

**PRELIMINARY FINDINGS OF THE
COMMISSION ON THE FUTURE OF PUBLIC
EDUCATION IN VERMONT**

Report to the General Assembly

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Submitted

by

The Commission on the Future of Public Education in Vermont

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LEGISLATION & BACKGROUND

This report is submitted by the Commission pursuant to [Act 183 of 2024 Sec. \(f\)\(2\)](#) to the General Assembly as “a written report containing its preliminary findings and recommendations, including short-term cost containment considerations for the 2025 legislative session.”

Act 183

Act 183 of 2024: An act relating to homestead property tax yields, non homestead rates, and policy changes to education finance and taxation.

The Act established the Commission on the Future of Public Education in Vermont (hereafter referred to as the Commission) to “study the provision of education in Vermont and make recommendations for a statewide vision for Vermont’s public education system to ensure that all students are afforded substantially equal educational opportunities in an efficient, sustainable, and stable education system.” The Act requires the Commission to make recommendations in a number of policy areas. The Commission has organized its work by identifying the following three major policy categories:

- I. *Education finance system*: Recommendations geared toward an education funding system that affords substantially equal access to a quality education in accordance with *Brigham vs. State*
- II. *Education governance, resources, administration*: The structure and needs of the Agency of Education (AOE); the composition, role, and function of the State Board of Education (SBE); the roles, functions, and decisions of local control v. state control; and integration of career and technical education.
- III. *Physical size and footprint of the education system*: The most efficient and effective number and locations of school buildings, districts, and supervisory unions. This includes recommendations regarding workforce retention & capacity (driven by class-size data) and the legal and financial impact of Vermont’s town tuition program for non-operating school districts, including recommendations for tuitioning outside of Vermont and the use of private therapeutic schools.

Membership

The Act defines the membership of the Commission as follows:

1. The Secretary of Education or designee
2. The Chair of the State Board of Education or designee
3. The Tax Commissioner or designee
4. One current member of the House of Representatives, appointed by the Speaker of the House
5. One current member of the Senate, appointed by the Committee on Committees

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6. One representative from the Vermont School Boards Association (VSBA), appointed by the VSBA Executive Director
7. One representative from the Vermont Principals' Association (VPA), appointed by the VPA Executive Director
8. One representative from the Vermont Superintendents Association (VSA), appointed by the VSA Executive Director
9. One representative from the Vermont National Education Association (VTNEA), appointed by the VTNEA Executive Director
10. One representative from the Vermont Association of School Business Officials (VASBO) with experience in school construction projects, appointed by the President of VASBO
11. The Chair of the Census-Based Funding Advisory Group, created under 2018 Acts and Resolves No. 173
12. The Executive Director of the Vermont Rural Education Collaborative
13. One representative from the Vermont Independent Schools Association (VISA), appointed by the President of VISA

Additionally, the Act specifies the creation of a Steering Group, comprised of two Commission members appointed by the Speaker of the House, two Commission members appointed by the Committee on Committees, and two Commission members appointed by the Governor. The Chair of the Commission is jointly selected by the Speaker of the House and the President Pro Tempore.

Organization of the Work

The Commission met for the first time on July 15, 2024 and has established the following general meeting structures:

- The full Commission meets on the first Monday of each month (with exceptions for holidays and other calendar reasons).
- Subcommittees of the Commission meet as needed, but at minimum once per month on the third Monday of each month (again with exceptions for holidays and other calendar reasons). There are currently three named subcommittees of the Commission: The Communication & Engagement subcommittee, the Steering Group, and the Education Finance Subcommittee (appointed by the Steering Group).

The Commission also adopted a [Workplan Framework](#) that organized the work around three policy recommendation areas: Education Finance System, Governance, Resources and Administration, and the Education Delivery System. The Commission understands that there are many policy areas in the Act that we are charged with investigating, and all of those areas intersect with each other. Our organization of the work into these three broad areas is to help bring clarity to our process. This report will refer to these three areas broadly.

