows a certain number of students to attend a high school regardless of whether one resides within a district or not. Further, if attitudes towards a high school are negative, parents and students can choose private school, educate at home, or move. Unless Vermont experiences unexpected demographic changes, small schools will likely continue to see enrollment numbers decrease and corresponding cuts in programs and classes.

Consequences of Maintaining the Status Quo

Assuming current demographic trends continue, the population of school age children in Vermont will continue to decline. What will be the options for small schools and districts? Will Vermonters continue to look at other ways to save money such as cutting programs and services? Will the public continue to debate education funding mechanism instead of issues such as student achievement?

The Elephant in the Room: Funding

This study found that students in small and large classes in small and large schools produced similar achievement results. It therefore calls into question the greater cost it requires to fund smaller schools. The data in Table 12 demonstrate the variance in cost to educate students in large and small schools. The budgets per equalized pupil for fiscal year 2008 average \$12,340 for large schools and \$16,723 for the small schools, a difference of \$4,383. The costs ranged from a high of \$17,647 for a small school to \$10,983 for a large school, a difference of \$6,664. For fiscal year 2008, the average spending per equalized pupil was \$9,932 for large schools and \$12,193 for small schools, a difference of \$2,261. The costs ranged from a high of \$13,205 for a small school to \$8,962 for a large school, a difference of \$4,243 (Vermont DOE, FY 2008 per pupil spending by school type).

Recommendations for Further Research

Attracting and Retaining Quality Teachers

A byproduct of the phenomenon of declining student enrollment in Vermont may be its effect on retaining and attracting quality teachers. This raises a number of questions. Will teachers choose to work in a school experiencing a reduction in its resources, course offerings, and student population? Will teachers remain in a school if there are available positions in a nearby school not subjected to these hardships? Will schools facing these financial challenges be able to offer the same salary and benefits as a school that is not? Are there ways in which schools can organize and practices they can follow which will support the recruitment and retention of high quality faculty? Since the quality of teachers that a student has may be the most influential factor that a school can effect, a greater understanding of how to attract and retain these professional in light of the challenges brought on by declining enrollment would be crucial.

Special Education: Inclusion/Mainstreaming

This study did not examine the inclusion of special education students and how this interacts with class size. Vermont is known for its commitment of including students with disabilities in mainstream classes. A survey concerning class size related to this study (Appendix C) found that Vermont principals and teachers believed that the practice of inclusion of special education students in regular education classes warrants smaller classes. Their rationale was that if regular education classes were to educate students substantially outside of the norm, then classes had to be smaller in order for teachers to meet everyone's learning needs. An issue related to mainstreaming is the notion of ability grouping, a practice more common in the targeted larger Vermont schools than the smaller ones. If inclusion were to continue to be the standard practice, further investigation would provide valuable information as to the benefits and downsides of grouping students by academic ability.

Teacher Quality and Teacher-Student Relationships

As previously noted, evaluating teacher quality and teacher-student relationship was beyond the scope of this study. Yet both of these topics were cited in the literature and the research study as being highly influential to student educational outcomes. It is important to know if there are significant differences between teacher quality and the nature of the relationships formed in small and large classes and what can be done to strengthen both of these influences. Are there significant differences between large and small schools in regard to the opportunities for teacher collegiality and professional growth through professional development opportunities? Are there substantial differences in the nature of teacher-student relationships in small and large schools?

School Size

The aim of this study was to investigate the effects of class size on student achievement. However, in Vermont, it was not possible to separate class size from school size. As demonstrated in this study, small schools had small classes and large schools had larger classes. It is conceivable that schools in Vermont or other states could be organized differently. That is, large schools could have smaller classes and small schools could have larger classes. Further study of the relationship of class size and school size would substantially add to our understanding of the effects of both class and school size.

Limitations of Small Schools

Principals of small schools gave the impression of being confounded by their limitations. They reported that their small schools struggled to reach beyond their campuses

and to innovate, largely due to limited staff and resources. Research into how these constraints may impact teachers and students is important to understand in order to overcome them. What are the effects on a student's academic achievement that has one teacher per subject for all four high school years? Are there different outcomes due to the fact that students in large schools have more course offerings, more variety of teaching practices, and a greater diversity of students within a class? Are there other effects of school size on student academic achievement?

Thank you for giving this opportunity.

suggestion #1

Get the NEA out of the State House,the average property owner has to work for living,.and cannot get there,especially from the southern part of the State.

Having hearings at the State House about education,only invites special interests.

I know it will take a tremendous effort,but have at least 12 hearings around the state and listen to the people In hard times like now,the leadership either will turn into heroes,or traitors,a very important vote coming early next month,show the people where you stand.

By the way,I live in Bethel,i am member of the bethel business Association,in existence for 25 years,every year the last Monday of January,Feb ,march, and April,we host a legisl. breakfast.

I would like to invite you for all of them,or one,we start at 7.30 am and done by 9am.

I hope to see you or hear from you

Sincerely

Nick Nikolaidis
1398 Brink Hill Road
Bethel Vt 05032

802-234-5064,or 234-5171

The major problem with education funding is the process in which the Brigham decision was interpreted. Prior to the problem that was presented by the Brigham decision was the fact that children were not getting equalized education whether it be caused by lack of resources or lack of qualified teaching accountability. Money was presumed to be the answer despite the fact that all schools prior to the Brigham decision were supposed to meet standards. The question of why standards were not met led to decades of throwing money at education , and according to the Picus Report, resulting in no real change in student outcomes, the disparities remain.

Despite semantics the citizens of Vermont want real control over their school budgets while expecting quality, cost savings and swift implementation. That being said, what meets both the citizens expectations and the Brigham decision? My response is Universal k-12 school choice, consolidation of schools based on teacher student ratios, reduction of Supervisory unions to follow the tech schools and teacher standards accountability.

A second idea, and somewhat along the same lines, is the article in Digger dated Dec 22 titled "Universal School Choice is the Answer" by Rob Roper.

Lowering the cost. Vermont's independent schools operate using more efficient, creative business models than their public school counterparts. As such, they are successfully educating students for roughly 15 percent to 30 percent less than the public schools.

Just one year after the public elementary school in North Bennington "went independent" and adopted tuitioning-based choice for the district, principal Tom Martin commented, "We have two more kids than last year, two less staff members, better programs, and an overall savings of right around \$200,000."

Better outcomes. The communities that enjoy tuitioning have given rise to some of Vermont's most dynamic education opportunities. Before the public school in Winhall "went independent" in 1998 and became a tuitioning town, the school had some of the lowest test scores in Vermont (as well as the state's highest per pupil cost). But after a decade and a half of steady improvement (FY13), the independent Mountain School at Winhall eighth-graders scored 13 points above the state average in reading, 16 points above state average in math, and 19 points above the state average in writing. And the school is achieving these results for significantly less than the public school average per-pupil cost.

Compatible with Brigham. Almost any other funding mechanism imaginable will run into problems with the Brigham court decision that spawned Act 60. However, a statewide education tax that funds tuition scholarships to every individual child would comply with Brigham. In fact, it would go beyond the fairness of Brigham's requirement that every kid have equal access to the tax base, and ensure every kid gets equal funding for their education (with allowances made for children with special needs).

Greater local control. After Act 60, the idea of “local control” of education has become more of an illusion than a reality. Moving to a choice-based system should return power to the most local of levels – families and schools. Principals and local school boards need to be granted the freedom to innovate. Raising the money to fund tuitions will be a state responsibility, but how to spending it will be entirely local.

Consolidation. It is a sad fact that Vermont’s K-12 system has lost roughly 25,000 students (over 20 percent of the population) since the passage of Act 60. As a result, some level of consolidation is necessary. By empowering parents to vote with their feet in the best interests of their kids, we will better ensure that A) consolidation is an organic, people-driven process, and B) the best schools will be rewarded and supported.

Any major change in how we pay for and deliver education will be complicated, and moving to a school choice system will certainly be so as well. Many details will need to be worked out. But it is the simplest, most transparent, fairest option available, and the one most likely to provide the most satisfying rewards.

Mr. Speaker,

It would appear that the driving factor in the property tax burden is education spending. Obviously faculty and staff student ratios which are among the lowest in the country contribute to that. School districts are reluctant to close small schools and consolidate with other districts. We need to eliminate the small school grants sooner rather than later. The legislature might want to consider providing one time grants to towns to convert closed schools into community centers. This might persuade local residents that they will continue to have access to a community center.

The income sensitivity should be returned to 2% of income for households between \$75, 000 and 89,999. And a new rate of 2.5% for incomes up to \$110, 000 should be established. I haven't attempted to find out how this works out from a numbers standpoint. The current cliff is grossly unfair. A small shift in income around the \$90, 000 limit can result in \$4,500+ or - variations in property tax adjustments based on my own experience.

While new revenue is not on the table, if it becomes necessary I would suggest eliminating the exemption on clothing. This would generate additional revenue for both the general fund and the Ed fund. If that became an option I would suggest that the Community High School be funded from the general fund. I would exclude clothing sold at second hand, thrift stores etc., if necessary.

As you might expect I am happy to see 53 Republicans in the house, I hope it makes your life easier.

Good luck in your effort. I am glad my name never got attached to Act 68.

Regards,
Dick Marron

Hello-

Thought I'd add my lone 'voice' to those of the organized groups lobbying the statehouse on this topic.

I feel there is little 'moral hazard' or, to put it another way, little recognition, among taxpayers, what impact education spending has on individual taxpayers.

Therefore, I suggest there be, before any spending measure, whether at the School Board level or the State (and Federally mandated) level(s) a Taxpayer Impact Statement, or TIS, much like the old EIS, or Environmental Impact Statement, showing just what each increase in spending would look like, pocket-wise, on individuals. And if by chance, a parent will not see an impact, perhaps because they enjoy, temporarily, a deduction/exemption for a school-age child/dependent, then the TIS should show what it would look like WITHOUT that deduction, just so they know what they're doing to all their neighbors when they vote Yea on that new school's new buildings... or whatever. And the broad TIS results, without of course, the names, should be published before the vote.

But where does most of the increase come from? I bet it's salaries. Then why can't we see just WHO, on the public dole, gets WHAT???. Stop hiding individual salaries for public employees under the general title of Salaries, or Administrative!!!!!!!!!!!!!! What kind of transparency is that? It's not moral to take public money and not have it known, publicly.

Perhaps there needs to be a proportionality, in law, of the salaries, tied to a percentage of the average income in an area? Modified by the input to the tax base of local businesses. And those heroic businesses should be publicized and thanked. The fungibility of it all ...
!

Lots of luck,

Ann C. Kehoe
Brandon

Hi Shap,

Matt from Shadow Productions here; we met you when we interviewed you for the Leadership Champlain video late last winter.

First, please feel free to disregard this note on the basis of it being rather anecdotal. I realize you folks deal with minutiae that are beyond my layman's understanding. What I lack in wisdom I'll try to make up for in brevity.

Here's what I see: I see people in Burlington (and elsewhere) each year increasing the school budget without knowing the particulars of the budget. At the same time, these people are telling each other to file for property tax refunds so that they're not really paying for the school budget increases. It's happened this way for many years. In other words, school budgets are sold to towns on the basis of, "Don't worry, this won't really affect your taxes because you can file for a rebate."

To this small business owner, so many financial decisions are very simple because it's all about affordability. When something is cheap and easy, one does it. When it costs real money, one thinks about it a lot more. If heat were free in the winter, we'd leave our windows open for the fresh air.

Sharing the burden of property taxes more equitably will, in my opinion, lead to more careful questions being asked about school budgets. As a business owner, I know that budgets can always be cut and that it's not always a Sword-of-Solomon thing, either. Every spring the pro-budget folks threaten the widespread and sudden loss of teachers, fire and brimstone, etc. It becomes a battle of banalities--you're either for the children or against them. You either think they deserve the "best" (which is never defined) or you're consigning them to a purgatory of poor education (whatever that means). The discussion is about as substantive as cake frosting.

However, the truth is that there are always non-painful cuts that can be made if one is truly motivated. But, there's no motivation to plug the tub when you can just open the spigot more. In my opinion, the idea that the public can have a free lunch because some mythical fat cat in a gold town will going to pay for their children's school is at the heart of this serious issue. If fewer people received property tax rebates, I believe we would have a more inclusive and deeper discussion about school budgets. Lowering the ceiling on property tax rebates would therefore be the place to start. This might even have the happy effect of lowering the often-astounding price of housing in Vermont.

In closing, I realize my modest solution likely falls under the heading of unintended consequences, but perhaps it's a start.

Thanks for reading my note, and best of luck with this difficult issue.

--Matt Dugan

Hello Speaker Smith,

I just read at VT Digger of your request for ideas to address the property tax issue. Thanks for asking and for creating this public charette!

There are already lots of very good ideas listed in response to your request including: focusing on the essentials of education; reducing unneeded bureaucracy; localizing decision-making; engaging students in real applications that have measurable community benefits; and more. Specifically I would promote charter schools within public schools. I would also recognize schools as the community centers they are with traditional education being job one but then opening up to other uses for all citizens particularly elders on a fee for services basis.

But you asked about alternative funding. Here are three new approaches:

1. Collect Pollution Fees

The single greatest weakness of the market economy is that it externalizes many costs to commonly-held assets such as air and water. Air pollution and water pollution are not accounted for in the cost of goods sold. They must be and government should do this. Publicly levied pollution fees can go a long way toward addressing this while generating significant funding for important public goods such as education and health care. Pollution fees should be a much greater source of revenue. Air and water pollution fees could be collected at: the gas pump; in vehicle licenses; at toll booths; everywhere disposable products are sold; etc. etc.

2. Cap & Trade

Cap education costs and property taxes and then reduce property taxes with revenues from pollution fees.

3. Change property tax system from "Highest Market Value Assessment" to "Current Health Value Assessment." Just imagine what a difference that would make!

Thank you for your efforts!

David Brynn
7623 Plank Road
Bristol, VT 05443

Representative Smith,

I had read a recent piece in VT Digger that said you were seeking public input on property tax reform. I agree that people take pride in our local school systems. However, increased school spending with no end in sight is hurting people, and especially in my community. What I would like to see you support are "mandates" rather than incentives for school districts to consolidate ultimately resulting in less infrastructure along with less staff. We need a streamlined education system that not only reduces spending, but distributes those costs evenly amongst all Vermonters, and not just home owners. We (my wife and I) love living in VT. I guess we're technically "flat landers". But it would be devastating if we had to sell our house and move from the state that we love because of an issue of affordability due to a broken education spending system. We're not there yet, but we're getting closer. We are eagerly anticipating leadership from Montpelier on this particular issue, and want you to take the lead on this particular issue. And with that said, I thank you for taking the time reading my concerns.

Thank You

Tom....

Dear Mr. Speaker,

You have asked for some input on what our Vermont Legislature should do regarding educational funding by the state and the local community.

To preface my ideas that I believe may work, I would initially like to state that for me, the school tax has almost doubled in the four and a half years I have lived in Bennington. Since I receive a small government pension and my income is low, my share of these taxes have been reduced. However, this is not fair for everyone. It is especially not fair to people who own second homes here. These people use less of the resources that I use and yet, end up paying more. Second home residents spend their money in our communities and many support local programs. They go out to eat, use recreational venues and purchase local art more than local people do. Without them our local economy would greatly suffer. Yet, we tax them more and run the risk of chasing out of Vermont because we give the appearance of trying to take advantage their wealth. I understand that the tax laws were enacted to help people like me retain their homes as long as possible. However, I also understand that the more people who contribute, the better we are all able to have a fair tax. Lastly the tax codes as they are written, not clearly written for most people.

My proposal for reducing the tax burden is relatively simple.

1. In order to reduce the school tax burden the legislature must keep in mind that for most of the people in Vermont, "Local Control," is a concept that has to be respected above all else. This is part of the reason why the "REDS" were not an effective way to reduce school spending.
2. Pay all teachers from one fund in the state and aligned this with the teacher retirement system and have all health benefits paid and negotiated at the state level and relieve the local districts of contracting this. . This would reduce the local cost especially for districts who have very few teachers by eliminating personnel who do payroll and errors. It would also reduce the number of bargaining legal ramifications with the union. The union could negotiate one contract for pay and benefits. (The logic here is that we pay all state troopers the same regardless as to where they work. Why not teachers?) All teachers would be on the same pay grade system. However local unions should still retain the rights to bargain in other matter not pertaining to pay and benefits. (I do know that the state of North Carolina and Hawaii have similar kinds of legislation for the state teacher pay. I have worked for numerous schools districts who have use this system as well (The Catholic Diocese of Brooklyn and the Department of Defense Dependent Schools - DoDEA.) I have also been a union member with these systems and felt that it was a far better way than trying to negotiate a contract with my neighbors.)
3. Have one HR (Human Resources) for statewide recruiting and benefits. Allow local schools/boards to retain the right to hire and fire their own personnel. The State HR would generate a listing of all eligible candidates and the local school district would use this listing for hiring.

4. Reduce the number of statewide tests. Have one per year. Use a nationally recognize testing system and not a regional one.

5. Revamp the way districts use Special Educational classes and funding. As it stands now, districts and the state keep swapping money. The more paperwork involved, the more money is spent. Have one system statewide for reporting and monitoring. Use the same software and generate the software from the state budget. Encourage districts to use strategies that reduce the cost of Special Education, suggestions for a tiered intervention model and suggestions on how to increase the effectiveness of the program. Chief among these are teacher professional development, over use of paraprofessionals and an increase use of co-teaching and inclusion classes. Statistically, a district should have 10 percent of its population in special education (plus or minus 5 percent.) If a district has more, investigate.

