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House Ways & Means Committee and House Education Committee Testimony (School Budgets)

Lynn Cota, Superintendent

Franklin Northeast Supervisory Union

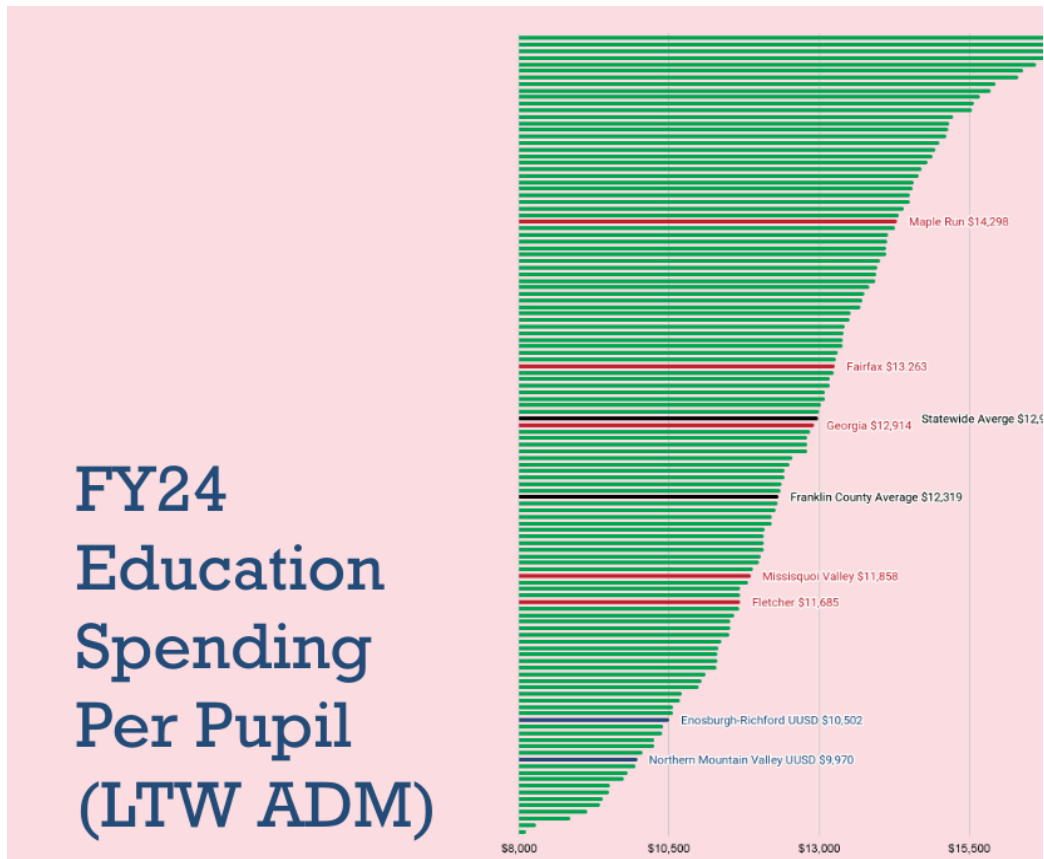
March 14, 2024

For the record, my name is Lynn Cota. I serve as the superintendent of the Franklin Northeast Supervisory Union, the community I grew up in and have spent the last 29 years serving as a teacher, school principal, and now superintendent. Under Act 46, my five-town Supervisory Union's boundary line was adjusted and we gained a sixth town. In our Supervisory Union the six districts were merged and split into a two district side-by-side structure.

