

VERMONT ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

www.vasbo.net

Senate Committee on Finance

January 11, 2024

My name is Morgan Daybell and I am the President of the Vermont Association of School Business Officials, and the Business Manager for Franklin Northeast Supervisory Union. Thank you for your time today.

I will reference specific changes as they are playing out in my two districts, both that are benefitting from the more accurate pupil weights under Act 127, as well as from the changes under Act 173. I can say with confidence that my colleagues across the state, no matter how they are impacted by these two laws, are facing similar budget pressures.

Existing Staffing Costs: Our district has one of the lowest teacher salary scales in our region, and is within commuting distance of one of the highest paying districts in Vermont. In recent negotiations we have been working to close the gap with higher-than-normal settlements. This has been coupled with high inflation and fewer people looking to work in schools. Because of how contracts are bargained, our settlements, designed to catch up to the rest of the state, are then used as comparables to drive up the settlements in the districts we chase. As a rural district where qualified candidates are already hard to come by, we remain a farm team for schools just one county away.

Health Insurance: Health insurance costs rose more than 16% this year, the second year of double-digit increases. Health insurance spending is up over \$730,000 across my districts, and health insurance makes up roughly 11.5% of our overall budget. This trend impacts all districts. While statewide bargaining means that districts are no longer negotiating against each other, we have seen overall costs increase dramatically.

Loss of ESSER funding: We as a system, and as a State, have long seen the coming of the FY25 ESSER cliff. Most districts across the State still face challenges from the pandemic. We planned to move at least some of these positions from ESSER to our local budget to coincide with Act 127. Statewide, positions piloted under ESSER are considered necessary, as we continue to work on addressing the lost learning opportunities and increased mental health needs that started in 2020.

Mental Health: Schools dedicate significant time and money addressing the mental health needs of students and families. These needs have risen sharply over the past four years, while at the same time the capacity of the mental health system has dropped. Public schools can't turn away students when their needs are "too great," we keep them in our schools, and hire what supports we can. Outside placements for our students with the highest needs have all but dried up. Over

VERMONT ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

www.vasbo.net

the past few years, we have hired two additional school psychologists, five family engagement coordinators, two Assistant Principals, behavior analysts, and an SEL Coordinator. Several of these were funded through ESSER, and are moving next year into local budgets. For FY25 we are adding another behavior analyst, a therapeutic social worker, another family engagement coordinator, and another Assistant Principal. All of these, directly or indirectly, are time spent trying to make our students more available for learning, rather than on academics.

This budgeting season is further complicated by two additional factors:

Act 127: Districts like mine were intended to use the additional capacity under Act 127 to serve those students represented by the greater weights. To some extent we are doing that; we are hiring a second EL teacher for FY25. However the money not raised in districts with the tax rate caps must come from somewhere else. If this is done through a lower yield rate, the costs of those caps will be passed on to non-capped districts, in many cases those same districts that Act 127 was supposed to help. I do want to stress that I have not heard anyone question the intent of Act 127, or the logic behind the new weights, or the reasons that some districts needed more than a year to adjust to the changes. But the cap, and how it is funded, does appear likely to have an unanticipated effect.

Common Level of Appraisals: There has been a lot of discussion that the tax rate increases are “due to” the CLA. As you all know, the CLA doesn’t change costs, but rather changes how as a State we divide out those costs. That said, the CLA adds a lot of uncertainty and confusion to a system that already confuses most. We have to explain to voters across our towns why the tax rate we talk about is different than the tax rate that they see on their bills, and why tax rates from two towns in the same school district can be so wildly different from each other. We know, and can explain, the answer, but this still leads to distrust of the fairness of the system, and takes away attention on what is actually in our budgets, and why.

Applying the CLA to property assessments on tax bills, rather than education tax rates, would not change the amount of money raised, but would take away a significant point of confusion in the discussions we are having.