

To: House Ways and Means and Education Committees  
From: Nicole Mace  
Re: Committee Bill to Advance a Foundation Formula - Draft 1.1  
Date: March 26, 2025

Good morning, my name is Nicole Mace. I am testifying today in my capacity as a school board member from Winooski and VSBA representative to the Commission on the Future of Public Education, though I am not representing either entity in this testimony. Other roles I have held relevant to this topic include serving as the General Counsel and Executive Director for the VSBA during Act 46 and Act 173 implementation, serving as the Director of Finance and Operations at the Winooski School District during a large capital project and COVID, and now as a school board member during the implementation of Act 127.

Based on this experience, I offer the following feedback on the Committee bill under consideration.

**Numbers matter, as does the expertise of Vermont educators.** The draft bill does not include amounts for either the base education amount or the weights for determining weighted long-term membership, but the amounts set for each are obviously very important. It is unclear to me based on the current draft how those amounts will be determined and whether a cost-based or evidence-based model will be used to derive them. In either case, I want to stress the importance of grounding a model in the realities of the Vermont context. Using Winooski as an example, the evidence-based model developed by Picus reduces the EL (multilingual learner) weight from 2.49 to 0.44, which is an 82% reduction. The conclusions about multilingual learners' needs in that report appear based on a simplified analysis, with references to studies that have been carried out in contexts very different from Vermont.

In order to arrive at the appropriate base amount and weights, Vermont educators should be convened to ensure the resources being allocated to specific student populations reflect the needs of those populations here in Vermont. The inclusion of professional judgment panels in the bill is an important vehicle to accomplish this. I invite you to consider the need for population-specific panels to be convened to address the unique needs of rural communities, multilingual learners, and different grade spans.

Irrespective of the model used to derive the numbers, it is important to avoid establishing a base amount that significantly underfunds all schools, but especially those with the highest needs. At the very least, the impact of sudden and significant decreases to the amount received by a district like Winooski need to be considered and addressed. Since the base amount may be lower than our current spending and weights themselves could also be reduced, this double hit could reduce a significant portion of our funding. If this is the case, then we require time to gradually reduce our services and adapt as much as possible absent other systemic changes.

**Finance, governance, and delivery are all connected.** The Committee's draft recognizes the need for cost drivers to be addressed and paces implementation of funding changes to align with governance change, class size minimums, school building improvements, and multi-tiered systems of supports. I encourage you to continue to work closely with the Education Committee to map out in even greater detail how the implementation of each component of this transformation will work so that folks in the field are clear about what will happen when. In particular, what happens if specific milestones are not met - for example, what if 90 percent of schools haven't met the class-size targets laid out in the bill? Will there be consequences for districts that do not achieve those standards? What will they be? How will the Agency of Education be appropriately staffed in order to ensure technical assistance is available to support timely and equitable implementation?

**Preserve the equity established by Act 127.** As a school board member from a district that has a very unique population of students, and whose tax capacity increased accordingly under Act 127, it is critical that the gains made for high need districts not be eroded by changes to the funding system. Some Vermonters believe Act 127 was a precipitating event for the fiscal crisis we found ourselves in, but providing additional resources to students who need them was and is good public policy. In my view, one of the takeaways from Act 127 is that districts need guidance, support, and clear guardrails to effectively respond to changes to the funding system. School boards need tools and time to adapt their spending in ways that ensure students who need more resources actually receive them.

Winooski was able to make critical investments in our FY25 budget thanks to the increased tax capacity provided by Act 127. But in FY26 Winooski had to eliminate positions in response to declining enrollment. I believe that increasing scale and district size is an important tool for addressing inequitable opportunities between districts. The question is how do we ensure that the additional weights for high need students are not diluted within a larger district structure? How would we ensure additional funding is actually going to multilingual learners in this context? How would small communities with small voter populations be protected against being overruled by voters in the larger district? These issues will need to be directly addressed in both the governance and finance sections of the bill.

**Assure *Brigham* compliance.** Finally, the current funding system was designed to respond to the mandate in *Brigham* that educational opportunity is not determined by the "mere fortuity" of a student's town of residence. The provision in this bill that would allow districts to spend up to 10% more than their educational opportunity payment should be modeled to ensure *Brigham* compliance - again, the numbers matter and will help illuminate equity concerns that need to be addressed.

The mechanics of how the excess spending amount would be calculated and funded are not clear to me based on my readthrough of the bill. One goal of the transformation of the funding system should be greater clarity to taxpayers regarding the consequences of their budget votes. School board members need to be able to clearly articulate the potential tax implications to their communities, and while this bill appears to simplify the system overall, school board members

need greater clarity on the mechanics of the “excess spending” yield calculation. They also need timely and accurate information from the Agency of Education, including the figures that are currently contemplated as being part of the December 1 letter (page 32). The AOE provided multiple conflicting numbers for our LTWADM this year, which made it difficult for the school board to evaluate different budget scenarios under consideration.

Finally, while our current funding system may be responsive to *Brigham* in terms of equalizing tax capacity, there is ample evidence to suggest that student opportunities across the state are not equal. Just as important as ensuring equal access to education funding is the need to strengthen the state’s ability to hold districts accountable for providing equitable opportunities to students, regardless of the town they live in and the number of students they serve. To the extent the Agency of Education currently has the responsibility to do so, that work has not happened for over 8 years. I encourage you to continue to explore opportunities to strengthen the role of the Agency and establish clear expectations for how it will hold districts accountable under the new funding and governance system.

Thank you.