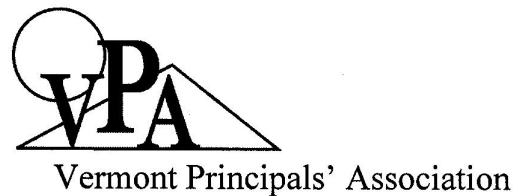


A Report of the Business-Education Alliance

Vision, Goals, and Governance in Vermont's Public Education System

April 21, 2008



Preamble

Two companion reports entitled, “*Vermont State Public Education Expenditure Overview and Analysis, Phase I*” issued in September 2006 by the Vermont Business Roundtable and Lake Champlain Regional Chamber of Commerce, and “*Education Cost Analysis, Phase II*”, issued in July 2007 by the same consultants on behalf of the Vermont Legislature, jump-started a lively public discussion to understand the cost drivers impacting public education. Recent reports about education outcomes, which show Vermont as “very good” but not “great” in terms of proficiency or achievement have further stimulated the desire to investigate how Vermont can control the rate of cost increases of the state’s pre-K through 12 education system while, at the same time, improving outcomes for all Vermont students.

In the late fall of 2006, Jeff Francis, Executive Director, Vermont Superintendents Association and Lisa Ventriss, President, Vermont Business Roundtable began conversations to determine the potential for both the business and education leadership communities to join in the effort together and eliminate the “us” versus “them” contest. The goals for each side were simple: to develop mutual understanding and respect for their issues and priorities; to inform each other’s thinking with factual information and industry insight; and, to find common ground that could lay the foundation for policy recommendations. Members of the Alliance were identified who could bring balance and non-partisan independence to the discussions. Its charge was to provide “bold and long-term leadership” on reform efforts.

In February 2007, the conveners were joined by the Greater Burlington Industrial Corporation, Lake Champlain Regional Chamber of Commerce, Vermont Principals’ Association, and Vermont School Boards Association; and the Business-Education Alliance was created. The Alliance has been led by two co-chairs, Mary Moran, Superintendent, Rutland City Schools, and Mary Powell, Chief Operating Officer, Green Mountain Power. Funds were committed to engage a consultant, Val Gardner, former principal of Champlain Valley Union High School, to facilitate the process toward a productive end, and add value because of her deep experience in education.

During the intervening months, Alliance members framed a scope of work; identified two major areas of focus - cost containment and governance; conducted case studies among six representative schools across Vermont; and, spoke with other stakeholders. The members of Alliance came to consensus on the vision and the needs. A majority of the members were in agreement with all recommendations.

Needs and Recommendations

Our children will live their lives in a century full of opportunities and challenges. Vermont’s future and our country’s are dependent upon a successful and responsive educational system that delivers a quality 21st century education to every Vermont child.

It is our belief that the education system must be designed to ensure all children graduate. What it means to graduate must be based on each child's demonstration of the knowledge, skills and attributes, which have been identified as essential for their continued growth as citizens.

If the elementary and secondary education system was performing at the highest level, what would we expect when students graduate from the system?

All graduates would:

- be prepared for post-secondary experiences of their choice.
- demonstrate academic proficiency at an established standard.
- have work/life ready skills and attitudes to participate in their post secondary choices.
- be prepared to function in the world with technology skills, economic understanding, social skills, a sense of civic responsibility, and cultural awareness.
- have the knowledge, skills and attitudes necessary to lead physically, socially, and emotionally healthy lives.
- be satisfied, along with their parents/guardians, with their school experience.

The fundamental challenge is to assure an education system that is organized and managed to deliver quality education for every Vermont child in a manner that maximizes results with available resources and provides the assurance of a stable, equitable, and accountable financing system.

Historically, Vermont has performed well above average and near the top on many national educational measures. Vermonters have supported this achievement. As we look at the skills and knowledge needed for the future, there are competing facts about the achievement level of Vermont students. As we move forward, the tension to transform the educational system to meet a new mission requires a more unified, coherent approach and optimizing of limited resources, both human and financial.

Currently Vermont lacks a unified vision, plan or approach to education sufficient to ensure that the state will prosper in the future. The lack of an articulated statewide vision and goals inhibits the ability of the system to uniformly deliver quality programs, to consistently use resources effectively and efficiently, and to marshal resources from outside of the state. The State Board of Education and the Commissioner have recognized this, and have begun a transformation initiative. The results of this, or any, transformation initiative must be in the form of a shared statewide vision and goals for education, and a plan for implementing programs to achieve those goals.

