Stronger Schools, Stronger Students
Governor Scott's Plan to Support Vibrant Communities
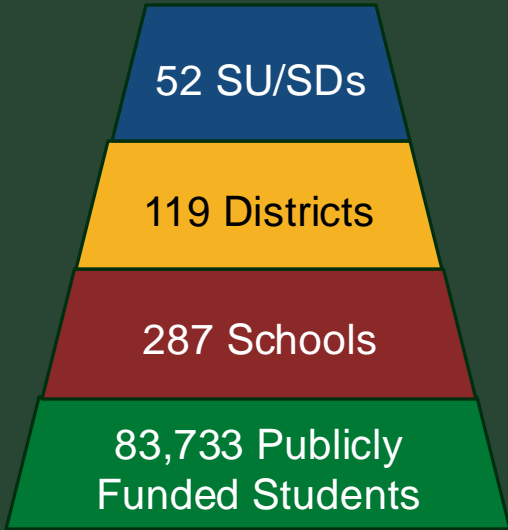
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Agenda

- **Background**

- **Define the Problem**
  - Review of Current State
  - Listen and Learn
  - Coordination with Commission on the Future of Public Education

- **Defining Future State**
  - Building on Vermont's educational priorities
  - Identifying the need for change

- **How Do We Get There?**
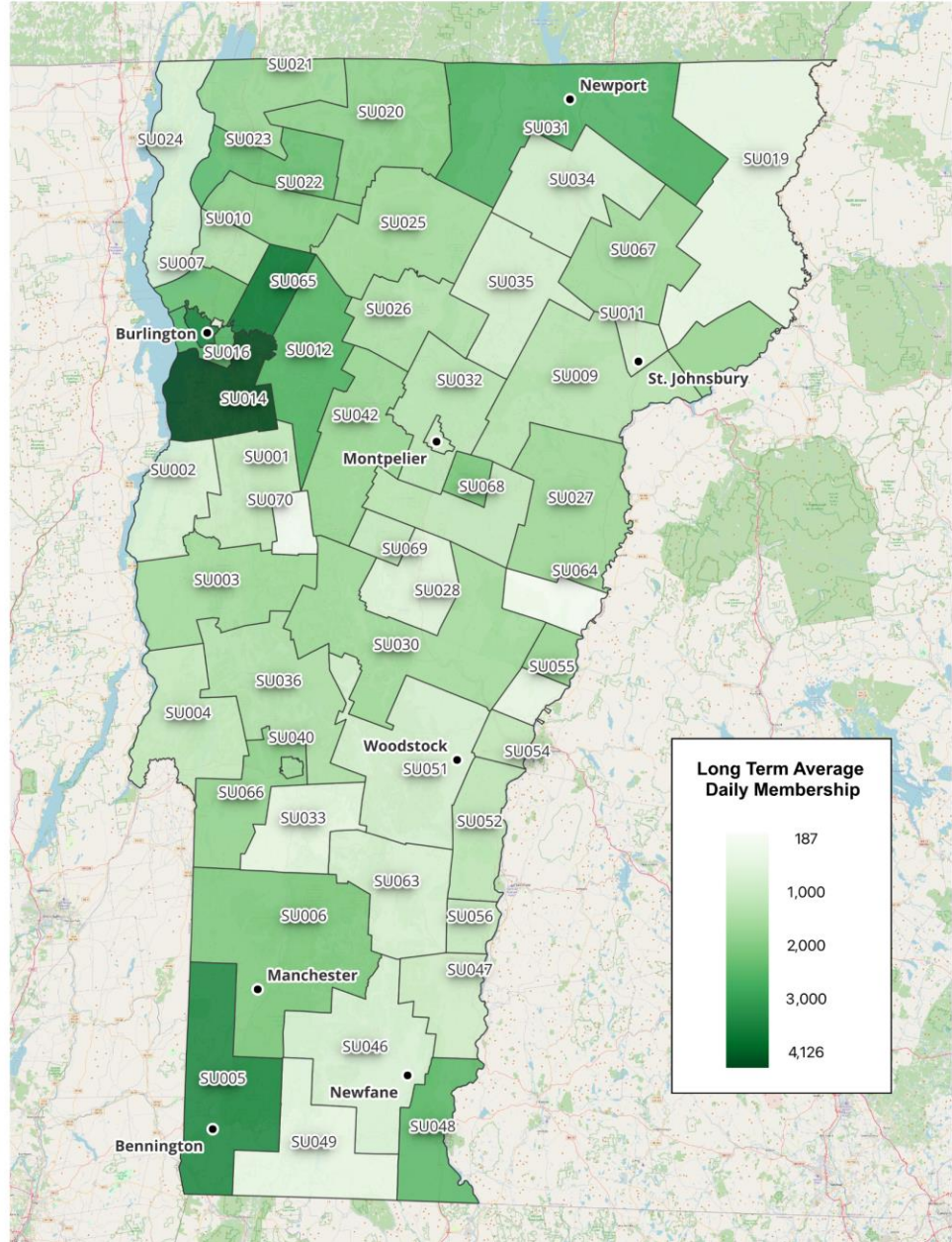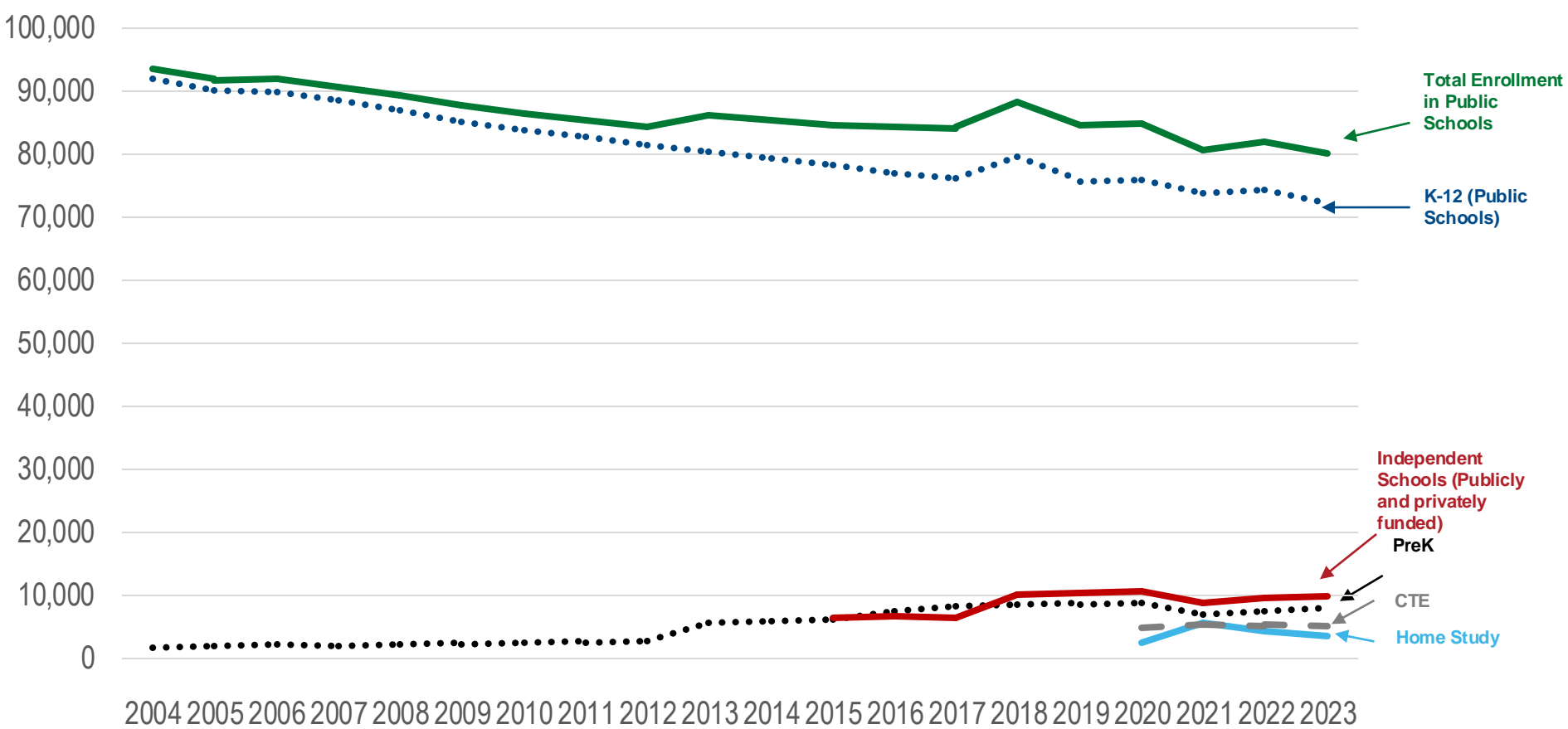 - Methodology
  - Policy proposal
  - Next steps

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Opening Remarks

Vermont Education at a Glance

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2023-24 Public Schools Landscape

52 SU/SDs

119 Districts

287 Schools

83,733 Publicly Funded Students

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Long Term Average Daily Membership by SU (SY25)

Long Term Average Daily Membership

187
1,000
2,000
3,000
4,126

Changes in Enrollment

Overall enrollment in K-12 public education has declined 21.5% between the 2003-04 and 2022-23 school years. The biggest changes in enrollment occurred prior to the pandemic.

