

19 School Districts without FY21 Budgets

*House Education Committee Testimony
May 15, 2020*

*Vermont School Boards Association
Vermont Superintendents Association
Vermont Principals' Association*

Sue Ceglowski, Executive Director, Vermont School Boards Association
Jeffrey Francis, Executive Director, Vermont Superintendents Association (VSA)
Jay Nichols, Executive Director, Vermont Principals Association
Chelsea Myers, Director of Communications and Professional Development, VSA

Thank you for the opportunity to speak with you again today about the nineteen school districts without approved FY2021 budgets. We recognize the complexities of this issue, which are amplified by Vermont's navigation of the COVID-19 crisis.

For these nineteen districts, the challenges facing public schools resulting from COVID-19 are more ominous than those confronting the nearly 100 districts with approved budgets.

We have held a series of four meetings since early April with superintendents and school board chairs of the affected districts. The meetings have tracked the evolution of the policy discussions around the fate of these districts and the students and communities that they serve.

In the immediate aftermath of the closing of schools and the worsening news about the implications of COVID-19, we heard from school district officials serving districts without authorized FY2021 budgets with three principal concerns:

- 1) Whether and when they could bring proposed budgets to the electorate for a vote
- 2) Whether economic conditions would create a less favorable environment for achieving approval of the proposed budget
- 3) How they could sufficiently respond to the challenges of serving school children through the COVID-19 crisis and beyond if they were operating without an approved budget or with a budget insufficient to respond to known and anticipated needs

After considering the factors above, our Associations introduced a concept that would see legislative authority granted to districts that were unable to secure voter approval granted FY2020 education spending plus an inflationary factor. The factor suggested was 4%. Overall, for the districts with FY2021 approved budgets the education spending increase is 4.7%

This committee is familiar with what has transpired since. The concept outlined above was not favorably received in the Senate Education Committee which has proposed granting districts unable to get a budget approved spending authority equal to FY2020 education spending. Districts could continue to vote until a budget was secured.

This Committee and the Ways and Means Committee discussed the issue and proposed several options - the central feature of which was to authorize education spending equivalent to that indicated by the district board.

Other options, including staying with current law have been discussed.

How this matter will be resolved, or if it will be resolved, is unknown.