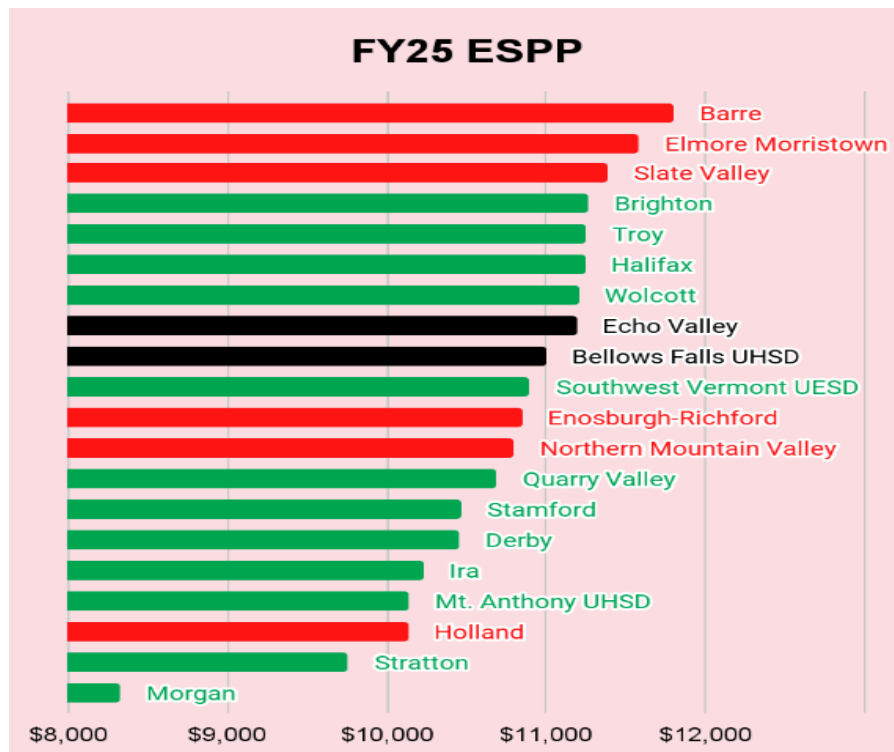
The Northern Mountain Valley UUSD (NMV) operates schools in grades pk-8 and tuitions high school students in the towns of Bakersfield, Berkshire, Montgomery, and Sheldon. On Town Meeting Day, the NMV budget was defeated 499-548.

The Enosburgh-Richford UUSD (ER) operates schools in grades pk-12 in the towns of Enosburg and Richford. On Town Meeting Day, the ER budget was defeated 272-458.

I would like to give you some context about the ER and NMV per pupil spending compared to other districts throughout the state. In FY24, our districts were the 12th and 18th lowest spending in Vermont. Our spending is reflected by the two blue lines in this visual. The two black lines reflect the Franklin County and the statewide average which we have historically been far below. The red lines reflect other systems in Franklin County.



The next visual I'd like to draw your attention to reflects FY25 per pupil LTWADM for the budgets of the projected twenty lowest spending systems in Vermont per recent AOE data. The green reflects budgets that were approved. The red reflects budgets that were defeated. The black reflects budgets that have not yet been voted on. Had our two district budgets been approved as warned, we would have dropped to the 9th and 10th lowest spending districts in Vermont. It's important to understand that below us are four non-operating districts (Morgan, Stratton, Holland, and Ira). Also below us are four operating districts with passed budgets (Mt. Anthony, Derby, Stamford, and Quarry Valley).