There are school districts in which the governance system is working well to deliver the current educational program to its students. However the governance system needs to deliver a quality education for every Vermont child. The current governance system at the state and local levels is not achieving that goal. While local boards and schools are accountable to their communities, and some function with appropriately defined roles and

responsibilities, in many cases their roles and responsibilities are not clear, leading to confusion and inefficiencies within schools, districts and supervisory unions.

At the state level, the legislature has enacted a myriad of disjointed mandates and policies. This has caused the Commissioner, Department of Education and local schools to expend limited resources on responses to an array of demands that are not related to any coherent vision. The executive branch is accountable only tangentially through the appointment of the State Board of Education. Therefore, there is no formal connection between the state education system and other functions or agencies of state government. This has resulted in limited accountability at the executive level and in cost shifts from various agencies to local education entities and the education fund with little or no transparency. The consequences of this level of functioning and governance are distrust, lack of respect for each other's roles, and lost opportunities.

Concurrently, the matter of the cost of education has grown more complex, as the education fund is seen as a source of revenue to supplement the work of human service agencies faced with budgetary limitations. The blurring of lines between human service activities and educational programs, has further contributed to cost-shifts at the expense of education funds. Recent examples include funding for teen parent education programs conducted at teen parent centers, increased costs for schools resulting from revenue reductions at area mental health agencies, expansion of publicly funded pre-kindergarten services to include private childcare providers and the use of the education fund to support education programs for youth who leave school and then receive services from private and non-profit providers. Societal conditions that extend far beyond our education system require a significant investment of human service funds and, in the absence of that investment; schools are increasingly looked to as the source for delivery of those services.

While the Commissioner of Education is statutorily designated as the leader and steward for public education in Vermont, the current structure does not fully support this role. At this time, there is no one position in the state that is clearly able to provide the leadership needed for defining and implementing a truly transformational education initiative.

The Business-Education Alliance conducted a cost case study involving 6 Vermont school districts. (Cost Case Study 2008 Addendum) The scope of the study was to examine statewide data and to interview schools to determine what the cost drivers were in the educational system. The study looked at decisions individual schools made to address their students' and community's needs, decisions made as the result of outside forces (e.g. drops or growth in enrollment, changing town economics), and their responses to outside state and federal mandates over a ten-year period of time. This study confirmed findings from previous reports (Kavet/Rockler) regarding the limitations of source data due to variations in governance structures as well as other insights into issues of accountability and measuring progress.

Defining quality and measuring achievement and improvement of the educational system is challenging with the structures and systems that are currently available. The current

state level fiscal metrics are based on outdated federal accounting standards. Year-to-year comparisons are not possible because of annual changes in how funds are categorized and reported. Also, because of the variability in school district configurations and each district's individual method for tracking expenditures and student achievement, it is impossible to make comparisons school district to school district. While there is a data consortium for tracking student performance, individual school districts may opt to use it or not and are accountable for the selection of software and data entry. Thus it is difficult to identify schools that may be realizing more efficient ways of delivering educational programs or improving the quality of their programs. At this time, the ability to conduct meaningful program evaluation and to gather relevant, usable data for system wide improvement is non-existent at the state level.

From this analysis and from discussions about the creation of a clear vision for the future, the Alliance identified broad needs that must be addressed if a vision for education is to be realized.

- NEED #1:** To create a clear vision and corresponding goals for the education of all children that drives the work of the Governor, State Board of Education, Commissioner, educators, legislators, school boards, business community, state agencies, higher education, and communities.
- NEED #2:** To have a demonstrated commitment to accountability for educational quality and cost on the part of all state and local participants.
- NEED #3:** To have a high level of leadership and accountability at the state level for the achievement of common goals.
- NEED #4:** To implement a delivery system that ensures that state and local goals are consistently met in the most efficient and effective manner.
- NEED #5:** To have a defined and consistent system for measuring state and local progress toward achievement of the statewide vision and goals.
- NEED #6:** To have the technological capability to share information about programs, student outcomes and costs between districts.
- NEED #7:** To reconcile aspirations and expectations for the system within available resources.
- NEED #8:** To have a process for developing and fulfilling a state vision and goals that is characterized by coordination, cohesiveness, trust and mutual respect.
- NEED #9:** To have the Governor, state board, legislature, school boards, administrators, teachers and community members clearly understand and appreciate the role played by each, and to support each other in the performance of duties to reach a common vision and goals.

