

VERMONT PRINCIPALS ASSOCIATION: VPA Executive Director, Ken Page's Testimony on January 8, 2016 regarding the effect of The Allowable Growth Threshold on proposed school budgets

Thank you for giving me the opportunity to speak with you today about the effect of the Allowable Growth Threshold and, in particular, to share some views from principals about how this will affect education in their schools.

As you know from previous testimonies, I try to reach out to the field to gather "on the ground" information before I testify in front of you. Knowing that I would testify today, I have asked school principals how this has affected their budget work on their FY 17 budgets. Given that they have just back from break, and that their plates are really full, some took the opportunity to respond. I am providing you with the link below so you can read the entire compendium of comments I received from school principals.

I want to add that I realize that budgets are ultimately owned by school boards and communities. When I was principal, I learned not to take budget cutting personally, to advocate for the actual needs of our school and to follow the directions of my superintendent. I certainly don't mean to indicate that the school principal is the only one affected here. Superintendents, school boards and other concerned and involved citizens have all worked very hard to craft school budgets that comply with the law and stay under the threshold.

But, I must tell you that this has been a most confusing and contradictory exercise. For many, crafting a school budget to meet the Allowable Growth Threshold has been a very frustrating experience. Some principals, superintendents and school boards have participated in the dismantling in one year what they have carefully developed for many years. However, to be fair, for a few school districts, particularly those who have fund balances, who have paid off their building bonds, or who have increased revenue because of enrollment increases, meeting the threshold was possible to accomplish without severe cuts in personnel or programs.

So, I come before you today to give you some real time information from principals. How has the Allowable Growth Threshold affected school budgets? Here's a sampling of comments from school principals. Please note that the full compendium of comments from almost 40 school principals that can be accessed at this site: <http://bit.ly/1JV5RLI>

- **The act 46 threshold discussion is surely warranted and has forced a closer inspection of our spending; but, at time when we are moving towards raising post-secondary aspirations and installing PBGR, it is unnerving to think how debilitating these cuts will be;**
- **Spending caps do not have much tolerance for the unexpected. For example, if we suddenly see 10 secondary students move into our district over the summer, which happened two years ago, then our FY18 budget is all but doomed long before we even write the budget;**

- In the end, the AGT will serve as a detriment to our students, academically and socially, and leave schools ill equipped to contend with intensifying student needs, unexpected physical plant challenges, and mandated remediations;
- I had to reduce both art and music to .4 and cut mental health clinician completely, reduced school counselors to .6, cut a .5 custodian, reduced IT to .8, reduces K-6 remedial math teacher's time to .5, cut individual classroom budget to \$0.00, cut all dues fees of professional organizations, cut fuel budget, cut the roof fund, all professional development dollars, all food and refreshments, cut extra curricula...thespian club and cross country, cut technology equipment to prepare for our 1:1 initiative and replacement computers, etc. by \$19,000, cut stipend out for assistant principal, and cut \$20,000 for new math curriculum and training to align with CCSS;
- We are continually mandated to do more in schools (this year it was personal learning plans) with no thought to the cost to schools. Additionally, mental health continues to be a pervasive issue throughout VT and we are sorely short on resources both in and out of school to support students and families. This cap has done nothing to improve the learning of students nor to meet their mounting needs;
- The spending cap is also mitigating the ability of our educational support system to support our students with intensive needs;
- This component of the legislation has placed significant strains on the process of responsibly crafting a student-centered school budget;
- The imposition of the Allowable Growth Rate is taking away our ability to work with local boards and communities to develop fiscally responsible yet educationally sound budgets;
- For the past 3 years our school has had less than a 2% increase. Last year we had a fund balance of over \$100,000. Our town and school board opted to give that money back to the taxpayers lowering their taxes by \$0.03. This year we have an increase of 4.5% and because we don't have the revenue to offset the \$100,000 we had last year, the town will be penalized and the tax rate will go up \$0.05. It seems ridiculous to think that we are being penalized for having an increase at less than one percent;
- To meet this cap mandate I have needed to cut my school budget by 17% for the 2017;
- Reducing my budget by 1.2 million dollars will directly impact our ability to meet the demands of Act 77 and the Educational Quality Standards. It also serves to distract the entire school community from the ongoing discussions about consolidation. More importantly, it will devastate the communities served by our school;
- We had to use 100% of our fund balance from last year. These funds would have been used on our urgent facility needs. If a facility emergency occurs (which is likely as our building is in great need of repair), we will have to take out an unplanned loan that could substantially impact any current or future budget. In addition, we have staff who are taking leaves of absence for one year. This will reduce costs now, but these expenses will return next year. Our budget was finalized last night... too late for us;

