



STATE OF VERMONT
GENERAL ASSEMBLY
HOUSE COMMITTEE ON EDUCATION

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To: Representative Kitty Toll, Chair House Committee on Appropriations
From: Representative Dave Sharpe, Chair, House Committee on Education
Date: March 3, 2017

Subject: Provisions in the Governor's Proposed FY 2018 State Budget

The House Education Committee has received the House Appropriations memo regarding "Provisions in the Governor's Proposed FY 2018 State Budget," related to issues of education. This document serves as the Education Committee's response to those proposals.

The House Education Committee realizes that higher education in the State of Vermont has not received adequate state funding for quite some time. In fact, Vermont stands 46th in the nation per capita. Our committee is reviewing research data and also understands the importance of early childhood education on learning.

The House Education Committee appreciates the Governor's support for higher education, early childhood education as well as his commitment to innovation in his budget request. The Education Committee, however, cannot support the method by which the Administration funds these requests for two reasons. First, this proposal presupposed level-funded district education spending. At this time, school district education spending is trending approximately 3.4% above FY17. The Committee is not prepared to undo the hard work of our school boards by imposing a hard cap across all districts. Second, funding of this request through the Education Fund would put additional pressure on the property tax. The committee finds that use of the property tax to fund education is already putting extraordinary pressure on taxpayers and we are not prepared to recommend further increasing the property tax.

The Education Committee is considering and values the ideas put forward in the Governor's proposal. The Committee may suggest changes in funding to current programs that are not contributing to the success of Vermont students. Such reductions may enable us to recommend additional investments in the three areas identified by the Governor.

The following is our response to the individual line items:

E.504.1: Flexible Pathways:

- (a) The House Education Committee supports the reimbursement to school districts for high school completion as follows:
- (1) the Committee **supports** the \$600,000 level-funded budget appropriation for dual enrollment.
 - (2) The Committee **supports** the \$100,000 level-funded appropriation for Vermont Virtual Learning Collaborative
 - (3) The Committee **supports** \$200,000 level-funded appropriation for secondary school reform grants (transferred from 511 to 504)
 - (4) The Committee **supports** \$450,000 for Vermont Academy of Science and Technology. (transferred from 505 to 504). This is a decrease of \$44,000 based on a decrease in the number of students enrolled; and **supports** the \$1,700,000 for Early College. This is an increase of \$600,000 due to increased participation in Early College.

NOTE: In Approp #510021000 crosswalk, there is a \$100,000 "administrative increase." The Committee **does not support** this increase. The Committee did question whether this line was an error.

E.513: 16 V.S.A Sec 4025 (a) (2) Transfer of General Funds to the Education Fund. The Governor's budget changes the yearly General Fund transfer from a statutorily defined amount to a yearly appropriation. The

Committee believes this change returns us to condition that helped force the court in the Brigham Decision and could set the State up for similar litigation. The Education Committee **does not support** the Governor's change in the General Fund transfer and recommends that the statutory language remain unchanged.

E.513.1: This section defines the FY 2018 General Fund transfer at \$400,720,162. With the language in 4025 (a) (2) unchanged in E.513 above, this section is unnecessary, keeping instead the statutorily defined transfer.

E.514: Teachers' Retirement System. This section proposes that the normal contribution of \$8,346,261 be moved to the Education Fund.

(a) The Committee supports the Governor's recommendation on the annual contribution.

(b) The Committee supports the Governor's proposal of the "normal" and the "accrued liability contributions."

(c) The Committee **does not support** the proposal to transfer this obligation to the Education Fund. The Education Committee recommends this remaining as part of the General Fund.

E.515: Retired teachers' health care and medical benefits:

(a) The Committee supports the \$26,660,966 contribution to the Teachers' Health and Medical Benefits plan. The Committee **does not support** funding this through the Education Fund. The Committee recommends this remain as part of the General Fund.

E.516: Early Education

(a) While the Committee supports increased funding for early childhood education, the Committee believes adding new funding from the Education Fund would fall to and thereby increase property taxes. The Committee **does not support adding \$9,600,000** to the Education Fund.

E.517 Innovative Grants: While the Committee supports increased funding for Career & Technical Education, the Committee believes this would also fall to the property tax. The Committee **does not support** appropriating \$1,600,000 of new money from the Education Fund.

E.600: University of Vermont: While the Education Committee recognizes the value of the University and providing financial support for Vermont students, the Committee **does not support** moving these obligations to the Education Fund.

E.602: Vermont State Colleges: While the Committee recognizes the value of our State Colleges and the degree of need of Vermont students, the Committee **does not support** moving these obligations to the Education Fund

E.602.0.1: Annual Increase for Vermont State Colleges: House Education supports increased funding on an annual basis for the Vermont State Colleges using the mean of the prior six years of nominal average wage growth in Vermont, to **remain an obligation of the General Fund.**

E.602.0.2: Vt State Colleges Substance Abuse Treatment: House Education **supports** a substance abuse treatment summit.

E.602.1: Vermont State Colleges Supplemental Aid: The Committee **does not support** this proposal. At this time, the Education Fund **does not have the capacity** to support additional funding for the Vermont State Colleges.

E.605: VSAC: The Committee **does not support** this proposal. At this time, the Education Fund does not have the capacity to support additional funding for the Vermont Student Assistance Corporation.