Jackie Kelly

557 Fox Hill Road
Bennington, VT 05201
802-681-7497

Dear Speaker Smith,

I read about your call for citizens' proposals on education in this morning's *Valley News*, and that article represents one of the major stumbling blocks to useful reform. The first three paragraphs talked about how citizens are fed up with rising education costs and high property taxes; the next four paragraphs talked about school district consolidation and how legislation around it got bogged down last year. A naïve reader might get the impression that those two ideas were linked.

As has been argued persuasively in other editorials in the *Valley News* and elsewhere, **consolidating school districts probably has nothing to do with saving money**. In those states that have tried it (e.g. Maine), consolidation actually increased costs, rather than decreased costs. Imagine public reaction when, after a cantankerous statehouse battle but eventually win for consolidation, property taxes rise faster than ever. The Legislature would have stirred up a lot of enemies without solving the underlying problem. I'm not a politician, but that doesn't sound like a recipe for success.

My proposal would be two-fold: first, take consolidation off the table (or at least out of the center of the table), and second, publish an analysis of where per-pupil spending actually goes.

I know there are arguments that consolidation encourages schools to share services, and that is a good thing; but services can be shared whether or not districts are consolidated. The goal is saving money without sacrificing education. If, after a careful analysis, someone can show that district administration is a major driver of education costs, *and* that consolidation would fix that, we can revisit it; but until that point, consolidation is a red-herring that only stirs up emotions without actually solving anything.

If we are serious about saving money on education, let's look at where the money is being spent. This could happen in two ways. We could look at the schools with the highest per-pupil spending and ask why are they so high? (Or conversely, look at the schools where per-pupil spending is low, and ask how they do that.) Or we could look statewide at the budgets, line-by-line, and see where we spend the most per pupil. It seems logical that if we want to save money, we make the most impact of we attack the places where the spending is greatest. The average citizen does not have access to that information, so a call for proposals to help address the issue is likely to have only limited value.

I suspect we will see two things. The largest budget item will be teacher salaries and benefits, and the only way to decrease that is to cut teachers and make class size bigger. Good luck getting the NEA to buy into that! But that's the place you will have the biggest payback.

Secondly, I believe that the cost of *educating students* has not changed very much, but the cost of the *education industry* has skyrocketed.

We now have nationwide standards, and we must measure how we perform to those. There are more standardized tests required, and those tests must be written, administered, graded, results analyzed and reported. That all costs money and takes teachers' time, but adds little if anything to educating students.

If, based on these test results, our schools are "underperforming", they are labeled as "in need of improvement", and they must come up with a plan to address that deficiency. Someone has to write the plan, administer it, measure its progress, report progress to someone, etc. That all costs money and takes teachers' time, but adds little if anything to educating students.

Our Special Ed. is hugely expensive. Look at the per-pupil spending on Special Ed., and all of the extra staff and the reporting and filling out forms to justify state reimbursement. That all costs money and takes teachers' time, but adds little if anything to educating students.

How much do we spend on technology, and what value is it adding? Even kindergarteners have computer lessons now; there are staff positions for technology, and large budgets for equipment and maintenance. Can anyone show that this has improved educational outcomes that outweigh the demonstrated increases in attention deficit problems, anxiety and depression, and hyperactivity that all the screen time causes? If not, slash those budgets.

Perhaps the compromise with the NEA is to **let teachers teach**; get all the excess baggage out of their way, and only cut positions when declining enrollment dictates that. We would have happier teachers, better-educated students, and lower costs and property taxes.

Don't look for easy solutions. There aren't any.

Thanks for your attention.

Sincerely,

Rob Anderegg
20 Damon Rd.
Hartland, VT 05048

Dear Mr. Speaker,

Recently, a number of news reports have surfaced about tax deals between Luxembourg and a number of multinational corporations based in this country and other countries. These "Lux Leaks" are yet another example of the massive income tax avoidance by multinational corporations operating around the world and in our state of Vermont. At the federal level, it is unlikely that Congress will reform the current system that allows multinational corporations to legally shift profits earned in the US to foreign subsidiaries purposely located in tax haven countries. However, Vermont can and should reform its corporate income tax to help fund education financing in Vermont....and level the playing for **all** corporations doing business in Vermont.

The last time the Vermont legislature changed the state's corporate income tax was in 2004 when it adopted water's edge combined reporting (ACT #152). As I understand this method, it mitigates profit shifting by multistate, national corporations that conduct 100% of their business in the VT/US but it allows multinational corporations operating in Vermont to continue to shift profits earned in VT/US to foreign subsidiaries ("overseas business organizations") - profits that may be repatriated if the multinational is based in the US or never repatriated if the multinational is based in a foreign country (which is no doubt why US multinationals want to move to a foreign country and why so many foreign-based multinationals are doing business in VT/US).

The US Supreme Court approved worldwide combined reporting first in 1983 (Container decision) and again in 1994 (Barclays Bank and Colgate-Palmolive decisions). Given the court's green light to make corporate income tax avoidance morally **and** legally wrong, it is difficult to understand why the legislature adopted the water's edge method (better called watered-down or skim milk combined reporting) when it did in 2004.

Mr. Speaker, the state of Vermont needs to reform education financing and its corporate income tax. Will you support worldwide combined reporting?

Thomas

The system can't be reformed without dramatic action. I know. I serve on two school boards in Bennington. I find item after item in warrants that should be questioned. I get answers but no one wants to end the spending. Frankly, I can't get a handle on what is mandated by the state, but it's a justification that is used to justify the cost all the time. No one has a list of what the mandates are and how much local money has to be spend on them. Give us a well-developed list that explains the needs, costs and justifications so local boards can have a map for what they can cut.

Here are some more some suggestions to make the changes needed – and I say that as a person who grew up in Vermont and now faces having to move to another state before the taxes here force me to leave in order to survive. Rephrased; when you see that you run out of money before you die and realize it means you lost everything, its time to get out before it happens. That is the what the State of Vermont now is, unless you're a trust fund baby or on welfare.

Simple things to do:

Admit publically that teachers are not entitled to a lifetime job.

Admit publically that they need to pay more into their own retirement and their own healthcare. Its no pleasant, but necessary.

Stop taxing Social Security. Other states don't and have adjusted their spending to live without taxing people with little into leaving.

We often here of people working two and three jobs to get by. Well I'm 67 and this state has created a system where I work full time, serve on two school board and spend 1/3 or more weekends every year cutting and splitting firewood for heat in the winter. That's 4 jobs and I'm surprised you're not trying to tax the wood too or telling me I can't burn wood anymore. -- We hear of people leaving the state and its not the rich. It's the middle class because of taxes. More would go tomorrow, but they can't sell their homes because no one is moving here.

The one major thing needed to force the reinvention of Education in Vermont:

Freeze all school budgets for 3 years. During this period make state and school administrators use an efficiency system like the GE Workout to find things that do not need to be done, are not adding a productive and necessary element, and that need to be eliminated. -- It will be painful and disruptive, but we cannot go on without doing in the public sector what business has been doing for 20 years now. We know it works.

I'd freeze all town budgets too. Selectmen (as well as school boards) have by and large become yes men to administrators. Often we are told something has to be fixed because the state said so. – When in fact we have a legislators writing a law telling an administrator to

make rules to fix something – and the staff looks not to what Vermont needs and can afford, but to what is done elsewhere.

I'll give you an example: Here we were told there is sometimes a low water pressure problem affecting maybe 20 houses – according to guidelines in a national standard (that makes money by making new standards), and the state will fine us if we don't spent \$500 thousand on a new water tank that is higher on the mountain side.

But when you dig for facts we are told the low pressure only happens when they are pumping water up to another tank. When asked why they can't pump only at night when system use is very low, thus eliminating the low pressure issue, we are told the state mandated it. Meanwhile the same local administrators and selectmen are the people who told the town folks during Irene we would run out of water because Morgan springs can't provide enough – when in fact it did. We are also told by these people they need the highest water and sewage charges in the state because water mains are 60 years old and have to be replaced – while the EPA and manufacturers tell us they are good for a minimum of 110 years. – This same type of stupidity has infected the education system over the last 30 years and it needs to be turned upside down to force change.

More thoughts:

I grew up in the 50s and 60s. Educators tell us that 8th graders then, came out better educated than high school graduates today. That ought to open everyone's eyes to the failed system we have created. We had 25 to 40 kids in a class room and we learned. There was discipline. One thing we learned is not everyone is college material – Today we are pretending everyone can be college material. Its strike against human nature. It can't ever succeed unless a person is willing to put themselves into the work. To many of today's students do not want to do that because they have been taught not to by a society that offers trophies for showing up in red hat so no feeling are hurt, while society says your poor, so you need special treatment. Then we dump them out at 18 and business tells us they can't find people qualified to work. The State can't fix this easily, but we can change society. The drinking and driving problem has been pretty much solved with dramatic measures. Try eliminating state funding and mandates for things that do not work.

We also need a complete overhaul of special ed. Some kids need it. But the system is corrupt. In the SVSU we have 600 kids in special ed, with 300 special ed teachers and another 80 para-educators assigned to special ed. Then we have special ed administrators. Start by changing the definitions of who needs special ed. We don't help kids by branding them as special ed kids, but we mark them for life with it. Its not helpful and its unfair to both the kids and the people paying the bills. Change the definitions and end the funding for those who should not be in special ed.

Maybe we also need to revisit the concept of the reform school. Today we spend thousands of local dollars for special programs. Perhaps we need a society that says you get X number of chances and counseling to change your behaviors. After that you go to our boot

camp until you learn how to live with the rest of us. To those who object, the answer is boot camps have a way of turning teenage idiots into polite and thinking young men and women in a few of months. It's a proven fact. Build the boarding-boot camp school for those that need the attention! We might just see classes of 25-35 where people can learn without them, and costs that are much less then we spend now.

I could go on, but you probably don't want to hear more. If you do, let me know. You should also know that I have voted democratic all my life. But not anymore. I've had it with the liberal thinking at the Capitol that is going to force me to leave where I grew up just to survive until its my time to die.

Edward Letourneau

219 Grandview St

Bennington, Vt. 05201

802-733-5954

Dear Mr. Speaker,

Educational spending, teacher salaries and benefits in particular, is what is driving the rapid increase in property taxes throughout Vermont. Towns and cities in Vermont need to have the tools to negotiate effectively with the Teachers Union. They are at a distinct disadvantage when up against the attorneys fielded by the union.

Why I do not dispute the need for good schools, we do not need to over pay are educators. In many towns teachers are the highest paid residents not to mention the rich benefit package and early retirement plan they receive.

Sincerely,

Chris Johnson, PHR

Technical Connection, Inc.

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web: www.vttechjobs.com

Speaker, so glad you are asking for opinion from the public on property tax reform.

Here are a few ideas I have:

- Spend less. Close some schools.
- Appoint a panel of three retired judges, to propose a slate of district consolidations. Use Ed fund money to cover higher education in part, as most states do. Force the local economics to drive consolidation.
- Religious and educational outlets pay no property taxes. time to tax them. Seriously.

These changes are LONG overdue.

Please tackle it this session. And I'm happy to testify if you need me.

Thanks,

Eli

Eli Lesser-Goldsmith \ New Store Development - Owner
Healthy Living Market and Cafe
[802 - 863 - 9111](tel:802-863-9111) Direct

Here are my suggestions...some will simply just not be liked..but here are my brain storming ideas/thoughts.

1. Mandate that class room size be a minimum 20-25 "period", here in Bradford the High School is roughly 1 teacher for every 11/13 students(with the low student teacher ratio that we currently have..our SAT's are not that great, and to increase the classroom size does not automatically mean the SAT's will get worse) and yes that means some teachers will need to leave. I substituted in a 3rd year French class once and there were only 3 students. In colleges if there isn't a minimum number of students then the class doesn't run.

2. The Education fund can never again be used to balance the State budget as it has been used in the past. If we have millions of extra dollars in the education fund then it should be used to reduce the taxes or used to fix/repairs schools thereby helping towns. All to often repairs are overlooked to give pay raises.

3. Fix pay raises to the CPI **period**..if it is good enough for Seniors on Social Security, Military, Disabled Veterans many of who are tax payers..then teachers and staff can live off it as well. If there is no CPI increase then there is no pay raise.

4. Do away with the property tax for education period...if it is truly meant to be a whole population contributing to the benefit of our youth, then all should contribute.

It can be an addition to income or sales..even people on fixed incomes..still spend money, but for it to work you must do away with the education property tax completely to **make it seem more painless**. Can people still go over to NH to escape sales tax..yep so find something you can only/must get in VT.

5. Fix expenditures to \$10,000 per student and can't go over period..this could force the classroom size to increase.

6. In Bradford many can't understand the need of the Superintendent's office/district? So decrease them.

Here's a start...as I think of more I'll send it along.

Scott Johnson

I have the following points for consideration on this subject:

Current System:

- Why are there 2 property tax rates, Residential and Non-Residential? With regards to parity, property is property whether it is residential or non-residential. There is disparity from town to town as to which is higher. Further, non-residents do not have a voting voice at town meetings which influence spending. A flat rate for property tax is suggested.
- Recommend re-engineering the tax rebate program. I think the minimum household income of \$97K is too high. Should be tied to a lower metric that really reflects lower income thresholds. The rebate program makes the other taxpayers pick up the difference.

Future:

- Can we utilize income tax to pay for education funding? This would engage all wage earners from low to high to pay for the essential education of our future workforce. A side benefit might be that more people would own real estate if the property tax burden were reduced.

Happy Holidays
GP Allen
Vernon

Dear Speaker Smith:

Thank you for asking for citizens' input. I'm assuming that this is a genuine request.

I'm a 12th generation Vermonter who spent 14 years living and working in various cities before returning to my hometown, Wilmington, in 1979. I served on the local school board in the mid-80's and on the local select board as member(and chair) for nine recent years. I was also active in creating the Wilmington Education Fund which operated from 1998 - 2006. My family is plentifully supplied with public school teachers and my own children received solid educations locally in a very small high school. I have been a Realtor for 30 years and see the affect of ever-increasing property taxes .

Succinctly, a few suggestions:

lower the "income sensitivity" threshold significantly so that only the low income property tax payer receives a rebate of any kind. (As you know, this was an insulting pay-off to residents so that they wouldn't protest the legislative enactment of Act 60).. It is not good tax policy that 70% of Vermont residents receive special treatment and are thus insulated from school spending decisions.

consolidate supervisory unions and organize them by county thus eliminating an unnecessary administrative layer that has questionable value to educational excellence

stop any payment out of the Education Fund that doesn't fit with Act 60.

stop draining funds from school districts that have no increase in their school spending.

Thank you for asking. I wish you well in this very difficult endeavor..

Sincerely,
Meg Streeter

Legalize pot and use the tax revenue to offset property tax. That effectively eases the tax burden on land owners while shuffling some of the responsibility on to landless stoners. Everyone happy!

Chris Jones

Speaker Smith -

I have had the honor to be elected to our local school board (serving as chair for 3 years) and thus also with the Orange Windsor Supervisory board for 5 years. I have 3 ideas which would result in substantial savings if backed up by the state.

1. Allow all teachers who are K-8 certified to teach any section or subject in a K-8 school. In the 90's, there was a move to narrow certifications to the point where we have to keep extra staff to teach 6-8 grade subjects (hardly rocket science) but more importantly, it prevents a teacher from teaching a single class (say, French) unless they're certified in French. During my term on the board, we spent 10% extra in personnel costs due to requiring our 6-8 grade to act like a high school w/r/t certifications.

2. Use some of the "carrot" money that no one wants for consolidation to encourage and train schools in modern multi-age classroom techniques. When I was chair at Newton School (Strafford), which as you might know is one of the top 5 performing schools in the state, we used multi-age classrooms not only to foster social and academic progress, but also to substantially increase the student teacher ratio. In our K-2, we had 2.5 teachers; in our 3-5 cluster, we had 2.25. Traditional methods would have 3 teachers for each of those clusters...another 10% savings. (My wife, Diana Leddy, 2009 State Teacher of the Year, is an expert in multiage classrooms if you want to follow this up).

3. The longer term issue is uncontrolled special education costs. Everyone blames the federal government, but if you look across New England, you'll see that our implementation of the rules drives our costs up much higher than our neighbors with similar quality schools. Some ideas:

- The power to approve IEP's over a certain \$\$\$ amount should reside with the state;
- no IEP should last more than 2 years;
- the state should staff an attorney to deal with threatened and actual litigation over IEPs (towns cave all the time due to the cost of defending a suit, at huge long-term cost to the state);
- if a town spends more than some percentage (say, 20%?) on Special Ed, it should trigger an audit where all IEPs are canceled and the services are re-evaluated. The expenses might be valid, but there might also be better alternatives a lower price.

In Strafford, we spend 27% of our budget on special ed, and at least 40% of the staff are one-on-one aides who are not allowed by Vermont law to even monitor the afternoon buses. Other states do better. We can too.

Thanks for giving us the opportunity to present ideas directly.