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National Assessment of Educational Progress (NAEP)

NAEP Reading trends 2015-2022

% of Students Proficient and Above on NAEP Reading, 2015 to 2022

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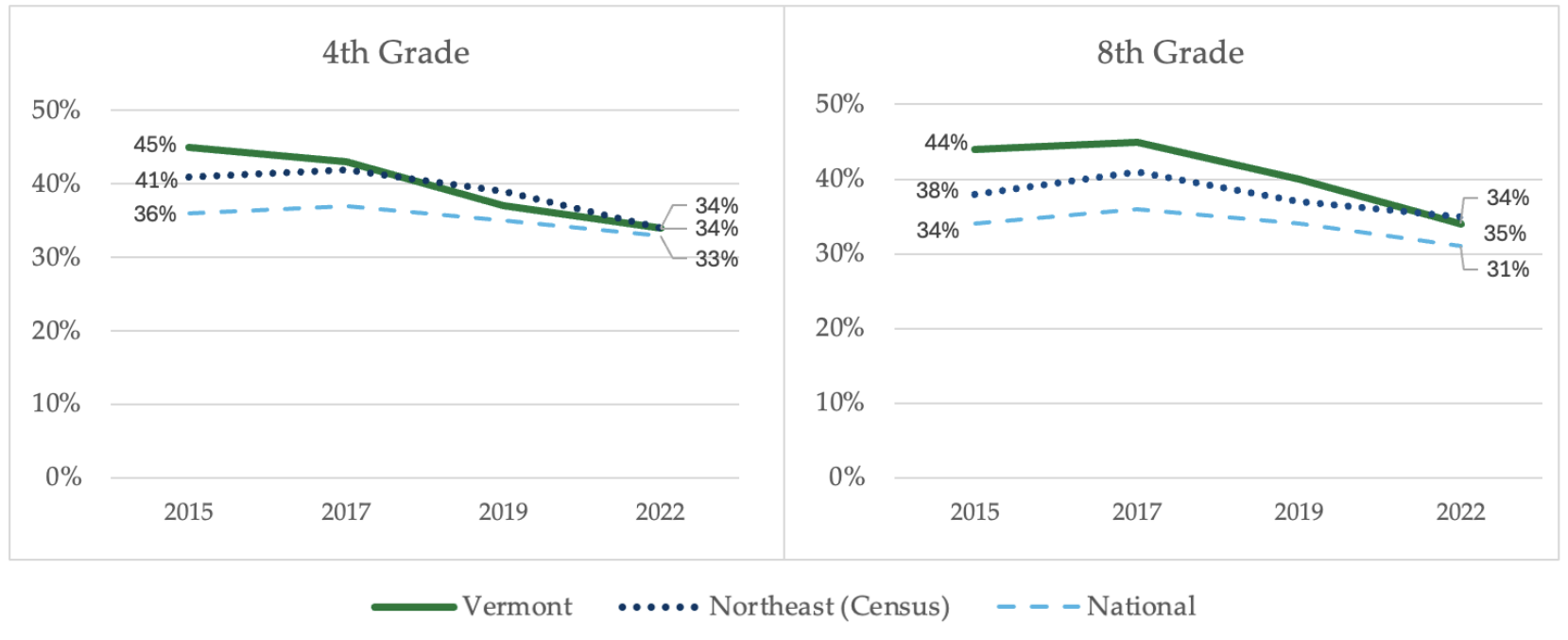
National Assessment of Educational Progress (NAEP)

NAEP Math trends 2015-2022

% of Students Proficient and Above on NAEP Math, 2015 to 2022

4th Grade

	2015	2017	2019	2022

Values: 43%, 43%, 40% (2015); 36%, 36%, 34% (2022)

8th Grade

Values: 42%, 38%, 33% (2015); 30%, 27%, 26% (2022)

Legend: Vermont · Northeast (Census) · National

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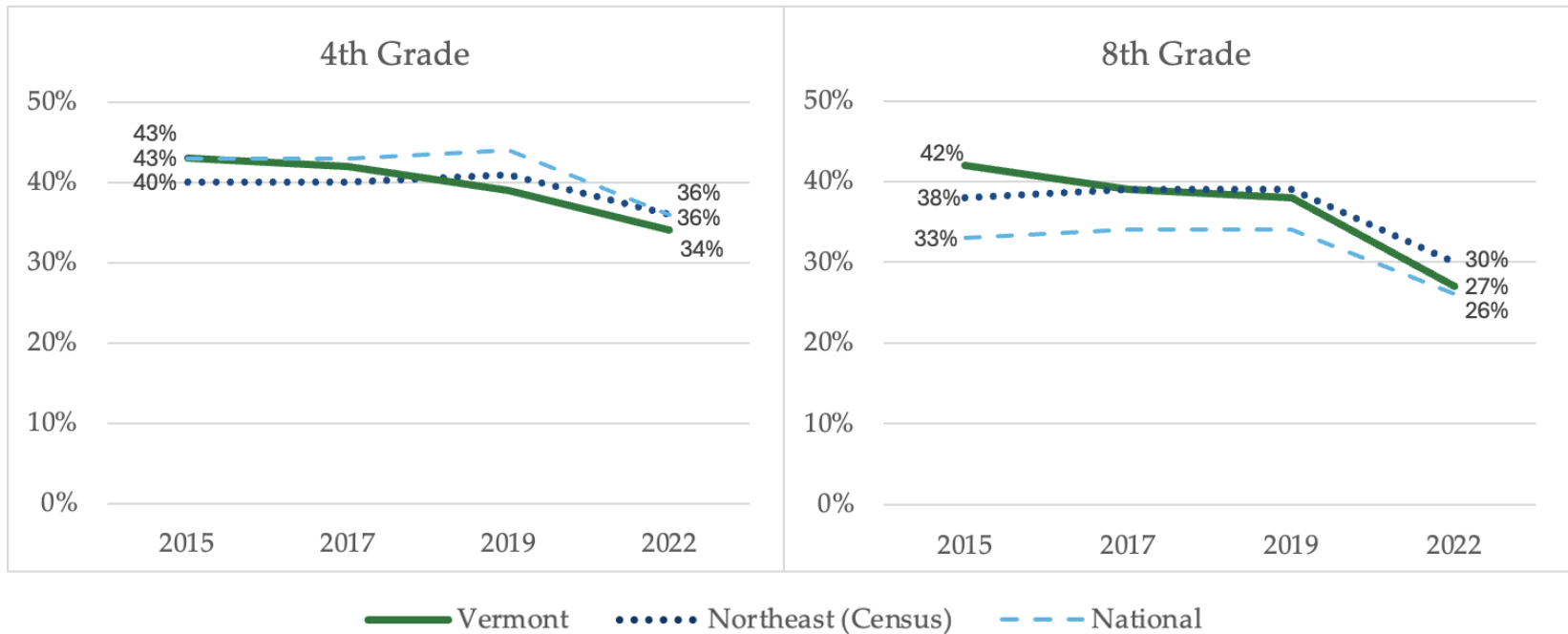
Student Achievement Gaps

Despite differences in the assessments administered in 2018-2019 and 2022-2023, there are persistent achievement gaps for Free and Reduced Lunch (FRL), English Learner (EL) and Students receiving Special Education services compared to all students. On average there is roughly a 20-percent gap for FRL students and an over 30 percent gap for EL and SPED..

