

Testimony to the Vermont Tax Structure Commission

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Good afternoon. Thank you for the opportunity to speak with you this afternoon.

The Vermont Superintendents Association (VSA) does not have a current position on Vermont's education funding system. We expect to have one in place for the 2020 Legislative Session.

That stated, I can speak to some of the topics associated with the education funding system that you have under consideration as you pursue your work as the Vermont Tax Structure Commission.

The Vermont Superintendents Association is a nonprofit professional association of Vermont's school superintendents.

The mission of the Association is to support the work of superintendents through professional development and assistance to superintendents as they carry out their duties, to work effectively with other entities engaged in the education policy arena and in the delivery of education, and to promote and inform improvements to laws, regulations and practices related to public education in Vermont.

Currently, in general, the Association's work centers around a focus on achieving equity within the education delivery system, which we define as each student receiving the resources and educational services that she or he needs to learn and thrive.

In preparing for this testimony, I reviewed the goal and purpose for this Commission as well as some of the testimony and related materials that the Commission has previously heard and reviewed.

As I noted above, VSA does not have a current position on the education funding system, and therefore, has not taken a position on, for example, a transition to a more income-based system.

That stated, I do have some thoughts to share that may inform your analysis and considerations as you work to develop your recommendation.

First, and this may go without saying, with respect to the education funding system, do not develop your recommendations lightly.

Any change in the funding system, historically, has added new and substantial obligations to local school officials - as they are the first stop, or last stop, depending on how you think of it, in explaining the effects of a change in the funding system to taxpayers and voters. In my period of observation related to education funding, which goes back to before the enactment of Act 60, when adjustments are made to the education funding system, local school officials find themselves in the position of explaining the changes and the implications of the system to voters and others in Vermont's communities. The ability to explain the changes in the system, comes, of course, only after they understand the changes themselves. History has proven that both require substantial effort.

Local school officials have been exceedingly busy in recent years, as they have been engaged in major systems transitions and new programmatic obligations associated with Acts 46 - changes to school governance and administrative structures; Act 166 - establishing universal access to prekindergarten education; Act 77 - creating flexible pathways to secondary school completion ; Act 173 - changing the special education funding and delivery systems; and Act 66 - testing for lead in water for schools. Additionally, the Agency and districts are currently charged with implementing a Shared School District Data Management System - an effort that is proving formidable and has been plagued by a series of implementation delays.

The magnitude of work required of local school officials resulting from the enactment of new laws in recent years is not a reason to not recommend changes to the funding system, but it is a consideration for policy makers in general as they weigh not only a change in the system, but what is required for implementation.

Second, and this is a very general statement, give due consideration to possible implications to a change in the system that may create, or appear to create, perceptions of newly found access to more revenues.

In the last five years, while the General Assembly has given some consideration to changes to the education funding system (and made some changes), it has also passed the legislation referenced above - some of which is intended to improve equity of opportunity and more effective and efficient utilization of money or both.

In my opinion, policy makers would be well-advised to monitor and measure the effects of these major policy initiatives in order to inform their consideration of the education funding system. Additional important context will come from a thorough examination of demographic and socio-economic forecasts for the State.

Third, it is important to note that to a greater or lesser degree, certain of the Acts referenced above have or will have direct connections to the education funding system, and/or consideration for changes to the system.

For example, Act 173 changes the system for funding special education from a reimbursement model to a census block model and anticipates a more flexible, research-based delivery system

to serve students better and more equitably. But, if the delivery system doesn't change, local costs will rise in the face of "fixed" state contributions for special education.

Significantly, Act 173 also requires a review of per pupil weighting factors and appropriates \$250,000 for that effort, with a report due on November 1, 2019. The investment made here signals the importance of student weighting in the education funding system. The review of per pupil weighting factors is intended to look at, among other things, cost factors associated with serving students who come from economically deprived backgrounds, those for whom English is not their primary language, the cost implications of density of population and cost factors associated with attendance at a career technical education center.

Act 166, featuring its mixed delivery system for providing universal access to pre-kindergarten education, is plagued by implementation challenges five years after enactment, as the efforts at joint agency administration and oversight have contributed to bureaucratic redundancy and complications and left open questions about whether greater equity and access to early education is improving under the law.

Act 46, with its goals for more equity and opportunity; operational efficiency through more flexible use of resources; transparency and accountability and value is being implemented well in many communities, but it will require sound stewardship locally and careful evaluation by the State to assure that the goals are achieved and maintained.

Act 77, which expands opportunity for high school students through dual enrollment and early college is now spurring some considerations around the effects of students leaving high school for these programs and associated implications, especially in an era of overall declines in student population.

In addition, increasingly school districts around Vermont are citing, and in some cases communities are responding to, the need for modernization and renovation of school facilities. For all intents and purposes, Vermont has offered no school construction funding assistance (through a dedicated program) since 2007 and it is reasonable to assume that investments in physical infrastructure will prove costly in the future.

To summarize, while I recognize that an evaluation and recommendations for the Vermont's tax structure is very worthwhile, the analysis should consider the laws enacted in support of a more equitable funding and delivery system, including Acts 60 and 68, as well as recent initiatives to bring more equity and efficiency to public education. Much of it is still a work in progress.

Thank you.