

August 28, 2019

Draft Minutes

Present:

State Board of Education (SBE): John Carroll, Chair; Jenna O'Farrell, Vice Chair; William Mathis; Kim Gleason (arrived at 9:10 a.m.); Peter Peltz; John O'Keefe (arrived at 9:05 a.m.); Sabina Brochu; Dan French

Agency of Education (AOE): Emily Simmons, Suzanne Sprague, Ted Fisher, J. Deborah Ormsbee

Others: Chelsea Myers, Vermont Superintendents Association; Susan Aranoff, Vermont Developmental Disabilities Council; Andrew Pond, Mount Mansfield UUSD; John Alberghini, Superintendent Mount Mansfield UUSD; Jacqueline McCuin, Constituent; Jay Nichols, Vermont Principals' Association; Don Tinney, Vermont National Education Association; Mill Moore, VISA; Nicole Mace, Vermont School Boards Association; Jeff Francis, Vermont Superintendents Association; Lola Duffort, VTDigger; Traci Sawyers, Vermont Council Special Education Administrators; Chloe Wexler, JFO; Representative Kate Webb, VT House of Representatives; Mike Dougherty, VTDigger; William Vranos, Inspire; Mark Anderson, Inspire; Michael Bandler, CPA; Rick Gordon, Compass School; Randi Solin, Compass School; Roxane Blake, Compass School; Mark Tashjian, Burr and Burton Academy and Council of Independent Schools; Shelly McGinnis, Howard Center and Fay Honey Knopp School; Twila Perry, Lyndon Institute; Brett Murphy, Brookhaven Learning Center; Ashley Grote, Brookhaven Learning Center, Jeff Fannon, Vermont National Education Association.

Item A: Call to Order, Roll Call and Introduction, Amendments to the Agenda

The meeting was called to order at 8:49 a.m. Acting Chair Carroll welcomed the new student member, Sabina Brochu, to the State Board of Education. The State Board members introduced themselves. There were no amendments to the agenda.

Item B: Consent Agenda, Board Announcements

Acting Chair Carroll said that a couple of members are delayed by traffic and that there was not a quorum of the State Board. Items that do not require action will be moved forward in the agenda.

Peltz said that school has begun in the Orleans Southwest Supervisory Union which now has a new superintendent, Adam Rosenburg. He said he has good ideas and the new school board is working well together.

Item C: Public to be Heard

Don Tinney, President of the Vermont National Education Association (NEA), addressed the State Board. He distributed results from a survey conducted in the spring of 1,000 NEA

members on 2019 Proficiency Based Grading Results (PBGR) and Personalized Learning Plans (PLP). Tinney said that the Vermont House of Representatives requested that he testify on the state of PBGRs and PLPs because of some concerns of constituents and others. During his testimony, he realized he did not have a good handle on the NEA member experiences and commissioned the survey with the help of the National NEA Headquarters. He clarified that the survey is based on teacher experiences with students and not on test scores. He further explained two (2) important findings: 1) decline in work ethic of students; and 2) decline of content knowledge. Discussion followed regarding teacher perception, test scores, Act 77, various levels of implementation, consultants, grant incentives, teacher buy-in, challenge with professional development, grading and reaching proficiency.

Jacqueline McCuin addressed the State Board. She previously shared a document electronically with the State Board. She said she is advocating for school safety and cultural safety to be on the top of the State Board's list for its strategic plan. McCuin said she is seeking a new approach and a new way of thinking about addressing gun violence as well as addressing unhappy, angry and traumatized students. She is looking for an approach that is collaborative across Vermont agencies. The role of parents is difficult and complex but must be addressed if the issue is to improve. Discussion followed regarding the State Board's role as part of the solution, no easy solution, relationship with local law enforcement and how powerful it is to feel safe in school.

Item B: Consent Agenda

Acting Chair Carroll said that the State Board had a quorum and requested a motion on the Consent Agenda.

Peltz made a motion to accept the minutes from the July 17th meeting. Mathis seconded.
VOTE: The motion passed unanimously.

O'Keefe made a motion to accept item B-2. Gleason seconded.
VOTE: The motion passed unanimously.

