VSA

Vermont Superintendents Association

Incremental Policy Tools Toward the Goals of Act 73

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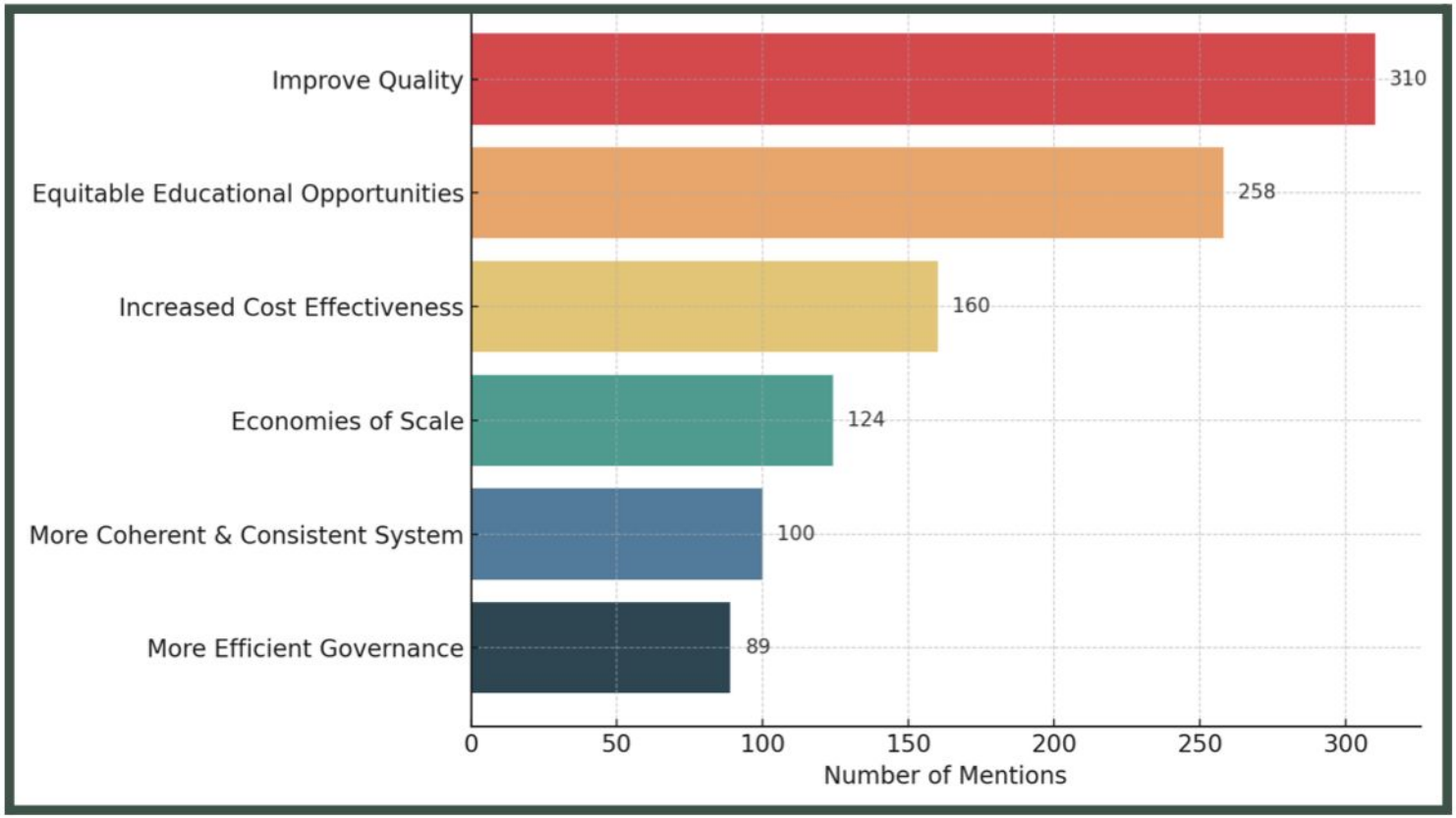
Context:

