



Commission on the Future of Public Education in Vermont

October 21, 2024, 1:00 p.m. – 4:00 p.m.

Microsoft Teams Virtual Meeting

Call In: 1-802-828-7667

Conference ID: 375 196 178#

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DRAFT MEETING MINUTES

Commission Members: Meagan Roy, Chair; Peter Conlon, Representative Addison-2 District; Ann Cummings, Senator Washington District; Zoie Saunders, Interim Secretary of Education; Jennifer Deck Samuelson, State Board of Education; Nicole Mace, Vermont School Boards Association (VSBA); Craig Bolio, Tax Commissioner; Oliver Olsen, Vermont Independent Schools Association; John Castle, Vermont Rural Education Collaborative; Michael Lechlitter, Vermont Superintendents Association; Jeff Fannon, VT-National Education Association; Jay Nichols, Vermont Principals' Association; Elizabeth Jennings (virtual), VT Association of School Business Officials.

AOE: Emily Simmons, Rose Neddo, Jill Briggs-Campbell, Nicole Lee, Suzanne Sprague, Maureen Gaidys.

Others: Greg Hughes, Ken Fredette, Judy Luske, Allen Gilbert, Jeanne Albert, Tom Frazier, Margaret MacLean, David Schoales, Emilie Kornheiser, Meghan Metzler, Bridget Burkhardt, Andrew, Cheryl Charles, David Weeks, John Clifford, Katrina Menard, Christine Bourne, Elizabeth St. James, Matthew DeGroot, Julia Richter, Bill Edgerton, Clare Buckley, Chester Telegraph, Michael Livingston, Rebecca Sameroff, Darren Allen, E., Heather Bowman, Jeff Francis, Dr. Mary Gannon, Dell Waterhouse, Davis S., Alison Novak, Nancy Pejouhy, Lila Richardson, Jake Feldman, Bob Thibault, Kendal Smith, and Heather Bushey.

Call to Order, Introductions and Roll Call, Amendments to the Agenda

Chair Roy called the meeting to order at 1:07 p.m. She acknowledged Superintendent Clark and his team and the Culinary Program students for the use of their space and for providing lunch.

Superintendent Clark welcomed the Commission on behalf of Orange County and thanked the culinary class for the food provided. He told the Commission their work is important and there is a need for a cohesive vision for education for all of Vermont and he looks forward to the work of the Commission. He told them to be brave as they work towards that vision.

Chair Roy asked members to introduce themselves. Members present included: Olsen, Fannon, Cummings, Lechlitter, Castle, Deck Samuelson, Saunders, Conlon, Mace, Nichols, Jennings and Bolio. She framed the work for the afternoon and reviewed the short- and long-term charges, addressed the timeline that was assigned, and explained that the work plan is designed to meet the deadlines and the Commission in working in good faith towards that end. There are two phases of work - a final recommendation produced after a year of study and engagement and a written report with preliminary findings and recommendations including short-term cost containment considerations for the 2025 legislative session. The meeting's work is to begin to develop the content and substance of that report. There were no amendments to the agenda.

Approval of [Meeting Minutes from September 9, 2024](#)

Nichols moved to approve the [meeting minutes from September 9, 2024](#); Conlon seconded. There was no discussion. Chair Roy called the vote. The motion carried.

Public to be Heard

Judy Luske, Roxbury, spoke about closing schools, the Picus report, and said [this public comment provided by various concerned Vermonters](#) should be given more consideration than the Picus report.

David Schoales, Brattleboro, referenced [this public comment provided by various concerned Vermonters](#) and spoke about the negative impact of closing schools.

Allen Gilbert, Worcester, spoke about the negative impact of closing schools and referenced [this public comment provided by various concerned Vermonters](#).

Margaret MacLean, Peacham, spoke to the need of creative thinking and creative options and the negative impact of closing schools and referenced [this public comment provided by various concerned Vermonters](#).

Greg Hughes, Friends of Public Education, read [this public comment](#) to the Commission.

Jeanne Albert, Lincoln, offered strategies to address fiscal challenges offered in [this public comment provided by various concerned Vermonters](#).

Ken Fredette, Friends of Public Education, thanked the Commission for taking on this monumental task and for doing so in a thoughtful and transparent way.

Subcommittee Reports

Steering Group (SG): Roy said the SG's charge is to keep the Commission's work moving forward and most of that is agenda setting. The SG is hoping to hear an in-depth discussion from the Education Finance Subcommittee.