In order to address the needs, the Alliance makes the following recommendations:

State Level Governance

Recommendation # 1: Establish a Governor appointed Vermont Pre-K ó 12 Education Board comprising persons knowledgeable about and interested in public education who are committed to providing a high quality and efficient system of public education in Vermont. The board will have eleven (11) members, with terms of four or more years. The composition of the board should be

- two members at large, appointed by the Governor
- one parent member, appointed by the Governor
- one member from within a pool nominated by each of the following organizations and appointed by the Governor.
 - Business Representative (Vermont Business Roundtable)
 - Independent School Representative (Vermont Council of Independent Schools)
 - Higher Education Representative (UVM Trustees)
 - Higher Education Representative (State College Trustees)
 - Local School Board Member (VT School Boards Association)
 - School Superintendent (VT Superintendents Association)
 - School Principal (Vermont Principalsø Association)
 - School Teacher (Vermont-National Education Association)

The duties of the Education Board include:

- Elect the chair of the Board.
- Carry out duties statutorily assigned to the Education Board.
- Approve the Appointment of the Secretary of Education.
- Consult with the Secretary of Education on the preparation of the Agency Budget.
- Promulgate administrative rules on behalf of the Agency of Education.
- Serve as the quasi-judicial body for the Agency of Education.
- Advise the Secretary and Governor on education legislation under consideration by the General Assembly.

Recommendation #2: Create the position of a Governor appointed Secretary of Education with the following qualifications:

Expertise in public education management and policy

- Demonstrated leadership abilities
- Demonstrated management abilities

In addition, the Secretary of Education appointment is approved by the Education Board and is subject to the advice and consent of the General Assembly.

Recommendation #3: Provide technical assistance, incentives and statutory changes to encourage voluntary consolidation of school districts.

Mission and Vision

Recommendation #4: The state level education leader should articulate a shared mission, vision and goals for education in Vermont for the 21st Century, through an inclusive process, by June 2009. Clearly defined goals, specific outcomes and expectations for performance should be developed by the State Board of Education to measure progress toward the realization of Vermont's vision for education.

Outcomes and Accountability

Recommendation #5: Establish meaningful, standardized school and supervisory union metrics that allow for program evaluation, national and international comparisons, and drive system improvement. (See Appendix A for possible metrics.)

Recommendation #6: Implement an integrated information system of enrollment, program, staff, fiscal accounting, and student outcomes for all schools and supervisory unions.

Finance

Recommendation #7: Quantify the cost shift from human services to the educational system.

Recommendation #8: Examine how the current funding mechanism for education is being used as a financial base for state level programs.

Recommendation #9: Using the mission, vision and goals of the educational system, develop methodologies to enable the analysis of the costs and benefits of resource allocations.

Technology

Recommendation #10: Transform school settings to make efficient use of technology to expand educational opportunities for all students.

Background Information on the Business-Education Alliance

The Vermont Business Roundtable, Lake Champlain Regional Chamber of Commerce, Greater Burlington Industrial Corporation, Vermont Principals' Association, Vermont School Boards Association, and Vermont Superintendents Association joined forces in February of 2007 to provide bold and long-term leadership on the mutual desires to control the rate of cost increases of the state's public K-12 education system while, at the same time, improving educational outcomes for all Vermont students.

This collaborative effort was the next logical step following the business community's phase I study entitled, "Vermont State Public Education Expenditure Overview and Analysis", prepared by Kavet and Rockler. The report showed that though student enrollments have been declining over the past decade, public education spending during

that same time has been rising at rates more than double that of general inflation, and is likely to continue doing so without policy intervention.

The Business-Education Alliance developed a scope of work that builds upon the findings of the expense report, seeks to understand the fiscal and outcome impacts of the expanding mission of public schools, the human services-related cost shifts onto school districts, and the state's lowest in the nation student-teacher ratio among others.