Tom Cecere
Strafford, VT

Dear Speaker Smith:

1. There should be a substantial shift in funding from the local property tax to the state income tax. For an interesting recent article on an income tax proposal in Utah (of all places) being initiated by a Republican legislator see: <http://www.sltrib.com/news/1873537-155/gop-lawmaker-calls-for-tax-increase>

2. Whatever new funding approach is decided on, it should be something that can be explained in a single paragraph and be readily understood by citizens. Right now, only the most well-versed legislators (perhaps) can clearly explain how the funding formula works. One of the biggest problems with the current formula is that virtually no one knows how it works. Not just local school board members, but the average Vermonter. I think simplicity should be a guiding principle for any new legislation.

Thanks for listening, and good luck with the upcoming Session.

Wayne Senville
Burlington, Vermont

Dear Mr. Speaker,

I'm a 35 year veteran educator,; 30 years here in Vermont; 22 years as an elementary and middle school principal. I strongly believe that you cannot look at funding formula without attacking the issues that continue to drive expenses to the current unsupportable level.

Here are my suggestions:

1. The legislature needs to Legislate the consolidation of school districts. Asking each school and SU to do this on their own will only continue the status quo. I suggest 13 regional SU's with the addition of individual districts in large urban areas like Burlington, South Burlington, etc.

Reducing the number of districts to 16 will eliminate the administrative overhead currently generated by sixty-some superintendents, curriculum directors, special ed directors, tech directors, maintenance directors, business managers, secretarial staff and as well as rent and utilities for all of those offices. There will be a need for some lower salaried admin assistants of course, but I cannot believe that we would realize 10's of millions of dollars in savings.

Regions would also be better able to create alternate educational opportunities like magnate schools and computer and video technology assisted instruction (where a master math teacher, for example, could video tape presentations for students to watch at home , and then use class time to offer individual assistance and problem solving Not only is this an exciting new way to deliver an education experience; but it would allow a reduced staff to serve several schools at once. students would receive instruction from the best instructors- reducing the number of staff on the payroll.)

regional units would also pave the way for....regional teacher's contracts.

2. I think that the State needs to "grab the bull by the horns" and engage the state teachers association in an effort to redesign the current step and column , indexed salary schedule. The current system pits lay school board members against professional contract negotiators who leverage each district salary requests against neighboring contract settlements- an ever upward inflationary spiral that has artificially inflates teacher salaries.

The current system also creates a salary creep based not on performance but on longevity. As a staff matures, the negotiated salary increases are magnified by the index system. Under this system a 4% salary increase gives a young talented teacher earning a \$30,000 salary a \$1200 raise, while a \$60,000 veteran, who may or may not be as strong a teacher gets \$2400. You can see how the costs of maintaining a veteran staff, some of whom may no longer be performing at a high level, becomes increasingly expensive.

. I haven't run the numbers but believe that a 3 tiered system, would save a lot of money. Here's how it would work : In each region all new teachers would be considered "Novices" and be paid the same salary. They would be given a veteran coach and be subjected to fair and intense supervision and evaluation for 2 years. After 2 years , those found to be successful would become "journeymen" teachers. Those folks would also be on a regional pay grade. Again comprehensive evaluation would occur, including a 3 year average of student performance data, 3 years of parent satisfaction surveys and 3 years of administrative and peer review. Journeyman Teachers would have to earn a masters in a content area by the end of the 3 years.

Finally, those who move to the next level, :Master Teacher" would move to the pay grade that the regional board has decided is a fair , affordable salary that a truly professional teacher is worth. Gone are the pay raises based on longevity.

Salaries could be indexed to the COLA.

All newly hired staff would be in this system; existing staff can elect to be grandfathered in the current indexed system , or move to the new contract.

Regional salaries would naturally reflect regional economies.

I believe that St Johnsbury Academy has had system like this in place for decades and could provide you with details about its effectiveness

Unless the legislature seriously takes on the school reform issue we will be cursed with unreasonable and unsustainable budgets, resulting in reduced educational opportunities and nightmarish decisions about staffing being made by 264 local school boards.

I'd be happy to discuss my proposal with you or your staff.

Jeffrey Teitelbaum

285-6699

Dear Speaker Smith,

I have read that you are seeking input on property tax reform for the state of Vermont.

Here is mine.

The rate in the rise of property taxes over the last few years is unsustainable. Property taxes are too high for everyone. Every year it seems the VT legislature decides to fund some new programs and that requires new money. Consequently, property taxes rise and all Vermonters are left with less to spend on the themselves, their families and the amount they can save for retirement.

Please help lead the legislature and Governor Shumlin away from the belief that government can solve all societies problems by spending more money.

Thanks you for listening.

Joe Fitzgerald
Burlington, VT
802 862 6673

Speaker Smith,

I am responding to your call for opinions on education finance reform. I have supported the Democrat party in Panton, working for John Spencer this fall and writing letters to the Addison Independent recommending Diane Lanpher and John Spencer. I volunteer in town government acting as auditor , representative to the Addison County Solid Waste Management District, 911 coordinator, Board of Civil Authority as Justice of the Peace. I am committed to our self government.

Education finance reform demands cutting costs, not just switching the wallet you draw cash from. The greatest costs are in personnel. We have to reduce personnel. This might be by not replacing some retirees.

My wife (similarly involved in town government), Louise Giovanella and I ran a wholesale perennial plant nursery here in Panton prior to our retirement. I know something about finance.

Perhaps the method of raising funds for education might be improved. I don't have a strong opinion except to say that the current method was devised to be fairer to the poorer communities and children of Vermont and I support that effort.

In our town the wealthier residents are in revolt about the taxes on their million dollar homes. They are also the folks agitating to sell the homes of a few very poor residents who are delinquent on their taxes. I deliver meals for Meals on Wheels, and some of these delinquent tax payers live in homes that those folks along the lake wouldn't keep their pets in. There is a mean spirited aspect to some of the most fortunate among us.

That said, Vermont has the worst pupil teacher ration in the USA. There's room for improvement.

Good luck with this difficult problem.

Best Regards - Paul

J. Paul Sokal

Mr. Speaker,

I appreciate the opportunity to comment on the Vermont public education system. I have lived in Vermont for a year. The key to reducing the cost and improving the equity and quality of education in Vermont is school consolidation at the county level. There should be county school boards and schools-not each town and township. There is an uneven burden on certain townships and towns to fund education which could be more equitably borne at the county level. Also, inefficiently staffed and maintained schools could be consolidated, thus providing economies of scale and efficiency to hopefully improve the quality and reduce the cost of education.

Tim Ford

Speaker Smith:

Vermonters are looking for **property tax relief**, but NOT at the expense of higher income taxes. There has to be a way to lower education costs and NOT raise taxes. That's the only solution that would be acceptable to me.

Ritva Burton

Mr. Smith,

I'm writing regarding school spending and property taxes, as written in VTdigger 12/22/2014 <http://vtdigger.org/2014/12/21/house-speaker-shap-smith-seeks-property-tax-reform-proposals-public/> .

We have seen the high growth in property taxes play out first hand in East Montpelier. Voters last year approved an \$8M to \$9M school construction for East Montpelier Elementary, a tiny school of 230 or so students with at best static enrollment and no prospects for enrollment growth. Among the selling points by advocates was that more than half the households would see relatively small tax increases due to income sensitivity. (I no longer have the exact numbers projected by the school board.) Our own full fare tax (in recent years we also have been under income sensitivity but not now) increased by \$2,100 between 2010 and 2014. This is in a town with no police force, a volunteer fire department, and, after road maintenance, minimal town services.

Along with very high property taxes (now as high as New Hampshire where that is about the only big tax), Vermont's other taxes are also high. Social Security income? Fully taxed. Other retirement income fully taxed. Estate taxes? High tax rate, and no accommodation for spouse inheritors as in many states and the federal government. Vermont seems to be above the nationwide norm in too many tax areas, using just about every tax option, and then pressing the limit on the size of each tax.

So I believe we should shift attention away from "property tax reform" and back to the basic issue - the high underlying costs in education and other areas that drive the high taxes. Casting this as a property tax issue implies cost shifting and not cost reduction. In essence, until we deal with school costs there will be no improvement. I supported your initiative last year for school district consolidation and would like to see something similar this year. It seemed a reasonable step, although minor when compared to the magnitude of the issue, that started to move in a better direction. I would also like to see the income sensitivity greatly changed so that all voters face similar impacts at budget vote time.

Thanks for your attention,

Gerald Balkcom
East Montpelier

Dear Shap,

I am writing in response to your request for input on the report of the Education Finance Working Group. My comments are my own and do not reflect the position of any board I serve or organization I am affiliated with.

In general, I agree that short term action is needed. It is important to prioritize changes that will be evident to taxpayers in the context of FY17 budget development and will allow policymakers time to explore and to engage the community regarding more systemic changes. Understanding that a variable income tax model, a regional block grant model, and changes in the role of the Education Committee are ideas for the long term, I will reserve comment on these ideas for now. My comments are focused on the Renovation Plan.

1. Further exploration of revised Excess Spending penalties (#1) is reasonable, particularly if the revisions are more understandable to citizens. This strategy, however, is more of a long term strategy as many details need to be fleshed out. Also, changes to the excess pending threshold were made last session, and have not yet had time to be implemented. The evidence of effect should materialize beginning in FY16 and on into FY17. The change that was already made should reduce spending; however, does nothing to add transparency or clarity for voters in general.
2. I can accept or actively support, #2-6 of the renovation plan (phase out of hold harmless for equalized pupils and small schools grants, increase resources based upon poverty, strengthen RED incentives and resources, fund any new mandates out of the general fund).
3. I do not support assigning hiring authority of all staff solely to principals. The reason is simply pragmatic. HR functions require thorough and accurate procedures, ranging from compliance with master agreements to criminal record checks to statute. In LSSU and many other organizations, the Superintendent serves as the critical gatekeeper for insuring all personnel appointments are properly managed and financially sound. The provision of HR support is already a supervisory union function. The appointment of licensed personnel should be the superintendent's responsibility upon the recommendation of the principal, as is currently the practice for non-licensed personnel.
4. I also do not support the drafting of a model teachers' master agreement. This exercise is pointless unless the courage to implement one on a statewide basis exists. A model agreement will likely raise all levels of compensation/benefit higher (as act 60/68 did for spending in general) and expand the prevalence of restrictive language across the state. Alternatively, I suggest the following:
 - a. Consider legislative action to reset the just cause standard in 16 VSA 1752 to open the possibility of dismissal of under-performing teachers.
 - b. Legislative action that precludes seniority as the primary factor for layoff determinations and requires the negotiation of alternatives would be most helpful.
 - c. And lastly, clarity about the future of health insurance in Vermont in light of the tabling of single payer would be helpful. Guidance from both the legislative and executive branches on things like the implications of "grandfathered status" will form the pathway for negotiating health insurance benefits for teachers which are in line with public policy in terms of employee contributions, access to choices (as the capacity of the exchange permits), and plans that promote responsible health care consumption.

As always, I am happy to assist with data, information about how proposed policy may play out within LSSU, and anecdotes and evidence that may help to illustrate complex issues and ideas. Call anytime.

Tracy Wrend, Superintendent - Lamoille South Supervisory Union

Mr. Speaker:

I know you have little time to waste so I'll get right to the point: Though some may say it's semantics, you are having the wrong discussion. The discussion should not be about cost, it should be about value; what we can afford, and what that investment represents to Vermont in the future? Arguably public education is the best workforce development tool we have at our disposal, yet we view it as a liability and not an asset. The Republican era of the early millennium was masterful at framing discussions, whether it was Karl Rove or Jim Douglas. See Lakov's *Don't Think of an Elephant*. Runaway education spending... . The facts don't support that.

Very simply, our existing metrics neither support an argument of high quality, except by manipulation, or a dramatic increase vis-a-vis GDP. As Mark Twain said, "There are lies, damn lies, and statistics."

Could we please begin with a discussion of what we need so we have some context for a discussion of cost? The data does not support that we are getting a good value for our dollars, but I guarantee that if we go beyond the anecdotal evidence we can build a plan that lays out costs and benefits clearly for Vermonters. That is not the case today.

If any of this resonates with you please let me know? I'd love to be involved in any way that adds value to the discussion. FYI: I am a former Superintendent of Schools, Principal, Teacher, para-educator, parent.

Last thing: so often we attack the symptom and not the cause. Please don't let that happen here.

Thank you...

Bob Rosane

Dear Speaker Smith,

Thank you for the opportunity to comment on our education system.

As senior citizens with no children, past or present, our comments may or may not represent many. It appears to us that what has been lost sight of is **the cost**. It is not whether it is a good system or bad system. It is what Vermonters can afford. And Vermont cannot afford our present system. It is far too expensive for our small state and average income. Whether the education money comes from property taxes, income taxes, sales taxes, lottery proceeds or other taxes.

The only viable answer is to reduce spending by increasing class size, reduce health and pension benefits, reduce number of teachers, staff and administrators. Anything else will just be doing nothing and hiding costs.

We realize there is a great fear of the NEA in politics but it should be remembered who our representatives answer to and it is us not the NEA.

Please stop the social experiment that Vermont has become and start looking after the residents interest.

We think most Vermonters feel the same as ourselves and would like costs reduced. We cannot afford it. Nor can many. It really doesn't have to be this way. We should have a system we can afford.....it only makes sense. Please do something to lower the costs.

Yours truly,

Greg and Susan Lapworth
52 Washington Street
Middlebury, Vermont 05753
glapworth@comcast.net

Dear Mr. Speaker:

Regarding "Putting more pressure on schools to reduce spending", here's my idea: Make the education property tax on properties other than primary residences, too, proportional to the local per-student spending. As it is now, second-home owners and commercial properties "don't have a skin in the game". If the local school budget vote mattered to them, they would use their considerable political clout to influence the local vote. I would dare guess that just the theoretical possibility that some significant local businesses may leave town due to the local school spending increases will be enough to keep many school boards in line.

To keep their budgets in line, the boards would have to either hire fewer teachers (which they should, given declining student populations), and/or lower teacher pay (or not raise it as much). The latter is very hard for them to do, due to the power of the teachers' union (and lack of a state-level contract). When they force it to arbitration, the examples of the highest-spending school districts in effect forces the rest to follow suit. In this regard, forcing down the spending in the highest-spending districts is important. These districts generally have a lot of non-primary-residence properties, thus my idea above may indirectly help other districts too. The existing and proposed penalties for extra-high spending may help too, but only if they are on absolute spending (corrected for inflation), not "spending X % above state average", since the latter is a moving target, it does not prevent the whole state from slipping towards ever higher spending.

Respectfully,

- Moshe Braner, Essex, VT

Speaker Smith:

Thank you for your public invitation to submit proposals for improving our state's schools, a goal which includes implementing a system we can afford. Here is my proposal.

Educational Restructuring Proposal.

There is nothing inherently contradictory between consolidating education services and maintaining local control.

But to grasp the possibilities of this apparent paradox, one has to think differently about the role of the Agency of Education.

Think of an Agency of Education whose mission and obligation is to support each local district. From the state level, the state provides purchasing, financial management, implementation of federal programs for which the state is executor, human resources and other collective services directly to the districts. As has been pointed out many times by many commentators, there are school districts in this country with more students than the entire Vermont K-12 system. By my research, Vermont's K-12 system would rank about 25th among the largest districts in the country.

With readily available technologies, there is no reason the administrative functions of the system can't be handled directly by a central location. These are the areas where any potential savings claimed for consolidation will come from.

When it comes to the educational functions, local districts can direct the approach, hire the staff, and evaluate the proposals of building administrators (principals) to define how the children of the district will be educated; to set the goals and measures of the district schools.

Such an approach requires a great leap of faith, an acceptance of a certain amount of risk, on the part of all concerned. The greatest challenge is to change the culture of the Agency of Education. The state level of educational administration must see their role as advising, supporting and serving local districts as they set their course and make their decisions. Local districts must accept the financial and policy decisions of the state agency in managing state and federal funds for education. For example, the state might set a state-wide per pupil funding level to assure fiscal equity to all students, and fiscal responsibility to the people of the state, through a progressive income tax. But it would be the responsibility, and prerogative, of the local districts to determine how best to use that money to educate their children. Of course, local school budgets must still be subject to annual approval of the voters of the district.

Our education system does not need more regimentation and infrastructure. It needs more innovation. It needs more citizen involvement. It needs a higher professional standard for all educational activities and personnel, particularly school principals. It needs the coordination of local resources to optimize the myriad factors that affect student success. The local districts are best positioned to develop collaboration among local resources to insure local schools are successful.

This approach would eliminate all levels of administration between the AOE and the local districts. It also argues directly against the proposed creation of regional administrative functions. Beyond the inefficiencies inherent in imposing another layer of administration, the main problem with this approach is the proposal to fund it through regional block grants.

The proposed regional block grants will:

- Give preference to large districts, since they will inevitably get more seats on regional boards.
- Promote generic, status quo views on education over adaptive local solutions.
- Give unwarranted control over salaries and benefits to the bargaining organizations and their hired lawyers, reducing the role of building administrators who know the work of individual teachers and staff.
- Perpetuate Vermont's inefficient staff-to-student ratios.

There is another implication of this proposal I strongly urge the legislature to consider. If all educational funding is to be equalized on a per pupil basis in compliance with the current interpretation of the state constitution, then why shouldn't all districts be required to support tuitioning in and tuitioning out of students; e.g., school choice? By definition, the cost per student is the same to the state. School educational performance thus becomes a more important factor in parental decisions. If you really want to see the Vermont education system solve its own problems, nothing could be more effective than this one action.