The following items were approved.

1. Minutes – July 17, 2019 Meeting
2. Chittenden East Supervisory Union Board – confirming designation as an SD; Section 16 V.S.A. 261 (c)

Item D: Board Leadership

Acting Chair Carroll introduced the topic by stating that the former State Board of Education Chair had resigned, and the State Board needs to elect a new chair to complete her remaining term. Acting Chair Carroll said he would like a motion to hold an election for Chair of the State Board of Education. Peltz made the motion to hold the election for Chair to serve the remainder of the former Chair's term. O'Keefe seconded the motion. VOTE: The motion passed unanimously.

Acting Chair Carroll turned the gavel over to Secretary French for the election of the Chair.

Secretary French entertained nominations for Chair of the State Board of Education. Mathis nominated John Carroll. Hearing no other nominations, Secretary French closed the nominations and called for the vote. VOTE: The vote passed unanimously.

Chair Carroll opened nominations for Vice Chair to serve the term of the former Vice Chair. Discussion followed regarding two vice chairs, the duties of the vice chair, collaboration between Vice Chair and Chair and training of new leadership.

Chair Carroll invited nominations for Vice Chair of the State Board of Education. Mathis nominated Jenna O'Farrell. Hearing no other nominations, Chair Carroll closed the nominations and called for the vote. VOTE: The vote passed unanimously.

Chair Carroll said that the State Board will work hard to engage its members to create special interest working groups to focus on topics that are of high priority to the State Board. The topic will be discussed further at the upcoming meeting and retreat.

Chair Carroll referred to a resolution in honor of the former State Board of Education Chair, Krista Huling. She will be honored during lunch.

Chair Carroll called for a recess at 9:33 a.m.
The meeting reconvened at 9:48 a.m.

Item E: Secretary's Report

Secretary French said that the Agency of Education (AOE) Policy Work Plan can be located on the Agency's web site in the "About Us" section. He said when the State Board develops its work plan and schedule, it can be included in the section as well. Included in the section is an explanation of what it is and a chart that lays out the deliverables the AOE is working to complete and policies to be implemented. Secretary French added that it is not a complete listing but rather how the major policies will be implemented. He shared the major policies as Act 173, Shared School District Data Management System (SSDDMS) and the State Report Card. Secretary French said that the Legislative Reports can be found in this section as well. The purpose of this section is to advertise to the various stakeholder groups and the public at large how the AOE is approaching the various issues. Discussion followed regarding the State Board's work plan of Act 173, a walk through of the site, data sets for the annual snapshot, school climate survey, timelines, AOE's data team to present to the State Board, major structural developments by the AOE, capacity of the field and the major focus at the state level is Act 173.

Item F: Act 173

Secretary French said that the AOE is working to digest the Federal Education Group (FEG) Report and are working with partners to understand its impact on the rulemaking process. He explained the Agency's thought process was to describe documenting financial monitoring associated with Act 173 in guidance documents. Once the guidance documents are completed, the AOE may request adjustments to the draft rules. He added the report has been useful in creating the guidance documents and how they pertain to special education costs and the work plan. Secretary French said that the AOE recently released a framing document that indicates

how the Agency interprets its role relative to Act 173 specifically on technical guidance the districts need to address such as the professional development, comprehensive assessment and curriculum aspects.

Mathis said that the State Board received a letter from the five education groups that raised questions regarding interpretation of the report. He wondered if they could expand on the differences. Chair Carroll invited the partners to address the State Board. The representatives were; Mill Moore, Executive Director, Vermont Independent Schools Association; Nicole Mace, Executive Director Vermont School Boards Association; Jay Nichols, Executive Director Vermont Principals' Association; Traci Sawyers, Executive Director, Vermont Council of Special Education Administrators; Jeff Fannon, Executive Director, Vermont National Education Association; and, Jeff Francis, Executive Director, Vermont Superintendents Association.