% of Students Proficient or Above on ELA Assessments by Subgroup, 2018-19 and 2022-23

% of Students Proficient or Above on Math Assessments by Subgroup, 2018-19 and 2022-23
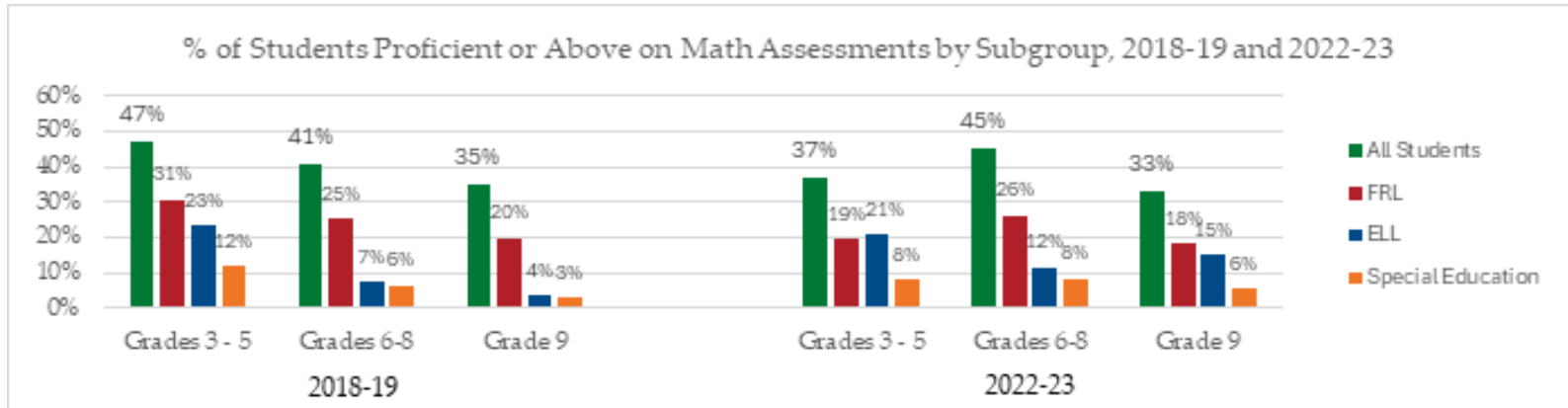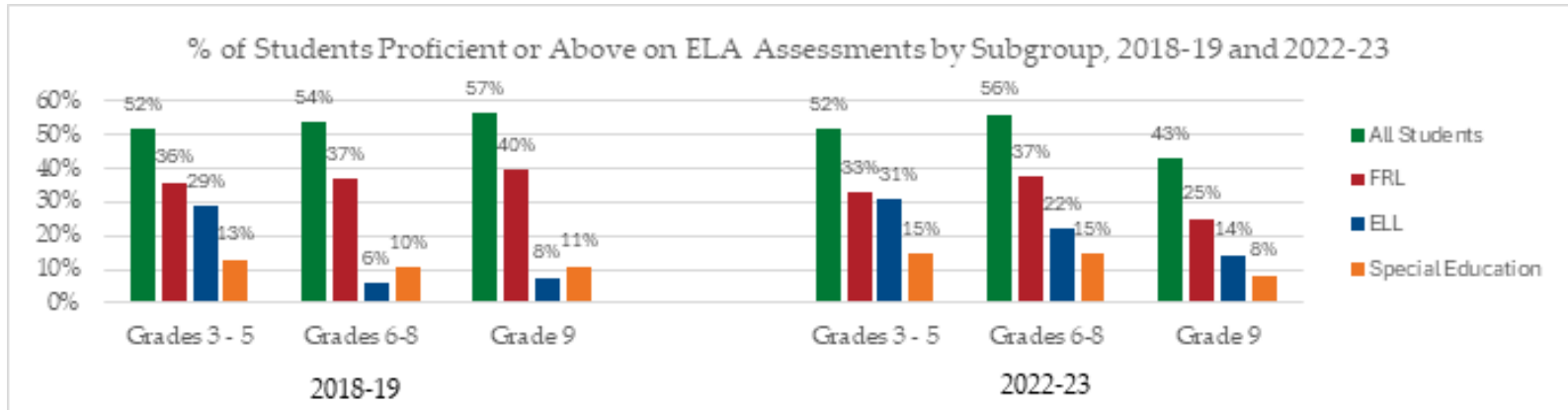
Graduation Rates

Graduation Rates		
School Year	**4 Year Rate**	**6 Year Rate**
2017-18	85%	90%
2018-19	85%	92%
2019-20	83%	88%
2020-21	83%	87%
2021-22	83%	86%
2022-23	82%	86%

- In 2017-2018, Vermont's 4-year graduation rate was 85% and the 6-year graduate rate was 90%. After peaking in 2018-19, graduation rates have been on a slow decline with 2022-23 graduation rates being lower than previous years.

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Staffing

Since 2019-20, staffing levels, as measured by the average number of staff per 100 students, have increased.
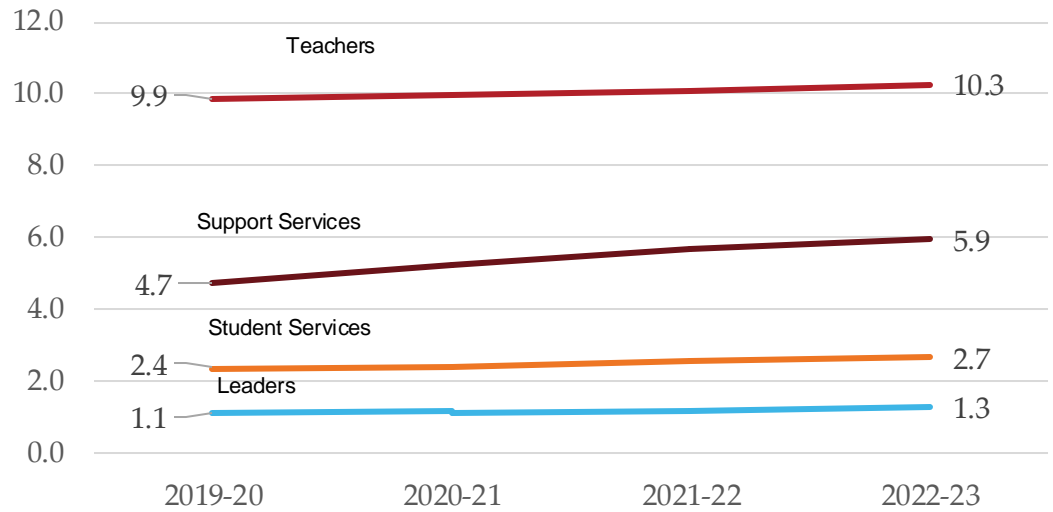
Smaller SU/SDs have, on average, more staff per student.

Higher need (defined by FRL), have, on average, more staff per student.

Since 2019-20, staff salaries have increased for all positions.

Staff salaries vary by SU/SD size and need, with lower salaries seen in smaller and higher need settings.

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Statewide Average Staff per 100 Students, 2019-20 to 2022-23

Average Staff Salaries by SU Categories, 2022-23

Legend:
- Low Need (3-Year Avg. FRL <32.5%)
- Moderate Need (3-Year Avg. FRL 33-43.5%)
- High Need (3-Year Avg. FRL >43.5%)
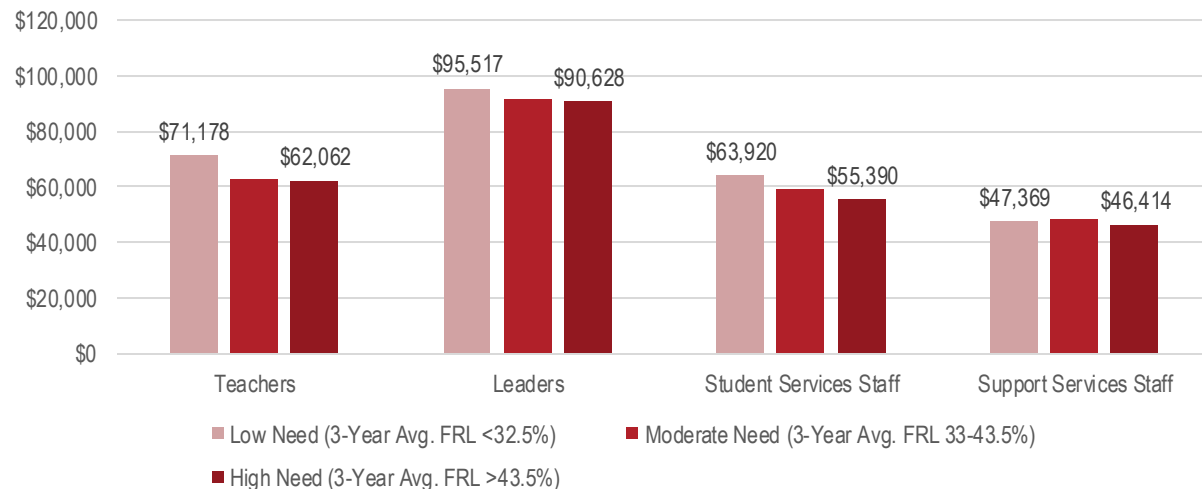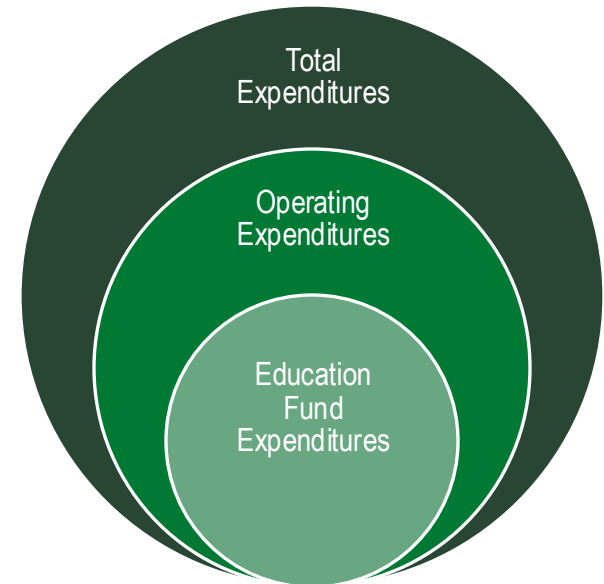
Expenditures