The Commission also adopted a [Communication and Engagement framework](#) that will be updated and expanded with the hiring of a Communication & Engagement consultant. The Commission is cognizant of the fact that we are limited to the perspectives of the thirteen members and therefore need to spend time and energy seeking the input of Vermonters across the state as well as communicating in an accessible and thoughtful manner. We have chosen to contract with outside experts in this regard.

Guiding Principles

The Commission recognizes the complexity of the policy issues it is charged with addressing. As it navigates discussions about current and future recommendations, Commission members agreed to develop a set of [Guiding Principles](#) that would clearly articulate the basis for their decisions. These principles represent a consensus of the Commission and include the following:

- **State Responsibility for Education in Vermont**

In the *Brigham vs. State* 166 Vt. 164 (1997), the Vermont Supreme Court held that the State has a constitutional obligation to provide public education, and while “[t]he state may delegate to local towns and cities the authority to finance and administer the schools within their borders; it cannot, however, abdicate the basic responsibility for education by passing it on to local governments, which are themselves creations of the state.” The Commission acknowledges the tension that exists between this responsibility and authority, and Vermont’s tradition of local decision making, and will continue to explore the balance between the two.

- **Equity**

The Commission is committed to decision making that centers equity for Vermont students. While there is a recognition that operationalizing the term “equity” is a complex and varied task, the Commission is committed to the following core understandings of equity:

- Equity does not mean equal/same.
- Solutions with an equity focus must be differentiated by need.
- Equity must be considered both in terms of inputs (access) and outputs (outcomes).

- **Quality**

All publicly funded Vermont students must be afforded high quality educational opportunities that are equitable, inclusive, anti-racist, culturally responsive, and anti-discriminatory, as defined in Vermont State Board of Education Rules. The Commission acknowledges that the SBE rules focus primarily on inputs and that school accountability and student outcomes are critical.

- **Sustainability & Affordability**

The Commission understands that public education in Vermont must be sustainable and affordable for Vermont taxpayers, so that the commitment to Equity and Quality can be sustained over time. This requires a comprehensive look at the education finance system, including both how education dollars are raised and how we spend those funds.

PRELIMINARY FINDINGS

Current Vermont Context

The work of the Commission exists in a highly challenging and complex policy environment. The FY25 budget season resulted in a failure of nearly one-third of Vermont school budgets and almost unprecedented increases in property taxes. Despite the reductions in spending made after failed budget votes, property taxes still increased. Our state's education finance challenges exist in relation to other intractable affordability challenges in the state - rising costs of goods, services, labor and healthcare, a catastrophic housing shortage and enrollment decline. We must acknowledge the impact of these issues on Vermont's education system.

Further, the issue of cost (and tax impact) is not one of just local district spending. The policy areas referenced in Act 183 are included because of a recognition that all of them intersect, and together impact the ultimate investment in and cost of public education in Vermont.

Education finance is not simply local school district spending decisions. It encompasses spending (including spending based on Federal and state requirements that school districts have little control over and associated cost drivers - healthcare, personnel costs, school construction, tuition, special education, mental health), revenue generation (how we raise the funds needed to support our schools) and the uses of the Education Fund (what we choose to fund with our "education dollars").

School budget decisions about how education is delivered in a community are defined largely at the local level. Our governance structures (local school boards) make decisions about how we deliver education based on the needs of their communities (including the number of schools to operate, whether we choose to tuition students to other public and independent institutions, and the subsequent tuition, staffing and other costs that are required). Yet, our funding system is shared at the state level. The entire state bears the investment responsibility for decisions made locally.

As an example of this complexity: Imagine a local school district developing its budget. The local administration engages its teachers, staff and community to propose a budget to its locally elected school board. This budget supports the delivery model (the number of schools and classrooms or tuition) that the local district has selected. For those districts who do not operate schools, this budget also includes tuition to other public schools or to independent schools - tuition rates that they may not have any authority to change. Thus, Vermont's **education finance system** must support **delivery models** that are largely selected based on **governance and administration structures**.

This complexity is outlined in more detail in the Agency of Education's recent report: [Vermont Education Funding System Explained](#), where there are additional examples of how the education finance system is impacted by Vermont's approach to school governance and delivery.