Mace said there are two separate issues: 1) the letter signed by all present except Fannon regarding the June 6TH and June 7th memos which are now put on hold for one year; and 2) the FEG Report commissioned by all present (excluding Moore) to seek an outside opinion on the AOE's proposed draft rules regarding funding and Act 173. The group shared a concern that the proposed draft rules were not aligned with the intent of Act 173 and did not take advantage of the flexibilities available through law. A representative of the FEG presented its findings at a recent meeting of the Act 173 Advisory Council. Mace stated that the group will discuss why it asked for the analysis and what will come of it moving forward.

Mace said that delay is good but there is shared interest in continuing the conversation to address the issues of concern. There are ongoing meetings with the AOE to reconcile findings from the FEG Report and the draft rules. The hope is to construct the rules so that it maximizes flexibility available to school districts regarding the level of documentation and what constitutes a special education service. Francis added that they are facing a phenomenal amount of work as a system and each group has a part in the implementation of the special education delivery system and the funding system that would support the delivery. He said it was important to stay consistent with the expectations under Act 173 for a change in the delivery system to respond to the funding model or they could find themselves with bigger challenges than those that currently exist. They checked in with the FEG to make certain nothing was missed in terms of application of regulation and laws in Vermont. He said he was pleased that the Secretary said he would consider the FEG's findings.

Discussion followed regarding interest in serving children better and at sustainable cost, definition of special education expenses, better use of dollars, District Management Report and professional learning plans. Fannon said that one of the chief concerns is paperwork and the promise that Act 173 would allow flexibility. The delay allows time for better understanding, and the development of rules that make sense and provide greater services for all students identified or not.

Chair Carroll said flexibility must find a way to mesh with accountability, traceability, observability and documentation. Balancing all the details is important. He encouraged the group to find the middle ground that works for all parties involved and accomplishes the goals

of Act 173. Discussion followed regarding school boards, IEP teams and their determination, including families and adjusting IEPs towards classroom instruction.

Secretary French said in his opinion the FEG Report was interpreting the old rules from 2013. He added that the AOE and partners are working together on the guidance documents and will then modify draft rules or seek changes in statute if necessary. The AOE will report back annually to the legislature to suggest modifications if necessary. The FEG report said that there can be greater flexibility if there is a disciplined approach to coding costs at the local level. He added there is not a disciplined approach but that there will be with the roll out of the SSDDMS. He said we must create a Vermont solution that is responsive to an understanding of where school districts will be as a result of Act 46 and 156.

Mace said that targeted approach to professional development is necessary so that struggling systems won't fall further behind and increase the equity gap if left to develop it on their own. Francis said that there should be a professional learning plan originated by the AOE to establish the overall construct of the law. Discussion followed regarding articulating the vision, the preparedness level of each district, staff turnover and labor shortages, school demographics, leadership turnover, financial incentives, professional development, oversight by the AOE over federal grants, rules versus guidance, a delay of joint meeting with the State Board and the Act 173 Advisory Group, timeline for updated draft rules and the complex work process.

Chair Carroll said the State Board is prepared to arbitrate disputes if necessary. The goal of the State Board is that all differences are sorted out prior to the rule making process. Francis asked that budget deadlines of School District be considered in the process. Mace said that the formula in the law was intended to be a placeholder and does not reflect poverty. The UVM Study suggested that a factor be built into the formula for calculating the census block grant that reflected the poverty level of the districts. The Legislature did not have enough information at the time the law was passed. The current formula is a straight ADM calculation. The law requires that the AOE consult with some of its partners after the weighting study is released in order to determine how to adjust the formula to account for poverty. The UVM weighting study will be released in November 2019. Chair Carroll hoped that deadlines are being considered in the current work plans.

Chair Carroll asked for further clarification regarding whether following the recommendations in the FEG Report will drive costs higher. Mace said the DMG Report identified a costly model by which a professional working with 1 or 2 students only who require special services. If the expenses for special education were more broadly defined and reflected in a child's IEP then specialized instruction can happen in the classroom with professional staff and more students can benefit. The hope is that over time there will be less growth in special education than with a reimbursement model because the needs of students are addressed at an earlier stage. Brochu asked how one on one instruction negatively impacts students compared to the classroom learning environment which can be chaotic and how it can negatively impact the student that does not require special services. Nichols said that often students that are pulled out of the classroom for special services are given them by the least qualified person. The person may not have a degree or know how to give the specialized instruction most effectively. Ultimately, the

student falls further behind. If the student stays in the classroom, then the qualified teacher can provide the necessary services.