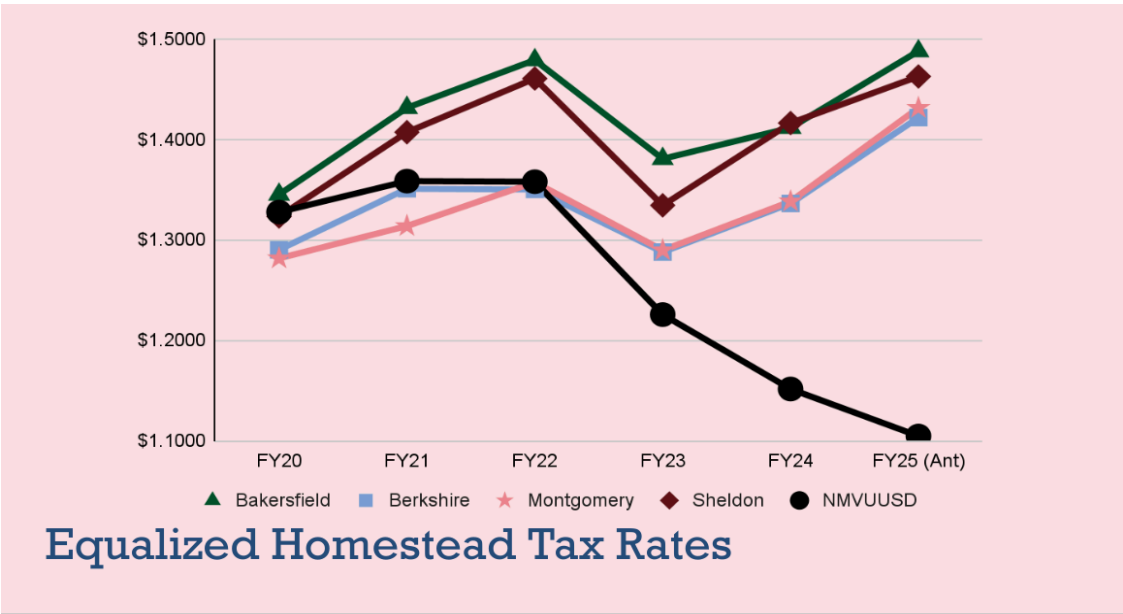
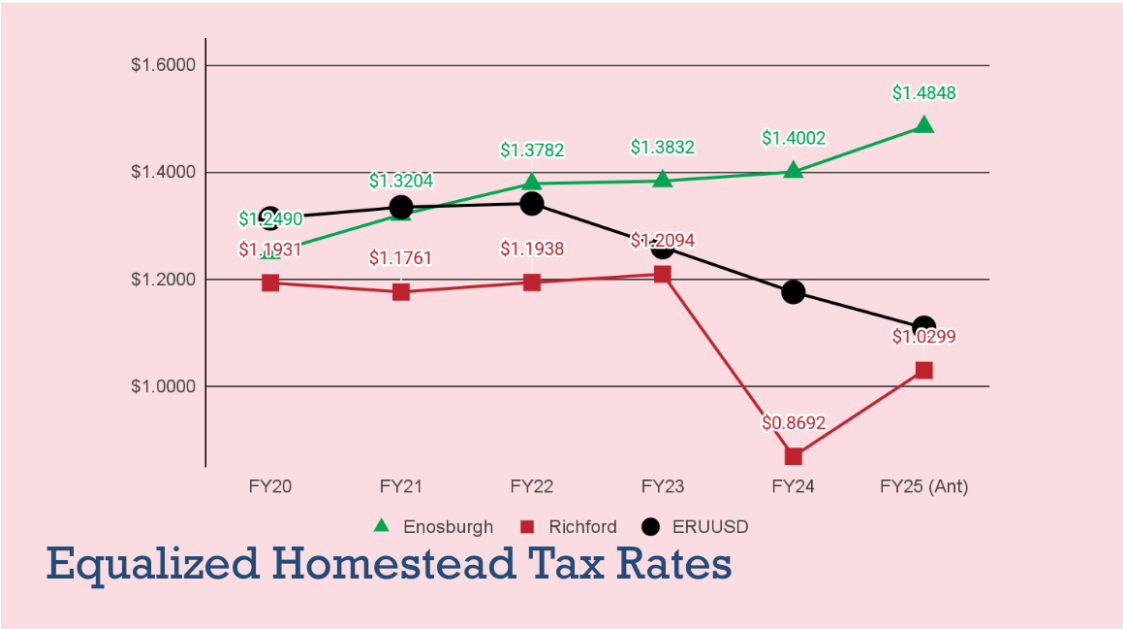