Expenditures can be examined by looking at:

- Total expenditures
  - All expenditures for all purposes and from all sources
- Operating expenditures
  - Excludes capital, debt service, enterprise and trust funds
  - Includes all sources
- Education Fund expenditures
  - Includes only expenditures funded by the state

Both the first tier and second tier of funding represent all revenues available to serve students, regardless of funding source, and is an important consideration for the equity, access and education opportunity that those dollars provide students.

The third tier represents the experience of the state and taxpayers.

Expenditure Tiers

Total Expenditures

Operating Expenditures
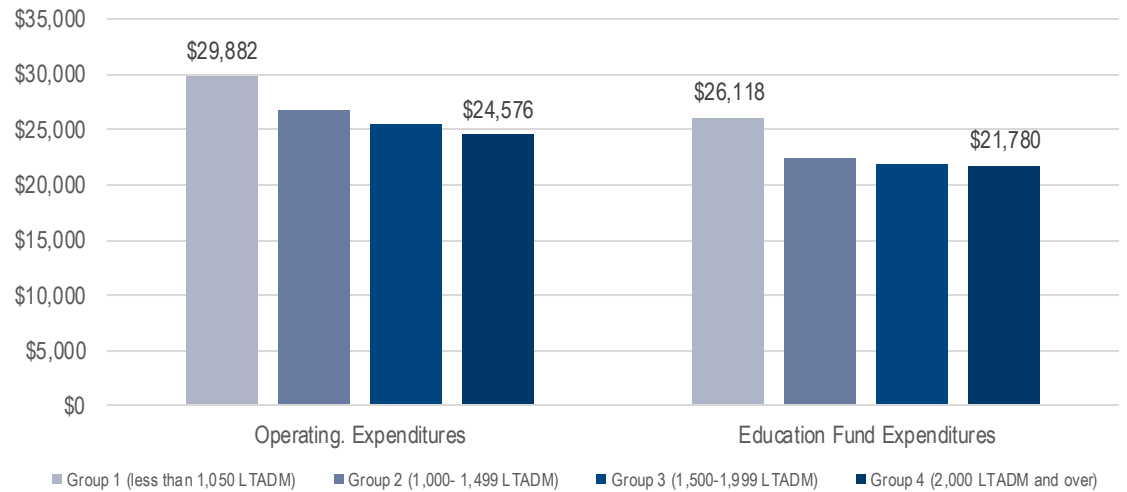
Education Fund Expenditures

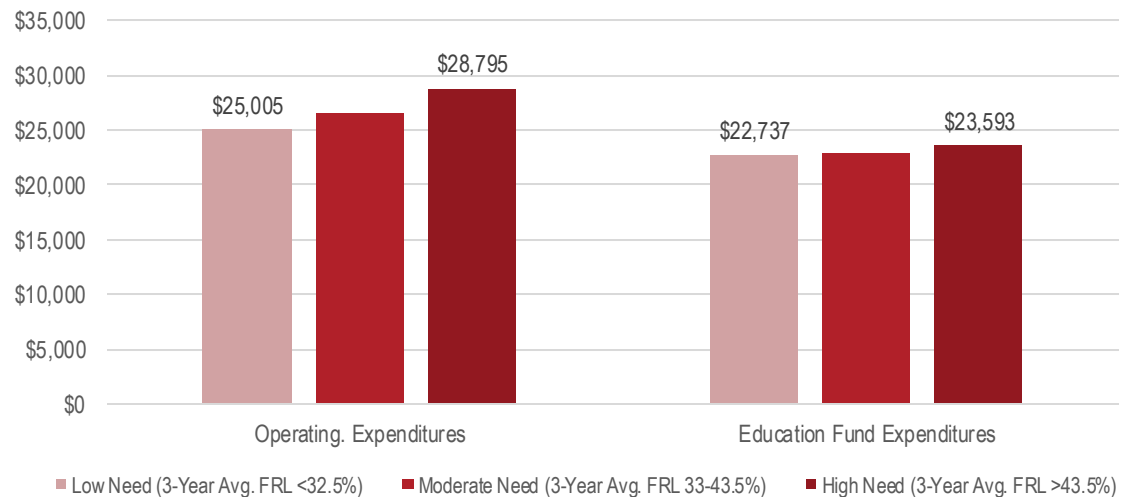# Expenditures per LTADM by SU/SD Size and Need Groups (FY23)

Both operating expenditures and Ed Fund expenditures are higher in smaller SU/SD settings.

Expenditures are higher in higher need settings, but to a less meaningful degree when looking only at Ed Fund expenditures in FY23.

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FY23 Operating and Ed Fund Expenditures per LTADM by SU/SD Size Group

Operating. Expenditures: $29,882 ... $24,576
Education Fund Expenditures: $26,118 ... $21,780

- Group 1 (less than 1,050 LTADM)
- Group 2 (1,000- 1,499 LTADM)
- Group 3 (1,500-1,999 LTADM)
- Group 4 (2,000 LTADM and over)

FY23 Operating and Ed Fund Expenditures per LTADM by Low, Moderate, and High Need SU/SD Categories

Operating. Expenditures: $25,005 ... $28,795
Education Fund Expenditures: $22,737 ... $23,593

- Low Need (3-Year Avg. FRL <32.5%)
- Moderate Need (3-Year Avg. FRL 33-43.5%)
- High Need (3-Year Avg. FRL >43.5%)

*Long Term Average Daily Membership (LTADM) is the two-year average ADM for an SU/SD plus state placed students

FY25 Ed Spending per LTWADM by SU/SD Categories

By SU/SD Size

Ed Spending per LTWADM

Group 1 (less than 1,050 LTADM): $14,091
Group 2 (1,000-1,499 LTADM): $13,203
Group 3 (1,500-1,999 LTADM): $12,865
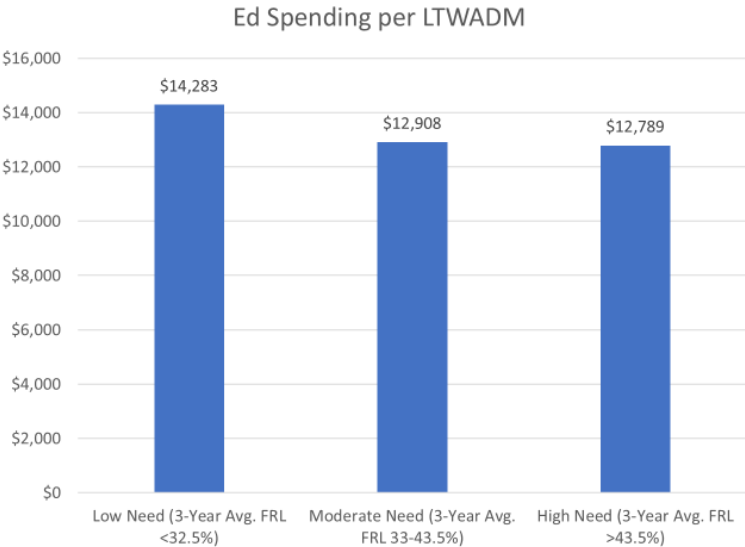Group 4 (2,000 LTADM and over): $13,121