- In recent years, the political narrative in Vermont has increasingly framed **public schools as the problem**: too expensive, inefficient, and resistant to change. Yet, health care is up 35% in three years, we have the lowest population growth in the country, and a housing shortage.
- On **Town Meeting Day**, most communities once again **voted to support their local school budgets**, even amid the pressures of rising cost drivers and political rhetoric. Vermonters clearly **value their public schools**, and there is real risk in pursuing reforms that undermine institutions communities hold very dear.
- At the same time, **spending disparities between districts are widening**, particularly in communities that historically vote down budgets, raising important questions about equity across the system.
- Much of the policy conversation has become dominated by **maps and redistricting proposals**, which has distracted from meaningful discussion towards the goals of Act 73. It is clear that the process is causing deepening divisions, even though some redistricting might be necessary. Trust matters.
- Vermont is not short on analysis. **The research exists. The reports exist. The recommendations exist.** Many of them are now sitting on shelves. **Policy proposals, research findings, and reports that already exist have pointed us to steps that Vermonters can get behind right now**.
- This moment is an opportunity to **recenter the conversation on practical policy steps** that can move progress forward in a way that potentially will not deepen distrust. These are not new concepts.

What Implementation Science Tells Us About System Change

Implementation fidelity matters. Even strong policies fail when they are implemented inconsistently or without sufficient support.
Trust and practitioner buy-in drive adoption. Reforms succeed when those responsible for carrying them out see the value and believe the change fits their context.
Relationships across the system are essential. Effective implementation requires collaboration between policymakers, leaders, and practitioners.
Capacity must be built. Training, coaching, and ongoing support are necessary for complex reforms to be implemented well.
Context matters. Successful reforms allow thoughtful local adaptation while maintaining core components.
Large-scale change takes time. Implementation typically unfolds in phases, not through rapid mandates.
Continuous feedback improves results. Monitoring implementation helps systems adjust before judging effectiveness.

Figure 1. Overall priorities among six guiding criteria



Policy Problem #1: Declining Enrollment, Aging Facilities, Divisive Mapping Exercise

Vermont's education system is facing several structural pressures:

- Declining enrollment and the lowest population growth in the country
- School facilities among the oldest in the nation
- Lack of trust that a map from Montpelier will improve outcomes and affordability, creating deep divisions

Some district consolidation will help over time, but it will take longer and cost more upfront than current timelines suggest, while cost drivers continue to rise.

Instead of focusing solely on drawing district maps, Vermont should pursue policy steps that improve student opportunity and encourage sustainable scale – focusing on the goals of Act 73.

Three areas where the Legislature could act now:

1. Evaluate staffing models
2. Create regional shared services
3. Support regional scale in secondary schools

Policy Proposal: Evaluate Staffing Models

Direct the **Agency of Education** to conduct an updated **staffing ratio report** that:

- Compares Vermont staffing patterns to **New England**
- Identifies opportunities to **increase efficiency**
- Aligns staffing models with **Tier I supports envisioned under Act 173**

Policy Proposal: CESAs

Build on the work of CESAs:

- Create the regions in statute
- Redirect “transformation” dollars toward development of high-quality CESAs
- Require one aspect of CESAs to be to facilitate regional consolidation and reconfiguration conversations
- Mandatory participation in CESA development, but not mandatory use of services

See Redistricting Taskforce Report and Addendum

Policy Proposal: Regional Middle and Secondary Collaboration Program

- Incentivize regional collaboration with clear benchmarks for improving high-quality middle and secondary education opportunities for students, in more efficient staffing and school configurations

Phase 1: State incentives for two regional middle/high school projects. Incentives can be used for construction costs, consolidation costs, etc.

Example Criteria:

- Show improved access to opportunities and more equitable programs of study.
- Must reduce the blueprint of schools in the region, show more efficient staffing models, and more efficient use of resources overall.
- Make most efficient use of current buildings where possible.
- Incorporate more access to CTE.
- Increase flexible pathway opportunities that keep students within the school community.
- Meet class size minimums and combined with enrollment studies, show sustainable maintenance of class size minimums over ten years.
- Must include district/SU and central office consolidation as well as school consolidation.
- Engage the community.