The Commission believes it is critical for all those involved in discussions about education finance to be clear about the intersection of these policy areas.

A Call to Action

UPDATED DRAFT (12/13/24) FOR COMMISSION APPROVAL

The Commission wishes to elevate a collective call to action for citizens, legislators, school board members and public and independent school staff alike. Vermont has a **shared responsibility** for the education of our youth. Delivering on this responsibility will require us to collaborate around broad transformational policy changes in each of the identified areas: education finance, governance & administration and our education delivery system. It will require that Vermonters think deeply about solutions and challenge our assumptions about the causes.

It is the belief of the Commission that real solutions will include changes to **all three policy consideration areas**, and we wish to begin this report by elevating that finding. There is no “silver bullet solution.”

Reasonable Timeframes for Impact

Act 183 requires a deep study of prior legislation, the collection and analysis of significant amounts of data (not all of which are readily available) and a deep and sustained engagement with collaborators across the state before making recommendations. Still, it asks the Commission to make preliminary recommendations, including recommendations for “short term cost containment” in time for consideration in the 2025 legislative session. The Commission is committed to providing the General Assembly substantive information to inform its upcoming discussions; however, we also need to be clear that the timeline given to us arguably does not allow the Commission to undertake the work in the way the Act requires.

The public school budget process is not only well underway as of the writing of this report - it will be nearly at its conclusion by the beginning of the legislative session. This limits the ability of the General Assembly to take action on spending alone. This does not mean that school districts have not been engaged in their own work on cost containment measures. In August, the collective education organizations (Vermont Superintendents Association, Vermont School Boards Association, and the Vermont Association of School Business Officials) released a [collaborative budget memo](#) to inform school districts in time to impact the budget process. Their memo included an analysis of the current situation and some concrete suggestions. The Governor communicated with education leaders in both **September** and October, speaking primarily about the spending component of the challenge. And, the [FY26 Education Tax Rate Letter](#) was released this month.

The Commission has conducted its work in earnest, understanding the importance of providing the legislature with substantive policy options that could address the challenges facing Vermont. It is important for the General Assembly to understand that cost containment in this session is necessary but not sufficient, and substantive change in the three policy areas will be required to fully address the challenges in the long term.

Status of Data Analysis

Given the complexity noted above, clear, valid and accurate data is essential. Any eventual policy recommendation will need data during the discussion phase (to determine whether it is a valid recommendation), the analysis phase (to determine and model the impacts of any

recommendation) and for ongoing evaluation of success. The Commission has been, and will continue to be, data-driven in its focus.

In August, the Steering Group identified a number of data sources that would be important for the Commission to review in order to inform its discussions (see this initial [Data Framework](#)). In subsequent meetings, the Commission and the Education Finance Subcommittee received a number of reports regarding these data sources. At its November 4th meeting, the Commission again reviewed the data framework to determine what had been provided and what still needed to be collected (as well as what the timeline would be for providing it).

The Agency of Education has collected and monitored the requests for data made by this Commission and through its own Listen and Learn Tour. It is important to note that data and reporting has been historically limited in Vermont, and the current Agency staff has worked hard in a very short timeframe to gather, analyze, and report on a significant amount of data. They have also identified areas where data refinement or correction are needed.

The Agency has developed a comprehensive listing of the data requests and the status of those reports as it pertains to information it can provide, including timelines for information not readily available. The most recent version of this working document is included in [Appendix A](#)

DRAFT - DISCUSS

Preliminary Data Findings

While it is beyond the scope of this initial report to summarize all of the data reviewed by the Commission to date, a few specific data sources have informed the findings noted above about Vermont's complex education policy context. Specifically:

The revised [Vermont State Education Profile Report](#) acknowledges:

- Vermont's education ecosystem is complex with respect to its school and district organization, budgeting process, and its approach to education delivery model (including tuitioning students).
- Vermont's enrollment has declined significantly over the past two decades, decreasing approximately 14% in PreK-12 and adult education and 21% in K-12 enrollment
- "Compared to other states, Vermont schools tend to be smaller and more highly staffed, as reflected in its higher cost per pupil." (pg 4)

