

## **Testimony to the Senate Education Committee Concerning the Allowable Growth Provision of Act 46**

My name is Debra Taylor and I serve as Superintendent of Rutland Central Supervisory Union and President of the Southwest Vermont Superintendents Region. I have held my current position as superintendent for five years, and a total of ten years in Vermont. In my career I have been teacher, director of special education and curriculum as well as building administrator. I am well acquainted with the challenges we face and keenly aware of the need to address school spending.

I commend the rapidity with which you are addressing this issue and appreciate the opportunity to provide testimony today. School Boards in Rutland Central Supervisory Union are also aware of the need to address school spending. In fact over the past several years, reductions have been enacted in all of our districts to ensure that spending levels are modest, while attending to student needs, contractual obligations, and cost drivers such as health insurance, operational expenses and state and federal requirements. Our school boards are good stewards of our community's resources.

Of particular concern is that it appears that the allowable growth targets in Act 46 were only added in the late hours of the 2015 session without sufficient vetting. The result was a range of targets based on one year's data which froze the normal variations in school spending. A multi-year base would have been a more valid measure.

In addition, towns with predetermined or less controllable expenses (tuition towns, multi-year staff contracts, variations in local revenue and socio-economic circumstances) are square pegs in the round hole of the Allowable Growth targets.

Because of this provision, towns will be subjected to different tax rates for the same spending level, calling into question the constitutionality and basic fairness of the provision.

Thorough review and implementation work with the Allowable Growth Provision have caused me to conclude that it is arbitrary and does not take into account the year to year variations in the complex school budgeting process. Allow me to elaborate through the following examples:

1. Proctor School District. K-12 with 288 equalized pupils, has an allowable growth rate of 1.9%. However, average spending over the past three years has increased only 1.5%. Meanwhile, local revenue has decreased an average of 3% per year. The average three year increase in education spending has been only 1.3%. Proctor has maintained these modest

increases through careful planning and precision in their budgetary process. The impact of the AGP target is nearly \$200,000. in reductions which will result in a decrease in education spending of \$78,000, or a 1% reduction in overall education spending below FY16 levels.

2. West Rutland School District, K-12 with 330 equalized pupils, has an allowable growth rate of 2.17%. Here average spending over the past three years has increased only 2%. Over this time period, on average local revenue has increased 5.7% and education spending has increased 2.75%. West Rutland maintained these modest increases through careful fiduciary planning. In spite of this, the impact of the AGP target is to cause further reductions of \$185,000 permitting an overall education spending increase of \$22,900 or .5%, one half of one percent over FY 16 education spending.
3. Rutland Town School District, K-8, secondary school choice, with 528 equalized pupils, has an allowable growth percentage of 2.72%. Here, the average spending increase over the past three years has been .78% - less than one per cent. On average local revenue has increased 2.5% over the past three years and education spending has increased only 1.6%. However, this year local revenue is projected to decrease by 17%. In addition to the decline in local revenue, there are substantial increases in regular and special education high school tuition. Compounding this is the additional \$250,000 reduction in education spending required to meet the AGP target. As described above, Rutland Town has maintained modest increases through reasoned planning and thoughtful decision-making. The confluence of significant reductions in local revenue, increased high school tuition and special education expenses and the further reductions expected by the allowable growth provision have created a perfect storm.

Town meeting and school votes are pending and correcting the arbitrary unfairness of this provision, as illustrated in the examples cited, is the better option than continuing an unfair system. While the 0.9% solution does address a major cost driver, health insurance, it is not sufficient to address inherent inequities.

Cost-savings and efficiency are explicit goals of Act 46, however, these goals are obliquely addressed through the Allowable Growth Provision.

Consequently, I recommend that the General Assembly place the allowable growth provision on hold and work during this legislative session to define the expenditure problems and construct fair and equitable solutions to educational cost concerns.

Rutland Central Supervisory Union is currently engaged in an Act 46 unification study. However, despite our size, there is no clear path to unification due to the requirement that supervisory districts include only one delivery model.

While we have centralized all required services and even included others such as technology, we do not qualify for unification. Therefore increased tax incentives and decreased penalties are not available to us. This, in and of itself, creates inequities.

While my purpose today has been to address the Allowable Growth Provision of Act 46, I strongly urge you to make the necessary corrections to the unification aspects of the law to allow large supervisory unions with varied delivery models within geographic proximity to become unified in governance in response to the goals of Act 46 addressing further increased educational opportunities at a cost our communities can afford.

Geographic proximity is essential to meet the goals of Act 46. In central and southern Vermont, the composition of supervisory unions is varied - most including a combination of tuitioning and K-12 school districts. The common delivery model requirements of the current law are impediments to unification. I support the pending bill, S. 249, which would permit K-12 and tuitioning school districts to form one unified governance structure.

(See-S.249 - An act relating to the authority of a unified union school district meeting certain conditions to operate a school and pay tuition. Sen. Westman, Sen. Collamore, Sen. Flory Proposes to allow a unified district to both operate and pay tuition)

Thank you for your consideration.

Respectfully submitted,

Debra Taylor, PhD.

Superintendent

Rutland Central Supervisory Union

[debra.taylor@rcsu.org](mailto:debra.taylor@rcsu.org)