By SU/SD Need

Ed Spending per LTWADM

Low Need (3-Year Avg. FRL <32.5%): $14,283
Moderate Need (3-Year Avg. FRL 33-43.5%): $12,908
High Need (3-Year Avg. FRL >43.5%): $12,789
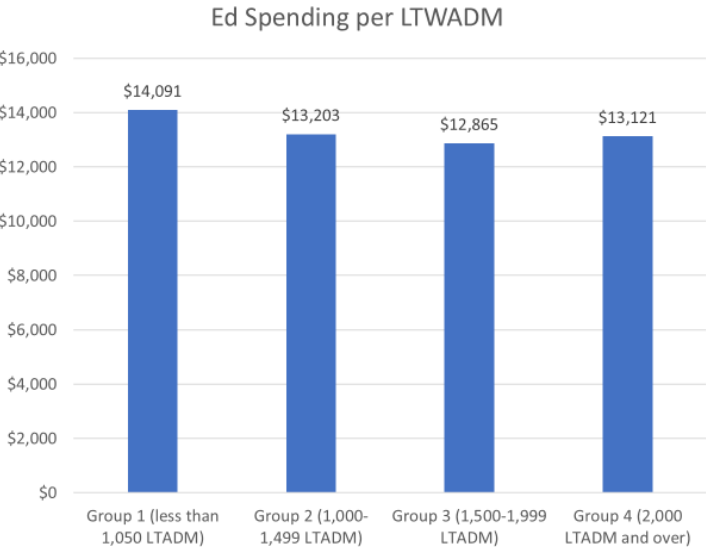
January 2025 ADM Validation Report prepared by APA and AOE

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Expenditures vs. Performance, in the Context of SU/SD Size and Need (FRL)

The following chart brings together expenditure, ELA performance, ADM and FRL data and assigns SU/SDs into quadrants based upon whether their spending and performance is higher or lower than average

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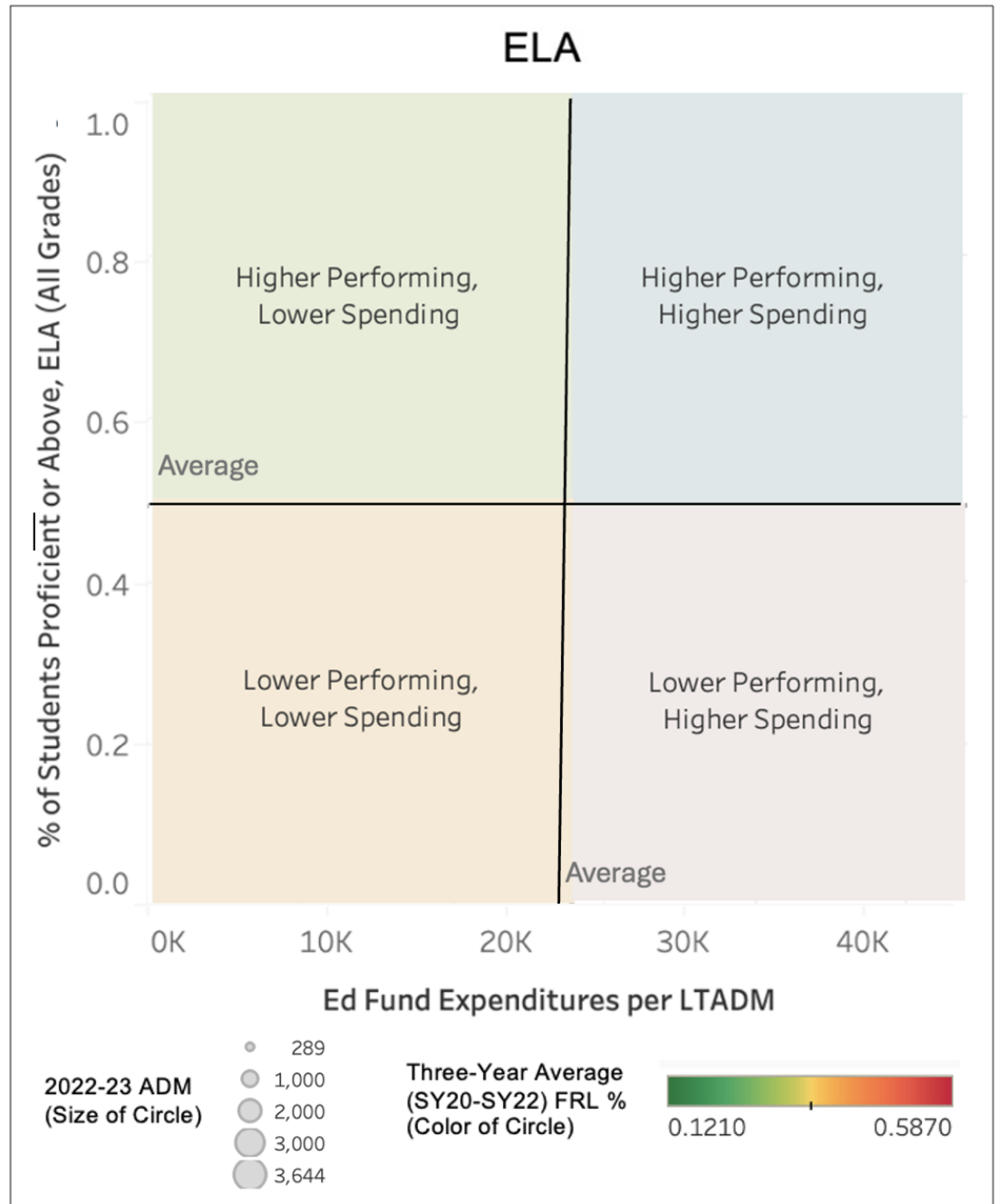
Expenditures vs. Performance, in the Context of SU/SD Size and Need (FRL), cont.

- Higher performing, lower spending SU/SDs tend to have less student need as measured by FRL (mostly green circles)

- Lower performing, lower spending SU/SDs tend to have higher student need as measured by FRL (darker orange/red circles)

- Larger settings (larger circles) tend to be lower spending

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Defining the Problem

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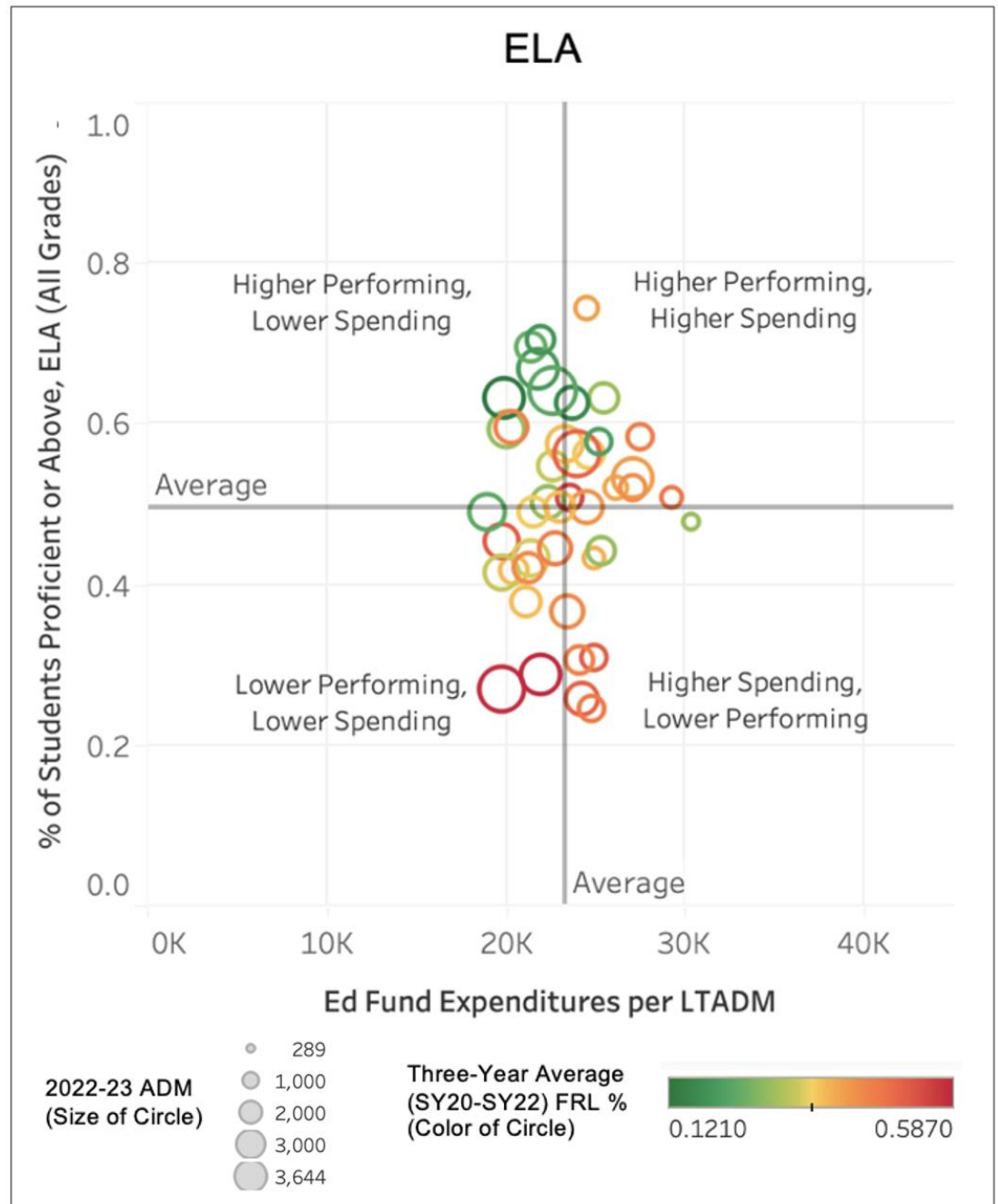
System Issues