Thank you for considering my proposal. I look forward to your response, and a report of its presentation and discussion in the legislature.

Sincerely,

Bruce Lierman
PO Box 422
North Bennington, VT 05257
(802) 447-2553

Hi Shap,

I think we're struggling with a perception that we have an education spending crisis because that is the only thing people are directly connected to at the Town level around funding.

It's unfortunate that people don't ALSO have to vote on the Corrections budget at Town Meeting. Then people would think we had a "corrections crisis," which we do, or a "health care crisis," which we do. Paul's argument is compelling, but doesn't really address the issue, does it. It's one about perception, and perception of control, and an imbalance of messaging. Not an issue spending too much on education.

Or am I off base?

Hope you have a great week,

Steve

Paul Cillo: Where's the crisis?

<http://vtdigger.org/2014/12/21/paul-cillo-wheres-crisis/>

Education spending consumed the same share of Vermont tax dollars in 2012 as it did 20 years earlier and education spending represents the same share of state personal income over those 20 years. There is certainly no evidence that as a state our spending is beyond our means. About 5.5 to 6 percent of gross state product is pre-K-12 public education and it's been that way for 20 years.

Steve Ames

Dear Speaker Smith,

I commend you for creating the working group on Education Finance & System Reform. As a School Board member in Addison Central, I am pleased that your focus is on renovating the school funding system, and not establishing legislation that imposes structural change. I believe Systemic reform will best be accomplished by the Agency of Education and the local districts. I think it is essential that the funding system is transparent, equitable and easily understood As I'm sure you are aware, our current system is not. I was especially pleased to see the emphasis on shifting primary responsibility for consideration of funding to the Education Committee. Lastly on this matter, the idea of requiring funding for statewide mandates going from the general fund is fair and appropriate.

I do believe there is an opportunity for the legislature to take action that would allow Vermont to improve outcomes and potentially close the achievement gap, an objective that has proven elusive despite Brigham, Acts 68 & 60. I would encourage the committee to consider including in your reform package, a significant incentive package that strongly encourages consolidation of elementary schools. With the appropriate tools, I believe we at the local level can overcome the most notable objections around local control and excessive travel time for students, if we can offer something truly better than we are offering now, State of the art facilities, designed to serve today's and tomorrow's students, that are designed to improve all outcomes, Social, Emotional and Academic. In Addison Central, our particular geographic reality is that we could replace four schools with a centrally located elementary school that would impact bus time minimally and still serve as a community center, while offering all the technological amenities now required to deliver a quality education. Further it could be a LEED facility or even a net zero building. I can only speak intelligently from experience in Addison Central, however I think the concept or variations of it could be applicable in many regions. The four towns I am referencing; Bridport, Shoreham, Cornwall & Weybridge, are populated by families that cover a wide range of socio-economic levels. I'm quite certain that the evidence supports blending these groups as early as possible to accomplish social emotional development, achieve academic and programmatic equity, and better prepare the students for middle and high school. Additionally, staff to student ratios would improve, and cost per student decline. If the legislative outcomes this year included such a bold financial incentive, perhaps in the form of subsidized financing, and or significant matching grants for a new building project that meets specific objectives, local boards would be in a position to support and promote consolidation. And as we all know, even while hesitate to say it aloud, this is the single action that will move the spending needle in a meaningful way. The real prize however will be improved outcomes.

It's fairly clear incentive is preferable to penalty, in most situations. School Board members are as frustrated with the high costs as anyone, our frustration is exacerbated when we hear of proposed legislative action that is designed to force change upon us. Death by 1000 cuts is not a particularly collegial or dignified way to go about curbing educational costs, and I don't think it unreasonable to conclude that every constricting action imposed on local districts has a direct impact on the student outcomes. For the last few years we've seen many more obstacles than incentives come out the Montpelier: General fund support shrinking, mandating that all teachers pay dues to the union, requiring districts to pay a surcharge for each new hire to offset pension shortfalls, shrinking SPED funding, the perennial threat of removing small school grants, etc. Even the incentives leave something to be desired - clearly the incentives associated with ACTs 153 & 156 were not juicy enough to incite action.

We all expect change coming forth from this session, I would encourage you and your colleagues to include bold action that very well could be the impetus we need to make big changes that both create savings and improve academic outcomes.

Thank you for your consideration.

Rick Scott
Bridport School Board Vice Chair
UD # 3 Board Member
ACSU Board Vice Chair

Vermont-NEA
Education Finance and System Reform
January, 2015

Introduction

Vermonters invest in our children, and public education is perhaps the most important way in which we do so. The public money that goes directly to their education is supplemented by investments in social, nutritional, and health services needed to help them be ready for learning. The costs of those services were not part of education spending when most of us adults attended school. Since Vermont attends to those needs more and more wisely than most other states do; since we now use the Education Fund to pay for many of those needs; since Vermont is in the most expensive corner of the United States; since our school-aged population has been declining for an extended period; and since we use public dollars to support private schools, it is not surprising that Vermont's per pupil costs are comparatively high when compared to the national average.

Amid calls to “do something” about what we invest in our local public schools, we need to be sure that we put the needs of children first:

- What is the appropriate amount to spend on our children’s education?
- What is the appropriate way to fund public education?
- Are we spending that investment in ways that contribute to our children's development and well-being?

The more than 10,000 Vermont-NEA members who work in 300 local public schools have more direct contact with Vermont’s children than anyone except parents. Every day, they teach, nurture, support, guide, and push Vermont’s students. Their expertise – and the collective wisdom of more than 1,500 retired educators who still belong to Vermont-NEA – shapes the recommendations we make on the following pages. In brief:

- Investing in our children’s education is our most important responsibility;
- We should refine how we raise money for public education; and
- We should identify and commit to improving the public’s investment in our local public schools to benefit Vermont’s children.

Contents

Here are the headings that follow:

| | Pages |
|--|--------------|
| Some events leading to the 2015 Session | |
| 2 | |
| Some numbers being used in the public education debate | |
| 3-4 | |
| What we believe (before providing present recommendations) | 5 |
| A sampling of State acts that have increased property taxes 2006-2015 | 6 |

Some events leading to the 2015 Session

The 2014 election and health care reform. While the still nascent biennium has yet to get fully underway, it is clear that many lawmakers and other observers believe that, in the 2014 election, Vermonters told "the state" to "do something" about education spending. The demise - at least dormancy - of a publicly financed health care system robs us all of an opportunity to leverage systemic health insurance savings to shave up to 10 cents from the statewide property tax rate (as we demonstrated in our proposal last fall). Discussions about education funding and spending again dotted the pre-session landscape.

The "Green Mountain Imperative" brought together nearly 200 people from across Vermont. Notably, practicing educators and their representatives were not invited to help develop this gathering. While the results so far appear to be merely a compilation of thoughts and suggestions, there were references to continuing to improve - rather than merely to cut the funding for - our public education system.

More significantly, the **Education Finance Working Group** convened by the Speaker did produce recommendations. The final report of this group contains multiple recommendations, which the group itself acknowledges are not all consistent with one another and not necessarily the result of group consensus. With those caveats, however, they provide an obvious platform for serious legislative consideration, and they merit serious consideration here in return.

Some numbers being used in the public education debate

[Some numbers used in the public education debate are taken as fact, and that can lead to a distorted view of our local public schools. Here, we challenge several of them.]

There is no "optimal" class size. Some leaders have been asserting, and it is being repeated now by others, that 15 students is "the optimal class size." There is NO support in any research or experience for such a sweeping conclusion. None. That number shows up once in a while in advocacy efforts to *reduce* general class size in other states, and there is a widely cited 1980s study in Tennessee concluding that students, particularly in early elementary grades, benefit from being in classes no larger than 15.

Here is what our national organization says about class size – we recommend its adoption:

Class size maximums must be based on the type of students, grade level, subject area content, and physical facilities. The Association also believes in optimal class sizes in regular programs and a proportionately lower number in programs for students with exceptional needs. Weighted class size formulas should be implemented to reflect the inclusion of exceptional students. The Association further believes in establishing workload maximums for all curricular areas, not to exceed the recommendations of their respective national organizations. The Association believes that state departments of education should, on a yearly basis, collect and report class size data that reflect the class size experienced by most students.

There is no known "too small." It has been asserted as fact that student achievement can be impaired by "too small" class size or "too small" school size. Before we create a Vermont "small is worse" bandwagon, we should acknowledge both the limits of academic research and the impractical nature of its applicability to the real world or, in this case, the real Vermont. In particular, and in general, small schools and small classes, including quite small classes, permit individualized instruction and attention. That, second only to student socioeconomic status, is the dominant factor affecting individual student performance, particularly of lower income students, and student performance extends well beyond test performance. School size is an obvious issue for us all to address, but there is no consensus research conclusion that small is at all "bad," and what research there is about it at least acknowledges differences between upper and lower grades. No research leads to a conclusion that we should phase out our small community schools because they are somehow damaging our children.

The size of the education workforce is actually declining. It is always asserted that we have "the same" number of school employees as we did in 2003 when Act 68 was passed, despite the annual decline in student enrollment. Act 60 enabled lower wealth communities to level up to their neighbors, and that had the desired effect of increases in school staffing. The state retirement office reports, though, that since 2009, when the number of teachers and administrators peaked, their numbers have declined by more than 800. At our suggestion, the AOE is working with that office to try to resolve the significant differences between their data.

School spending has been, and remains, economically sustainable. It is generally asserted by those favoring curtailing spending, whether on schools, roads, health care, corrections, whatever, that present spending patterns, if continued, are "unsustainable." As well

documented by the Public Assets Institute, Vermonters spend – and have been spending – on educating our children virtually the same portion of Vermont's gross state product as they did a quarter century ago, a bit below 6%. By contrast, we are all spending far more for health care than a quarter century ago: we spent about 10% of gross state product then and spend about 19% now. Plainly, sustainability is in the eye of the beholder.

Declining enrollment is not unique to Vermont. Vermont is in the throes of the very challenging double effect of national migration patterns, from Northeast to South and West and from rural to urban. Our schools are not the cause of the decline in enrollment; larger forces are. We believe all of us in Vermont should be pulling, with much greater strength and unity, in the direction of making our rural, if still "Northeastern," communities the inviting places to raise families we who live here know them to be. Vibrant, local, locally run public schools are vital to that end.

Student achievement doesn't just happen. By almost any measure, Vermont's students achieve at levels higher than almost all of their peers nationwide. The data about graduation rates, test scores, safety, good health and general good mood are longstanding and consistently point to a system on the right track. In fact, our favorite statistic, according to the OECD, is that if Vermont schools were stacked against all those internationally, they rank 7th in the world, right in the mix of countries that place higher value and spend larger percentages of gross domestic product on schooling. Our members are committed to improvements that will help students perform even better.

Reducing General Fund contributions to education has increased property taxes. As the Public Assets Institute demonstrates so convincingly, the single largest factor in our increasing reliance on property taxes is the series of state decisions to decrease the General Fund's share (along with that of other taxes) of education spending. As a result, property taxes now constitute at least 67% of the whole, rather than 61% ten short years ago. Property taxes would be about \$100 million less (about 10 cents on the statewide property tax rate) than they are if the General Fund share of education funding had remained at 61%.

Vermonters typically approve 90 percent or more of their local school budgets. Some have said FY 2015's 35 school budget defeats last March indicate a "crisis." Close to 90% of school budgets passed as their boards initially presented them. At least one budget initially defeated was actually increased when finally adopted. More importantly, every year some communities defeat some boards' recommended budgets. The range has been from 3 or 4 to more than 50 during this young century. In only a handful of other states are school budgets subject to voter approval. Some – we are among them – conclude that our system of adopting school budgets is functioning well and that it serves as a democratic check on "overspending."

What we believe (before providing present recommendations):

Vermont has, and its children deserve, an education that is **the envy of the world**.

- We should provide all children access to programs, curricula, activities and resources so they can become the adults they want to be. We want all children to have a basic foundation of knowledge and skills so they can be happy, productive citizens.
- Vermont should continue to be the national "lighthouse" for its dedication to including children with special needs in its general classrooms.
- Vermont's local public schools should have a complement of educators and facilities that keep them responsive to the communities in which their students live.
- Vermont's children should have the individual attention of caring adults in school as well as at home, to help them when life's circumstances make learning more challenging.
- All our systems of public education should function efficiently.

All Vermont children should have **the opportunity to attend school in their own communities**.

- School closures often leave their community less vibrant and inviting, harming both the local economy for those left behind and the state in its efforts to attract young families.
- Transportation for schoolchildren often takes a back seat in discussions of school closures, but in states that have embraced closing schools as a vehicle to saving money, the fiscal, social, and educational costs always end up higher.

- Students, particularly in elementary grades, thrive where teachers and the other adults in the building know them and pay individual attention to them, in an environment that helps them feel integral to their community.

We need to ensure teaching is a **career that continues to attract** smart, capable, ambitious people with a love of teaching at their core.

- The envy of the world is a school system with a team of smart professional educators dedicated to their students and their mission.
- Educator preparation is in need of improvement. Prospective teachers must have significantly longer student teaching experience. High quality professional development must, at long last, supplant dreaded "in-service" sessions.
- Supporting our classroom teachers and paraeducators should extend to useful, helpful evaluation systems.
- Public pronouncements about education should not disincline high caliber young people to choose a career in education.

We should all rely more **on the experience of actual educators and their students in our communities** than we do on the series of faceless spreadsheets that typically dominate public policy discussions about education.

We believe "**austerity,**" by whatever name, **invariably degrades community and collective self-respect**. When our roads and bridges, our waterways, our social and emergency services reach a point of disrepair and neglect, Vermont loses its allure as a place in which to live, work, and raise a family. So it is, perhaps more so, with our public schools.

A sampling of State acts that have increased property taxes 2006-2015

2006

- Annual audits for tech centers

2007

- Moratorium on school construction state aid

2008

- Increased school district payment to teen parent education programs

2009

- General Fund transfer to Education Fund frozen for 2 years
- Community High School of Vermont costs taken from Education Fund

2010

- Teacher retirement changes induce long-serving teachers to postpone retirement

2011

- "Permanent" reduction in General Fund transfer to Education Fund (>\$23 million/year)
- Community High School of Vermont funding brought permanently within Education Fund (>\$4 million/year)

2012

- Restrictive regulations regarding use of physical restraint

2013

- Dual enrollment
- Personalize learning plans
- Early college

2014

- Prekindergarten education
- Retired teacher health benefit payment

Recommendations

All the information in the previous pages contributes to the recommendations we make below.

A. What is the appropriate amount to spend on our children's education?

The essence of Act 60 was to enable lower wealth communities to level up to their neighbors. It worked, and it contributed, among other things, to increases in overall school staffing. Those increases stopped half a decade ago, and school boards generally are reducing staff sizes in acknowledgement of the ongoing decline in our number of school-aged children. In addition, the state and federal governments have imposed many, many obligations on our local schools without sending along the money to pay for them.

Recommendation 1. *The state should acknowledge that good education is expensive and that Vermont's geography and demography make comparatively high per pupil costs to be expected.*

Recommendation 2. *Be a bit patient. There are several factors operating to moderate school costs without legislation. We should calculate estimated changes in school costs that will occur if the Legislature does nothing. Examples:*

- The decline in student enrollment is resulting now in reducing the size of the school workforce, and that will naturally reduce school costs, and it will continue.
- In 2010, the state enacted teacher retirement provisions that induced 100s of teachers to postpone their retirement until at least July, 2015. As a result, property taxes have been higher than they would have been. It is likely that several 100 more teachers than usual will retire at the end of the current school year. If they are replaced or not, this will result in reduced school costs.
- The Legislature has changed the "excess spending threshold" multiple times, and we are in the midst of phasing in the most recent changes. It makes sense to let those changes become effective (through FY 2017) to see their actual effect before deciding, again, to do something else.
- Local voters really are capable of telling their school boards what level of spending is appropriate.

Recommendation 3. *Be very careful how, if at all, the State should coax or mandate school closures. We believe, whether school governance change is worthy or not, we should refrain from attempting again to mandate school district consolidation, largely because it isn't locally acceptable enough and because "one size does not fit all." As part of larger planning, reducing the number of superintendencies can be appropriate. See also Recommendation 6.*

B. What is the appropriate way to fund public education?

We respond to this question by offering some preliminary thoughts about each component of the Education Finance Working Group's own recommendations.

i. Renovation Plan. Our overriding concern is the potential impact on the education of our children. We do not believe most of this segment's components show that concern sufficiently.

"Excess Spending" Surcharge

- It is fundamentally inaccurate to describe spending above certain levels always to be "excessive." It is a grating term to educators and, we believe, many school boards.
- As a public policy device, it may be reasonable to establish some threshold, but this proposal is the latest in the incessant drive to decrease the threshold and increase the consequence. The specific underlying policy, particularly regarding education merit, is, as yet, unclear.
- We do not agree "anchoring" is good education or fiscal policy. It almost always leads to later remorse about having done so and requires either hoisting, or at least elevating, the anchor. We recommend allowing some "float."

- This proposal would impose yet another confusing layer on a funding system in the context of public clamor for a more easily understandable one.
- There is no room, as yet, for local special circumstances.
- In any event, we find the proposed consequence excessively harsh.

