

**House Ways and Means Committee Testimony**  
**Steve Dale, Vermont School Boards Association**  
**March 11, 2015**

**Introduction**

The VSBA speaks organizationally through our resolutions and through actions of our board. As I speak today, it is critical that you all understand that we have 1450 individuals serving on over 300 boards. I can tell you that there are a wide range of views on this whole subject. There are some who are enthusiastic supporters of creative action and there are others who will adamantly oppose whatever you do. As you proceed with a specific bill, you will continue to hear a range of views from our members.

I am here today because our organization and its leadership believe that school boards must be part of the solution. We cannot simply say, “leave us alone”. Education in Vermont is a joint endeavor with you all setting policy and providing the financing framework and with local boards assuring that great education is delivered locally at a reasonable cost to taxpayers.

The VSBA is committed to two major objectives. First, we believe you need to do something specific and targeted about property tax rates this year—both through addressing costs and reducing the state-level demands on the education fund. We disagree with the cap strategy, which I will discuss later, but we agree with the objective.

The second relates to the longer view of a healthy public education system. For the past two years, we have been discussing the issues of education

equity, quality, and cost. We all must be committed to assuring that students around our state get equal access to a quality education experience and that we change the trajectory of our increases in cost per student.

## **I. Property Tax Relief in the Short-Run**

Property tax relief will come if there is less pressure on the property tax.

Costs are reduced.

We pay for less items out of the property tax.

You may have gathered that we do not like the cap in section 27 of the bill. Let me review the problems with it.

1. By its nature, it implies that all property tax pressures are coming from decisions made by local boards and local voters. Local boards and state policy makers need to *jointly* own this problem and need to attack the issue from both ends.
2. It is a blunt instrument for a complex issue. Vermont has high spending and low spending districts. Under the proposed cap, the highest spenders can increase spending per pupil at double the rate of the lower paying districts. Undoubtedly, it will punish some schools that are already delivering a sub-standard education and will reward some schools that are already in good shape.
3. The cap provision prevents borrowing—how does a school board meet its legal and ethical responsibilities if it can't borrow? What happens if the roof leaks or several new special education-eligible students come to your door?
4. Vermonters will see it as the ultimate intrusion into the relationship between the electorate and its education system. If the cap has a seriously negative impact on a local school, "the state" will likely be seen as accountable for diminishing quality. Accountability needs to be clear.

We have been making a number of alternative suggestions.

## *Go over Hand Out “Tangible Tax Relief”*

### **II. Reactions to Section 17 of the Bill: Integrated Education Systems**

This is the section of the bill that addresses equity, quality, and cost over the long-run. We generally support the direction of this section. In so doing, we embrace three basic truths.

- Our system is better than most by most indicators.
- Vermont is a special place. We love our small and intimate communities. We operate on a scale that respects the dignity of each individual. We must be sure that our solutions have fundamental respect for those values, recognizing that there are many ways to reflect that respect.
- We must be honest about our challenges and be willing to address them. You have seen the data. You know the problems. We have growing disparity in what we are able to provide for our students from region to region. We are under increasing pressure from state and federal mandates. We have higher expectations than ever of our schools to engage every child in a personalized PreK-12 education. And our students bring to school increasing challenges which require more extensive supports and more substantial interventions. The ability to respond to these pressures effectively and efficiently has been seriously affected by the relentless drop in the number of children in Vermont and by our inability to fundamentally alter our system in response. Our citizens are telling us that our

cost per-student trend line needs to change. ***Board members, this past fall, in six meetings held around the state told us that to respond to this situation, we must be better able to deploy staff nimbly and must be able to achieve somewhat greater scale. There is substantial openness to change if done correctly.***

### **A. The VSBA/VSA Proposal**

Early in the session, the VSBA and the VSBA came to the Education Committee and made a proposal for how to achieve these kinds of objectives. Our proposal made very clear that any plan needed to be based on the following public policy principals:

- ***Solutions must address concerns about equity, efficiency and quality.***
- ***Solutions must allow districts to more flexibly deploy resources—key theme from our regional meetings.***
- ***Solutions should not assume one size fits all—***The reality of Vermont’s districts and the variety of choice configurations makes a simple solution impossible, unless this body wants to take on the choice issue. We must allow districts/regions to design their approach, assuming they meet basic statewide requirements. All solutions need to be evaluated by their outcomes. **(Hand-out)**
- ***Solutions must allow local communities to design and implement their own structural change.***
- ***Structural changes should be encouraged through a mix of incentives and disincentives.*** The incentives should be clear and enticing and should include meaningful construction aid,

technology aid, and tax incentives. Negative consequences such as higher local tax rates should not be the sole lever to induce structural change.

