



SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

33 Mechanic Street, Fair Haven, VT 05743

Phone: 802.265.4905 Fax: 802.265.2158

slatevalleyunified.org

Brooke Olsen-Farrell, Superintendent

Kristin H. Benway, Director of Special Services

Cheryl Scarzello, Director of Finance

Casey O'Meara, Director of Curriculum, Instruction & Assessment

Christopher G. Cole, Director of Operations

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Act 127 Testimony

For the record, I am Brooke Olsen-Farrell, a 25-year veteran educator. I have served as the Superintendent of Schools in the Slate Valley Unified Union School District for the past seven years. I have with me Cheryl Scarzello, Director of Finance for Slate Valley. She has been a School Business Official for more than 15 years and has been at Slate Valley for the last 8 years. We appreciate the opportunity to share our thoughts on Act 127. Our district encompasses the towns of Fair Haven, Castleton, Benson, West Haven, and Hubbardton in Rutland County and Orwell which is in Addison County.

Slate Valley serves 1300 students, Pre-kindergarten to grade 12, and with 5 schools. Since the implementation of Act 46 Slate Valley has worked hard to realize efficiencies and opportunities for consolidation throughout our system. Since merging we closed one school and 2 years ago we moved all our 7th and 8th grade students to the high school campus. Now we operate one grade 7 through 12 middle/high school and four PreK to 6 elementary schools. We have reduced 26 positions over the last 7 years to respond to declining enrollment, create efficiencies, and be responsive to taxpayer burden. Our equalized homestead tax rate has steadily decreased over the past five years

Slate Valley has always been fiscally conservative. Our practice has been zero-based budgeting. We start each year by looking at precisely what we will need to accomplish our goals for the coming year. We budget without building in contingencies. Year after year we return the majority of our prior year surplus to our taxpayers to reduce tax rates. At this time our Capital Reserve Account has been depleted and we do not have any other reserve accounts. Despite this conservative approach our budget often does not pass on the first vote, and if it does pass it is by a very slim margin.

The Slate Valley Board approved a \$31,021,635 expenditure budget for Fiscal Year 25 which is a 10% increase from our Fiscal Year 24 budget. This budget is in no way extravagant. Due to the changes in pupil weighting under Act 127, our spending per weighted pupil is \$11,385 which is less than a 1% increase from Fiscal Year 24 using the new weights. In our proposed budget we have included the addition of 2 teachers, one at the elementary level and one at the high school. We have added a nurse and 2 positions that were previously grant funded. We have also added \$500,000 in building maintenance to address significant immediate needs. If it was not for the change in pupil weighting as the result of Act 127 we would not have proposed these increases to our budget. Our spending per weighted pupil at \$11,385 is half of the \$22,953 average per pupil spending that the Tax Commissioner forecasted in the December 1st letter. We are clearly a district that Act 127 was intended to benefit. Historically we have been a disadvantaged district. Again, despite relatively low education tax rates our voters have voted down the school budget even in years with very little increase. With Act 127 while we are now "advantaged" by the change in pupil weights, we have continued to be conservative with our proposed budget. We could have added almost \$6,000,000 in expenditures before exceeding the 10% cap on per pupil spending, but we have proposed adding only about half of that amount.

Each year we are challenged to help voters in our communities understand how our budget will impact their tax rates. This year has been more of a challenge than ever. We are not able to give our taxpayers information about what their tax rate might be until we have pupil numbers, which were not finalized until last week. Once we have pupils and our CLA percentages, then the yields become the most significant variable in terms of determining tax rates. With the information that was shared with Business Managers based on the January 9th Education Fund Outlook, we are now using \$9,171 for the yield which has pushed our equalized tax to just over 5% - so now we are capped. When we used the yield recommended by the Tax Commissioner of \$9,452 we were below the 5% cap. At this point until the yield is set we will not actually know whether or not we are over or under the tax rate cap. We are concerned about how our residents will react to this uncertainty when they vote on the school district budget. I should also point out that even with the tax rate cap we are apprehensive about passing our budget. The Town of Benson will see a tax rate increase of 27.74% with the cap using the January 9th yield.

Despite being advantaged under Act 127 we are in jeopardy of being disadvantaged. Being disadvantaged means that our regular building maintenance issues would continue to go unaddressed and that we would be unable to provide programs and opportunities for our most vulnerable students. The intent of Act 127 may have been to provide equity throughout the system but it is poised to do the opposite. Wealthier districts will likely continue to pass their

budgets while districts like ours who were supposed to be advantaged may in the end, end up with less resources than we have this school year; increasing the inequities in the public education system.

Respectfully submitted,

Brooke Olsen-Farrell, Superintendent
Cheryl Scarzello, Director of Finance