Chair Carroll said focus needs to be on the weaknesses so that all children have equitable opportunity.

Chair Carroll permitted Susan Aranoff, Vermont Developmental Disabilities Council, to address the State Board. She said she's been following the Act 173 process as closely as they can. She said for the record, the AOE's web site does not indicate when the next meeting of the Act 173 Advisory Group will occur. She said the next meeting of the Special Education Advisory Group was only posted the previous day. Aranoff asked Secretary French the current stage of the special education rulemaking process and when the next meeting of the Act 173 Advisory Group will take place. Also, she wondered how a person would go about providing input if he/she does not belong to one of the partner organizations. Aranoff said she cannot do her job if agencies do not provide better access to basic public information. She added that contact information for the Chair of the Act 173 Advisory Council is not posted.

Secretary French said that the Act 173 Advisory Group agenda is still being formulated. The Chair has responsibility to create and finalize the agenda and then the meeting is posted to the web site. The meeting is scheduled for September 16th. Secretary French said that the rulemaking process has not begun. The State Board was presented with a set of draft rules but has not initiated the rulemaking process. Aranoff suggested that the Act 173 Advisory Group have an active e-mail so that persons with concerns and questions can reach out to someone. She added that the Special Education Advisory Council is a very dysfunctional body. The Council did not comment on Act 173 and is not in a position to comment on the rulemaking process.

Chair Carroll explained the process for the State Board and Act 173. Gleason said that the latest document from the State Board on Act 173 which is posted to the web site should be updated. Secretary French said the next meeting of the Special Education Advisory Council is September 19th. The Agency of Education contact is John Spinney.

Item G: NASBE Membership

Chair Carroll postponed the NASBE Membership discussion to later in the meeting.

The meeting recessed for lunch at 11:49 a.m.

The meeting reconvened at 1:02 p.m.

Item H: Compass School

Chair Carroll began the discussion by thanking and recognizing the members of the Financial Capacity Review Team. He said the Review Team consisted of Sandy Bigglestone, Department of Financial Regulation; Jennifer Ryan, Department of Financial Regulation; J. Deborah Ormsbee, Agency of Education; Mark Tashjian, Head Master of Burr and Burton Academy and Chair of the Council of Independent Schools; John O'Keefe, State Board of Education; and, John Carroll, Chair, State Board of Education. The Review Team had diverse perspectives with its duty to serve the State Board of Education and to supply its best collective advice based on its

findings on the financial capacity of the Compass School. The final report was shared electronically.

Chair Carroll summarized that the Compass School is a good school and serves many students that do not thrive in the public-school setting. The Compass School students have a high graduation rate. Ninety percent of its students go onto post-secondary education. The school went through some change in governance and failed to notice that they had not filed their 990 form with the IRS which was concerning to the State Board. The Review Team felt that positive steps have been made regarding governance and its ability to manage their financial affairs. The Compass School appears to have the financial capacity to meet its stated objectives.

Chair Carroll said the Compass School shared its concern regarding accounts receivable with 80% being over 90 days old which are mostly unpaid tuition bills. There is concern with declining enrollment and the executive director and board are hoping to address this. It is the recommendation of the Review Team that the State Board find that the Compass School has adopted the appropriate policies, procedures and practices which are necessary to prevent financial mismanagement or misuse of public funds and the school is taking necessary and substantial measures to strengthen the school's financial capacity to meet its stated objectives. When the next renewal of the Compass School comes before the State Board, the Review Team would like it to be contingent on the school furnishing its financial statements as of June 30, 2020 and that the school engage an independent certified public accountant to perform on an annual basis a financial statement review in accordance with American Institute of Certified Public Accountants (AICPA) standards and furnish a copy of the signed engagement letter to the Secretary of Education.

Mathis made a motion to adopt the Financial Capacity Review Team's recommendation. O'Keefe seconded. Discussion followed regarding the business manager. Vote: The motion passed unanimously. O'Keefe asked the Chair if he plans on voting on matters put before the State Board. Chair Carroll said he would vote to break ties and would make his vote known.

