

PHILIP B. SCOTT
GOVERNOR



State of Vermont
OFFICE OF THE GOVERNOR

May 23, 2022

Vermont General Assembly
115 State Street
Montpelier, VT 05633

Re: S.287, AN ACT RELATING TO IMPROVING STUDENT EQUITY BY ADJUSTING THE SCHOOL FUNDING FORMULA AND PROVIDING EDUCATION QUALITY AND FUNDING OVERSIGHT

Dear Legislators:

Today, I am signing S.287, *improving student equity by adjusting the school funding formula and providing education quality and funding oversight*, however, I believe our work in this area has just begun.

Despite the promises of Act 60 and the policy changes that have been made since its implementation, deep inequity persists in our education system. Despite the best efforts and sincere intentions of policymakers, there are unequal opportunities and outcomes for students from historically marginalized backgrounds, and based on socioeconomic status, school size and region. Giving all students an equal chance at success has been a priority of mine since coming to office. And, while the current per pupil weighting formula is out of date, it is just one symptom of an unequal system of education, with increasing costs and decreasing opportunities, that requires fundamental reform. While S.287 does not rise to this level, I am signing it based on its goal of improving equity for all students and schools through updated pupil weighting.

However, we must acknowledge, S.287 does not guarantee more equal opportunities for kids. These new weights give certain schools the ability to spend more, but this bill does not require investment of these additional resources directly in students. Nor does new spending capacity mean there will be better outcomes. Vermont already spends more on K-12 education and has more teachers per pupil than nearly every other state. And, to be clear, if our kids were receiving the maximum benefit, and equal opportunities, from this investment, I would welcome it. But the fact is, we are not delivering the quality or equal opportunity our kids deserve – and should receive based on what we spend.

We also know this bill risks further increasing the cost of our education system in a way that compounds these underlying issues – particularly if we continue to see fewer and fewer students alongside annual school budget growth of three to four percent, on average.

Vermont General Assembly
May 23, 2022
Page Two

At the same time, the Legislature passed several other new policies, including universal school meals and PCB remediation, community schools, literacy reform and facilities repair that will likely lead to even higher costs for taxpayers. I urge the Legislature to work with my team, alongside our schools, to address cost containment and transparency to moderate the tax burden of the education funding system in the coming years.

Specifically, in the next biennium the Legislature should:

- Consider how a recession and/or a slowdown in real estate market may impact the five percent rate cap placed on districts.
- Adjust the timeline to ensure the Agency of Education has adequate time to conduct the needed rate reviews before the Department of Taxes sends out tax rate letters.
- For FY26, reinstate the requirement that districts disclose the year over year percentage change and dollar change in per pupil spending. I understand why it was suspended for FY25, as per pupil spending won't be comparable to the prior year. But following this transitional year, voters have the right to know the annual change in spending.

We have time to make these changes before this new formula takes effect. Most importantly, we must improve student outcomes and provide equal access to a quality education for all kids, while *also* ensuring Vermonters can afford it. We can only achieve true equity and better outcomes by working towards both goals, together.

Sincerely,

A handwritten signature in black ink, appearing to read "Philip B. Scott", with a long horizontal line extending to the right.

Philip B. Scott
Governor

PBS/kp