Education Finance Subcommittee: update below

Communication and Engagement Subcommittee: Roy said the subcommittee met twice, have issued a Request for Proposal for a consultant, and will review the RFPs at the November meeting. They have also planned for the public input session this evening and wanted to move forward without a consultant. This will be a beta test, and the subcommittee is open to feedback following the input session.

Olsen requested a school construction update. Conlon reported that there is a group of legislators and the AOE Deputy Secretary and they are working on proposed legislation for school construction aid. They have questions that need to be answered around where the function lies, roles, technical assistance, proposals, capacity, sustainability, and looking at the Rhode Island model.

Chair Roy offered that this is an opportunity to capitalize on existing engagement opportunities. She has provided Commission updates to the Vermont Curriculum Leaders Association and the executive board of the Vermont Council of Special Education Administrators.

Interim Secretary Saunders provided an update on the Listen and Learn Tour - phase 3 is starting on October 22 with public engagement sessions which are designed to inform the AOE strategic planning process to ensure work is aligned across the state. There are seven sessions across the state with the possibility of additional sessions.

Chair Roy clarified that the goals are not to work at cross-purposes, and that these are two separate and distinct bodies doing separate work and both bodies of work need to be supported. There was discussion on confusion around the difference between the Commission's work and the Listen and Learn tour.

Discussion: Education Finance System – Education Finance Subcommittee

Chair Roy said there is a short-term and long-term task, and they are connected but the Commission needs to narrow their focus to the short-term deliverable, a preliminary report and short-term cost containment strategies. The Education Finance Subcommittee was asked to provide an update on their work thus far and that would be followed with discussion and questions.

Emilie Kornheiser, Chair of the Education Finance Subcommittee, spoke about the timelines and the challenges and that today would be more of an update than recommendations. Kornheiser said the subcommittee has met three times and they recognize the urgency. She spoke about looking at the central cost drivers, what is needed to shift those and referenced the subcommittee's [brainstorm on reducing cost drivers](#), which included policy ideas to control cost drivers, policy ideas to reduce property tax rates, policy ideas to reduce district spending, data desires, and ideas to increase equity. She spoke about checking assumptions, data, grappling with the central cost drivers, and needing more data analysis. The next task is to further refine short, medium- and long-term next steps.

There was discussion/questions related to the timeline, budget schedule, putting ideas on the table, percentage increased in local budgets, complexity of this work, Administration's recommendations and support thereof, recognition to limit spending, implementation challenges, operationalizing strategies, limited menu of options, need to understand parameters and tools, tension between fiscal change and policy change, Picus report, national strategies, cost shifting, timeline of data available, identifying thresholds, cost containment and education quality, education finance subcommittee needing resources/significant support, need to model impact of ideas, process of building AOE capacity and increasing access to data, surfacing issues is as important as offering recommendations, and the report to the General Assembly (GA) needs to be informed by data.

Discussion continued on analysis by item and function code to understand spending, analysis by size and spending, modeling spending and performance, trends and cost drivers, different operational models, budget information in correlation to actual spending, public trust and reliable data, and statewide trends.

Chair Roy asked for each Commission member to consider what was heard today, learned and read and offer what is important to be included in the preliminary report:

- Trusting and providing data that back recommendations; identifying specific data needed and having that in advance.
- Report should be a call to action with a high level of fiscal goals; tension between fiscal levers and statewide policy decisions.
- Much is out of our state's control (healthcare, Individuals with Disabilities Education Act

(IDEA), etc.); what would be reasonable savings if we used referenced-based pricing; school construction needs to be intentional.

- Acknowledge who is not here – taxpayers, and report should not be purely academic; needs to acknowledge the pain; GA needs to know that we are making progress.
- Report needs to be empathetic to fiscal challenges; need to define cost containment strategies; make sure that ideas are not just cost shifting; and some discussion of funding formulas changes is needed.
- Acknowledge ambitious/aggressive timeline and time needed to decipher data; desire is to get this done right, and that everything is connected – (housing, enrollment, cost per pupil)
- Need to have strong stand on equity; worry that we will rollback current initiatives that will hurt disadvantaged schools
- Articulate how Vermont compares to other states; data is critical in validating and challenging assumptions; differentiate short-term cost containment from larger transformational change.
- Enrollment trends, past/present staff-to-student ratios, information on what is in the Education Fund that is outside day-to-day activities; acknowledgement of efforts in place; limited capacity; leaving federal funds unspent due to capacity issues.
- Policy areas (financial systems, delivery models, governance) and how interconnected they are.
- Needs to not be just another report but move the needle; report needs to be actionable and comprehensive.
- Call to action to all Vermonters; acknowledge complexity and recognize that it is not impossible work; forecasting where we are heading and the stakes involved.
- Cost containment strategies and specific recommendations for the GA to consider; cost drivers that have mechanisms that can be somewhat controlled by school board and local administrators and cost drivers that have no mechanism for realistic control at the local system level.