- As part of the initial pilot of the state-sponsored Integrated Field Review the MTSS work was highlighted as a strength. These systems and efforts, however, will be largely extinguished with the allowable growth threshold;
- We have had to eliminate a .6 FTE Literacy Teacher/Coach to be under the cap. This position has been an integral part of our MTSS system to support all students and to support literacy early on in our school. The loss of this position moves us towards the dependency of special education. Positions like this (seen as luxury) have historically supported students and reduced the pipeline to special education;
- What this means for us is close to \$700,000 in cuts. These are very real numbers, this will mean 7.5 FTE in staff reductions (teachers, paras and administration) not to mention the cuts in program budgets (textbooks, supplies, etc.) For a high school located in NEK (highest unemployment, high poverty, etc.) this will truly impact delivery of educational services;
- The Allowable Growth Threshold is like using a chainsaw when a scalpel is needed; it will get the job done, but the collateral damage will be debilitating.

Let me stop the details and get to my main points:

First: a couple of questions: Have we clouded the issue here and made it even harder to reach our primary goal? Specifically, isn't the Allowable Growth Threshold really just a single short-term, statewide imposed fix for what really is a long-term, local-control problem that affects school districts differently depending on circumstances? And if the answer to the question is "yes" why are we holding fast to the threshold? Overall, don't we all want governance reform with slightly expanded governance units to insure we have more opportunities for kids and to enable our students meet school quality standards from now on?

So, while we are at the very beginning of a major governance change, the very time when we should be imagining the possibilities of new collaborations, we have used a "choke hold" on local budgets thereby crippling them, resulting in less opportunities for kids and less of a chance that they will meet school quality standards.

Clearly, this is not an auspicious way to move toward the largest governance change in Vermont in more than a century.

Instead of stirring excitement about the possibilities, the Allowable Growth Threshold has sowed doubt that any larger system could deliver such savings; in fact we unknowingly have supported the main argument of those Act 46 critics who feel that any larger system will ever be able to deliver quality education for our children at an affordable cost to taxpayers.

This past summer, I had the opportunity to sit in on the initial discussions at 2 Prospect Street with almost 30 teams of board members and superintendents who came together to understand how to get started on their Act 46 journey (*Thank you to Jeff Francis for all of your work to get the ball rolling on this*). For some, there was excitement in the room at imagining new possibilities, thinking about tax savings, thinking about opportunities for

their kids and sustainability for their systems. In December, I was present at the State Board of Education meeting at Mill River Union High School, when three groups had their plans approved by the State Board of Education. Again, there was excitement at the possibilities of collaboration.

But... that was THEN, and the Allowable Growth Threshold and finalizing school budgets is NOW.

I know you are all keenly aware of the problem, since you discussed the so-called caps when you deliberated last session. I also know that all of you are deeply committed to governance reform. In the final go round, I believe that we will be more likely to move ahead with governance reform, which includes improved quality, equity and sustainability for students, when we all can re-commit to the goals of Act 46. As one principal wrote:

Personally and professionally I believe that the legislature never clearly set out the two most important objectives for consolidation: cutting education costs WHILE improving student opportunities. Without clear objectives this movement has quickly gone astray.

My plea is that you “keep your eyes on the prize,” that you consider repealing (or at the very least delaying) the Allowable Growth Threshold to keep the momentum of school district governance discussions going, and that you let the newly-formed governance units work to identify and develop efficiencies as they see fit. To simply tweak the Allowable Growth Rate by not counting health care benefits, and to hope that this will position us well for meaningful governance reform in the next few years, is both confusing to the public who are rightfully proud of Vermont’s educational accomplishments, and overall, is harmful to the education of Vermont students.

Let me be clear: The Vermont Principals’ Association strongly favors repeal of the Allowable Growth Rate now, so that school budgets can be finalized, so that governance work can advance and so that importance school initiatives such as universal preK education, dual enrollment, personalized learning plans and proficiency-based learning, all which are just getting started, and can continue and flourish. Thank you.