

FRANKLIN NORTHEAST SUPERVISORY UNION
MEMO From the Desk of Jay Nichols
Superintendent of Schools
Serving the School Districts of:
Bakersfield, Berkshire, Enosburg, Montgomery, Richford

DATE: 3/11/15

TO: Senate Education

FROM: Jay Nichols

SUBJECT: Binding Arbitration/ Senate Education Committee Testimony

Good afternoon, my name is Jay Nichols; I am the Superintendent of Franklin Northeast Supervisory Union serving the communities and schools of Bakersfield, Berkshire, Enosburg, Montgomery, and Richford. We are one of the lowest spending Supervisory Unions in Vermont.

I am opposed to binding interest arbitration as a requirement to resolving collective bargaining issues. With declining enrollment, rising per pupil costs, an antiquated educational delivery model as real factors, we need to reinvent how we look at public education and the collective bargaining process. Binding interest arbitration serves to preserve the status quo, since arbitrators hesitate to recommend or mandate contractual changes. Why would we want to continue to be locked into the same old same-old that does nothing but exasperate the financial dilemma we are currently in?

Mandatory binding interest arbitration will also turn important decisions regarding wages/salaries, benefits and other contract issues over to neutral third parties that have no fiscal responsibility nor accountability to taxpayers and are generally unfamiliar with community issues. We have seen

through our current fact-finding process that third parties continually look at comparables in other counties in Vermont, Chittenden County, more often than not, in terms of other teacher union and local school board agreements as the only real comparable considered; a community's ability to pay doesn't enter into the equation.

School boards across Vermont are under tremendous pressure to contain and reduce spending while continuing to provide excellent educational opportunities for their students. 80% of school budgets are comprised of salary and benefits, which are established in collective bargaining agreements. If you really want to help this process then do something meaningful such as taking the cost of health care benefits away from local school districts and provide health care benefits at the state level. That would have some meaning.

With so much pressure on school districts in the areas of cost containment, school boards do not need to have their options limited by a process that, by design, discourages creativity. With binding arbitration as the end game, school boards will not pursue creative strategies designed to address the rising costs of health care in school district budgets. Again, it will be the same old-same old.

The General Assembly is actually looking at trying to fix our 1892 style delivery system that continues to contribute to rising costs and educational inequities for children and develop a delivery change that will make public education more equitable for children and affordable for taxpayers. But H.361 as currently drafted includes a 2 percent cap on spending; others are considering imposing tax penalties based on teacher-student ratios. These policy decisions have direct implications on collective bargaining agreements

and, ultimately, taxpayers. The 2 percent cap, for example, punishes lower spending communities such as those I represent. A 2% cap on South Burlington is a much higher number than a 2% cap on Richford, Vermont.

Compelling school boards to cut spending while tying their hands in their efforts to do so through the collective bargaining process is not acceptable. If you cannot do anything constructive during this session, please don't do anything that will cause greater harm to a system that is already unsustainable. Binding Interest Arbitration is detrimental to school boards and taxpayers.

Thank you for listening and your service to Vermonters.