



Joint Legislative Committee Hearing on Education Funding, Act 127 and the FY2025 School District Budget Development Process

Testimony of Julie Regimbal, Superintendent of the Missisquoi Valley School District

January 25, 2024

The Budget development process under Act 127 implementation

Thank you for the opportunity to share the experiences of the Missisquoi Valley School District while navigating the budgeting landscape under Act 127. I serve as superintendent of The Missisquoi Valley School District. We are a merged school district that came into existence on July 1, 2019. Our district comprises the towns of Franklin, Highgate and Swanton. We have just over 1800 students who attend 3 PK-6th grade schools and then attend grades 7-12 at MVU Middle-High School.

It is my intent to provide testimony on the impact of act 127 and other recent changes to educational finance on our district's budgeting process. As of this writing, the MVSD board has not yet adopted a budget for FY25 due to the uncertainty surrounding this issue.

To begin, every school district in Vermont is contending with this budget season under very different circumstances. There are multiple factors impacting each school differently above and beyond the change in weights. For example MVSD:

- has an enrollment that is increasing steadily, not declining
- is advantaged by the change to Long Term Weighted Average Daily Membership
- is significantly advantaged by the new direct certification medicaid reporting impacting Free and Reduced Lunch and that change is a much more accurate reflection of our community demographics
- is advantaged by the changes to Act 173 and the revenue required to support the needs of our most struggling learners
- has planned since the beginning of the ESSER grant allocations to apply those funds strategically over time and not face a funding shortfall at their expiration

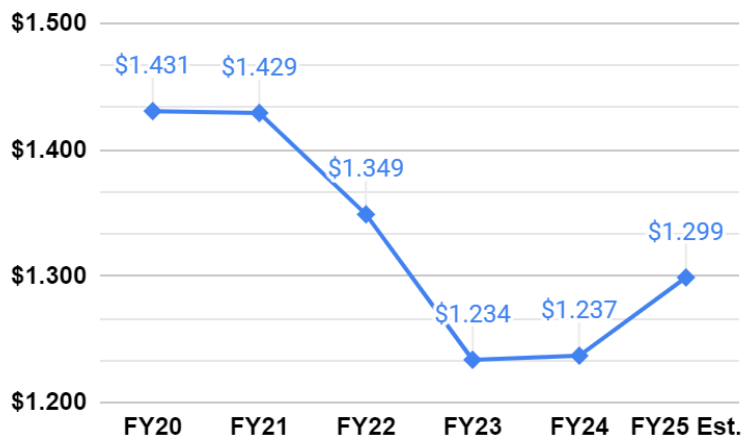
MVSD is a historically low spending school district. Our spending per equalized pupil has always been well below state average and is estimated to be below average in its spending per LTWADM.

Our district has set goals over the past five years to improve learning and improve learning environments for our students. We have a commitment to improve the competitiveness of our negotiated salary and benefits for teachers and staff as we know that attracting and retaining high quality teachers is key to improving student performance.

We also have a commitment to a multi year capital plan with a multi pronged approach to funding the necessary improvements to [our facilities](#).

Our board has examined our needs and had planned to utilize the caps under Act 127 to build capacity in our district to address both of these goals. The “jump” in capacity will only happen in this first year. This has allowed the board to plan for capital improvements, while creating a new expenditure budget baseline that can be allocated to salary and benefits in future budget years.

This approach will still result in estimated tax rates (even without the 5% cap) that are lower than our tax rate at the time of the merger. MVSD has been and continues to be a fiscally responsible district.



Additionally, as to the intent of ACT 127, the purpose of the law was to shift tax capacity and create greater equity for students. It was made very clear that schools advantaged by the shift in weights should not look at Act 127 as an opportunity to cut taxes but to build budgets that reflect the true needs of their students. The cap system has incentivised districts like ours to build that capacity in a single year, rather than over time. There was an “off ramp” for those losing tax capacity, yet no “on ramp” for those trying to build it.

Finally, it is my hope that you will allow the current budget season to continue without changing any circumstances that responsible boards considered in their budgeting process. It was always the expectation that the first year would be challenging and over time the changes in weights and spending will smooth out and balance given time. Should you feel compelled to act this year, I would ask that you consider the needs of schools who are trying to build capacity and gain equity in education spending.

Thank you.