

# Education Legislative Report

January 24, 2018 – Issue #2

## **Vermont General Assembly Gets Down to Business**

Over the past few weeks the General Assembly has forged ahead on a variety of issues, emphasizing changes to special education and education funding. The House passed a resolution establishing January as school board recognition month.

As leaders of your school systems, you serve as a voice for public education. As your state associations, we work to be strong representatives of the concerns of education officials. That stated, there is no substitute for contact by constituents with their legislators. We encourage you to read our *Reports*, keep abreast of issues, and stay in touch with your house members and senators. Here is a link to Legislators' contact information, organized by supervisory union/district:

[http://docs.wixstatic.com/ugd/b44bfd\\_c9e309b3f77449bda14c5f3cf152c469.pdf](http://docs.wixstatic.com/ugd/b44bfd_c9e309b3f77449bda14c5f3cf152c469.pdf)

Throughout the session, you will receive regular issues of this *Education Legislative Report*. The *Report* is a collaboration of the Vermont School Boards Association (VSBA), the Vermont Superintendents Association (VSA), the Vermont Principals' Association (VPA), the Vermont Association of School Business Officials (VASBO), the Vermont Council of Special Education Administrators (VCSEA) and Vermont School Boards Insurance Trust (VSBIT).

If you have questions regarding the content, contact your Association's executive director or Katherine Hope, Legislative Analyst for the Education Legislative Collaborative and author of the *Report* at [kwhope@gmail.com](mailto:kwhope@gmail.com).

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## ***Governor Scott Delivers Budget Address***

On Tuesday, January 23<sup>rd</sup> Governor Scott delivered his budget address to the General Assembly. In it he continued to emphasize his vision for greater affordability, growing the economy, and protecting Vermont's most vulnerable. His proposed budget limits state spending growth to the growth of Vermont's economy – 2.3%.

When introducing the education proposals in his budget, the Governor stated: “It’s time to accept reality. Due to the steady decrease in student population, the current funding mechanism is weakening the very system it was meant to strengthen. With only 76,000 students in an education infrastructure built for well over 100,000, inefficiency prevents us from investing more in educational programs for our kids even as taxes skyrocket...It’s why the Legislature passed Act 46, which – through difficult discussions – has positioned many districts to take the next essential steps. But we must accelerate this work.”

He went on to refer to [the memo](#) the Secretary of Administration, Susanne Young, shared with the House Ways and Means Committee last week, which includes 18 ideas for consideration by the General Assembly.

The Governor stated, “Our goal should be to reach an agreement this session that meets the following objectives:

1. We must contain costs to **eliminate the current deficit** and achieve savings that will expand over time and prevent costs from growing faster than wages.
2. We must establish a **statewide funding system** that is fully transparent, easily understood and truly equitable for every child.
3. We need to provide districts the flexibility, tools and incentives they need to **make sure consolidations improve outcomes for children and save money**.
4. And finally, working with school boards, superintendents and unions, we should chart a course that **steadily moves us from an average of 1 adult for every 4 students to having 1 adult for every 5 students**, over the next 5 years – using the natural retirement and attrition of the current workforce.”

The Governor's proposals regarding education funding and cost containment will now be evaluated in the respective Education committees as well as in the House Ways and Means and Senate Finance Committees.

## ***Special Education is First Priority in House Education Committee***

Right now the focus in the Education Committees is one of opportunity to provide better services, save money, and serve students more equitably through shifting practices and funding in special education. House Education Committee chair, David Sharpe, plans to share a special education bill at the end of January.

The University of Vermont's Study of State Funding for Special Education ([found here](#)), reviews the existing special education funding structure, with these general findings: 1) high administrative costs to state and local agencies; 2) incentives to identify and categorize students by financial needs instead of educational needs; 3) cost containment discouraged; and 4) difficulty in planning and budgeting for future special education resources and costs.

The House and Senate Education Committees have heard testimony from a variety of professionals, and the resounding opinion is that while there is potential for eventual cost containment in special education, this cost containment cannot come at the expense of student education and must be accompanied by a shift in practice and service delivery model.

Testimony provided by our Associations and other witnesses conveyed the following:

- Limited availability of community-based mental health services continues to stretch the capacity of schools to provide access to education and results in cost increases for special education.
- Funding mechanisms that maximize flexibility are essential
- Changes in funding for special education and related changes in practice will require support from the Agency of Education; staff capacity must be commensurate
- Care must be taken to avoid consequences related to failure to preserve federal “maintenance of effort”
- Funding changes must be accompanied by “best practices” in special education delivery and a primary focus on Tier 1 and Tier 2 high quality first instruction for all students
- Changes in the special education funding formula must avoid a cost-shift to local budgets

The House Education Committee expects a draft bill from legislative council at the end of January.

## ***Committee Hears from School Employee Health Benefits Commission Members***

Last week the House Education Committee heard testimony from David Provost from Middlebury College and Suzanne Dirmaier from the Vermont NEA, both of whom were on the Vermont Educational Health Benefits Commission (VEHBC).

The VEHBC's Report found that “of the three approaches examined, the majority of the VEHBC recommends that the legislature adopt a negotiated benefit approach to establishing a statewide health benefit. A negotiated school employee health benefit is feasible and offers a number of potential benefits to all parties to the negotiation.” Committee members had many questions for both Provost and Dirmaier, wondering whether school employee health benefits can be linked to state employee health benefits, which seems unlikely anytime soon. Provost, who chaired the

Commission, testified to how hard VEHBC worked to come to consensus, even though the group ultimately voted 6-3 in favor of adopting its report, which can be [found here](#). Dirmaier stressed the importance of affordability, the rising costs of healthcare and the lack of parity between school employees, especially between teachers and support staff.