The report on [Vermont's Education Finance System](#) echoes this Commission's identification of education finance, governance and delivery models as critically intersected:

- "The connection between local budgets, statewide spending, and individual tax bills is not straightforward..." (pg 11)
- Vermont's system of local governance makes it challenging to make uniform decisions across the state to ensure education equity and quality, and to moderate spending.
- Local decision making about education delivery (from the number of schools, classrooms and staff, to curriculum standards and implementation of evidence based practices) causes wide variability in student experiences across the state

The Commission will continue to engage with data as it completes its work over the course of the year. In particular, specific data will need to be reviewed for each of the potential policy actions considered by the Commission.

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UPDATE ON POTENTIAL POLICY CONSIDERATIONS

The Commission is committed to providing the General Assembly information to inform the 2025 session. We believe that the contextual information above is critical in its own right to inform any potential actions. **By design, this report does not include specific recommendations, and the inclusion of the following summary of considerations should not be interpreted as the Commission's endorsement of any.** The following summary is provided to inform the legislature of the breadth of potential policy actions and to further convey the complexity of both the challenges and potential solutions. The Commission will continue to engage in a deeper analysis of these and other potential policy actions in order to provide formal recommendations as charged in Act 183.

A brainstorm process was conducted separately by both the Finance Subcommittee and the full Commission. This was done to surface a large number of ideas (many that have been considered in the past) in order to give the General Assembly the broadest possible list of potential solutions. There is significant overlap between those policy actions brainstormed by the full Commission and the Subcommittee, and a number of these have also been raised during the Commission's early community engagement opportunities.

The Education Finance Subcommittee has organized its discussion of potential policy actions using a number of factors that will be helpful for the General Assembly. These factors include:

- A description of the action
- The policy goal that could be achieved by the action
- The earliest effective date
- The date when cost savings may be realized
- The fiscal impact
- The extent to which the action is aligned with the Guiding Principles identified by the Commission
- Discussion

Appendix B is the working document being used by the Education Finance Subcommittee. **The Commission wishes to reiterate that the inclusion of this document is meant to surface the issues associated with each action - it does not represent a consensus of recommendations but rather a summary description of options raised. The Commission has not formally engaged in data review or discussion about each item in the working document.**

RECOMMENDATIONS TO THE GENERAL ASSEMBLY

Affirm the purpose of the Commission moving forward

The Commission was established with a charge of making policy recommendations to define the future of public education in Vermont. We are also keenly aware of the current reality, and the potential for the general assembly to initiate policy actions this session. From the Agency and Administration to the General Assembly to members of the public: There are many efforts being undertaken to resolve the issues identified in this report. The Commission believes it is critical to ensure these efforts remain cohesive even as varying perspectives are taken into consideration. The Commission can play a role in ensuring that policy recommendations are thoroughly analyzed, and can use its communication and engagement apparatus to provide real-time opportunities for input on potential ideas.

Continue to ensure substantive, equitable community engagement

The Commission continues to affirm the need for deep community engagement designed to bring additional voices and perspectives to this work, including those entities outlined in Act 183. This is true even as we understand the urgency for action this session. The Commission has prioritized community engagement by initiating a contract with a communication and engagement firm to further refine and implement our engagement strategies. This can help provide the general assembly critical avenues for hearing from others about potential policy actions.

The Commission understands (and has acknowledged) that the Agency of Education is engaged in its own input-gathering process for the development of its strategic plan. We certainly benefit from the data gathered as part of that work - however, that work is different than the engagement that Act 183 charges this Commission with. As such, we believe that it is important for the general assembly to use the Commission as the body it created to bring important perspectives to this work.

Substantive change will require difficult decisions and significant political will. The Commission believes that, if given the trust that it needs to complete its work, it can continue to analyze the intersecting policy challenges within the context of its guiding principles of Equity, Quality, Sustainability and Affordability and make critical recommendations in 2025.