- Highly complex school board governance structure

- Top heavy organizational structure limits resource sharing capabilities

- Staff expertise often not placed at the right level of the state's education system

- Hyper-local budgeting within a statewide education funding system

- Variability of education standards

- Decreased enrollment, rising costs, and statewide affordability issues

- Lack of scale creates competition for funding and tension between districts, career & technical centers and independent schools

- Preference for small schools and small classes

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Impact of System Issues

- Fragile system where many districts struggle to ensure operational continuity

- High cost of operating school portfolio diverts dollars away from students and limits funding to address deferred building maintenance and capital needs

- Lack of scale limits opportunities, creates competition for dollars, and makes Vermont more vulnerable to shifts in federal funding and state economic changes

- Inequity in terms of students' access to a robust course list, electives, sports and enrichment opportunities

- Lack of incentives and support to address challenges locally

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Urgency to Act

Despite a long-standing and deep commitment to education, Vermont's current public education system is inequitable. Some examples include:

- Variety of academic course offerings
- Driver's education
- Differences in credits offered between schools
- Availability of visual and performance arts courses
- AP course offerings

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Listen and Learn: Themes

- Vermonters believe in a holistic definition of student success.

- Statewide desire for balance between unity and freedom.

- Vermont needs to ensure equity and expanded access to high-quality educational opportunities for all students in the state.

- Support and services for special education students is a growing need.

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Listen and Learn: Themes, Continued

- Desire for resource sharing, regionalization of services, or consolidation should be considered as means to increase educational opportunities for students and to address budget sustainability.

- Schools are increasingly serving as a hub for community and social services.

- There is a need for greater state leadership from, and partnership with, the AOE.

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The Message is Clear:

Vermonters demand changes to ensure:

- Students can access the same high-quality education, regardless of where they live

- The funding system is fair, predictable, and transparent

- Spending gets under control to avoid skyrocketing property tax hikes
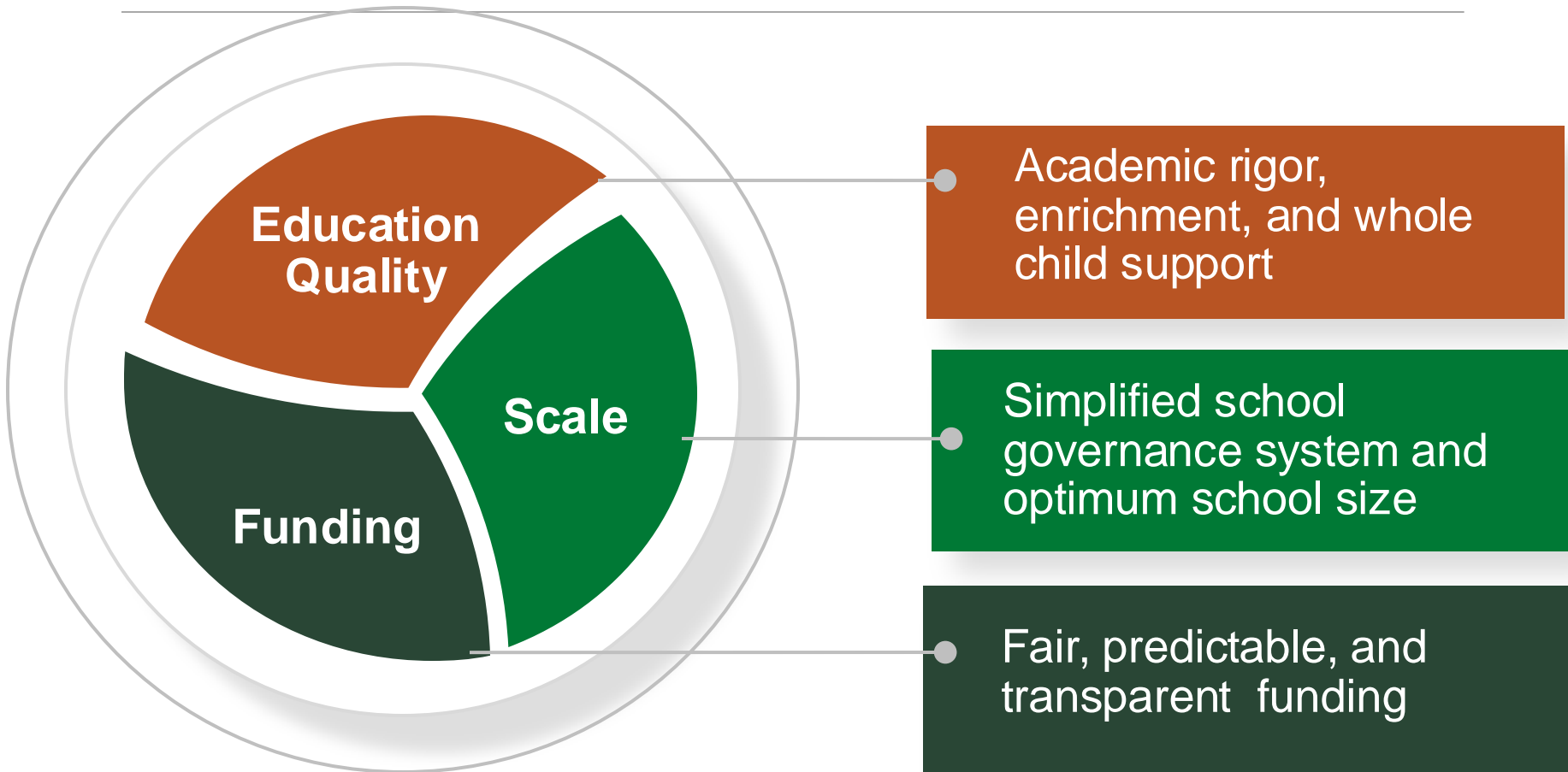
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Future Vision for Vermont

What we hope to achieve:

- World class education for every student regardless of geography and background
- Whole-child education that preserves what makes Vermont special
- Vibrant communities where families want to live work, and thrive

Policy Levers

Education Quality — Academic rigor, enrichment, and whole child support

Scale — Simplified school governance system and optimum school size

Funding — Fair, predictable, and transparent funding

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Opportunities

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Principles of the Plan

- **Quality:** Improve quality of opportunities for students

- **Equity:** Make our education system fair, ensure that students with the same needs receive the same resources, regardless of geography

- **Sustainability:** Ensure that long term funding and resources for schools are predictable and affordable

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Key Considerations

- How can Vermont reduce the inequities in per pupil spending to ensure students with similar needs receive similar resources?

- How can we align funding and resources with student need to drive student outcomes and success?

- How can we create more meaningful opportunities for students and support a Whole Child approach to reduce absenteeism, and improve student engagement?

- How can we support effective and cost effective delivery of special education services in all districts and schools?

- How do we ensure that every student has a highly-qualified teacher in a safe, healthy and welcoming school environment?

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Proposal and Methodology

How Did Vermont Get Here?