In the days ahead we will continue to work to develop our next budget proposals for consideration by our voters. All our boards have recently met to discuss budgets and plan to finalize some of the cuts in the next week. Some of the things under consideration include: the elimination of a Human Resources assistant position, a reduction in FTE of an assistant curriculum director position, a decrease in our after school program funding, the elimination of our K-6 fully virtual Flexible Pathways Academy, and the boards are also considering reductions in positions at the school level. Some include new positions that were budgeted, some are increases in FTE that were contemplated in our warned budget, and some are reductions in FTE at the school level, and boards may choose not to fill some other open positions. Because all but one of the districts below us have approved budgets, any cuts we make will drop us closer to the bottom in terms of per pupil spending. Right now, it feels as though our communities are in a race to be the lowest spending districts in the state.

As our school district boards make tough decisions about budget reductions, we have to walk a delicate balance because as spending in other districts throughout the state decreases, the yield will go up, which will drive our tax rates lower. Where that yield will land will remain a mystery to all of us until it is set by the legislature at the end of the session. For the first time ever, we are educating our boards on the potential for them to cut budgets to the \$1.00 floor, below which further cuts can't lower their district tax rates. In theory, if the boards cut too deeply they'll be eliminating resources without any further impact on the district tax rate. We'll just be sending that money back to the state education fund.

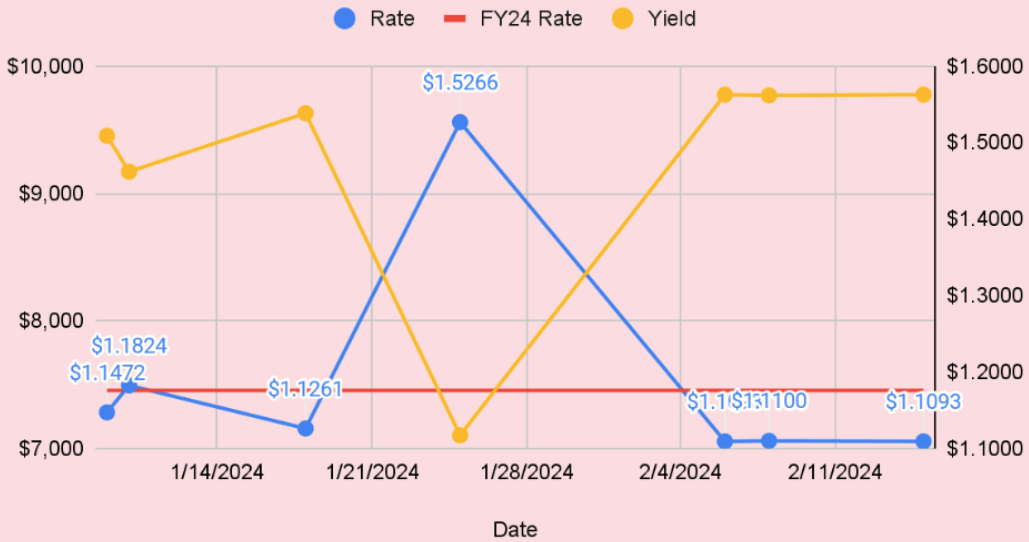
The statewide narrative of out of control spending, pushed by the Governor, local media, and now some legislators, is being applied to our budgets by our voters. They do not understand that the intent of Act 127 was to encourage communities like ours to use the additional capacity we gained from the pupil weights to create opportunities for our students. In terms of the statewide education fund, Act 127 resulted in our ER schools in theory having access to 10% more of the education fund and our NMV schools having access to 15% more for the same tax liability in our communities. Unfortunately for our students, families, and educators that is not how this will play out in our districts.

Our district tax rate is lower now in both districts than it was six years ago, as reflected in these visuals. The actual tax rate voters pay, after the Common Level of Appraisal is applied, in all communities is significantly higher than our district tax rates because of the impact of the increasing property values in all communities, except Richford. The CLA as a factor in the education funding formula is incredibly challenging for taxpayers to understand.