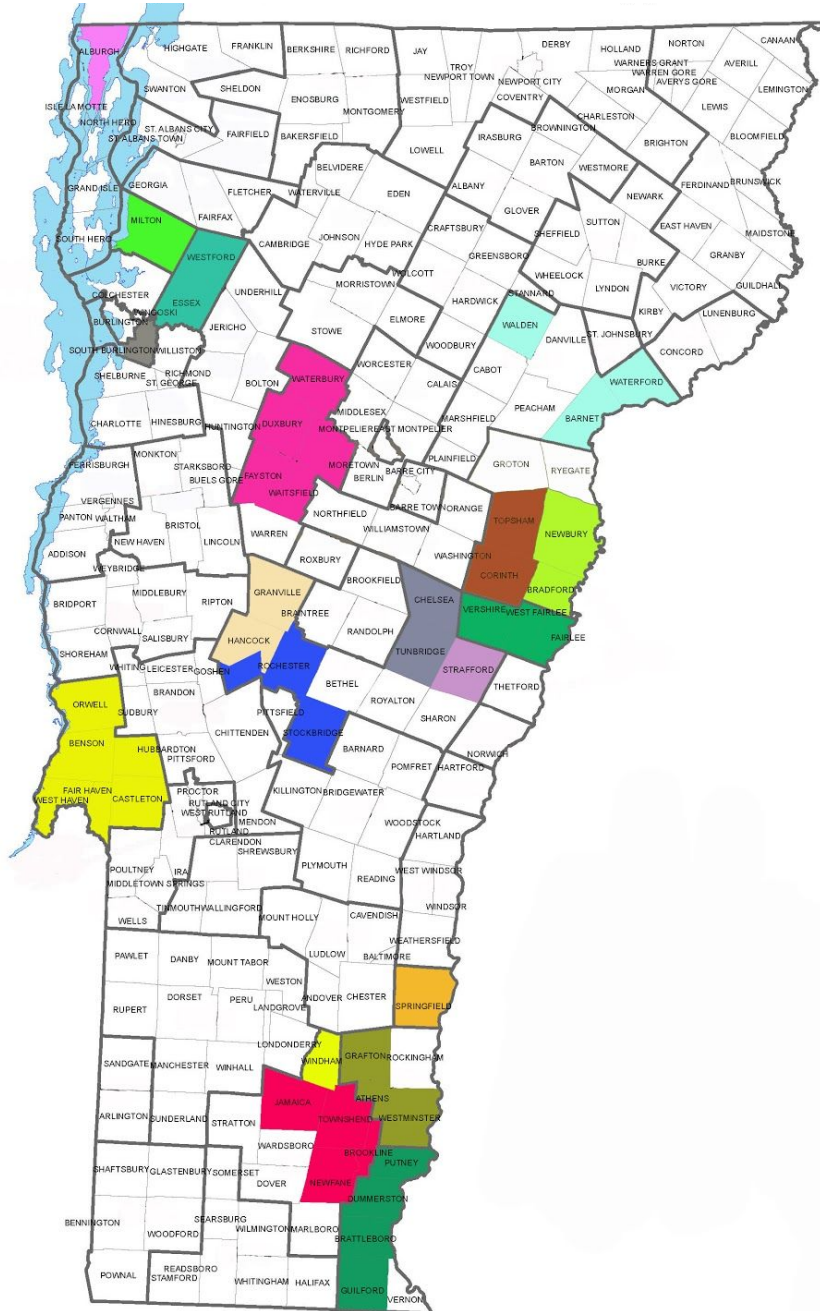
In our testimony today, we hope to achieve the following objectives:

- 1) We want to convey the commitment by the districts to secure voter approval for a FY2021 operating budget. Each district has a vote planned for prior to June 30.
- 2) We want to let you know that each district wants to see this matter brought to resolution. They have serious business before them, and they would like this matter settled.
- 3) We wish to convey that not all districts view this issue the same way. Several districts would be satisfied with FY2020 education spending because their circumstances result in that amount being sufficient. Some districts would accept FY2020 education spending because they believe that in light of current economic and political contexts, that may be the best that they can do - those districts would prefer an inflator of some type, however.. Most districts are hoping for something more than FY2020 spending authority because they understand, all too well, the impacts of using FY2020 resources to fund FY2021 obligations. Two districts have significant increases in equalized pupils and will need spending authority substantially greater than the FY2020 spending amount. All districts are concerned about the future.
- 4) We want to convey some examples of the detrimental effects of FY2020 resources as applied to FY2021 COVID-19 Era needs and general operating requirements.
- 5) We want to convey that we believe strongly that with an uncertain future - economically, educationally, politically - these districts need a starting point that puts them on level footing with counterpart districts as we begin a navigation of unprecedented challenges.
- 6) And, we want to raise for you some observations about implications of recent policy requirements of the General Assembly and the State that make the challenges for these districts even more formidable.

Thank you.

Where are the Districts?

The 19 school districts without budgets are diverse from a geographic, demographic, and fiscal perspective. They all want to enter the FY21 school year on the same footing as the systems that were able to vote ahead of the COVID-19 crisis.



Scheduled Votes

Superintendents and board chairs expressed a strong desire to bring votes to their communities if it is safely possible to do so.

FY 21 School District Budget Votes Scheduled. Listed by Date.