The Compass School representatives debriefed with the State Board. They were; Rick Gordon, Executive Director; Roxane Blake, co-Chair; Randi Solin, Co-Chair. Gordon said that the Compass School appreciated the approval of the Review Team and additionally thanked the Review Team. The Review Team visit helped energize the Compass School Board. Solin said the process was informative and helped to tighten up systems. The visit highlighted areas that are solid and some that need improvement. Blake said that two potential board members were at a recent meeting. They both have board experience.

Ormsbee and Tashjian addressed the State Board. Ormsbee said the process was positive and a good opportunity for all parties to share information. Tashjian said the process was good and well run. He said Chair Carroll did a good job of managing scope creep. The Review Team was appropriately focused and thoughtful with their differences. He felt it was important in the future to clarify that the Review Team represents and serves as a committee that reports to the State Board of Education and not the company or agency where the team member works. Mathis asked Ormsbee if there were any recommendations to improve the independent school approval process. Ormsbee said she is still relatively new to her position and that she has a few

ideas but felt it was premature to share them. Tashjian said he would be willing to share information regarding best practices as a large successful independent school with a smaller independent school if asked. Gordon added that he felt everyone learned from each other. The diversity was beneficial.

Mathis made a motion to decommission the Financial Capacity Review Team for the Compass School. O'Keefe seconded. Vote: The motion passed unanimously.

Item I: I.N.S.P.I.R.E. School - Update

Chair Carroll asked the representatives of the I.N.S.P.I.R.E. School to introduce themselves. They were: Mark Anderson, Chair of the I.N.S.P.I.R.E. Board of Directors; William Vranos, member I.N.S.P.I.R.E. Board of Directors; and, Michael Bandler, CPA and CFO. Chair Carroll asked if the executive director would be in attendance. They said he was not. Chair Carroll said he was disappointed that the executive director was not in attendance. O'Keefe asked if the topic should be tabled until the executive director could be in attendance. Vranos said that the meeting would be useful. Mathis asked if I.N.S.P.I.R.E. had a prepared statement. Bandler apologized and said no. He thought the format would be more of a question and answer. Vranos said that they are committed to correcting any concerns. They have met payroll and are paying off debts. I.N.S.P.I.R.E. gained 3 students and have a total of 19. They have begun to put financial safeguards in place. Accounts receivables and collectibles are in line. They have hired 3 new employees. The budget is balanced and I.N.S.P.I.R.E. obtained a line of credit. They have done a lot of work in the past month and are headed in the right direction.

Bandler explained I.N.S.P.I.R.E.'s current financial situation. He anticipates a profit of 20K to 40K a month. He said he knew that there were investigations under way and that some finances were mismanaged. Bandler said I.N.S.P.I.R.E. further researched to get a sense of the scope of mismanagement and it may be linked to a former executive director. Anderson said that they do not know the status of the investigations. Vranos said the former executive director did a great job in terms of education. Anderson said that the executive director resigned his position. The Board accepted his resignation.

Discussion followed regarding the school's tuition and if any financial safeguards are in place. Chair Carroll reminded the I.N.S.P.I.R.E. representatives that at the last meeting the State Board found it had reasonable concern to believe that the school lacked financial capacity to meet its stated objectives. He added that the challenge is to convince the State Board that this concern no longer applies. Chair Carroll said it is frustrating not to have more current financial statements. He asked Bandler for clarification on June's financial statements. Bandler explained and provided clarification.

Chair Carroll asked for the State Board to consider that the I.N.S.P.I.R.E. representatives return for the September meeting to supply financial statements through September 2019 with notes to further explain and clarify. It appears the school's governance needs work and that the board has been inattentive. The State Board would like more information on who sits on the board. He said financial capacity is about more than money, balance sheets and income statements. It has to do with the entire capability of the school to assure its own financial future. O'Keefe said that he will look for evidence from I.N.S.P.I.R.E. to convince him not to vote for the State Board to

take it to the next level. Chair Carroll asked representatives to provide 10 days in advance of the next meeting the following: a comparison of income statement and balance sheet, side by side comparison of August and June, budget and actuals with explanations to questions, 2018-2019 and 2019-2020 budget comparison, background on board members including expertise he/she brings to the board, any board procedures, board expectations and rules, and the steps in mind to strengthen governance and financial oversight. Chair Carroll asked that they include the accounting firm that let down I.N.S.P.I.R.E. and include any changes to health insurance.