Chair Roy asked for potential short-term cost containment ideas to be included in the report:

- Remove universal meals and teacher retirement from the Education Fund; move mental health costs back to AHS General Fund; high school tuition caps; not sending tuition money out-of-state/out-of-country; not sending money to private schools who don't follow accountability rules for inclusion; change the homestead tax rate; examine tuition system as a construct; remove funding support for Early College; and stop sending public funds to early education in PK when licensed teacher is not required.
- Education partners have provided several pieces of public comment; for short-term levers – personnel, facilities, tuition; revise the non-homestead tax category; overreliance on property taxes; over \$75 million (\$25 million in universal meals and \$55 million in teacher retirement) that might be better appropriated through different funding stream; excess spending penalty is not linked to cost drivers.
- General Fund transfer for added costs to the Education Fund; minimum class sizes with exception for rurality; apply equitable accountability to independent schools accepting public tuition.
- Even with short-term strategies, we need to look at all three levers
- Not funding public health initiatives; looking at capacity and to build it; jumpstarting BOCES.
- Being thoughtful around achieving scale; negotiating statewide resources for cost savings; not adding bureaucracy; Vermont context and variability.
- Pressure on the Education Fund and considering transfers; can we make meaningful

recommendations for changes in such a short window?

- With limited timeframe, are there buckets in the Education Fund that we could shift to the General Fund?
- System is very complicated; offsetting incentives to excess spending formula; exploring ways to change the excess spending threshold and make that more targeted.
- Unsure that there is anything to be done realistically that will reduce the costs for next year; the fix is not transferring items to the General Fund.
- Referenced-based pricing could save money; education funding system needs reform; splitting non-residential tax rate from business tax rate.
- Need to be careful on conversations around shifting from income to revenue stream; want to avoid volatility in the Education Fund; referenced this [memo from Olsen on short-term Cost Containment solutions](#); setting a target; setting allowable growth or a requirement for a supermajority vote; joint committee that reviews waivers from school districts for state mandates that raise costs; best approach is to focus on finance levers that drive outcomes; growth limitations also apply to tuition payments going to private schools; looking at ESSER funds.
- Excess spending being related to cost drivers; data collections on teacher salary and class size; if decisions are made around setting minimum class sizes, then school districts will shift their focus in the budget process; General Fund transfers are larger with universal meals and transfers and increasing tax rates, and data on utilizing/spending down federal funds.

Document Review and Discussion

N/A

Next Steps

Chair Roy said the next full Commission meeting is November 4, 2024, and proposed that she bring back an outline of the report for the full Commission to discuss.

There was discussion on national models, no urgency in looking at the Picus report, rethinking the agenda for the next Education Finance Subcommittee agenda, high level framing of strategies, how to spend upcoming meeting time and prioritize work and presentations, and short-term strategies and cost containment.

Chair Roy said there will be a discussion on both components of the report - what it should include and a list of cost containment strategies at the meeting on November 4. It would be helpful if the Education Finance Subcommittee was able to start some of that work, but even if that cannot happen the full Commission needs to keep moving forward.

There was discussion on the possible extension of the report deadline, fundamental need for the GA to act, needing to signal to districts and school boards, and that this is not just a report to the GA but a report to the whole state of Vermont. Chair Roy will reach out to the Education Finance Subcommittee to inform the conversation for October 28, 2024.

Public to be Heard

Tom Frazier, Roxbury, spoke about today's discussion and how it was too late for his community and his small school, who with no representation, has been closed and it has torn the community apart. He asked for a moratorium on closing small schools.

Adjourn

Chair Roy adjourned the meeting at 4:01 p.m.

Minutes prepared by Maureen Gaidys.