Over the course of ten months, the Business-Education Alliance reviewed numerous reports and data, interviewed state level personnel and called upon the broad expertise of the group to develop its report. (Appendix B)

The members of the Business-Education Alliance are:

- Mary Powell, Chief Operating Officer, Green Mountain Power (Co-Chair)
- Mary Moran, Superintendent, Rutland City Schools (Co-Chair)
- John Everitt, Superintendent, South Burlington Schools
- Dawn Francis, Government Affairs, LCRCC
- Jeff Francis, Executive Director, Vermont Superintendents Assoc.
- Moe Germain, Business owner, GBIC
- Peter Herman, President, Vermont School Boards Association
- John Nelson, Executive Director, Vermont School Boards Association
- Laurie Singer, Principal, AD Lawton Intermediate School, President, VPA
- Chris Smith, Teacher, Former Financial Advisor, LCRCC
- Dan Smith, Vice President, GBIC
- Robert Stevens, Executive Director, Vermont Principals Association
- Tom Torti, President, Lake Champlain Regional Chamber of Commerce
- Lisa Ventriss, President, Vermont Business Roundtable

Appendix A

Possible Metrics for Schools:

Demographics of the student body and community

- % of students in poverty
- % of students on Individual Education Plans
- %/of students on Section 504 plans
- % of students on Educational Support Team plans
- % of students who are English Language Learners
- ethnic diversity of the student body
- # of students at k-5, 6-8, 9-12 levels
- % of students in tech ed
- Property wealth per student

- Students per ELL teacher
- Cost per student of ELL services

Educational Program:

- Cost per student of instructional materials
- Cost per student of equipment - define equipment
- Student performance results - % of students achieving vital results, post secondary credits per graduate, % of graduates ready for college level courses, demonstrate proficiency with established academic standards, demonstrated knowledge of skills and attitudes necessary for healthy lives - physically, socially, and emotionally
- Cohort Graduation rate
- # of course offerings per student- HS level only or lower?
 - Electives and required courses
- Credits for graduation
- Cost of extra curricular programs per student
- Technology \$ per student
- Number of computers per student
- Student/parent satisfaction with school experience

Faculty staff information:

- Total Adults per student
- Administrators per student
- Classroom teacher ó regular ed/student
 - Special ed/student
- Social Services/student overall
 - Nurse/student
 - OT/PT per student
 - Counselor/student
 - School Resource officers/student

Speech Personnel/student?
Case managers/ Special Ed Student?
Support staff/student Will the above metric be inclusive of Instructional support staff number below?
Instructional support staff per student
All faculty to administration ratio
Salary information ó starting, median, top contract amounts
Actual based on staff ó starting, median, top and distribution
Education level - % of faculty with Masters
Benefit metric (to be determined)
Mentoring \$ /staff member

Building:

Energy cost/ sq. ft.
Debt service
Maintenance cost/student
Square footage/student

Transportation:

\$ per mile for transportation
miles/student

Administration:

Cost of business management expenses per student
Level of achievement of school board on VSBA standards
Length of service for top administrators, business manager, and board members
Organizational structure of the district ó SU, SD
Supt/ # school board members
Supt/ # of school board

Finances:

% of revenue from tuition
Impact of tuition to private schools

Appendix B

Resources and Reports Reviewed

- "DOE Communications to the Field 2006". VSA, VPA, VSBA. January 2007.
- "Education Cost Analysis – Phase I". Kavet and Rockler. September 2006. "Phase II". June 2007.
- "Enacted Education Laws and the Resulting Implications for School Districts and Supervisory Unions 1997 – 2007". VSA, VPA, VSBA. August 2007.
- "Governance of Vermont Education Systems Lessons Learned – FY 2004, 2005 and 2006". Ray Proulx. February 2007.
- "High Schools on the Move". Vermont Department of Education. August 2002.
- "How Are the Children? A Step Toward the Transformation of Education in Vermont". Vermont State Board of Education. October 2007.
- "Learning for the 21st Century". Partnership for 21st Century Skills. July 2003.
- Memo by Bruce C. Chattman, Superintendent to Legislative Education Cost Containment Study Committee. November 20, 2003.
- "Review of Education Related Legislation & Regulations 1997 – 2007". Joint Fiscal Office. January 2008.
- "Studies, Panels, and Reports Commissioned by the Legislature 2007". VSA, VPA, VSBA. June 2007.
- "The Education We Need At a Cost We Can Afford". Vermont Cost and Quality Commission. November 1995.
- "The State of Vermont Working 2007". Paul Cillo and Doug Hoffer. September 2007.
- "The Workforce Readiness Crisis". Susan McLester and Todd McIntire. November 15, 2006
- "Tough Choices, Tough Times". National Center on Education and the Economy. 2007.
- "What Work Requires of Schools". A SCANS Report for America 2000. June 1991.

