

**Vermont State Board of Education  
Annual Report to the Governor and General Assembly  
January 2017**

January 14, 2017 rev

*Vermont law (16 V.S.A. §164 (21)) requires the State Board of Education to report annually to the Governor and General Assembly on the progress the Board has made on the development of educational policy for the state. This report shares policy concerns and recommends actions for Vermont's education system.*

**The State Board of Education's Strategic Plan incorporates two strategic goals:**

- *Ensure that Vermont's public education system operates within the framework of high expectations for every learner and ensure that there is equity in opportunity for all.*
- *Ensure that the publicly funded education system is stable, efficient, and responsive to ever-changing population needs, economic and 21st century issues.*

**With these goals in mind the State Board of Education recommends to the Legislature:**

1. *Curtail the expansion of new and/or unfunded educational legislative action, so that our scarce resources can be focused on fully and properly implementing existing laws.*
2. *Ensure equal educational opportunity for all Vermont students.*
3. *Enhance fiscal efficiency by ensuring the public education system is stable, efficient, and responsive to ever-changing population, economic and 21st century needs.*

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**Recommendation 1: Curtail the expansion of new and/or unfunded educational legislative action, so that our scarce resources can be focused on fully and properly implementing existing laws.**

The state has fiscal and human resource limits. The state board asks that no new programs or initiatives be added until districts and the Agency of Education has been able to digest recent, complicated and demanding legislation. Most of these initiatives place new fiscal and operational demands on schools. As far-reaching and demanding as these programs are, it is a testament to the work of school boards that growth in the Ed Fund is slowing. However, the new programs have typically been underfunded – if funded at all. The state must prioritize,

adequately fund and implement fewer, higher priority, higher promise programs. We would be pleased to work with appropriate legislators and the administration to this end.

Adequate Agency and Board Support - It does little good to enact well-intended laws and then, by lack of support reduce them to empty promises. This erodes the confidence of the people in their government. To fulfill, preserve and enhance progress, requires sufficient Agency and State Board support.

The major initiatives with the greatest demands:

- Universal Prekindergarten (Act 166 of 2014): major program expansion with fiscal entitlements, complicated implementation under the Agency of Education and the Agency of Human Services, two sets of statutes and two sets of regulations
- School governance reform (Act 46 of 2015): fundamental statewide school governance reorganization.
- Flexible pathways (Act 77 of 2013: dual enrollment, early college, work based learning, personalized learning plans).
- Education Quality Standards (16 VSA 164-166; State Board Rules): New quality standards, mandate for school quality reviews and accountability, and a shift to proficiency-based education.
- Implementation of the new federal Every Student Succeeds Act (2016), including development of a Vermont accountability plan that is consistent with our Education Quality Standards and accountability for improvement system.

This transformational work takes time and discipline, and we need to allow school boards time to redesign critical systems.

Lack of Agency Capacity - The Agency has suffered an absolute forty percent general fund loss since the Great Recession (2008) while programs and mandates have increased.

This has resulted in greater reliance on federal dollars with 70% of Agency positions now supported by federal funds. In some areas of operations, such as nutrition support for schools, the Agency's ability to operate programs is at risk due to expanding demands and declining resources. Federal rules constrain how this money can be spent.

Thus, any funding change at the federal level has a significant, immediate and detrimental impact on Vermont priorities. Current initiatives could go unfunded at both the state and local levels resulting in either an elimination of core services (state and local) or an increased demand on state and local budgets). The federal budget is running on a continuing resolution. <sup>1</sup> The greatest danger is that funds for needy children may be reallocated to support

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<sup>1</sup> By aligning state and federal accountability, and assuming continuity in federal priorities, the Agency and the State Board expect to have the resources and capacity to conduct quality reviews of schools systems every three years, as opposed to reviewing individual schools annually as called for in current state statute.

privatization initiatives. The result would be an increase in the achievement gap and potentially severe cuts in programs for our neediest.

As it is, state education initiatives related to quality improvement and equity are simply not possible.

State Board Support - When the legislature separated the Secretary and Agency from the State Board, the legislature mandated that the state board be adequately staffed (16 V.S.A. § 163). To date, no staff has been provided. At the same time, the legislature has substantially increased both the responsibility and authority of the Board with increases in legislated responsibilities (noted above). The state board is an implementation arm for the legislature, establishes and enforces standards, serves as a buffer for the legislature in implementing laws, assures quality control, regulates, assures equity, and is an independent voice for Vermont's children free of electoral politics. Without proper support, the state board will not be able to execute these responsibilities in a proper fashion. This runs the risk of reverting to the fragmented, inequitable provision of services and patronage that was a primary factor in the legislature's reestablishment of the quasi-independent state board in 1914.

**Recommendation 2: Ensure equal educational opportunity for all Vermont students; closing the opportunity/achievement gap.**

The common benefits clause, the Brigham decision and 16 VSA 1 all require equality of educational opportunity. Further, it is essential for a democratic society. A number of contemporary initiatives are of note.