Voting date	SU/SD	School District
5/26/2020	Rivendell Interstate SD	Rivendell Interstate School System
5/28/2020	South Burlington SD	South Burlington SD
6/2/2020	Essex-Westford	Essex-Westford Educational Community UUSD
6/2/2020 - Tentative Date	Slate Valley	Slate Valley Unified SD
June 2, 9, or 16	Milton Town SD	Milton Town SD
6/10/2020	Windham Central SU	West River Modified Union Educational District
6/10/2020	Windham Central SU	Windham SD
6/16/2020	Springfield SD	Springfield SD
Mid-June - TBD	Grand Isle	Alburgh SD
6/20/2020	White River Valley SU	First Branch Unified SD
6/20/2020	White River Valley SU	Strafford SD
6/22/2020	Orange East SU	Waits River Valley Union SD
6/23/2020 - Tentative Date	Orange East SU	Oxbow Unified Union SD
6/30/2020	White River Valley SU	Granville-Hancock Unified District
6/25/2020 - Tentative Date	Windham Northeast SU	Windham Northeast Union Elementary SD
6/30/2020	Windham Southeast SU	Windham Southeast SD
Prior to June 30 - TBD	Caledonia Central SU	Caledonia Cooperative SD
Late June. TBD	Harwood Unified Union SD	Harwood Unified Union SD
June - TBD	White River Valley SU	Rochester-Stockbridge Unified District

Districts without Budgets

District budget proposals and the circumstances of each are unique.

District: Alburgh School District
Status: Budget did not pass
Date of Next Vote: Mid-June. Date TBD.
Superintendent: Mike Clark
Board Chair: Michael Savage
Number of Students Served: 230
District Free and Reduced Lunch Eligible: 78.85%

FY2020 education spending is \$740,000 less than Proposed FY2021 education spending.

Predicted type and scope of reductions in FY2020 if level funding is applied:

Because of an increase of approximately 40 more actual students which, with the formula for calculating equalized pupils, only increases by 23 equalized pupils it is not possible to meet the needs of students in an equitable way using only FY20 education spending. The Alburgh School District will continue to go to voters until we pass a budget that provides for educating students in a sufficient and equitable manner.

Professional assessment of the impact of the reductions:

The funding formula is working against Alburgh this year. The board's plan is to repeatedly go to voters for a budget, if necessary. I am unclear what will happen if Alburgh reaches the point we have spent 87% of FY 20 funds and still do not have an approved budget. If we reach this point I think we will have arrived at a point where students at the Alburgh School are not receiving an equitable education.

District: Caledonia Cooperative SD (Barnett, Walden, Waterford)
Status: No vote held before COVID-19 crisis
Date of Next Vote: Prior to June 30 TBD.
Superintendent: Mark Tucker
Board Chair: Heather Gonyaw
Number of Students Served: 413
District Free and Reduced Lunch Eligible: 36% - 47%

FY2020 education spending is \$610,984 less than Proposed FY2021 education spending.

Predicted type and scope of reductions in FY2020 if level funding is applied:

Can't cut staff - contracts are issued. All other discretionary spending - after-school programs, field trips, outside enrichment education, winter activities, sports, and episodic contractual services - will be gone. And we will still be in trouble.

Professional assessment of the impact of the reductions:

We rely on a number of these programs to provide support for needy families (after-school) and to provide an outlet for students (sports, etc.).

District: Essex Westford School District

Status: No vote held before COVID-19 crisis

Date of Next Vote: June 2, 2020

Superintendent: Beth Cobb

Board Chair: Martha Heath

Number of Students Served: 3,700

District Free and Reduced Lunch Eligible: 25%

FY2020 education spending is \$1,542,647 less than Proposed FY2021 education spending.

Predicted type and scope of reductions in FY2020 if level funding is applied:

We are past our RIF deadline for certified staff. Reductions would have to come from support staff positions being eliminated (very few are non-Special Education), leaving open positions vacant (i.e. Literacy & Math coaches, Social Emotional Learning Coaches), along with dramatic reductions across the board in extra-duty stipends, coaching stipends, extra- & co-curricular expenses, as well as deep cuts in non-personnel expenses (i.e. supplies, textbooks, field trips, library books, maintenance projects, technology purchases, etc).

