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MEMORANDUM

To: Rep. Johnson, Chair, House Committee on Appropriations
From: Rep. Sharpe, Chair, House Committee on Education
Date: March 12, 2015
Subject: Review of Education Provisions in Governor's Proposed FY2016 Budget

Thank you for the providing the Education Committee an opportunity to review the education provisions in the Governor's proposed FY2016 budget. We request that the Appropriations Committee consider adopting the following recommendations.

1. Dual Enrollment:

Sec. E.504 Education – Adult Education and Literacy

(a) Of this appropriation, \$3,250,000 from the Education Fund shall be distributed to school districts for reimbursement of high school completion services pursuant to 16 V.S.A. § 1049a(c). Notwithstanding 16 V.S.A. Sec. 4025(b), of this Education Fund appropriation, the amount of \$650,000 is available to pay **the 50 percent Education Fund portion of tuition owed to** college providers of **the dual enrollment program on behalf of school districts pursuant to 16 V.S.A. § 944(f)(2)**, and \$100,000 is available to support the Vermont Virtual Learning Collaborative at the River Valley Regional Technical Center School District.

RECOMMENDATION: Sec. 504.1 amends 16 V.S.A. § 944(f) so that the transitional method of dual enrollment tuition payment (50% Ed Fund / 50% Next Gen Fund) would replace the statutory requirement that school districts pay 50% beginning in FY16. The Education Committee recommends the amendments to conform the language in Sec. E.504 to the proposed amendments in Sec. 504.1.

Sec. E.504.1 16 V.S.A. § 944 (Dual Enrollment)

RECOMMENDATION: The final phrase of this amendment as currently drafted reads: “notwithstanding 16 V.S.A. Sec. 4025(b).” In order to conform to drafting conventions for statutory references within a V.S.A. title, the Education Committee recommends that the phrase be replaced by: “notwithstanding section 4025(b) of this title.”

2. Dual Enrollment – Other Related Sections:

Sec. B.1100 NEXT GENERATION; APPROPRIATIONS AND TRANSFERS

(a) In fiscal year 2016, \$3,293,000 is appropriated or transferred from the Next Generation Initiative Fund created in 16 V.S.A. § 2887 as prescribed:

(1) Workforce education and training. The amount of ~~\$1,577,500~~ **\$1,477,500** as follows:

(A) Workforce Education and Training Fund (WETF). The amount of ~~\$1,017,500~~ **\$917,500** is transferred to the Vermont Workforce Education and Training Fund created in 10 V.S.A. § 543 and subsequently appropriated to the Department of Labor for workforce education and training. Up to seven percent of the funds may be used for administration of the program. Of this amount, \$350,000 shall be allocated for competitive grants for internships through the Vermont Career Internship Program pursuant to 10 V.S.A. § 544.

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(3) Scholarships and grants. The amount of ~~\$1,244,500~~ **\$1,344,500** as follows:

* * *

(C) Dual enrollment programs. The amount of ~~\$600,000~~ **\$700,000** is appropriated to the Vermont State Colleges for dual enrollment programs consistent with 16 V.S.A. Sec. 944. The State Colleges shall develop a voucher program that will allow Vermont students to attend programs at a postsecondary institution other than the State College system when the student will be better served at a non-State college or when available programs are not geographically suited to student need.

ADD NEW Sec. E.605.1:**Sec. E.605.1** NEED-BASED STIPEND FOR DUAL ENROLLMENT AND

EARLY COLLEGE STUDENTS

(a) Of the Next Generation Funds appropriated in Sec. B1100(a)(3)(C) of this act, \$50,000 shall be used to fund a flat-rate, need-based stipend or voucher program for financially needy students enrolled in a dual enrollment course pursuant to 16 V.S.A. § 944 or in early college pursuant to 16 V.S.A. § 4011(e) to be used for the purchase of books, cost of transportation, and payment of fees. The Vermont Student Assistance Corporation (VSAC) shall establish the criteria for program eligibility. Funds shall be granted to eligible students on a first-come, first-served basis until funds are depleted.

(b) VSAC shall report on the program to the House and Senate Committees on Education and on Appropriations on or before January 15, 2016.

RECOMMENDATIONS: The Governor's proposal level-funds appropriations from the Next Generation Fund, but decreases dual enrollment funding from \$800,000 in FY15 to \$600,000 in FY16 and increases funding to the WETF by \$200,000 above its FY15 funding.

Although students are not required to pay tuition for dual enrollment courses under 16 V.S.A. § 944 or an early college program under 16 V.S.A. § 4011(e), some students cannot access these opportunities because they are unable to pay for books, transportation, and fees. In FY15, \$50,000 of the dual enrollment funds were used to establish a program to help "financially needy" students pay for these costs (2014 Acts and Resolves No. 179, Sec. E.605.2).

The Education Committee recommends that:

- Funding to the WETF be increased in FY16 by \$100,000, rather than \$200,000
- Funding for dual enrollment be decreased by \$100,000 from FY15, rather than \$200,000, so that FY16 funding for dual enrollment would be \$700,000
- Of the \$700,000 for dual enrollment, \$50,000 would be used to help "financially needy" students access dual enrollment and early college opportunities by granting stipends for books, transportation, and fees (new Sec. E.605.1)
- The net amount of \$650,000 in Next Generation funding for dual enrollment would equal the proposed \$650,000 in Education Funds appropriated for that purpose in Sec. E.504 – reflecting the 50% / 50% split in 16 V.S.A. § 944 as amended by Sec. E.504.1

3. General Fund Transfer to the Education Fund:

Sec. E.513 Appropriation and Transfer to Education Fund

(a) Pursuant to Sec. B.513, ~~and notwithstanding the provisions of~~ **and** 16 V.S.A. ~~Sec.~~

~~§ 4025(a)(2), there is appropriated in fiscal year 2016 from the General Fund for transfer to the Education Fund the amount of~~ ~~\$300,378,103~~ **\$303,475,600.**

RECOMMENDATION: The Education Committee recommends that the FY16 budget includes the full statutory transfer from the General Fund to the Education Fund as required by 16 V.S.A. § 4025(a)(2).

4. Other Education Provisions:

Sec. E.512 Education – Act 117 Cost Containment

Sec. E.514 State Teachers' Retirement System

Sec. E.515 Retired Teachers' Health Care and Medical Benefits

RECOMMENDATION: The Education Committee recommends that the FY16 budget includes Secs. E.512, E.514, and E.515 as proposed by the Governor.