

**School Boards Rise to the Occasion;
Allowable Growth Rate Threatens Progress**

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The overwhelming support for school district unification demonstrated by the voters of Essex, Essex Junction and Westford this week is reflective of the visionary leadership of the school boards in those communities. As the three communities stated in their unification plan presented to the voters, “[We are] guided by the commitment to enhance learning opportunities and equity for all students and to find efficiencies within our educational system that respect the financial investments of our communities and taxpayers...We can deploy our resources to better support the journey of the student when we are able to plan for the entire journey, and allow the resources to be strategically aligned with our common mission and vision to prepare our students for the next stage of their lives in a rapidly changing world.”

This commitment to equity, increased student opportunity, and cost effectiveness is not unique to these school boards or communities – it is a shared commitment of the school boards of the State of Vermont. Over the past several years the Vermont School Boards Association (VSBA) has been engaged in a serious dialogue with our members regarding the best public policy approaches to address declining enrollment, rising costs, increasing numbers of students with significant learning needs, leadership turnover, and growing inequity in student opportunity. These challenges provided the impetus for Act 46, the most significant piece of education legislation affecting school boards in over a century.

Since the passage of Act 46, the VSBA has met with school board members from almost every supervisory union in the state. I can say with confidence that Vermont’s school board members are rising to meet the challenges facing our systems, and are charting a positive course forward for public education in Vermont. This course builds upon our strengths while recognizing that preserving the status quo is not always in the best interests of the students and communities we serve.

School boards are leading critical yet challenging conversations in their communities about how to redesign their governing and operating structures to ensure greater equity, quality, and efficiency. At the same time, they are expected to launch an equally challenging conversation as part of their budget development process so that they can respond to the “allowable growth percentage” provisions of Act 46.

In an attempt to provide a bridge between the long-term savings associated with governance reform and the call for immediate property tax relief, the General Assembly

changed the excess spending penalty for fiscal years 2017 and 2018, requiring local districts to keep spending increases within an “allowable growth percentage” based on a district’s prior year’s education spending per equalized pupil. The growth rate is as low as 0% in districts that have higher education spending per pupil and as high as 5.5% for districts that have relatively low education spending per pupil. Any amount a district spends in excess of their allowable growth percentage will be double-taxed.

This provision, drafted in the final days of the session, is flawed. Health insurance premium increases alone will consume roughly 60 percent of the allowable growth statewide. As a result, the mechanism designed to provide immediate taxpayer relief could result in the perverse outcome of tax *increases* in many communities. The decisions boards will be forced to make in response to this arbitrary threshold will damage educational quality, and create instability that could jeopardize local efforts to implement the governance provisions of the Act.

Last month at the VSBA annual meeting, our members passed a resolution calling on the General Assembly to repeal the “allowable growth” provision of Act 46 and replace it with a system or formula that more equitably controls costs and creates efficiencies, while preserving educational quality. We are eager to work with legislative leaders on crafting such a solution; that work must begin soon in order to provide direction to school boards who will begin developing their budgets this month.

The types of changes and opportunities contemplated by Act 46 require that school board members navigate some of the most challenging and significant issues facing public education today. Despite these challenges, this is a very exciting time to be leaders in public education. We have an opportunity to better position our systems to achieve equity of opportunity for every child at a cost that taxpayers can support. The strength and vitality of our public education system depend upon it.