Professional assessment of the impact of the reductions:

In a year when we'll certainly have more teaching and learning needs than we had even imagined in our budget development, we will have less resources to address them.

District: First Branch Unified School District
Status: Budget did not pass
Date of Next Vote: June 20, 2020
Superintendent: Bruce Labs
Board Chair: Kathy Galluzzo
Number of Students Served: Estimated 230
District Free and Reduced Lunch Eligible: N/A

FY2020 education spending is \$257,983 less than Proposed FY2021 education spending.

Predicted type and scope of reductions in FY2020 if level funding is applied:
Cuts at all levels (e.g. staff, operations etc.)

Professional assessment of the impact of the reductions:
It will hurt our ability to meet the needs of our students.

District: Granville-Hancock Unified District
Status: No vote held before COVID-19 crisis
Date of Next Vote: June 30, 2020
Superintendent: Bruce Labs
Board Chair: Stacey Peters
Number of Students Served: No schools - tuition estimated 60 students
District Free and Reduced Lunch Eligible: 34% - 56% (for SU)

FY2020 education spending is \$81,142 less than Proposed FY2021 education spending.

Predicted type and scope of reductions in FY2020 if level funding is applied:
There is not much else to cut because we have no schools or staff. This is all tuition costs.

Professional assessment of the impact of the reductions:
Very hard to deal with. We can't cut tuition!

District: Harwood Unified Union School District

Status: Budget did not pass

Date of Next Vote: Late June. Date uncertain.

Superintendent: Brigid Nease

Board Chair: Caitlin Hollister

Number of Students Served: 1,884

District Free and Reduced Lunch Eligible: 13% - 28%

Difference between last proposed budget and FY2020 spending: FY2020 is higher

FY2020 education spending is higher than Proposed FY2021 education spending.

Predicted type and scope of reductions in FY2020 if level funding is applied:

None. FY2020 ed spending is greater than proposed FY2021 education spending.

Professional assessment of the impact of the reductions:

No additional cuts. Cuts of 524K were already made.

District: Milton Town School District

Status: Budget did not pass

Date of Next Vote: June 2, 9, or 16

Superintendent: Amy Rex

Board Chair: Rick Dooley

Number of Students Served: 1,600

District Free and Reduced Lunch Eligible: 43% - 46%

FY2020 education spending is \$1,235,143 less than Proposed FY2021 education spending.

Predicted type and scope of reductions in FY2020 if level funding is applied:

Our entire co-curricular programming (athletics, drama and arts 7-12); All transportation - bussing to and from school, field trips...; Approximately 15 support staff positions

Professional assessment of the impact of the reductions:

Decreased student engagement and interest in school; Increase in unhealthy behaviors w/out activities to keep students engaged in healthy ways; No bussing - increases student truancy ; Fewer support staff equates to less support to students academically

and it puts us at risk related to compliance of special education services. Also fewer staff compromises supervision and student safety

District: Oxbow Unified Union School District

Status: No vote held before COVID-19 crisis

Date of Next Vote: June 23, 2020 - Tentative

Superintendent: Emilie Knisley

Board Chair: Danielle Corti

Number of Students Served: 718

District Free and Reduced Lunch Eligible: 45% - 63%

FY2020 education spending is \$954,400 less than Proposed FY2021 education spending.

Predicted type and scope of reductions in FY2020 if level funding is applied:

Cuts to staff and programming, as well as cuts to universal meals to students

Professional assessment of the impact of the reductions:

It would be devastating to students, morale, and the local economy.

District: Rivendell Interstate School District

Status: No vote held before COVID-19 crisis

Date of Next Vote: May 26, 2020

Superintendent: Barrett Williams

Board Chair: Marc DeBois

Number of Students Served: 463

District Free and Reduced Lunch Eligible: <50%

FY2020 education spending is \$1,384,565 less than Proposed FY2021 education spending.