### ***House Ways and Means Committee Looks at Education Funding Changes***

Review and discussion are dynamic in the House Ways & Means Committee in regards to the education funding formula. The Committee has heard a number of ideas and partial proposals on how to change the funding formula, including proposals from two members of the House Education Committee, Representatives Sharpe and Beck. Tax Commissioner Kaj Sampson testified on Secretary of Administration Susanne Young's letter on concepts for changes to education funding, which can be [found here](#).

Janet Ancel, Chair of the House Ways & Means Committee, says she currently favors passing two bills. The first would address long-term changes to the funding system, which the Committee would pass sooner rather than later. The second would be the FY19 yield bill, which would not be passed until after Town Meeting Day. Representative Ancel stated that the long-term bill will not directly address cost containment, but that she expects the House Education Committee to address cost containment. The two Committees would then work together to incorporate education cost containment into the Ways & Means bill.

As it has discussed possible approaches to modifying the education funding formula, the Committee has stated the following objectives: increase transparency and understanding of the education funding formula, while not overburdening moderate- and low-income Vermonters. Some of the ideas under review include: shifting education funding to raise revenue from income taxes rather than property taxes, ending income-sensitivity for the homestead property tax, lowering the cap on the possible income-sensitivity exemption (currently the cap is \$8,000), putting the Governor's negotiated health benefits goal from last year into statute, and shifting the special education funding model away from reimbursement, possibly to a census-based model as described in the UVM Study, referenced above.

Some in the Committee expressed fears of an upcoming national recession, and the need to replenish and maintain the education fund reserve. The Committee is still waiting to review comparative scenarios and analysis from the Joint Fiscal Office before deciding what they may be able to accomplish this year.

### ***Senate Education Committee Defeats No Strike/No Imposition Bill***

The Senate Education Committee has already [rejected one collective bargaining bill](#): S.157. This bill would have prohibited teacher strikes and impositions and required all negotiations to be conducted in open session unless the two parties agreed otherwise. The Committee took testimony from [the VSBA](#), [NEA](#), a [school board member](#) from Burlington, and [a parent](#) from South Burlington. The vote to end consideration of the bill in Committee fell along party lines.

Two House bills also address collective bargaining: H.557 and H.621. The House Education Committee heard from both bill's sponsors. Representative Wright sponsored H.621, which is

largely a tweaked version of H.98 from last year. [H.621](#) eliminates teacher strikes and board imposition of contracts. H.621 also requires *public* negotiations, unless all parties agree otherwise. Representative Wright said that Sections 2 – 4 of the bill would be effective in 2019, while sections 1 & 5 would be effective on passage. [H.557](#) is sponsored by Representative LaLonde and is a response to some communities’ belief that the collective bargaining system is currently unbalanced. [The bill](#) aims to improve the collective bargaining process by improving transparency and implementing deadlines.

### ***Senate Education Committee Evaluates Dual Enrollment Access for Religious School Students; Limits Portability of VSAC Grants; Considers Requiring Radon Testing and Remediation at Local Expense***

The Senate Education Committee heard testimony on S.183, which proposes removing language from the dual enrollment statute to include religious schools, ultimately deciding to roll the language into their miscellaneous education bill in order to limit controversy. The Committee heard testimony from a constitutional law scholar stating that the bill’s language does not trigger constitutional law issues, but also clarified that neither the state nor federal constitution requires the state to fund dual enrollment courses for parochial students.

[S.257](#), the Senate Education Committee’s miscellaneous education bill also addresses the portability of VSAC dollars. The primary change here from existing statute is one of location: students can no longer take their VSAC grants and scholarships anywhere, but only to institutions within 25 miles of Vermont’s border, or those states that practice reciprocity with Vermont. The bill’s language includes a grandfather clause for existing students who may use dollars beyond the geographical limit. Vermont is one of two states that allows its students to take public monies anywhere.

The Senate Education Committee heard testimony from legislative council, the Joint Fiscal Office, and the American Lung Association on January 18<sup>th</sup> on S.279, which would mandate radon testing in schools. The draft bill can be [found here](#). Concerns expressed in the Committee included placing an unfunded mandate on schools, especially since the bill’s current language states that schools would have to *test and address* heightened radon levels. Additional concerns included looking to the EPA for authority on safe radon levels, cost of remediation, and remediation in historic buildings.

Currently, under Act 125 school districts may request radon testing by the Department of Health. Rebecca Ryan from the American Lung Association testified that 11 out of the 74 schools tested since 2001 reported high levels. Senator Baruth has requested to hear additional testimony from the Department of Health. While not yet asked to testify, our Associations [submitted this letter](#) with our response to the proposed legislation.

### ***Minimum Wage Bill on the Move***

The Senate Committee on Economic Development, Housing and General Affairs heard a significant amount of testimony on S.40, which would incrementally increase the minimum wage. If the bill passes, the minimum wage would be established at \$15/hour effective January

1, 2022. The bill can be [found here](#), and the Committee anticipates hearing more testimony next week. Senate President Tim Ashe [has stated](#) that this bill is a priority for him, and the General Assembly anticipates the bill will generate a great deal of debate. Our Associations have not taken positions on the bill, but the Vermont Association of School Business Officials has conducted some analysis to illustrate impacts on school districts.