Nearly a third of all school budgets fail on Town Meeting Day

Vermont Public | By Lola Duffort
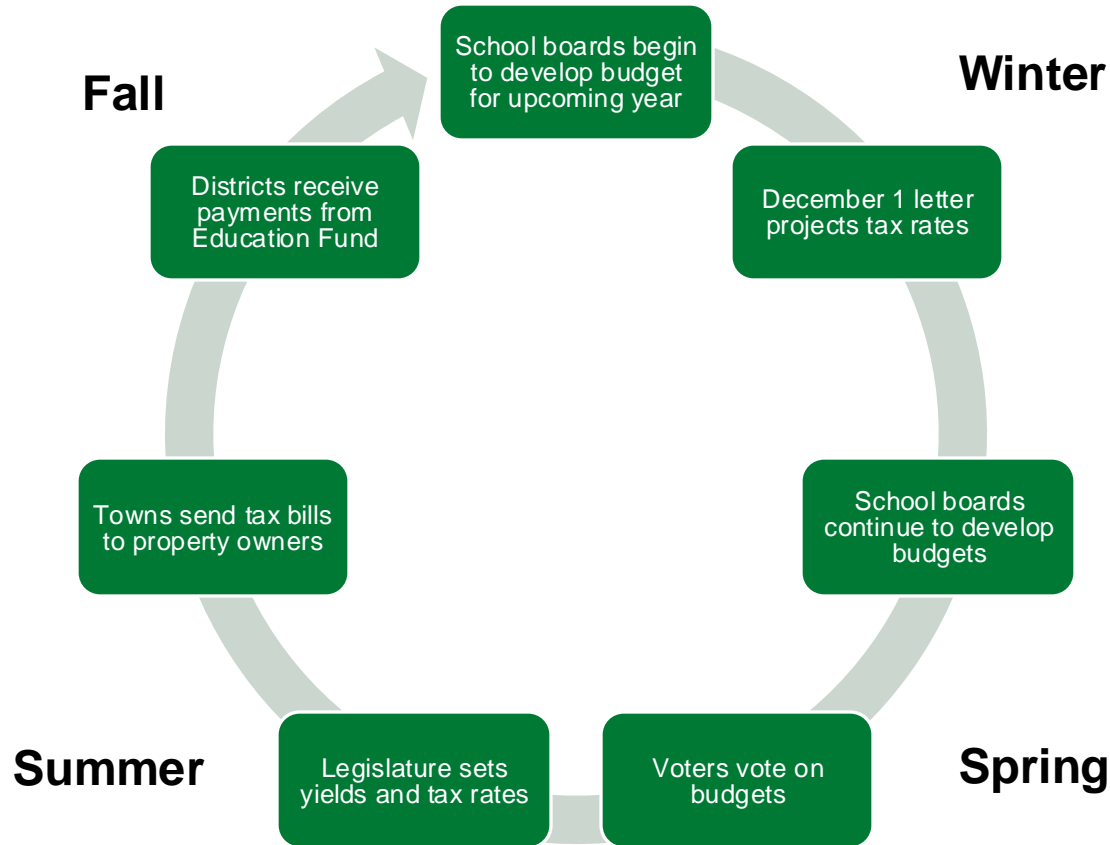Published March 6, 2024 at 12:35 PM EST

Mike Dougherty / Vermont Public

- Increased pressure on system during and after pandemic

- 33% of FY25 budgets voted down, particularly in high need communities

- Picus & Odden report

- Commission on the Future of Public Education preliminary findings

- Listen & Learn findings

- Additional reporting and analysis with APA

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Funding Transformation

Education Funding Timeline

Fall

Winter

Spring

Summer

School boards begin to develop budget for upcoming year

December 1 letter projects tax rates

School boards continue to develop budgets

Voters vote on budgets

Legislature sets yields and tax rates

Towns send tax bills to property owners

Districts receive payments from Education Fund

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Current State

- The system is designed to equalize tax capacity, but does not necessarily ensure similar resources for students statewide.

- In practice, lower wealth communities frequently spend less than higher wealth communities even when their needs could be greater.

Tax Capacity ≠ **Student Opportunity**

Proposed Funding Formula

The formula begins by setting the base per-pupil figure, which represents the resources needed for a student with no special needs, in a district with no special circumstances

Adjustments (weights) are made for student needs, including for economically disadvantaged students, English learners (EL), and special education students

This formula ensures students receive the same level of resources to meet their needs, regardless of geography.

STUDENT WEIGHTS

+

BASE/FOUNDATION FUNDING
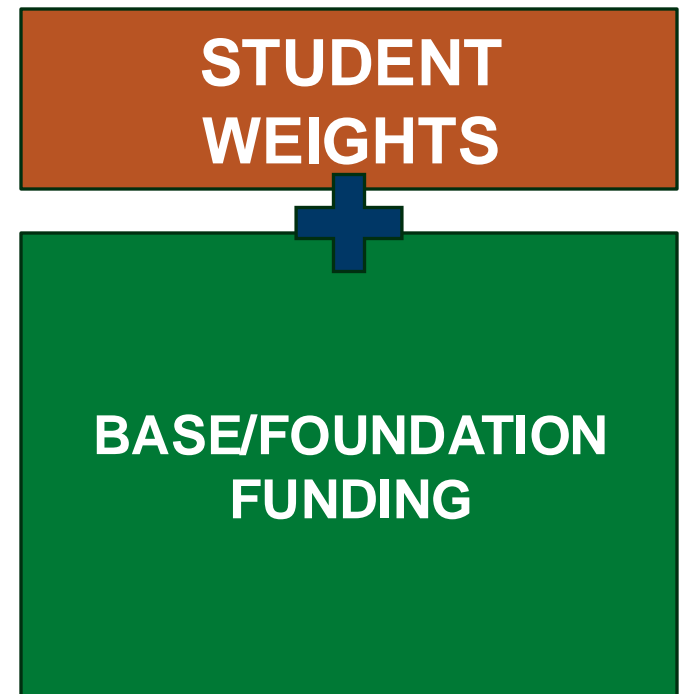
Proposed Base Funding

Fully fund a quality education for all Vermont students:

- Expand early childhood education
- Increase afterschool and summer programs in underserved communities
- Extend and enrich college and career pathways, including Career Technical Education, starting in middle school
- Ensure every student benefits from specials/electives like art, music, and world language
- Increase access to mental health services for students
- Raise teacher salaries to ensure that all students have access to high-quality teachers

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School and District Scale

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Current State

52 SU/SDs
119 Districts

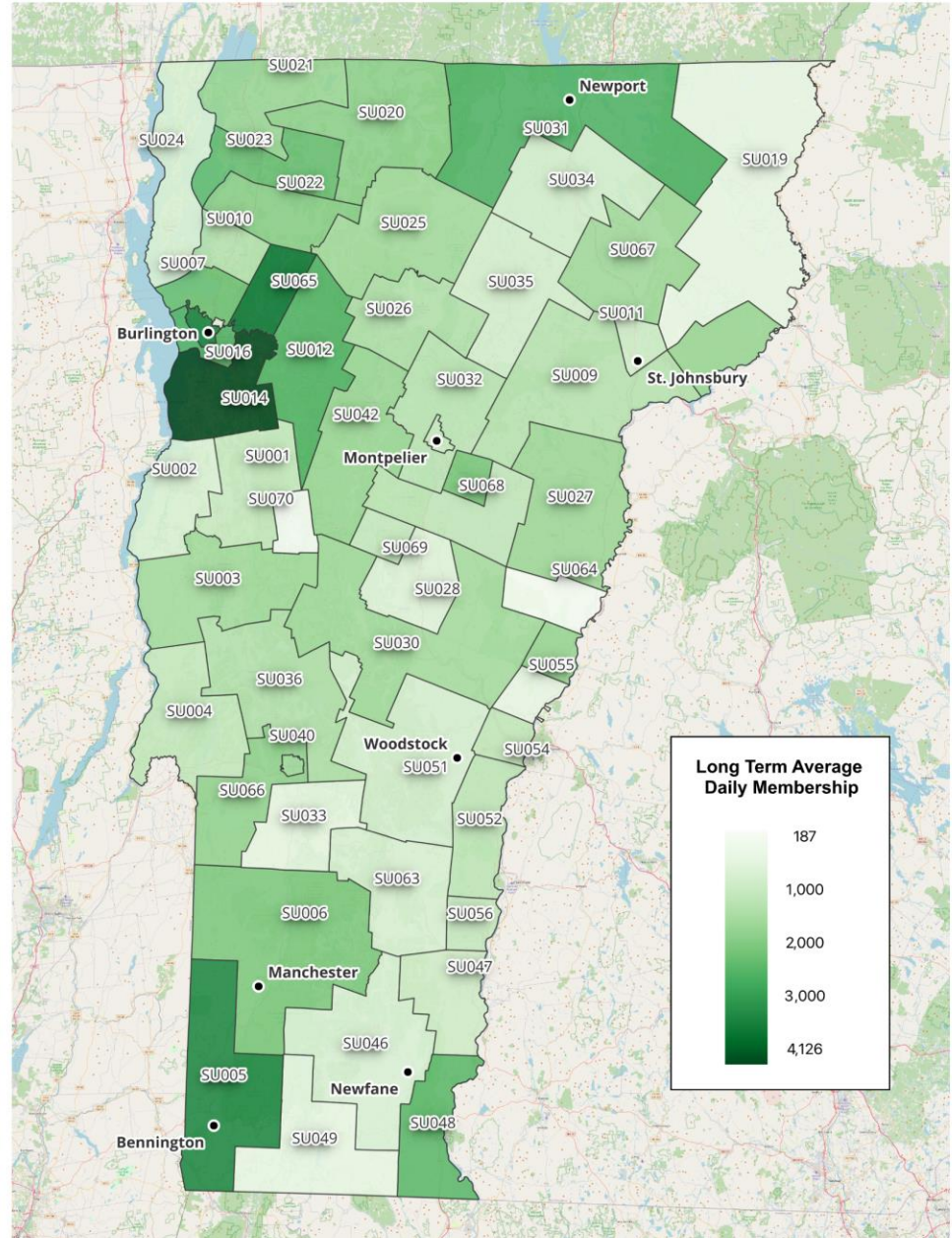SU/SDs Range In Size From Fewer Than **200** Students to Just Over **4,000** Students

