



**STATE OF VERMONT
HOUSE OF REPRESENTATIVES
115 STATE STREET
MONTPELIER, VT
05633-5201**

To: Representative Kitty Toll, Chair House Committee on Appropriations
From: Representative Dave Sharpe, Chair, House Committee on Education
Date: March 1, 2017
Subject: Provisions in the Governor's Proposed FY 2018 State Budget

A handwritten signature in blue ink, appearing to read 'D. Sharpe', written over the 'From:' line of the letterhead.

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 understands the importance of early childhood education.

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 raising them more.

The Education Committee is considering ideas put forward in the Governor's proposal. The committee may suggest reducing our commitment to programs within the Education Fund that are not fully contributing to the success of our Vermont students, and reductions in those programs may enable us to recommend additional investments in other areas.

The following is our response to the individual line items:

E.504.1: House Education supports this section with the exception of the paragraph received from AOE identifying \$100,000 for the agency in 510021000 Flexible Pathways identified as “administration increase.” We support the \$600,000 increase in early college, and the reduction of \$44,000 in science and technology.

E.513: This section changes the General Fund transfer to the Education Fund, moving it from the statutory transfer to a yearly appropriation. Our committee believes that the process recommended herein for the Legislature to set the amount of the transfer of funds to the Education Fund is what helped force the court to make the *Brigham* decision. Returning to this method of directing General Fund support to PK-12 Education is likely to result in a similar situation. We suggest this be returned to its original language without change.

E513.1: We recommend this section be struck.

E.514: This section proposes that the normal contribution of \$8,346, 261 be moved to the Education Fund. We recommend the normal contribution remain funded out of the General Fund until a funding source can be identified. Therefore we recommend this section be struck.

E.515: We do not support transfer of this responsibility to the Education Fund. Therefore we recommend this section be struck.

E.516: While we support increased funding for Early Education, this proposal would increase property taxes, and we cannot support it.

E.517: While we support increased funding for Career & Technical Education, this proposal would increase property taxes, and we cannot support it.

E.600: At this time, the Education Fund does not have the capacity to support additional funding for the University of Vermont.

E.602: At this time, the Education Fund does not have the capacity to support additional funding for the Vermont State Colleges.

E.602.0.1: 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: House Education supports a substance abuse treatment summit.

E.602.1: At this time, the Education Fund does not have the capacity to support additional funding for the Vermont State Colleges.

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