See Redistricting Taskforce Report and Addendum

Policy Problem #2: Foundation Formula Incomplete, Inequities Persist, Costs Grow

The foundation formula has many unanswered questions that have to be solved legislatively before moving forward, requiring trust that a future legislature will complete the work. We still don't know how PreK, CTE, transportation, capital expenses, etc. will be funded. It is not just because we don't have a map. All modeling thus far has shown very large tax increases for some and large education payment decreases for others no matter how you reconfigure the map. We need a more robust transition mechanism, which includes fixes to the current system.

Policy Proposal: Make Fixes to the Current System While Making Important Decisions Related to the Foundation Formula

- Raise the spending minimum (minimum allowable per pupil spending instead of tax floor) and lower the excess spending ceiling (while removing construction bonds)
    - Funnel some of the excess spending penalty to school construction aid
- Move to categorical grants for small, sparse schools in the current funding system to prepare for the foundation formula transition
- Follow through on fixing the operational vs. non-operational application of weights in the current funding formula - See AIR Report Re: Clarification about applying equalized pupil weights in towns and unified school district that tuition student in on or more grades

Policy Proposal: Move Forward with Tax Policies in Act 73

Adjustments to second-home taxation, appraisal consistency, and homesite exemption reforms can improve fairness and predictability in the education funding system.

Adjusting taxes for non-resident Vermonters' properties seems like a multi-win policy lever – supporting housing objectives and supporting affordability for residential Vermonters. Why have we mistakenly linked these policies with education policy, when can quite clearly be standalone policies? Concerns about the nuances around camps and seasonal properties should not derail the effort. Vermont's tax code already manages far more complex distinctions. This one seems solvable.

Implement the well thought-out tax policy without chaining it to policies that will take years to implement with fidelity. Vermonters need relief and predictability in the system now.

Policy Problem: Non-Operating System Continues to Grow, Responsibilities for LEAs Remain

LEAs are responsible for providing special education services and for equity purposes should be supporting transportation. This is costly and difficult when students are distribute amongst many schools.

Policy Proposal: Designation/contracting allows for a school boards to balance those obligations with the desires of the community – following historic patterns while being able to properly form partnerships that it can appropriately manage these obligations with at a reasonable cost. It does not need to be limited to three. Independent schools are eligible.

Policy Problem: Findings from AOE Special Education Report

“In Vermont, 81.97% of students with IEPs (11,563 students) spend 80% or more of their day in a regular classroom, while 5.27% are in separate schools (743 students). Nationally, 67.08% of students with IEPs are in a regular classroom 80% or more of the day, and 2.36% are in separate schools. These patterns highlight gaps in service delivery that carry significant cost implications. Early data suggest that the observed model in Vermont drives both an overreliance on costly out-of-district placements and expensive adaptations within inclusive classrooms, challenges that could be at least partially mitigated through stronger classroom design and more effective instructional delivery in general education settings.”

“The delivery gaps noted above bear out through a sharp increase in extraordinary costs. Over the past six years, extraordinary costs have accounted for nearly half of the growth in total special education spending, despite representing only about 15% of overall expenditures. This pressure is not driven by an overall increase in students on IEPs but by growth in tuition and transportation costs to serve intensive cases, particularly among students with autism, emotional disturbance, and multiple disabilities.”

Policy Proposals: CESA will support addressing this and study the availability of and rising costs of private therapeutic schools to point toward future legislative regulation.

Policy Problem: There Are Too Many Responsibilities Placed on the Education Fund

Policy Proposals:

- Require a fiscal note informed by district leaders for all education policy moving forward
- Bifurcate PreK Funding - Public programs funded out of the Education Fund through FTE, Private programs at AHS with the Childcare Payroll Tax and other current funds
- Consider H.779
- Study cost shifts related to mental health services

Additional Policy Proposals Related to Improving Quality:

- Continue work on the accountability system; must be useful for improvement, have clear and useful timelines and expectations; clear guidance
- Implement Act 173 with fidelity
- Require an update to CTE rules and update regional CTE attendance zones based on optimal access (Redistricting Taskforce Work)