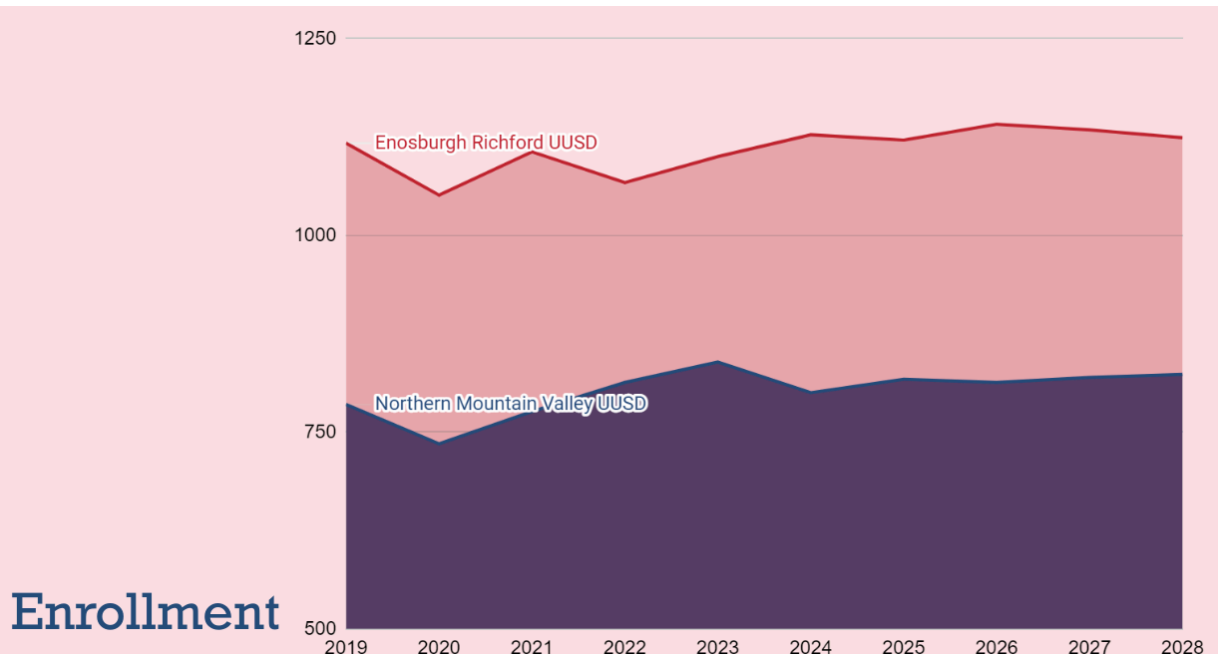
This year was like no other, in terms of the school budgeting process. The next graph reflects the impact the changing yield had on projected tax rates in the weeks after warning our budgets and before Town Meeting. We warned budgets in early January and watched our anticipated district tax rate vary wildly due to the changes in the anticipated dollar yield over the course of a four week period. As you can see, just prior to H.850 the impact of the 5% tax rate cap drove our anticipated tax rates up nearly 40 cents. The elimination of the cap by H.850 increased the yield and drove our tax rates back down. We changed nothing in our budget over that period of time, and watched the impact of our projected tax rates vary wildly.

Rate and Yield



Our communities think we are overspending on education because that is what the statewide narrative is. At the same time, they want better outcomes for our students. Quite frankly, so do I! I was raised here, my four children have graduated from FNESU schools and my oldest grandchild, Lucy, is now in preschool in one of our schools. I want her, and her little brother, to have opportunities that will prepare them for the vastly different futures they will experience when they enter the workforce in eighteen or twenty years. Under the current funding model, I fear that we will struggle to afford them, and other students in FNESU, the level of learning opportunities they deserve.

In FNESU, our student enrollment continues to buck the declining enrollment trends that communities in other parts of the state have been contending with. Our enrollment has remained



stable, with the exception of the pandemic dip in 2020, and is actually continuing to grow. Compared to other systems, FNESU is the 13th largest system in Vermont.