Recommendation 4. *Allow the recently adopted declining "excess spending thresholds" a chance before resorting to yet another variant.*

Hold harmless. This is a feature of current law that acknowledges differences among communities. What happens if a couple of large families either move in or move out of a "small" district? What happens to the educational opportunities of the students still there if their parents and adults are made subject to the surcharge in circumstances, as here, beyond their or their school district's control?

Recommendation 5. *Do not eliminate the hold harmless provision.*

Small schools grant. We have said for years there likely are schools in the state that should be helped to close. Terminating these grants just because a school is not "geographically isolated," however, fails to acknowledge the legitimate ongoing operation of most small schools or, more importantly, the obligation to ensure their students equal educational opportunities.

Recommendation 6. *The state should establish specific, objective criteria through which to determine if a school should close. If it makes that decision, it should move to a phased approach of assistance to that school and its community and children. That phased approach should include a determination regarding when and how the school's "small" grant should be affected.*

Acknowledging poverty. We approve of measures designed generally to increase resources available to communities with relatively higher incidences of children in poverty. The current 25% factor is wholly inadequate.

Recommendation 7. *Increase the weighting accorded "poverty" in our funding system substantially, in order to improve the capacity of schools with higher percentages of students in poverty to ameliorate the achievement gap.*

RED incentives. We have no objection to increasing incentives for local decisions that change school governance, so long as doing so acknowledges the interests of school employees and their representatives and the needs of our children. We believe, however, that it is better policy to limit financial payments in these circumstances to the multiple new costs associated with transitions. We do not believe the

Agency of Education has anywhere near the resources needed for the work, and the notion of relying on consultants to do it virtually assures the use of widely varying standards.

Recommendation 8. *Analyze both (a) what level of incentives actually would induce the desired response and (b) the actual resources needed to provide technical assistance and base decisions accordingly.*

"No new unfunded mandates." We believe that mantra is a good one, of course, but it is no different from how almost every legislative session begins. It is a matter, in part, of semantics and ends up simply meaning "no new mandates" at all. The difficulty is the apparent lack of will actually to fund good ideas in education, partly out of the unfortunate rhetoric that the "problem" – in education and other state services – is one of spending (too much) rather than of our having inadequately supported services generally.

Recommendation 9. *Rather than use the "no new unfunded mandates" mantra, point out that new ideas quite often have merit that should override the concern about spending. Limit those adopted to ones the state is willing to fund.*

Hiring, etc., by principals. We do not object, in the abstract, to changes in who makes hiring and related decisions, but consider (a) principals have so much on their plates, (b) governance structures are in such flux, and (c) many "school" employees now don't work for the school to which they are assigned. In addition, the position of principal is simply not attractive enough as is: it isn't compensated well enough; it isn't characterized by enough job security; and there is rarely enough time for the principal to act as an actual instructional leader.

Recommendation 10. *Before conferring more authority and responsibility on principals, conduct a useful analysis about how to recruit and retain good principals and make their jobs more doable.*

Model contracts. We do not object to the production of a model "teachers' contract" for use by school boards. We do not believe there is virtually any expertise within AOE to do so. We believe the notion of a statewide contract, or a statewide contract into which districts could opt, is not one the state should spin its wheels considering. There are multiple practical, financial, and labor policy reasons.

Recommendation 11. *Call upon the school boards' own association to develop "models."*

ii. **Variable income tax model**

"Transparency." We agree that most voters, most people, including most school board members, do not understand our funding system. That does not make it too difficult to understand or not "transparent" enough. It just isn't well enough understood.

The description of income sensitivity as roundabout and convoluted is accurate. That is, however, how it was designed, given the disinclination in 1997 to adopt a straight income tax approach. Plainly, income sensitivity, by whatever mechanism, can and should be addressed in the same calculation and in the same billing process as property tax bills are, so that voters understand what they are paying towards their community's schools. For many "sensitized" households, it still would be news that their school taxes are less than they have understood.

Recommendation 12. *The manner in which school taxes are paid should show the taxpayer the actual full amount paid. If the components are property taxes and income taxes, show the sum or the difference in one presentation.*

Recommendation 13. *Most households plan most easily to pay bills monthly. The state should adopt measures to make it easier for taxpayers to pay their school taxes on that basis, including considering payroll deduction, monthly billing, and/or incorporating property tax payments in monthly mortgage payments.*

Pure income tax locally. This is an "it depends" notion and it is fundamentally important. Unless the state portion is sufficiently high, this proposal could devolve into a glorified "foundation" approach to state funding, potentially running counter to the state's constitutional obligation.

Recommendation 14. *At a minimum, the Legislature should take care not to adopt a pure state payment approach that disadvantages low income communities and their children.*

iii. Regional Block Grants

We think the weaknesses in this approach far outweigh any theorized benefits. School governance would become increasingly complex, the role of locally elected school boards would be sorely diminished, commingling education and general funds (whatever the felt need for

lowering school spending) invites almost conscious underfunding, and this approach really cannot actually "encourage classroom innovation."

Recommendation 15. *Do not adopt regional block grants.*

C. Are we spending that investment in ways that contribute to our children's development?

Vermont-NEA has well-established objectives that would help improve an already excellent public education system. Several of its components lend themselves to legislation. They include:

Rigorous standards. Educators want their students to succeed.

Recommendation 16. *The state can help by:*

- *Taking a formal stand against federally imposed, incessant "high-stakes" standardized testing*
- *Providing a formal role for teachers in the adoption of local curricula*
- *Ensuring adequate resources and effective professional development to implement the Common Core and other rigorous standards effectively*
- *Replacing "in-service" with useful professional development activities*

Recruiting and retaining teachers. Too many new teachers leave the profession. They leave because of financial needs, insufficient employer support, and the regimentation of so much of their professional time.

Recommendation 17. *The state can help by:*

- *Providing student loan forgiveness for new teachers who enter the profession and remain Vermont teachers for more than five years*
- *Requiring a full year of student teaching rather than the standard 12 or 13 weeks now in place*
- *Helping cultivate a culture of curricular innovation*
- *Implementing a 2-year, high caliber mentoring process for new teachers*

Evaluation. Educators want effective, fair, predictable assessment of their work.

Recommendation 18. *The state can help by:*

- *Fostering high caliber, collaborative approaches to evaluation, conducted by individuals with training and time*
- *Prohibiting oversimplification and overreliance on standardized test scores as a key measure of teacher effectiveness*

Collaboration with businesses. Solid school-business collaboration is good for students and the economy.

Recommendation 19. *The state can help by:*

- *Supporting model, pilot programs through which businesses support STEM education*
- *Recognizing and fostering the connection between outstanding local public schools and the economic well-being of Vermont's cities and towns. The most effective economic development tool we have is our public school system, and a sure way to depress local economic development is to diminish the quality of our local public schools.*

One idea that I'd like you to consider is challenging school districts to establish targets for salary levels for teachers that have a nexus to the average salaries of all taxpayers within that district. As the ability of taxpayers to afford teacher pay increases rises-I.e. Average taxpayers wages rise....then teacher salary levels would rise. More specifically....a district might target that teachers would get 250% of the average wage of all taxpayers within that district(I'm guessing that is in the ballpark) and that 250% would be the benchmark. If based upon state tax return info, taxpayer wages have risen by say 2% then teachers might be eligible for a 2% increase. If average taxpayer wages fall....teachers could be protected by a freeze on their salaries.

Right now there is a disconnect with teacher salaries and the ability of average taxpayers to afford them. My proposal provides that nexus and protection for all.

Thanks for hearing me out.

Walter Medwid

Speaker Smith,

I recently saw your request for input/proposals to help address the rising cost of education in Vermont, while maintaining high quality outcomes. This is a critical issue for Vermonters and I have several key thoughts on this issue from my work as an educator and school board member.

I'd be happy to buy you a cup of coffee, however, I know it is an extremely busy time of year. If this is not a possibility, I am happy to send my thoughts in writing. I think we are in fact relatively close neighbors, I live in Hyde Park.

Enjoy your holidays and best wishes for a productive legislative session.

Noah Noyes

nnoyes@uvei.org

802-760-8196

Shap,

Here are a few ideas. Have a good holiday,

Many of these are designed to expand the virtual merger provisions of Act 153 so that ultimately SUs act like larger school districts

- SUs become the only governance entity which can employ persons
- SUs become the only entity with policy-making authority
- SUs become the LEA for all compliance purposes
- Special education reimbursement, transportation aid, food service and other local revenues as defined by statute flow to SUs only
- Create a single education property tax rate per SU - aggregate education spending, ed grand lists, equalized pupils, etc at the SU level
- SUs become the sole entity with budgeting authority (no local school district budgets), and direct voting on SU budgets
- A single CLA per SU
- Create SU executive boards to create a more nimble governance structure - give the executive board budget, hiring, and policy authority
- Allow SUs to own property and establish reserve funds with voter approval (this would not be necessary if SUs are redefined as school districts at some point)
- Close down any non operating school district
- Prohibit public tuition dollars from being sent to out of state schools except for those specifically mentioned in statute for border communities
- Allow public elementary school choice for students in grades 4-8 within a SU
- Allow SUs to create virtual charter schools including high school diploma granting authority. Home schoolers in an SU would be required to use the SUs virtual curriculum (at no cost) to receive approval for their home study program by the SU, and SUs would count these participating students on ADM

A few tweaks to the collective bargaining statute

- Specify health insurance as not a permissible item for local negotiations and bargain it at the state level
- Require any RIF clause in a teachers contract to include consideration of a teacher's job performance
- Mandate collective bargaining on a regional basis (e.g counties or tech center regions)

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Daniel M. French, Ed.D.
Superintendent of Schools
Bennington-Rutland Supervisory Union

Dear Speaker Smith

I am responding to your request for help from the public in the questions of Education cost and funding in our state. I would like you to read and evaluate the following which I am sure you will find useful in your effort to arrive at solutions.

The first thing is the “State of Vermont Board of Education Strategic Plan” – a 3 page summary. They invited public comments into their process up until December 4th 2014. You can access it at the link below

<http://education.vermont.gov/documents/Draft%20SBE%202015-2019%20Strategic%20Plan.pdf>

I responded with my email content below.

Goal One: I disagree fundamentally with your premise. It is wrong to put the same high expectations on everyone and totally unrealistic. What makes most sense is that every child should be afforded the opportunity to realize their potential. This will range from appropriately educating the potential genius by fast tracking etc. to educating the least intelligent or capable to an acceptable level that allows them to reach their potential.

The state of Vermont is neither a national or international leader in Education. Where is your data to support this? You need to get real. We have probably got a normal distribution of abilities in our students comparable to the other 49 states plus or minus a small percentage. You need to find out what other states are doing that enables them to spend 50% less than we do for more or less the same outcomes.

All school systems throughout the world have an achievement gap because all students don't have the same ability. You can never close this gap no matter how much money you throw at it and God knows that you have been throwing a lot. All of the bullet points you try to make under this heading are irrelevant unless you insist that everyone will have the same intelligence, ability, interest, desire and potential. I don't know what the EQS is but I fear the worst. I am sure that it does not recognize the disparity in student potential. This disparity is due to what is between the individual students ears and has nothing to do with spending. Finding out more about the nuances you have identified is an exercise in futility. Your search for the kind of equity you speak of is neither possible or desirable.

You are already spending on average 50% more than other states with no discernible difference in outcomes as far as I am aware. It is time to stop this craziness and to focus on getting costs down to the national average whilst maintaining the current level of outcomes. That should be your challenge.

Goal Two: I fully agree with this goal the way you have stated it in italics. What I don't agree with is the narrative that follows it or your bullet points.

The citizenry approves budgets because the majority know that it is not them who will have to pay for most of it. All people will vote for something under this model, it is human nature. Only 30% of voters pay the full property tax and we don't even know who they are or are not. The process is highly secretive. Funding should come from the state income tax where everyone pays based on their income and the state should be fully responsible controlling cost by funding a seriously consolidated set of school districts based on the number of students in each district. The aggregate number over time should not exceed the national average. How simple is that?

I am not aware of Manual of Rules and Practices and the Rulemaking process. It sounds very grand, time consuming and expensive. Funding for K-12 Education should cover just that except for one year of Pre-K. Schools are being asked to perform functions way beyond Education and this must be stopped. You should not throw in unfunded Social, Medical and Human services and expect to look competitive. Unfunded mandates should be funded by the appropriate agency or not at all if it is not affordable. The high cost is due to low student/teacher student/Para-educator ratios and student/other admin person ratios. No further study needed.

Implementation Plan:

Your process is taking far too much time. This is probably due to over-deliberation on issues that are at best not necessary to getting to a satisfactory outcome and at worst an impossible task. Rather than deliberate for five years I suggest that you come up with a less than perfect solution in six months, get it implemented and then tweak it further over time. It is a disgrace to be spending public money on a process that takes five years to bring to a conclusion what is actually not a very difficult challenge.

I will be happy to discuss this with you. I plan anyway in the next day or two to publish a commentary. I will use your draft and my comments as part of this.

I did not hear anything back from them and so I published a commentary in "The VTDIGGER" on December 5th.

<http://vtdigger.org/2014/12/05/mike-ryan-k-12-education-cost-funding/>

This Commentary offers a comprehensive solution to both the cost and funding issues and I would be grateful if you would consider it in your process.

Sincerely

Mike Ryan

Hi,

Thanks for your request.

The top 1% need to be paying more. Whatever loopholes are in place for the 1% to not be paying their fair share of taxes (business and otherwise) need to be closed.

Income tax makes more sense than property tax.

I'm sure I'll think of more.

Thanks for listening.

Cheers,

Jackie Weyrauch
Content Manager
ORCA Media

Mr. Speaker of the House,

Thank you for giving the public an opportunity to weigh in on one of the most important matters in our state!

I would like to see Vermont implement a statewide voucher system for ALL students and consolidate districts to regions.

Our tiny schools are feeling the crunch from the inflated equalized pupil number which is falling rapidly. These districts need to have support from the state when speaking of closing their doors on secondary education. These are the costs that are killing us.

Thank you,
Gretchen Cotell

Dear Speaker Smith,

Education Reform has been an issue that I have been interested in for the past few years, last year I sent a proposal to the Legislature that I believe will help to not only address education costs, but to further improve the quality of our education system. As a father of 2 school age children, and a third that has not yet entered the school system this is one that I have become passionate about. I believe that we must address several key points: a.) equity in education funding, b.) quality of education, c.) cost containment and d.) local control.

To this end I believe the following idea will provide a solid foundation from which to work from.

A.) Equity in Education Funding.

We currently fund education through a variety of different taxes that all contribute to the overall education budget. Most of these sources target the population in general, however the primary homestead tax targets only a small subset of Vermonters. When this method of financing was instituted over 100 years ago it was a very useful indicator of ability to pay, most Vermonters owned their own homes and those that did not were low income people that could not afford to. Currently 2/3rds of Vermonters own their home, of those 2/3rds, many qualify for income sensitivity, and yet more have land that is in the current use program. This adds up to a very small fraction of Vermonters that are contributing to these funds.

I believe strongly that the primary homestead tax should be removed and done away with in it's entirety and replaced with a flat rate income tax such that all Vermonters contribute equally. By current measures this would necessitate a 2-3% income tax. While I recognize this would be a huge increase in the tax rate if it is broken down to dollar amounts it makes more sense.

The benefits of this approach are as follows :

- Fixed income residents would have a consistent obligation that would be readily calculated. A family on \$30,000 / year would pay in ~\$600 or a little over \$30 / week, however would not have to pay a property tax that increases year over year with little warning of what the tax bill will be until after it is received in the mail.

- Renters would contribute equally to the education fund. Currently, a renter pays only a small portion of the tax bill and any increases are also divided across all tenants. If the property tax increases in a 4 unit apartment then each renter is seeing an increase of 1/4th while the same homeowner is responsible for the entire amount. While many renters are low income, it is important to remember that many

are not, especially in Chittenden County. As an example, I lived in a duplex after graduating from UVM with two other guys, we had a combined income of around \$90,000. The other unit had a similar situation. The unit, was valued at \$150,000 and generated maybe ~\$2000 in education taxes. Under an income tax system a 2% tax would have raised \$3600 instead of \$2000 and assuming each resident earned the same amount would have paid \$600 / year instead of \$333. This is a significant portion of income that is currently under taxed compared to homeowners.

- It would lead residents to be more connected to the school budget they pass as everyone would see the costs. Currently renters do not see a tax bill and while they contribute to it they never get that bill year after year with another increase. They are insulated from huge increases and as such from feeling the full effect of their vote on a school budget. I would propose the education income tax being a direct line item on any paycheck stub so that every Vermonter sees exactly what it is costing them week in and week out.

- An income tax would be easily calculated and residents would know before voting what that increase will mean. If the tax rate needs to increase they will easily be able to figure out the costs to them. For example if the rate needs to increase from 2 to 2.5% they can figure out that on a \$50,000 income that means an extra \$250 / year.

- Eliminating the primary homestead tax will have economic benefits to the state. One major factor in applying for a mortgage is a persons Debt-income ratio, a portion of which are property taxes. The \$200-400 / month property tax calculated in to a persons DTI prevents many people from being able to buy a house. In eliminating this, more VTers would be able to purchase homes, which really drive the economy. Home purchases benefit every trade group out there, moving companies, supply stores, etc. Not only will eliminating the primary homestead tax create a more equitable funding system but it will benefit Vermont's economy, allow more home ownership for Vermonters, and potentially ease the rental market crunch.