- ***Solutions should be crafted to retain strong community connections.*** Changes need to address the need for nimble deployment of resources, somewhat greater scale and achievement of greater equity in our system, but cannot be on a scale that disconnects education from the citizenry. We oppose large, county-wide solutions.

We believe that section 17 is generally aligned with these principals.

## **B. Brief Analysis of H 361, SECTION 17**

The short version of our analysis of this section of the bill was sent out to our membership just before town meeting. It is included below.

### ***Creation of Pre-K-12 Education Systems***

*For the past few years, we have engaged with our members around the need to respond to issues around education equity and cost. At meetings this fall, we heard again and again about the need for somewhat greater scale and the ability to deploy staff resources more flexibly. The committee bill seeks to address these issues.*

*The bill lays out an overall concept for “PreK-12 Education Systems” that would be on a scale of the area covered by a supervisory union. This size and scope is reasonable, keeping education oversight in close proximity to local communities. The committee has steered clear of multiple proposals to move toward countywide systems. This section of the bill, Section 17, would require that each local district not function as a separate unit unto itself, but as part of a system that is responsible for the education of children across a somewhat larger area, able to deploy staff resources more flexibly to assure that all children get a great education at a reasonable cost. The bill encourages districts to merge into a single unit, but allows for systems to be overseen by a single board or by multiple boards operating in an integrated fashion. That feature recognizes that “one size can’t fit all”—that our communities are very diverse and that we have very complex blends of towns that operate schools and provide*

*school choice. The bill protects the 91 towns that currently have “choice” as part of their delivery system.*

*There are a number of incentives and disincentives for action.*

*Although there are some specific parts of the bill which we will seek to alter as the process moves forward, including the 2018 master plan for aligning districts which have not been able to adjust, overall much of it represents a reasonable starting point to addressing our biggest challenges in many parts of Vermont.*

### **C. Specific Changes Recommended**

- Section 17 (a) Integrated Education Systems

The specific size can be debated. We had preferred 1000, but as long as a waiver exists, it may be fine.

- Section 17 (e) Creation of integrated education systems.

This section is problematic. One of the key problems with H883 last year was the element that had a “design team” realign the entire state after a period of voluntary activity. That became a point of substantial controversy and contributed to the lack of a successful bill. We do not think it is wise to go down that road. Passage of this bill would be the first time that the law would require action, and we must assume good faith in complying. Instead of the Secretary developing a “final plan”, we would strongly recommend that this section state simply that:

***On July 1, 2018, the Secretary shall submit to the State Board and to the Education Committees a report outlining progress made on the creation of “PreK-12 Education Systems” and, should it not be complete, make recommendations to the Governor and to the General Assembly for supporting completion of the process.***

- In addition, we support the Governor's proposal for a results-oriented approach using an assessment system to be implemented by the Agency of Education. If districts are very low in their educational performance or very high in their costs, an intervention can occur which could include structural realignment. Section 10 of the Senate bill includes language that may apply.

#### ***D. Ability to Implement***

The big challenge in this section will be facing honestly the ability of the Agency of Education, the State Board, and the districts to implement the policy change.

The key to any major system change is the ability to translate policy into effective implementation. This process will require the timely establishment of guidelines for assessing PreK-12 Education Systems. We must be sure that districts will have the time to develop relationships and proposals. And the Agency of Education must have the capacity to establish and implement clear processes and procedures and to provide timely legal, technical, and data support to help districts prepare for and to implement the required changes. The State Board of Education must be prepared to consider and approve many proposals in an effective, thoughtful, and timely way.

Additional thought should be given to the details and to carefully reviewing every deadline in the bill.

The Agency must be properly equipped to do its work in the timeframes required.