Mathis made a motion to direct I.N.S.P.I.R.E. to supply the information as outlined above 10 days prior to the next State Board of Education meeting. Gleason seconded. VOTE: The motion passed unanimously.

O'Keefe left the meeting at 2:30 p.m.

Item J: Renewal of Approval of General and Special Education

Chair Carroll asked for representatives who were in attendance from the schools to be addressed. Present were: Twila Perry, Head of School of Lyndon Institute; Brett Murphy, Acting Executive Director of Brookhaven Learning Center; Ashley Grote, Special Education Coordinator of Brookhaven Learning Center; and, Shelly McGinnis, Program Director of Fay Honey Knopp School.

Lyndon Institute

Chair Carroll explained that the request is a renewal of special education and general education. The four-year approval request is coincidental to bring in line with the NEASC certification timeline. Gleason made a motion to approve the Secretary's recommendation as written. Mathis seconded. Discussion followed regarding responses from Lyndon Institute and the format used, consistent ongoing documentation system, similar findings in any school, AOE's federal requirement of monitoring, designing a new monitoring process, incentive or enforcement mechanism, adding a condition on approval and monitoring versus auditing. VOTE: The motion passed unanimously.

Fay Honey Knopp Memorial School

Gleason made a motion to accept the Secretary's recommendation as written. Peltz seconded. Discussion followed regarding years in business and communication with the local education agency (LEA). VOTE: The motion passed unanimously.

Brookhaven Learning Center

Peltz made a motion to accept the Secretary's recommendation as written. Gleason seconded. There was no discussion. VOTE: The motion passed unanimously.

The meeting recessed at 2:57 p.m.

The meeting reconvened at 3:12 p.m.

Item G: NASBE Membership

Chair Carroll returned to NASBE Membership. He said that the invoice total is \$25,072 which is 22% of the State Board's yearly budget. Peltz made a motion to withdraw from NASBE effective

immediately. Gleason seconded. Discussion followed regarding entertaining a lower price, what other states do, other opportunities at the national level like CCSSO, NASBE not forthcoming, useful new board member training and NASBE not being on the leading edge in terms of research. VOTE: The motion passed unanimously. Chair Carroll will communicate to NASBE leadership to advise them of the State Board's decision.

Chair Carroll spoke with some members of the State Board about forming a sub-group to focus on Act 173. He asked that others contact him if they wish to serve on this sub-group.

Item K: Retreat Planning

Chair Carroll began the discussion. O'Farrell agreed to lead an icebreaker exercise. Discussion followed regarding work on Act 98 to shed some duties defined therein, what the State Board wants to focus on instead, establishing state education policy, statement of purpose, resupplying a list of duties, equal access of all students to a quality education, State Board vision, AOE vision, defining roles and responsibilities, being a more proactive Board, strengthening the State Board's presence in legislation, updating the web site, future educational system and what it will look like, informing rather than watching, discussion on safe and learning environments, defining being proactive, asking to have an increase in budget, strategic plan and vision and work plan for the year.

Chair Carroll mentioned that he received a letter from the Sunset Advisory Commission which is a commission that determines if a Board should continue to exist. He was asked to appear before the group. He said that he would address the commission after he had a chance to speak with the State Board. He said he would circulate the questions. When he appears before the commission after the next meeting and retreat, he will share responses that represent the views of the State Board.

Secretary French added that he will need to leave the Retreat Meeting at noon on the 19th to attend another meeting.

Chair Carroll explained the format of the meeting and retreat which will take place on September 18th and 19th at Lake Morey Resort in Fairlee, Vermont.

Adjourn

Chair Carroll adjourned the meeting at 3:52 p.m.

Minutes recorded and prepared by Suzanne Sprague.