I implore the Legislature to not simply shift a portion of the property tax to income tax, but eliminate it all together. The time for half measures on education funding has gone by and we need a radical departure from the antiquated system that has been used for over a century.

Quality of Education:

Everyone wants the best education possible for our children and this is largely why the education budget has grown uncontrollably. We can not compromise the quality of education to save a few dollars, but that does not mean we can't be smarter about it. Every child is different and they excel in different areas and have different interests. Our current system requires schools to encompass all aspects of learning to meet the interests/goals of all students that may walk through the doors. Basically, in Vermont we have a one size has to fit all situation. However, this does not need to be the case. In Burlington, the school system has split into four magnet schools that

focus on different aspects of education. We should take this model and expand it to all of Vermont, encouraging schools in an area to focus on certain areas of education and allowing children to choose which school and area of education they wish to pursue. Children and parents know their child's strengths and interest and should have the ability to determine which paths they wish to pursue. Although VT is rural in nature that does not need to be a limitation. I grew up in the Northeast Kingdom, where students routinely travel 20 miles or more each day and have the option to go to several different schools. Even in such a rural area this is possible. Hypothetically, Newport could focus on science and technology, Derby 4 miles away could focus more on arts, Newport Center may focus more on athletics or some other aspect, and Coventry may focus on general education. This variety allows for students and parents to take an interest in their education and their future. These schools would still have to provide a basic education but it would be tailored towards these different areas of interest which will benefit students and prepare them better for future careers.

What this requires is school choice. And school choice is a very key issue to me. Not only would school choice allow for parents to send their children to the school that meets their child's needs the best, but it allows schools to focus on a particular aspect and to really tailor education towards a particular group. It also gives parents freedom in making the best decisions for their children. I have a split family, my two daughters attend Milton Elementary School (their mom lives in Milton), and because of this my son currently attends daycare in Milton so that I can drop my daughters off at school. In a few years, he will need to attend Sheldon Elementary School as that is where we live. His sisters will continue to attend Milton, and my wife and I will struggle with two different pick up and drop off times while my son will be without his sisters and daycare friends when he enters school. The alternative would be to cede 50% custody of my daughters to eliminate the travel into Milton which isn't really an option at all. If parents were able to choose schools, my son could go to Milton with my daughters and I'd have one drop off and one pick up? And what is the harm in not offering school choice, why do children and parents need to be locked into a school system based on where they live? Again, its concept that has not been updated over time as norms have changed. Local schools worked when the number of split families was very low, that's not the case anymore and the system needs to adapt.

As such, I am advocating for "magnet schools" and the allowance of school choice for students and parents to meet the needs of the children and families. We need to move forward and away from the system that was instituted in a different era, times have changed and yet our school systems have not. Parents and students need school choice.

Cost Containment:

Finally, we need some measure of cost containment in our education system. Without cost containment the way we pay for it makes very little difference. To do this we need to look at what is driving costs and to this end the major issue is personnel. Staff to student ratios

have become out of whack as the student population has declined, and teachers and aides have seen increases in pay and benefits that the majority of Vermonters have not seen. To this end there are several possibilities that could be explored, and likely it will take several in conjunction to achieve cost containment. Unfortunately, this aspect requires a significant amount of political fortitude as it will be vehemently opposed by the teachers union.

- First, I think Lt. Governor Scott has an idea with the formation of an education governance board that will be responsible for some of this cost control. This may take the form of statewide teacher contracts, a necessary step to stop districts from pitting themselves against neighboring districts in contract disputes. All too often we see where one the teachers from one district use another districts contract concessions to further their own and then yet another district use that, and another and another. This cycle leads to runaway costs. A statewide contract that takes into locality differential could ease the costs of education from a staffing stand point and would further prevent strikes and other disruptions that benefit no one outside of the teacher's union. The South Burlington strike was a sad commentary on how out of touch the teacher's union is with the current economic realities facing Vermonters.

This board would also oversee baseline standards that need to be met by schools, public and private, to ensure a basic level of education that all schools must provide. This would be especially important if a move towards magnet schools were undertaken. Finally the board would set target staff-student ratios for schools to meet, first by carrot and then by stick if necessary. There really is no way around it, but staff - student ratio's have to come down. If magnet schools are implemented this will aid in this, as schools will not need a teacher for every aspect of education, but instead will hire based on their given focus. Along with this, the state must set goals for schools to meet over time, giving encouragement at first followed by a stick if necessary. Candidate Milne had a good idea that would provide any Vermont student with an education at one of the state colleges/university. The idea was to give savings back to school districts that control costs and the idea has merit. If schools were to increase ratio towards the national average, any savings could be split such that the state as a whole would see 50% of the savings and the remaining 50% would be returned to the school district to use for extracurricular projects. A district could use the savings towards tuition for their graduating seniors, they could use it to upgrade libraries, athletic fields, or in some manner that is educationally related but not tied directly to the school. Town voters would see a benefit for ensuring costs are funds are appropriately managed.

The board would also set an amount that each school would receive per pupil. This amount should be set such that it decreases over time and moves towards the national average, it doesn't necessarily need to reach the national average but should move towards that direction. Further, it should be given to parents to be used at the school of their choice whether its a public or any private school approved by the board. A school budget would reflect this amount, whereby any additional funds outside of tuition voucher receipts would be made up by the local town, in the case of public schools, or by the parents in the case of private schools. For example, if Sheldon has 100 students and the state pays \$16,000 / student then Sheldon would receive 1,600,000. If the voters approve a \$1,700,000 budget the town would have

to make up \$100,000 through local taxes. If the school/voters are able to pass a \$1,500,000 budget the town would receive \$50,000 use toward the extracurricular items listed above (college tuition, library improvements, etc), and the state would receive \$50,000 back into the education fund.

Local Control :

Local control is bandied around education debates all the time and for good reason. Local control is very important to most Vermonters and unfortunately the overly complicated funding formula has disconnected voters from schools and local control has been eroded. The proposals I have outlined above will restore local control in a variety of ways.

First, local control of the budget process will be restored in the sense that voters will be directly voting on whether the budget is more or less then the tuition voucher amount * pupil number or not, and the increase / decrease will directly impact them. Moreover, voters will have the ability, through the school board, to decide in what areas they want schools to focus (magnet school wise) which in turn will ultimately drive the number of students enrolled and thus the overall school budget. If these proposal are implemented town voters will be in control of the direction of the school, which will determine enrollment and thus the base budget amount. Moreover, voters will be connected to the budget as any savings below the base enrollment will directly benefit them, and any cost over runs will be borne directly by them through local property taxes.

I sincerely hope that the Legislature will address Education reform in a meaningful way and avoid trying to fix an antiquated system. You can put new tires on a rusted out and rundown 1980 Ford Escort, but it's still a rundown jalopy, just has new tires on it. Our education system was instituted in a different era and it has not evolved as our daily lives have. It needs an overhaul and not simply some minor updates. I beg the legislature not institute half measures but instead act boldly to alter our education system to a more sustainable and choice driven model that will serve our children and residents well into the future.

I would be happy to answer any questions regarding what I have proposed as well as explain anything further that isn't clear or doesn't make sense.

Thank you for the opportunity to be part of the discussion and I sincerely hope part of the solution.

Best Regards

Jamie Carter
Sheldon, Vermont

(802) 578-0760
Dr.Jamie.Carter@gmail.com

Jamie Carter PhD
Dpt of Plant Biology
Instructor / Lab Coordinator
358 Jeffords Hall

Dear House Speaker Shap Smith,

Untangling the complexity of funding for our public schools is beyond the understanding of most tax payers. One question I would pose regarding per pupil spending is, if the independent schools can teach children for \$9-10,000 per pupil at the k-6 levels, how can our public schools mimic this spending?

Vermont is a small state and that would seem to be in our favor in terms of finding and implementing a cost saving solution that is unique among the states. I encourage all legislators to think out of the box.

Sincerely,

Jessica Demeritt
Monkton, VT

Speaker Smith -

I thank you for calling for input to resolving our dilemma regarding funding quality education in Vermont. As a retired school superintendent who settled in Vermont 36 years ago, I appreciate both sides of the debate.

Attached are some thoughts and five proposals for your consideration.

I urge you and your colleagues to address the education funding issue this session.

Sincerely,

Rick Detwiler
North Ferrisburgh

To: House Speaker Smith
From: Rick Detwiler
Subject: Funding Education in Vermont
Date: December 21, 2014
cc: Senators Ayer and Bray; Representatives Lanpher and Van Wyck

Objective:

Raise sufficient funds to support quality education in Vermont through a tax structure that matches the culture of Vermont

Background:

1. "Fixing" the current education funding challenge in Vermont will require addressing both expenditure and revenue sides of the balance.

2. While Vermont schools generally offer relatively high quality education, the current structure of the education "system" statewide is unnecessarily costly. Two obvious and significant "fixes" which would reduce cost while not compromising quality are:

a. consolidating districts and schools, e.g. H.883

b. decreasing teacher (etc.): student ratio (Secretary Holcombe's report on Act 60 of January 15, 2014) through differentiated services, integration with community resources, and progressive learning approaches.

3. The current tax system in Vermont is not consistent with the culture of the state, punishing to middle and lower income Vermonters and favoring affluent Vermonters and non-residents.

The focus of these proposals is on the revenue side of the funding challenge, conceptual in nature, and designed to make our tax structure more aligned with the values of our state.

Proposals:

PROPOSAL 1. RAISE THE INCOME TAX RATE FOR HIGH INCOME VERMONTERS

Given that high-income taxpayers provide approximately half the state's income tax revenue, even a modest increase in the >\$150,000 bracket would raise substantially more funds while not posing an unacceptable burden on those privileged individuals. Driving around the state, especially in towns like Shelburne, Old Bennington, Manchester Village, and Stowe, it is evident that the wealthy are attracted to Vermont, despite relatively higher general living costs than other states, and a nominal increase in their income tax would not drive them away.

PROPOSAL 2. MAKE PROPERTY TAX A PROGRESSIVE TAX

Homesteaders who live in Vermont homes valued at more than \$500,000 will not be unacceptably burdened by a progressive property tax in which the tax rate increases with the value of the property, as is the case with income tax.

PROPOSAL 3. EXTEND THE SALES TAX TO SERVICES

Perhaps a services tax poses administrative challenges, but there is no rational reason that the sales tax on "things" should not also be levied on services. In particular, services that are truly optional (e.g. house cleaning, lawn care, massages, dog-walking) should be taxed.

PROPOSAL 4. TAX LUXURY GOODS AND SERVICES AT A HIGHER RATE THAN NECESSITIES

The Lexus ES, the Cigarette 38 "Top Gun" motorboat, a 2-carat diamond broach, the Samsung 65" HDTV, seasons passes to Stowe, and even tobacco and alcohol are certainly not necessities and represent a source of sales tax revenue that would cause minimal burden to the purchaser, surely someone who can afford it!

PROPOSAL 5. INCREASE THE NON-HOMESTEAD TAXES ON SECOND HOMES

Second homes are typically venues for enjoying the special nature of Vermont, be it our lakes, ski areas, or wooded trails..., and a responsibility to contribute to the welfare of the Vermonters who sustain these resources goes hand-in-hand with the privilege of vacationing in such a setting.

Conclusion:

The dilemma posed by Vermonters' insistence on sustaining excellence in our schools while agonizing over the current tax burden, so evident in our unfair and ineffective tax structure, is the most pressing and challenging issue facing the Legislature. While there are obvious remedies (school consolidation; more progressive tax rates), there are no easy ones. Whatever solutions emerge, I urge you and your colleagues to keep in mind the culture of our state - a place where we share our burdens proportionately with our neighbors.

Underlying each of these proposals is the belief that those with relatively higher income/wealth can and should contribute relatively more towards the common good. Maintaining quality education in Vermont schools serves everyone, especially those who enjoy the finer fruits of our state.

I hope that the proposals cited above prompt consideration of new and more equitable solutions to our dilemma.

Rick Detwiler, retired school superintendent
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Hi Shap - It seems to me that the Vermont NEA has us all cowed. I have friends who are teachers. I don't say this lightly, but we need fewer teachers, to handle fewer students.

Further, we need to consolidate, or eliminate school districts. WHY, do we have both Lamoille NORTH and Lamoille SOUTH ? I'm sure the people in those offices could tell you, but that doesn't mean we can AFFORD 2 districts and their associated employees and office overhead for one county's kids.

When I was on the Morristown Selectboard, the fire department lobbied hard for a \$250,000 pumper. (chump change today) I was against it. We already HAD a pumper that worked, that had 7,000 miles on the odometer. Wally Reeve, who was department chief at the time caught up with me in the parking lot after the meeting.

He said to me "You don't understand, Mark. the town needs the best fire protection they can afford". To which I replied, "you're absolutely right Wally, but it's my opinion that we can't afford it".

We need to CUT costs. Just because we want the best, doesn't mean we can afford the best.

Spreading the cost out or shifting costs to income tax, or another tax is just a "shell game". Brutally hard decisions need to be made.

I ask the legislature to address this issue as they would responsibly address their own personal finances.

Speaker Smith,

Thank you for taking this important topic on and for eliciting feedback from the general population.

My name is Todd Jemison and I live in Colchester, VT. I am a property owner and tax payer as well as an educator. I actually travel around the country and coach and do professional development with elementary teachers.

So, I know how good our education system in VT is compared to many other places. Of course we could always improve- but money doesn't always translate into better results. I hope that we continue to support our country leading system.

As a tax payer and non-parent it is frustrating that a majority of the education funding burden falls to property owners. I think it makes sense for there to be a portion of our property taxes but I feel VERY STRONGLY that we should also have a portion of income taxes be part of the equation. Why should those who have children but do not own property not have to pay (directly at least) for the education of their children? As citizens of the state everyone who benefits from our high standard of living (including our great education system) everyone should have some responsibility for helping to appropriately fund education.

I appreciate, and take advantage of, the homestead tax relief and hope that this will continue in some way, shape, or fashion. Maybe a total % of income could be considered the way it is now but look at both property taxes as well as income taxes so property owners are not dinged twice.

Thanks for considering my opinions.

Todd Jemison

let each town fund their own school system instead of the state sticking their nose in it jay and westfield will pay for their own school , Lowell theirs, etc if not legalize pot and tax it and fund education in stead of the dealers

As a property tax payer living in St. Albans, Vermont, the two options I like the most are income tax generated revenue so that everyone that votes gets to help pay for their voting increases in and a consumption tax to generate revenue to help pay for the same. Property owners can't keep paying for increases others vote in.

If you are interested in all towns & cities spending the same per student amount, tax the towns that spend above the median spending in the state to help level it.

Don't mandate unfunded mandates.

Ronald A Rogers

Very simple. Repeal the current funding methodology.

First, your town, your money. My town, South Hero, sends more money to the state than we spend on our town. That is wrong as wrong can be.

If you can't make your town school funding work on your property taxes, you will be incentivized to collaborate with other nearby school districts.

Second, student to teacher ratio is ridiculously low. Seriously, single digit student to teacher?

Third, teachers need to contribute more to their health insurance. I pay 100% of my health insurance.

Fourth, change the contract negotiating process. Everything I read indicates it is way too restricted and in the benefit of the teachers rather than anything representing a negotiating process.

Thank you

David Dewyea

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South Hero, VT 05486

Shap:

Thanks for the reach-out. I do have a couple of comments and I'll try and synthesize them for you.

Let me start by saying that I wrote an op-ed piece last spring inviting anybody who wanted to weigh in on the subject of education governance/finance to send their thoughts. I received a number of opinions on the subject, some quite useful. I'm still working to put them in a more coherent presentation, but there are a few immediate thoughts that I'll outline below in response to your inquiry.

1. From a parochial perspective, my own constituents have an immediate concern. The Northeast Kingdom features probably the most unique educational environment in the state. For instance, not only do we feature two of the oldest (and arguably best) educational institutions with St. J. Academy and Lyndon Institute, we also have a hybrid system of public/private schools that accommodate every type of student that exists. This ranges from the therapeutic needs students at Cornerstone School to the Olympic-bound students at Burke Mountain Academy. In spite of this, neither the House or Senate Education committees contains a legislator from the Northeast Kingdom. So my first suggestion is to get Kingdom representation on both committees. This is where I'll put a plug in for newly elected Representative Scott Beck, who's educational background is quite extensive. There is no other Kingdom legislator, newly elected or incumbent, that can approach his credentials.
2. As a former Lyndon Town school board member, current Trustee at Lyndon Institute, supporter of Riverside School and the Thaddeus Stevens School, and husband of a public school third grade teacher who's been teaching for about twenty years now, I can say with some assurance that the people most vested in the education of Vermont's children are not those found in the statehouse or the state's bureaucratic levels. It is the parents, teachers and local community leaders who daily work with the children we are educating. It is critical that changes are driven from those people up and not the other way around. It is therefore imperative that statehouse committee discussions give more credence to their ideas, rather than the so-called experts, paid lobbyists and union bosses who have a different agenda. I have a great deal more to say about this, but will leave it at that for now.
3. State-mandated consolidation of brick and mortar school districts will cause an unnecessary backlash from the average Vermonter. There is also very little empirical evidence that it will save us much money, especially given the trade-off of transporting children across greater distances. Longer travel time also impacts student study time, so we must figure in how this impacts educational quality. This is especially problematic in the rural areas of the state where students will suffer disproportionately in this regard. Schools

remain one of the few anchors left that sustains Vermont's settlement patterns of small towns surrounded by open lands. When student population falls to the point where it is obvious the local school is no longer both educationally and fiscally viable (and please note that BOTH of those things should be the trigger, not just one) then it is quite likely the local populace already knows that. But altering a community by closing that school should be a last resort that is made with a decision done at the local level. The state's participation in that process should be to educate, facilitate and assist, preferably after that decision is already made.