83,733 Total Publicly Funded Students

Current Governance Model
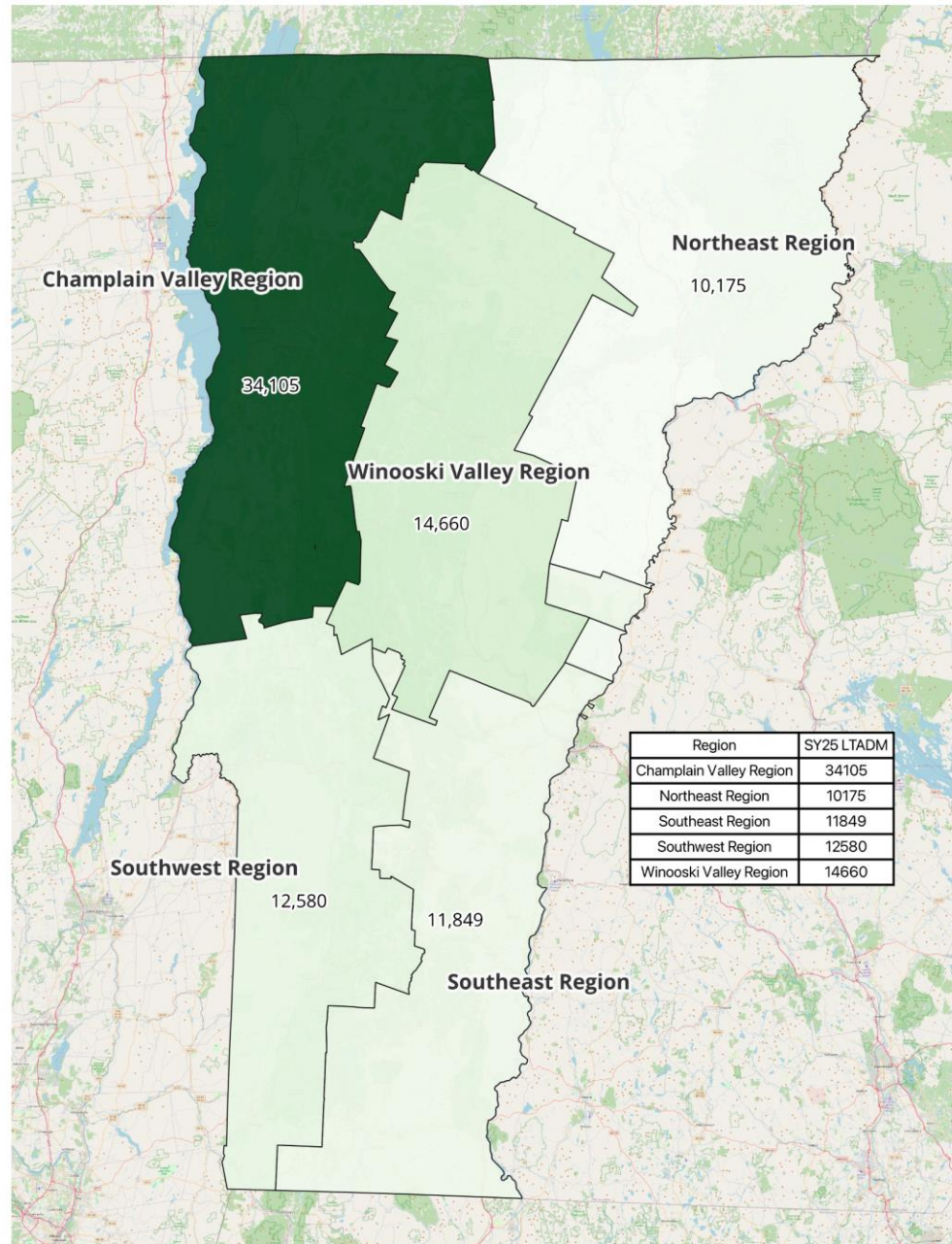
Five District Model:

School Boards: Shared responsibility of students across communities

1 school board for each district

Elected, part-time board members

1 central office for each district

Long Term Average Daily Membership by Region (SY25)

Champlain Valley Region — 34,105

Northeast Region — 10,175

Winooski Valley Region — 14,660

Southwest Region — 12,580

Southeast Region — 11,849

| Region	SY25 LTADM
Champlain Valley Region	34105
Northeast Region	10175
Southeast Region	11849
Southwest Region	12580
Winooski Valley Region	14660

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District Scale

- The **5-district approach** is based on the existing Superintendent regional organizations

- By rescaling our governance structure, districts can achieve a size that:
  - Significantly reduces inequity in spending per student
  - Eliminates costly inefficiencies and duplication of effort
  - Reinvests in teacher salaries by reducing administrative overhead
  - Improves service delivery by operating at scale
  - Increases educational opportunities for all students

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School Scale

- Regional comprehensive high schools, central middle schools, local elementaries

- Collaborative planning and investment to leverage school buildings as community assets if they are closed

- Measuring which schools are small by necessity and which are small by choice

- Measuring viability of a school system to ensure that it is able to deliver on requirements for quality and financial sustainability

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Local Input
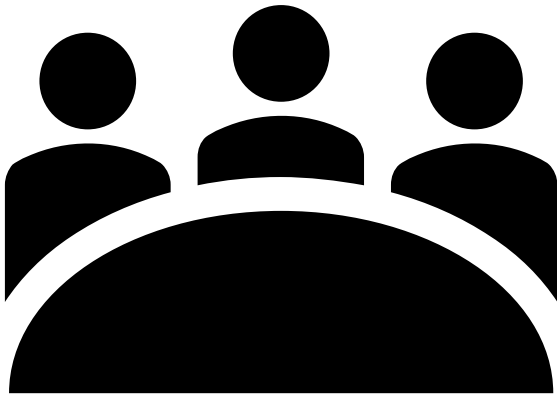
School Advisory Councils – Local decision making at school level

- Required for each public school: caregivers, educators/staff, student members

- Responsible for School Continuous Improvement Plan (federal and state requirement)

- Input on budget development and district strategic plan

Tax Considerations

Current State Funding System

- **The system is complex**: The connection between local budgets, statewide spending, and individual tax bills is not straightforward, which can reduce trust in the system and discourage public engagement.

- **There is little budgeting control for the State**, and property taxes are the "shock absorber" to raise enough revenue to fund aggregate Education Fund expenditures.

- Education Tax rates in a community can increase due to spending from other districts, so there is limited incentive for districts to make difficult budget decisions and reduce spending as enrollment declines.

Future State Funding System

- **Fair, Easy-to-Understand Property Taxes**

- A single statewide Education Property Tax rate largely funds the foundation formula

- Income-eligible homesteads will be able to exempt a portion of their home value from the Education Property Tax

- Communities could choose to raise limited additional funds, and a state guarantee would ensure each district could raise similar revenue for each cent on their local tax rate.

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Future State Funding: Advantages

- **Equity and Fairness:** This proposal improves equity by ensuring students with the same needs receive the same resources and ensures that every community has access to the resources they need to provide a high-quality education.

- **Transparency and Certainty for Voters/Taxpayers:** This proposal more directly ties voters to their tax bills and could allow voters and school boards to have certainty earlier in the budgeting process.

- **Guardrails for Budgeting:** This proposal allows the State to more clearly understand, anticipate, and oversee the education budget for the state.

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Improving Educational Quality

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Balancing Unity and Freedom

- Strengthen implementation of key strategies that drive student success to ensure fidelity, rigor and consistency

- Connect and create coherence across curriculum, proficiency-based learning, local and state assessments and grading

- Statewide standards for graduation requirements and coordinated curriculum

- Single statewide calendar

- Focus on high leverage educational standards and ensure that the Agency can provide support and oversight

- Align rule-making and implementation in state statute

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Call to Action

- Governor Scott's plan is a commitment to public education and an investment in the future of Vermont.

- We look forward to continued collaboration with lawmakers and the community to refine the plan, delivering on our promise to students.

- The plan will require an integrated, inter-agency approach, including the Department of Labor, Agency of Community Development, and Agency of Human Services.

- Government can only go so far, so we ask businesses and nonprofits to join us on the journey to build stronger schools and stronger students so that our communities can thrive.

- Together, we will make our schools stronger, support our teachers, prepare our students for their futures, and build upon what makes Vermont so special.

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Be Bold Together:
Stronger Schools
Stronger Students
Stronger Vermont