- Universal Pre-K – The universal pre-k law is a great step forward. Children who live in poverty gain the most from access to prekindergarten. Also, working families need high quality programs for their children in order to fully participate in the work force. However, this program's limits on hours per week and weeks of service foreclose these supports for many working families. If working parents need more than ten hours per week and cannot afford to pay any remaining tuition or costs, the benefits to these children are not provided. And, our most vulnerable children need full day support in order to enter kindergarten ready to learn. In such cases, the capped public-private funding system does not narrow opportunity gaps and may have the unintended effect of forming a regressive system. Furthermore, the Board is concerned that inequities between providers will result in inequities for children, particularly given the high turnover of staff in many providers. The statute is also a state-mandated delivery model that does not account for regional differences. This may be a venue where more direct local control by school boards, consistent with K-12 authority, is the most viable approach to ensure children receive quality prekindergarten in programs with strong relationships with schools, while making the most efficient use of existing overhead and ensuring programs operate cost-effectively at scale.

- Independent Schools rules for those accepting publicly-funded students– Based on the demonstrated differences in the student characteristics of independent school enrollees, the State Board has initiated rulemaking to restrict paying tuition to schools that are not committed to open enrollment. Some independent schools are almost entirely publicly funded but do not accept students with disabilities and seek to continue being selective in enrollment in apparent violation of 16 VSA 1. In contrast, public school districts are obligated to provide education for all children. In a state where some regions may soon have no public high schools due to closures, the State Board seeks to protect children by ensuring that students with disabilities have access to the same programs and options as their peers. The provision of a subsidy which can be realized by some families but not others does not provide equality of opportunity. It also potentially erodes the capacity and quality of those institutions that do serve all families, by leaving them with a population that is disproportionately disadvantaged. Despite considerable incorrect information distributed by opponents of these principles, working sessions with stakeholders have been positive.
- Excess school capacity, and opening new schools – Between 2008 and 2015, the number of publicly funded students in Vermont dropped by 12%. These declines were experienced in both public and independent schools.

The State Board is concerned that as the student population declines statewide, both traditional public schools and independent schools will have to amortize costs across fewer students -- which increases per pupil costs.

The State Board is concerned about adding new schools in any sector, given that both sectors are characterized by increasingly small schools and small class sizes.

- Current law says the state board must approve new independent school proposals if they meet the criteria regardless of capacity and/or socio-economic balance and/or willingness to serve students with disabilities. Thus, the state has no control over the continued escalation of costs although the costs are paid through public tax money.
  - The State Board questions the wisdom of adding new selective, publicly-funded small schools to a publicly funded system that already has excess capacity and high costs.
  - The state board is also concerned with the use of tuition money in expensive out of state schools which represents an inequitable provision of support which is foreclosed to parents of more modest means.
- Act 46 - The Consolidation of Administrative Structures – Act 46 has had a successful first year and a half, with 14 new voter-approved union school districts bringing an additional one-quarter of all Vermont students into unified governance structures. The state board recently approved five proposals that – together with as many as five more proposals – will be presented to the voters on Town Meeting Day.

The State Board is working, in advance of the legislature's proposed schedule, to clarify rules for alternative education structures and to clarify requirements with respect to small schools grants. The State Board will work with districts and the legislature to address concerns and resolve questions as they arise, with the goal of supporting more equitable and sustainable governance systems that can ensure quality education for all Vermont children.

In addition, the Board believes that narrowing gaps in equity will require not only solutions from within the education system, but beyond the schoolhouse walls. Our goal is to have ambitious expectations for all students, and ensure sufficient support for children living in adversity and children who historically have been disadvantaged, so that they can achieve educational outcomes more comparable to those of their peers. This support goes beyond what is currently provided in the education sphere. The legislature must address the root causes of poverty and inequality, including:

- High quality jobs with livable wages,
- Wage equity,
- Universal healthcare,
- Quality day care and universal full-day prekindergarten,
- Extended days/extended learning opportunities so children in adversity or who are struggling in school get the little bit of extra support that enables them to succeed,
- Access to addiction and mental health services, and
- Food security.

Schools are essential partners in this work. They must work effectively and efficiently with other government agencies. Full service schools, the maturation of our early education initiative, and high quality summer and after school activities must be encouraged. In the face of growing poverty and the absence of social supports, schools are compelled to increase expenditures to support needy children. Significant legislative action that addresses growing inequality and supports economic growth will also enhance and strengthen our schools.

**Recommendation 3: Enhance fiscal efficiency by ensuring the public education system is stable, efficient, and responsive to ever-changing population needs, economic challenges and 21st century issues.**

Vermont's per pupil spending is one of the highest in the nation regardless of how the number is calculated. However, this is largely due to declines in the state's student population, which have been persistent for 20 years and which have not been matched by a commensurate reduction in the number of schools or classes. And, new initiatives and increasing proportions of students in poverty compounded by increases in parents who are struggling with addictions

are creating new social stresses as well as fiscal demands on our system. This calls for fiscal discipline and careful prioritization. The State Board of Education's key fiscal principles are:

- Cost-shifts must be avoided if the goal is overall system efficiency,
- Unfunded mandates must not be adopted,
- Any change in the funding system should advance tax progressivity and rely on broad-based taxes,
- As Act 46 nears completion, the legislature needs to explore alternative ways to fund and pay for special education that better meet the needs and priorities of children and families in the most efficient and affordable way.
- Fiscal reporting needs to be standardized through the "chart of accounts" that is under development, so as to provide common definitions across and within public and independent schools and which meet new federal requirements under ESSA.

By addressing these priorities, and especially by addressing growing socioeconomic inequality and investing in sustainable and equitable economic growth, the legislature will not only improve outcomes for children in schools but will uplift the health and well-being of Vermont.