4. The low hanging fruit in any discussion about saving money is an ever-growing bureaucracy known as the Supervisory Union. These management organizations have very little to do with the actual teaching of our children. They are fast becoming translators for federal and state legislation that we who govern seem to think is important. They are extremely well paid. Their functions should be broken up. For instance, I'm sure we could create a statewide, computerized payroll system. I'd argue that cost savings could be had with statewide contracts for fuel and supplies. I'd also argue that functions like a "curriculum coordinator" can (and should) be performed by better trained principles. For these reasons, and because I've received nothing but universal support when I've brought up this proposal at school board meetings, NEA meetings, and meetings with independent school representatives, I think it is time to radically downsize the Supervisory Union management system as we know it. As legislators, we'd also have to become disciplined enough to get out of the way of teachers and let them perform the job they know how to do, meaning we have to stop passing legislation that gets in their way.

5. We have to legislate the definition of an adequate education. This is the only way we can avoid becoming entangled in problems regarding Brigham's parameters. Specifically defining a basic education, and then properly funding it, will enable us to minimize potential arguments about educational inequality. By way of example, if we declare the three R's as our basic education, the fact that one town has an Olympic size swimming pool versus another town having none becomes irrelevant. Within this discussion we should debate the wisdom of having the money following the child. Here again the Kingdom comes to mind. Here in Lyndon we have groups of teachers and parents who have formed alternative schools when they recognized the need. These school run the gamut of student needs- they are NOT limited to the brightest. And it works! This should not be viewed with paranoia. Let these schools educate us legislators on how to think outside the box. It is the students, not the institutions, that we should be focusing on. (I know this might be a heavy lift in some quarters, but we need to have this debate.)

I have a great deal more to say but I'll close for now by simply saying "thanks". This is one area I suspect we can all work together on. I appreciate your willingness to open the discussion.

Joe Benning State Senator & Minority Leader Caledonia-Orange District

Speaker Smith:

I understand that you've put a call out for suggestions about Ed funding. I have one suggestion that would help to make the calculations more easily understood.

Rather than applying the CLA to the district calculated tax rate, apply it to the towns assessment of the property. The property is really what has changed, not the tax rate. It would be much clearer to taxpayers that their property value has changed.

Sincerely,

Angelo Odatto
Vice-Chair Orange Southwest SU,
Chair Randolph Technical Career Ctr.,
Board member Randolph Union HS and Braintree district

Dear Speaker Smith:

A recent tweet invited Vermonters to email you to give you opinions on how education should be funded in Vermont. Here are my views.

Based on the recent proposals, I believe the incremental reforms are the way to go. When making policy in a democracy, I think incremental reform is the most efficient way to go. (This is also why single payer is not a good idea...let's just make sure the people who need insurance get it and fix Vermont Health Connect before jumping to the next new policy).

I favor continuing the property tax as the means to fund education in the state.

I oppose any increase in the income tax for education.

I favor local control.

I favor consolidation where it makes sense.

Keep education funds separate from the general fund.

I would favor any legislative proposal that would reign the teachers unions in. They are driving our current spending problem. Would it be possible to put a cap on how much spending for teachers (salaries and benefits) can rise per year? Basically, help local school boards from getting rolled by the unions. Any creative ways to reign in the teachers unions would be welcome.

I feel that the income sensitivity on property taxes distorts democracy. If large portion of voters are not impacted by rising taxes, where is the incentive to pay attention to the school budget or oppose, say, a 40% rise in taxes over 5 years (Burlington). We need to scale this back. Protect the poorest but the middle has to have some skin in the game (i.e. property taxes)

Thanks for your time.

Brad

Bradley Stephenson
Attorney at Law

Speaker Smith:

This is a great idea to seek input.

I am a parent, property taxpayer, and am married to a public school teacher.

As you have identified, reducing staff is key to slowing the growth of education spending.

When this happens, principals should have more power to manage their own staff.

One way to improve education quality while increasing staff/student ratio is to allow principals and superintendents to keep highly effective teachers and dismiss those that are ineffective, regardless of seniority.

I understand this is politically difficult given the resistance of teacher's union, but I hope it will be discussed at some level.

Thank you for your time and consideration.

Matt Cota

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Representative Westman,

I recently read your remarks about the need to reform school funding and the property tax. I am concerned that there was no mention of reforming the school system. It seems that we have fewer and fewer students in the schools and yet costs continue to rise. Even if there is property tax reform, the amount needing to be funded will remain the same, so it will just be divided up differently.

I don't think that we can continue to hope that local school systems will reduce costs through voluntary consolidation, fewer teachers, etc.

When will the legislature consider and perhaps mandate these changes?

Thank you for your consideration of this issue,

Dee Reever
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Recently, at a Chamber-sponsored legislative breakfast, I noted that in Bennington 369 residential property owners receive checks from the Town via the State Education prebate program for payments which exceed the properties' education tax bill...over payments if you will. An additional 22 properties receive a prebate which exceeds the properties' total tax bill (town and school). Now I am sure there are some reasonable explanations for why some of these property owners would be so blessed, but not all. When considering reform of the education tax system, may I suggest that the prebate program be eliminated and the funds added to the State's overall education funding support thereby reducing all Vermont homeowner's property tax. Thank you for your consideration.

Stuart A. Hurd
Town Manager
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All,

I realize that you are being bombarded with ideas about how to solve the perceived issues related to public education in Vermont. While I do not wish to add substantially to your file, I do have three reasonably short comments to share with you. Some of you may have seen one or more of these before; thus i apologize if you have. However, I have been working on rewriting them in the last few days so these may be a bit different and I wanted to be sure that everyone had the same material. Here is what is attached:

1. A brief chart that demonstrates that you have to get behind the macro numbers to begin to understand the current problems. I urge you to ask any presenter to give you micro and specific numbers so that you can make decisions based on the best data.
2. A short piece that shows why you need to always ask the tough questions. People will try to convince you of many things, they will not all be true.
3. A longer piece that actually lays out a variety of suggestions for your consideration.

I wish you the best of luck as you try to find your way through the many layers of data to get to where the rubber meets the road. The task will not be easy.

George Cross

STUDENT/STAFF RATIOS COMPARED TO OTHER STATES

When looking at data it is easy to think we understand the big picture by looking at the macro numbers, but as the data below demonstrates that is not true. This data is from the 2009-2010 school year. The AOE could easily update the data to the most recent available from NCES as these sub-divisions are how they have to report. The point is, it is imperative to dig into the macro numbers to the micro ones. Even though Vermont has a number of very small elementary schools, its teacher/pupil ratio for the elementary grades is actually higher than many of its peers. It is important to understand this. The chart below shows that the real problem in Vermont is the support staff ratio, followed by the secondary and kindergarten ratios.

ALL DATA EXTRACTED FROM NATIONAL CENTER FOR EDUCATION STATISTICS FOR SCHOOL YEAR 2009-2010

| STUDENTS PER POSITION: | | | | | | | | | |
|-------------------------------|---------------------------------|--------------------|------------------------------------|---|---|--|--|--|---|
| STATE | TOTAL STUDENT MEMBERSHIP | TOTAL STAFF | TOTAL STUDENT/TEACHER RATIO | KINDERGARTEN STUDENT/TEACHER RATIO | ELEMENTARY STUDENT/TEACHER RATIO | SECONDARY STUDENT/TEACHER RATIO | TOTAL STUDENT/OTHER INSTRUCTIONAL AND STUDENT SUPPORT STAFF RATIO | TOTAL STUDENT/ADMINISTRATIVE SUPPOPRT STAFF RATIO | TOTAL STUDE ADM IN ISTR AND ALL OTHER IPPOPT STAFF RAT 0 |
| CONNECTICUT | 563,985 | 92,877 | 12.9 | 23.2 | 12.7 | 12.2 | 25.3 | 141.5 | 25.7 |
| MAINE | 189,225 | 37,081 | 11.6 | 16.4 | 10.9 | 11.8 | 21.8 | 100.7 | 11.7 |
| MASSACHUSETTS | 957,053 | 123,167 | 13.7 | 19.9 | 13.7 | 12.3 | 28.2 | 146.0 | 91.2. |
| NEW HAMPSHIRE | 197,140 | 32,911 | 12.7 | 23.9 | 12.0 | 13.0 | 22.4 | 160.6 | 30.2 |
| NORTH DAKOTA | 95,073 | 15,983 | 11.4 | 15.2 | 12.1 | 9.8 | 29.4 | 108.8 | |
| RHODE ISLAND | 145,118 | 18,638 | 12.8 | 25.2 | 17.4 | 7.9 | 46.3 | 269.7 | 453 |
| VERMONT | 92,431 | 19,337 | 10.6 | 16.2 | 18.0 | 8.3 | 15.1 | 144.2 | 27.2 |
| WYOMING | 88,155 | 16,468 | 12.3 | 18.2 | 16.3 | 7.7 | 22.7 | 120.8 | 21,0 |

DISCUSSION:

1. Clearly the students per administrator in Vermont is very similar to Connecticut and Massachusetts. Thus, it is doubtful that larger school districts in Vermont would yield a significant change in the number of administrators.
2. If Vermont had a similar student/administrator ratio to North Dakota or Wyoming, states with similar total enrollments, Vermont would have 208 more administrators when compared to North Dakota and 124 more compared to Wyoming.
3. Vermont's kindergarten and secondary school student/instructional staff enrollments are slightly lower than others, while the elementary ratio is higher.
4. Vermont's student/other instructional and support staff ratio is well below the other states. In fact, if Vermont had a ratio similar to the other states in this chart the following would be true:

| | |
|---------------|---|
| Connecticut | Vermont would have 2468 fewer staff in this category. |
| Maine | Vermont would have 1881 fewer staff in this category. |
| Massachusetts | Vermont would have 2843 fewer staff in this category. |
| New Hampshire | Vermont would have 1993 fewer staff in this category. |
| North Dakota | Vermont would have 2977 fewer staff in this category. |
| Rhode Island | Vermont would have 4125 fewer staff in this category. |
| Wyoming | Vermont would have 2049 fewer staff in this category. |

It is important to note that how a state provides special education services and 504 accommodations will greatly impact these comparisons. However, it is fair to take a careful look at this area in terms of costs

What is the real problem?

The good news is the election season is over. The bad news is no one really knows why voters voted as they did. Many claim to know, but few would bet the house on any given reason. During the campaign we heard all kinds of rhetoric about the cost of education and the statewide education property tax. Some of those who made the most noise did not survive the election. The problem is there are many variables in the computation that determines what any property pays in education taxes. Unfortunately, most of the rhetoric is presented without the benefit of documentation. Because someone attests to the notion that his/her taxes are this or that does not mean they are. However, digging out the specifics about a particular property is not always easy. Let me use my own residence as an example:

The assessed value of my house did not change over the six years outline below:

| Fiscal Year | Education Rate | Education Tax | State Payment* | What I Paid |
|-------------|----------------|---------------|----------------|-------------|
| FY '10 | \$1.1207 | \$3,563 | \$1,625 | \$1,938 |
| FY '11 | \$1.1238 | \$3,573 | 0 | \$3,573 |
| FY '12 | \$1.1188 | \$3,557 | \$1,890 | \$1,667 |
| FY '13 | \$1.1937 | \$3,795 | \$1,888 | \$1,807 |
| FY '14 | \$1.2385 | \$3,940 | \$1,977 | \$1,963 |
| FY '15 | \$1.3295 | \$4,226 | \$326 | \$3,900 |

The CLA in Winooski remained close to 100% over this 6 year period, up a little one year and down a little the next. The student population was growing in the first few years in the chart above and declined a little in the last couple of years.

Now I could have complained that my education property taxes almost doubled between FY'10 and FY'11 and again from FY'14 to FY'15. But that is not true. Yes the amount I paid nearly doubled; however, the reason for that was primarily our household income. Thus, I urge you to be careful as you listen to all the stories about the education property tax. Which of the variables caused the perceived problem? That is the problem to be examined. I suspect you will find that it is different variables in each case. You will find different variables property by property and different variables district by district.

If you pull each of the variables out and examine it carefully, you may find that an alteration to one or more variables will correct some of the perceived problem. However, a major change to the system will probably simply lead to a different group of taxpayers feeling they have been disadvantaged by the change. So the task will not be easy. But that is why you ran for office – to work hard, make controversial decisions and seldom be praised for your efforts. Unfortunately they do not have a pill for that ailment.

I urge you to ask those who say, “my taxes doubled”, “my taxes went up by 20%” and similar to provide you with the specific facts, like I have above, for their property. Failure to get the facts simply means that the comment, while probably well intentioned, is unsubstantiated. Unsubstantiated fact is an oxymoron. Until folks are willing to back up their claims with facts, it is very difficult to understand just what their problem is all about.

Thanks for your work!

Note:

*A big thank you to the many of you who contributed to that state payment.

George Cross 1-10-15 (Revised from a previous comment.)

Another Plan:

This is presented as a constructive way to move an improved governance structure for Vermont schools forward and to help all Vermont schools become the best they can be.

There are numerous cost saving measures presented below. Just how many dollars can be saved will depend on a number of variables; thus, it is impossible for me to make predictions about savings. However, there are those within state government who have the data needed to begin to flesh those savings out.

INTRODUCTION:

(I have not taken the time to find all the research citations, however I firmly believe that research tells us:)

1. Schools, especially small schools and/or districts, are the heart of our neighborhoods and communities.
2. Small schools and/or districts have higher graduation rates. This is probably why Vermont leads the nation in this area. *(Rural Schools and Community Trust)*
3. The “poverty gap” related to performance is lower in small schools and/or districts. I suspect this holds true in Vermont. *(Howley, The Matthew Studies, Ohio University)*
4. There are substantial differences in both salary and benefits for teachers and other staff depending on the size of school districts, geographic location and socio-economic strata in Vermont. *(Picus Report and Mathis in the Peabody Journal of Education)*
5. There are opportunities for cost savings in various collaborative or coordinated services or the delivery of same. Collaboratives can

- provide low incident educational services at reasonable costs. (*See references below.*)
6. Technology provides the opportunity to dramatically change the way schools and school districts are managed.
 7. Technology also offers many new ways for students to explore and learn.
 8. Vermont schools rank high nationally and internationally on measures of student performance. (*Various NAEP Reports*)
 9. Not all schools or school districts are created equally; thus, it is important to utilize a broad variety of measures reviewed over an extended period of time when documenting student performance and creating accountability programs. “Snap-shot” measures fail to recognize the many differences in student populations and school districts. One-time, one-shot tests have no real value in making decisions about schools, districts or the whole state system.

WHERE TO START:

There are a number of reasonably simple things that can be done to improve the efficiency and effectiveness of Vermont schools. This can be accomplished without dramatic changes in the governance of our schools and school districts. However, State Board of Education rules and regulations, policies of the Agency of Education and state law will all need to be modified or changed in order to accomplish the following:

1. Establish one internet-based budgeting and accounting system, with a unified chart of accounts, and one student enrollment and management system to be used by all schools and school districts. This would eliminate the need for many of the school or district reports currently prepared for the Agency of Education, as the data would be readily available and reports could be customized by the Agency as they needed. It would also simplify the process of auditing school districts. Most importantly this would provide the data needed by policy makers including the legislature as they make decisions about the future of education in Vermont. Districts currently spend a great deal of money to purchase, update and maintain the software

they are currently using. Having a statewide system should offer considerable savings across the state.

2. Supervisory Unions are not very supervisory at all in Vermont. Thus, changing the name from Supervisory Union Districts to “managing districts” or “coordinating districts”, or maybe Regional Education Districts, might be more in tune with what follows. However, they could just as easily continue to be called Supervisory Unions. (*I will use the term RED as the placeholder for whatever the new “supervisory union” would be called.*) Communities in the new district would determine if they wanted to continue to form the RED board as it currently is done for Supervisor Unions or create a new system which meets constitutional muster. The three current technical education districts would be dissolved and folded back into their original high school districts.
3. V.S.A. 16, Section 261 a. sets out the duties of the current supervisory union boards (REDs). The strengthening and expanding of these duties so that it is clear that this board has the responsibility and authority for all the component parts of 261a. Thus, it accomplishes substantial change without great fanfare. It would bring at least the following under the larger board:
 - a. Curriculum
 - b. Special and Compensatory Education including ELL.
 - c. Technology, instructional and management
 - d. Financial services including purchasing and bidding
 - e. All data collection and report filing
 - f. Application for and implementation of all state and federal grants
 - g. Establishing basic policies for the operation of all schools within the RED
 - h. Human Resources, including the management of the collective bargaining contract, with the possible exception of hiring
 - i. Transportation
 - j. Technical Education

This section of law would need to be rewritten and all the other applicable sections of law would need to be revised as a number of specific responsibilities would be moved to the new RED.