In FNESU, we are feeling the effects of the educator workforce shortage. Geographically, we are tucked into the Northwest corner of the state. We have three border crossings within our SU boundaries. Our location creates some additional challenges when it comes to recruiting new educators. As we all know, fewer and fewer people are choosing to enter the education workforce. When we work to recruit educators to FNESU, it is not uncommon to have three or fewer, or even zero candidates for those positions. Our reality is that 6% of our teachers are on emergency licenses and 24% of our teachers are provisionally licensed. In many cases, the candidates we have are people who are not formally trained and not traditionally licensed. It is not uncommon for us to hire people who have a bachelor's degree in an unrelated field and have them learn how to be a teacher while they are teaching. We employ instructional coaches who support these new educators and coach them into the teaching role while they earn their certification. This creates additional challenges for us in terms of working towards better student outcomes for all our learners.

We have some fantastic teachers in FNESU and they work incredibly hard to support the needs of our learners. Unfortunately, teacher retention continues to be a challenge for us as well. We have worked hard to increase our teacher compensation to be more competitive with our neighbors. The reality is that whenever we make a step forward with our salary, others around us at least match our percentage increase. If we use one of our neighboring districts in Franklin County by way of comparison, in FY 24 their per pupil spending was \$4,328 more than our lowest spending FNESU district (NMV). We lose our veteran teachers to this district regularly because of the significant difference in compensation. As much as we try to close the gap, absent a statewide teacher contract, we will continue to take steps forward which will then get matched by our neighbors with their additional spending capacity.

If we want better outcomes for our students, and we want schools to take on the added responsibility of providing more services for students, and we want schools to spend less, then maybe it's time to look at our education delivery system. The reality is that even after Act 46, we still operate a lot of schools and systems in Vermont. In Vermont, we operate nearly 300 schools. In FNESU, with the exception of our CTE center, our smallest school serves just under 150 students.

- 93 schools in Vermont are smaller than FNESU's smallest school
- 69 of those schools serve fewer than 100 students
- 17 schools serve fewer than 50 students
- 4 schools serve fewer than 25 students

The reality is that no community wants to make the decision to close their school. Most people don't understand that Vermont has a statewide funding system for education. There is tremendous pressure on our public education funding system. If nearly 25% of the schools we operate in Vermont serve fewer than 100 students, I don't know how we can focus on the funding

system without looking at the education delivery model. If we decide to look at our education delivery model, those decisions will need to be made at the state level.

Finally, we can't talk about education funding without talking about mental health. I feel compelled to point out that our schools are contending with unprecedented levels of students with complex mental health challenges while we are seeing an extraordinary scarcity of resources from our local mental health and social services partners. The reality is our Vermont Education Funding system is disguising the true cost of mental health, social services, and other costs in our state. Out of necessity, school systems are building those resources into our public school. Our responsibility is to serve all our students and we are the one system that cannot turn students and families away because of the intensity of need or our limited staffing capacity. As we examine the burgeoning education fund, I think it's important to remember that in reality this is no longer solely the education fund. It represents funding for many other things like mental health, social services, universal school meals, afterschool funding, early college, dual enrollment, PCB testing and remediation, radon testing, lead testing, tuition to private schools, and tuition to religious schools. Yesterday, [VT Digger reported](#) that in the 2022-2023 school year, we paid just over a million dollars in tuition to religious schools out of the education fund.

Not only is it time to examine how we fund education in Vermont, it's time for us to define what our vision for Vermont's public education system is. We need to examine what we want for all Vermont students and then we need to create a strategic plan for how we get there. It is imperative that we are deliberate in designing a statewide system that is student centered and future focused in terms of what skills our students will need to succeed in our rapidly evolving world. Finally, we need to ensure that the solutions we come up with meet the constitutional requirement for equal access to funding for all Vermont students under the 1997 Brigham decision.

Thank you for the opportunity to speak with you today.