4. The roles and responsibilities of superintendents, principals and local district school boards would be revised to accommodate number 3 above. They would be reworked so as to encourage a policy governance operation at the local level. (*Policy Governance is intended to imply a clear policy role for boards and the operation of the school and the district within these policies is the domain of the superintendents and principals. Joan Lenex is a good resource for a discussion of policy governance, as her district which she chairs has been using this process for several years. Another place to look is the Education Reform Act of Massachusetts which spells out roles and responsibilities quite well.*)
5. Local school boards would still exist; however, their duties would be focused on the educational aspects of the local school district within the parameters set out by the RED, state law and the rules and regulations of both the Agency of Education and the State Board of Education. They would also be the link between communities and their schools. The key is that the tasks which could be centralized and universally applied would be “housed” at the RED level. Those things that are unique and individual would be local, (i.e. – decisions that involve people and individuality.)
6. AOE and State Board of Education rules and regulations would have to be rewritten. Perhaps a reorganization of the Agency’s resources so as to create a one-stop shop at the agency level for each RED would be possible. REDs would be the contact point for regional and local issues. This brings the number of direct contacts for the AOE down to about 60 districts. The Agency of Education in its leadership role could encourage two or more new REDs to merge into one; or , perhaps in some cases, given geographical and historical conditions urge the rearrangement of two or more old supervisory unions into new RED configurations. The AOE should move from a regulatory agency to a “helping” agency.

7. All of this could probably be accomplished by July 1, 2017 with the Agency of Education providing the leadership in consultation with the State Board of Education and the assistance of Joint Fiscal and Legislative Counsel as well as other state agencies when appropriate. The AOE would also need to work cooperatively with the school districts of the state in the development of REDs.
8. While the reorg above is being initiated the Secretary in consultation with the State Board of Education, the Joint Fiscal office and Legislative Council would carefully study and analyze using a cost/benefit model the operation of Chittenden East which recently reorganized into a single unit with the exception of Huntington. This would include but not be limited to a review of curriculum modifications and other program offerings, a review of all policies and the collective bargaining agreements, a review of the budget and per pupil expenditures and how all compare to averages for the state of Vermont. The analysis would be executed under the supervision of the Secretary and State Board of Education and with the cooperation of the Chittenden East District. The purpose of this analysis is to offer a window into how the full consolidation of several districts into one benefits students and communities. The Secretary shall provide an interim report regarding this cost/benefit analysis to the House and Senate Education Committees, the House Ways and Means Committee and the Senate Finance Committee by January 15, 2016 and a final report on or before January 1, 2017. This data would help guide future legislative actions.
9. There are numerous redundant programs and activities across schools and districts. I will use only one here as an example. The AOE should be able to identify quite a number. One example is the need to refocus technical education on technical education! Over the years technical education has gone from being either full-day technical programs for half-year or half-day programs for a full-year to a variety of one and two year full-time programs, even including three separate technical school districts. Everything beyond the technical programs themselves is redundant of the “sending” high schools. I was stunned when one of the technical directors testified before the

House Commerce Committee that his center had 6 full-time academic teachers. Every sending school has a complete contingent of academic teachers they can provide the academic courses at no increase in faculty or cost. How many academic teachers are there in technical centers – probably dozens. At a cost of \$80,000 to \$100,000 for each of these positions, the total cost adds up fast. I suspect there are numerous other redundant positions. By restructuring technical education to half-day for a full-year or full-day for half-year there will be substantial savings. (A close review of the Burlington Technical Center programs will show that this model is both effective and cost efficient.)

STEP TWO IN THIS REORGANIZATION PROCESS:

As of July 1, 2017 the State Board of Education would take two additional steps in consultation with the Agency of Education and local school districts:

1. It will review all of the reorganized REDs and the remaining supervisory unions and supervisory districts to determine if there is a need for further restructuring so as to best meet the needs of students and to ensure that all Vermont students have equal educational opportunity. The State Board of Education should be given the authority to further reorganize districts when it concludes from the review that students are not being provided equal education opportunity. The Board would have until July 1, 2020 to direct and implement such additional reorganization.
2. The Agency of Education would review the laws pertaining to the establishment of educational and management collaboratives and the effectiveness of those collaboratives which currently exist. The Agency in consultation with the State Board of Education would suggest to the legislature any changes in law needed to facilitate the development of collaboratives which have the potential to improve effectiveness and efficiency of the state's education system:

(For more ideas about collaboratives please see:

- a. Massachusetts – Massachusetts Organization of Educational Collaboratives, www.moecnet.org There are numerous*

collaboratives in this organization in all parts of Massachusetts.

b. New Hampshire

i. Collaborative for Educational Services,

www.collaborative.org

ii. Regional Services and Education Center, www.resc.org)

POSSIBLE LONG RANGE ACTION:

Once the changes above are put into place there is at least one more consideration which deserves study and maybe implementation:

1. Given that over 80% of Vermont school district budgets consist mainly of salaries and benefits, a good place to start would be to enact a state-wide collective bargained contract for teachers and other school personnel. This is also supported by the fact that education in Vermont is funded via a state-wide tax. Typically, collective bargaining happens in connection with funding. The current disconnect in Vermont may be part of our problem. This eliminates a ton of work and time at the local district level. A decision would have to be made as to what Agency in state government would be tasked with the responsibility to negotiate the collective bargaining agreement. Further, there would need to be a resolution process established for the first state-wide collective bargaining contract if the parties could not agree.

OTHER NEEDS:

The Agency of Education will need to be properly staffed to carry out the work set forth above. They will need several limited service positions for a period of 3- 5 years in order to be helpful to the districts as they reorganize. (I have not tried to fill in all the details of the plan above as I truly believe that we all need to be flexible as districts find their way.) There may need to be provision made for grants to districts as they struggle with reorganization The changes in law called for above will clearly demand doing education differently in Vermont. It will accomplish that within existing districts.

I have not attempted to work performance measures, student or otherwise, into this rearranging of school districts as I think doing so simply further complicates an already complicated process. There are both federal and state requirements for measuring performance and they will have to be met

as this process unfolds. (Frankly, I am less than excited about any of them, but that is another story.) For the period of this reorg, the standards in place will work as well as any. Plus, the work currently underway by the State Board of Education and the Agency tends to be headed in the right direction. That work will contribute to the process of reorganizing Vermont's school districts.

Vermonters can find their way to reasonable, effective and efficient school district reorganization when given the opportunity. We do not need a heavy-handed top-down process to drive this change. However, we do need rather major changes to state law that will allow for creative solutions designed by and for local schools. The expertise and creative problem solving in education in the state of Vermont is housed in the local school districts, not in the legislature or any state agency, board or office. When local districts are set free to find their way, they will. When the state directs the change, little will actually happen.

George Cross, 1-7-2015 (a rework of a previous suggestion)

Hi Shap,

Congratulations on being re-elected as Speaker of the House :-) !

Once again ... Marvelous job of beginning the sessions ... “We have much work to do.”

From about 3 weeks ago ...

I thought it was marvelous, that you thought of 3 (count them ... 3 !) possible solutions for funding Vermont Education :-))) ...

We have come a long way from “Little House on the Prairie” ... and then larger schools which I attended, long ago. As a past School Board Chairman, and because I am involved with work on a Drug/Opiates Prevention program in Enosburg, for Franklin County ... I happened to walk through the magnificent Enosburg High School, which is a very expensive building ! When I entered the Men’s Room , my jaw dropped, to see the luxury there, perhaps better than in a fine hotel in NYC !

- The gymnasium, and the auditorium ... are other examples of luxury !
- But, I do remember, that while examining the school budgets ... the cost of teacher salaries were the major item.
 - Therefore ... as you all said ... the high-quality student/teacher ratio must be examined ... even though it helps education in Vermont.
 - Also ... if we insist on having luxury buildings ... and it is not a good idea to tear them down, and replace them with less expensive ones ... therefore, it must be a good idea to share them with a larger student population.
 - So that you know ... I have much evidence that art, music, dance, educational contests {not just athletic}, engineering contests, chess contests, days spent in Nature {promotes curiosity (educational) and promotes awareness of the challenges to The Environment }, and visits/internships with businesses ... are extremely important !
 - Note that much of the above items can be done by volunteers from the communities. Actually, this is better ... because when students realize that parents and community members believe that Education is important, the students work harder and perform better. This helps students to figure out their passions, and to begin to set goals for their lives - very important. Also, involved community members are much more likely to support increased budgets.
 - At the Mo 11/17/14 "Green Mountain Imperative: A Breakthrough Summit on Public Education" I did meet Rebecca Holcombe , our new Secretary of Education , and she is very pleasant, and very impressive ! I gave to her my business card ... and she said that she might put me in touch with someone in her administration.

As I have maintained for about 2 years ...

- Public Banking {having a "State Bank" in Vermont} ... With many others, I volunteered, working hard for 2 years to help make this happen. With a State Bank in Vermont, we would be saving the at least about \$73 million per year, which goes out of state, in the form of interest, for the loans from Wall Street and Washington, DC .

Unfortunately ... there are now 2 needs for that amount of money ...

- Education
- Gov. Shumlin's budget
- Oh ! ... also Health Care
 - As almost all of us know ... Costs of Health Care are damaging the USA.

Congratulations to Gov. Shumlin !

As you said ... "There is much work to do."

Sincerely ... Peter H. Bauer
rings to voicemail}

Enosburg

802-933-4285 {15

January 10, 2015

Speaker's Office
115 State Street
Montpelier, VT 05233

Dear Speaker,

I realize you requested input regarding education finance and spending by December 31, 2014, but I'm hoping it's not too late for you to consider my thoughts.

While I am only submitting this as a concerned citizen, I work as a Business Manager for one of the largest supervisory unions in the state and have served as President of the Vermont Association of School Business Officials. I only mention this so you are aware of my experience and perspective.

Many of the ideas that I have heard relative to education finance actually have little to do with reducing costs and more to do with shifting the burden of covering the cost. I believe we need to focus on ideas to reduce costs. Along that train of thought, I suggest a focus on the areas of governance change, enforcement of minimum class sizes, elimination of small schools grants, elimination of equalized pupil hold harmless protection, and a change in health insurance.

Governance Change: While governance change has long been considered the 'third rail,' and I recognize the cultural challenge of making a change, this is the single-most important change that can be made in order to reduce costs and increase student opportunities. I don't believe that anyone would build an education structure that includes over 50 supervisory unions and 250 school districts (each with its own school board) to oversee the education of less than 90,000 students. I believe a dramatically more efficient and effective structure would be made up of single, unified preK-12 school districts which serve at least 1,500 students. The following indented paragraphs identify some of the benefits:

- Opportunity: Students and parents would have more opportunities with additional schools and programs to choose from within a larger district.
- Efficiency
 - o Staffing:
 - Staff could easily be shared/shifted from school to school based on student needs. For example, a large district could hire a full-time English-Language-Learner (ELL) teacher that could serve multiple schools based on student need. Currently, a district may need to attract/retain a qualified ELL teacher at 0.4 full-time equivalent (FTE) and if needs change it is difficult to effectively react. In a supervisory union (SU) structure, you can try to share staff by shifting employees to the SU or to one district and build shared service reimbursement models. However, these arrangements must be negotiated with bargaining units

and between school boards and also leads to administrative burden to track and accomplish reimbursements. Additionally, these types of arrangements make comparisons of SUs and school districts very difficult (can't compare 'apples-to-apples').

- Central Office staffing can be reduced or restructured. As an example, if larger districts are created, less Business Manager positions would be required. The savings could reduce education spending or could be reinvested into positions that cannot currently be afforded to improve student services or create more efficiency. Some SUs/districts do not have Facility Managers or Technology Directors. These positions could be created to better care for facilities (which leads to cost avoidance) or improve technology infrastructure (which leads to improved student opportunity). Districts may also be able to create positions to reduce costs such as Purchasing Officers.
- Bargaining Units: This structure would result in less bargaining units which would greatly reduce the amount of time dedicated to negotiations and would lead to more equity among employees.
- Class-sizes: Students/staff could be shifted among schools to create optimal class sizes. A minor increase in state-wide class size average would save millions.
- Adding responsibility/shifting costs to SUs: In lieu of mandating governance change which would create more efficient organizations, the Legislature has attempted to force changes within the existing structure to create efficiencies. This strategy often has unintended consequences which actually create inefficiencies. As an example, our SU already negotiates and awards transportation contracts at the SU level. Implementation of the law requiring transportation to be provided at the SU level will not change how we award contracts, but will require us to 'book' the costs at the SU level instead of the district level. This actually creates additional work for us to 'book' the costs at the SU level and charge or assess the districts to cover the costs. Instead of trying to force inefficient organizations to be efficient, it is a much better strategy to simply create more efficient organizations. However, if this is the strategy the Legislature decides to take, please do something more effective such as requiring that **all** employees must be SU employees instead of just special education employees. This would at least place all employees under one (or two) bargaining units instead of keeping all of the existing bargaining units in the districts and adding more at the SU level.
- Phantom Students: Combining districts could eliminate phantom students created by hold-harmless protection. For example, on its own, one of our districts has hold-harmless protection, but if combined with our other districts it would not.
- Leadership Turnover: Currently, the rate of turnover for Superintendents is alarming. If there were fewer positions and the organizations were more efficient and effective, we could attract and retain the best of the best. Much of the turnover can currently be attributed to frustration resulting from the inordinate amount of time required to serve boards instead of students.

- Stability of Costs/Tax Rates: Minor changes in requirements (e.g., a high-cost special education student moves into Town) can lead to a dramatic increase in cost and tax rate for a small district. If larger districts were formed, these changes in requirements would be easier to absorb and may be offset by decreased requirements in other areas of the district.
- Data:
 - o In order to make data driven decisions, you must have useful data. If structures vary greatly from SU-to-SU or district-to-district, you end up with garbage-in and garbage-out.
 - o In many cases, data cannot be provided at the district level because there aren't enough students to be able to report it (number of students is so low that the information is considered personally-identifiable).
- Regional Education District (RED) incentives: RED incentives, in combination with recent increases in tax rates, are beginning to cause some momentum in the creation of REDs. The Chittenden East Supervisory Union was recently successful in creating a modified unified union and the districts of Chittenden Central Supervisory Union recently approved a study committee. If legislation is not created to mandate larger, unified preK-12 districts, I recommend maintaining the RED initiatives. However, I would not extend the deadline at this point. Such an extension may encourage people to delay a decision to study the possibility. Further, if legislation is created to mandate unified preK-12 districts, the RED incentives should still be offered to SUs/districts who have already begun the process of studying unification.

Enforcing Minimum Class Sizes: The law currently requires SUs/districts to have class-size standards. However, there is no consequence if they do not adhere to those standards. A minor increase in class size would result in significant savings state-wide. Implementing penalties for districts that fail to maintain minimum class sizes would target districts that are creating the need to increase base tax rates. These penalties could include closure of schools or higher tax rates (similar to excess spending penalties).

Elimination of Small Schools Grants: These grants are simply a tool to enable small schools (which are expensive and provide less student opportunity) to continue to operate at the expense of all other districts in the state.

Elimination of Hold Harmless Protection: Limiting the decline in equalized pupils to 3.5% leads to the creation of hundreds of 'phantom' students. It also allows these districts to avoid discussions on how to address declining enrollment such as unifying with other districts. The burden of these 'phantom' students must be carried by all other districts in the state.

Health Insurance: As long as the Vermont Education Health Initiative (VEHI) continues to exist, school boards will have an extremely difficult time negotiating any other kind of health coverage. The coverage that teachers receive with VEHI is much greater than any coverage option under Vermont Health Connect (even the Platinum plan). Since the Vermont NEA has significant power, there is little chance any small, local school board

will be able to negotiate more favorable health coverage terms. VEHI should either be mandated to cease to exist on a certain date (which would force some type of change) or it should be allowed to operate as it used to in order to prevent schools from dropping out of VEHI and reducing its purchasing power.

I also have two thoughts that do not have to do with reducing costs. One has to do with tax rate calculations and one relates to an 'us versus them' mentality.

A common frustration among citizens is the complexity of tax rate calculations. We have had success explaining tax rates up to the point of dividing education spending per pupil by the base education amount (BEA). At this point, I can't answer the question, "what is the base education amount?". As you know, the BEA is basically an arbitrary number that is (usually) inflated from year to year. I believe we'd be able to explain tax rates if the BEA was an actual number such as the prior year's average spending per pupil inflated by the consumer price index. I realize this would lead to the need to increase the base rate, but if we don't take this action we will never be able to truly explain the tax rate calculation.

'Us versus them:' On many occasions, the Legislature mandates actions that are the right things to do for students. Unfortunately, these mandates (such as dual enrollment, concussion prevention/ treatment, etc.) lead to increases in education spending. While the Legislature and schools are often on the same page regarding these mandates, it is extremely divisive when member of the Legislature 'throw schools under the bus' for increases in spending. In turn, schools sometimes blame the Legislature for mandates and increases in base rates. This 'us versus them' mentality is damaging to everyone and causes anger among citizens. If the Legislature would take some ownership of increases, schools would be less defensive and there wouldn't be as much angst among citizens.

I hope you find these suggestions helpful. I apologize for the length of this letter, but hope it is structured in a way that is easy to digest. I also apologize for missing the stated deadline, but Business Managers are extremely busy building budgets during December/January.

Thank you for your consideration.

Respectfully,

Grant Geisler