Predicted type and scope of reductions in FY2020 if level funding is applied:

support staff, social emotional supports, extra curricular programs, buildings and grounds

Professional assessment of the impact of the reductions:

Devastating to the point we would have to consider the sustainability of our district and probably close one of the elementary schools in FY22.

District: Rochester-Stockbridge Unified District
Status: No vote held before COVID-19 crisis
Date of Next Vote: June. Date Uncertain
Superintendent: Bruce Labs
Board Chair: Carl Groppe
Number of Students Served: estimated 150
District Free and Reduced Lunch Eligible: 34% - 56% (for SU)

FY2020 education spending is \$23,840 less than Proposed FY2021 education spending.

Predicted type and scope of reductions in FY2020 if level funding is applied:
We will have to cut more staff in both buildings

Professional assessment of the impact of the reductions:
Devastating for everyone. It will be hard to operate!

District: Slate Valley Unified School District
Status: Budget did not pass
Date of Next Vote: June 2, 2020 - Tentative
Superintendent: Brooke Farrell
Board Chair: Timothy Smith
Number of Students Served: 1,261
District Free and Reduced Lunch Eligible: 40.2%

FY2020 education spending is more than Proposed FY2021 education spending.

Predicted type and scope of reductions in FY2020 if level funding is applied:
Zero cuts. Our FY21 budget is less in the area of education spending than FY20

Professional assessment of the impact of the reductions:
N/A

District: South Burlington School District
Status: Budget did not pass
Date of Next Vote: May 28, 2020
Superintendent: David Young
Board Chair: Elizabeth Fitzgerald
Number of Students Served: 2,501
District Free and Reduced Lunch Eligible: 17%-34%

FY2020 education spending is \$2,418,590 less than Proposed FY2021 education spending.

Predicted type and scope of reductions in FY2020 if level funding is applied:

Have issued 27 RIF notices to teachers and approximately 178 coaches/directors that support a wide number of programs offered to students.

Professional assessment of the impact of the reductions:

Significant.. Our enrollments are growing. Two of our elementary schools will have record numbers next year, with both schools having over 400 students each. Our High School has its largest incoming 9th grade ever, next year. Class sizes will climb to above state approved levels in many grades. Student supports will be significantly diminished and student opportunities like sports, and clubs will be eliminated. This will occur at a time when we need all of the programming we've had in the past, especially following the turmoil associated with the Covid-19 crisis. This will affect social service needs in the Champlain Valley as a result.

District: Springfield School District

Status: Budget did not pass

Date of Next Vote: June 16, 2020

Superintendent: Zach McLaughlin

Board Chair: Troy Palmer

Number of Students Served: 1200

District Free and Reduced Lunch Eligible: 49%

FY2020 education spending is \$675,444 less than Proposed FY2021 education spending.

Predicted type and scope of reductions in FY2020 if level funding is applied:

We don't have the ability to close that distance with staff cuts. April 1 was our cutoff for the reduction in force (RIF) notices. We would need to get "creative". We could cut a certain percentage of support positions. They only need a few weeks notice, but that won't get us close to the difference. It is hard to see a way that I don't deficit spend. (If I can...)

Professional assessment of the impact of the reductions:

With my professional staffing mostly set, the impact will be on every dollar of the other things. It could mean that I suspend my purchasing cycle as part of my 1-to-1 laptop program. Of course, that is right at the wrong time.

District: Strafford SD
Status: Budget did not pass
Date of Next Vote: June 20, 2020
Superintendent: Bruce Labs
Board Chair: Sarah Root
Number of Students Served: estimated 105
District Free and Reduced Lunch Eligible: 34% - 56% (for SU)

FY2020 education spending is \$194,790 less than Proposed FY2021 education spending.

Predicted type and scope of reductions in FY2020 if level funding is applied:
More staff cuts and operations cuts.

Professional assessment of the impact of the reductions:
It will be very difficult to operate effectively and meet the needs of our students.

District: Waits River Valley Union SD
Status: No vote held before COVID-19 crisis
Date of Next Vote: June 22, 2020
Superintendent: Emilie Knisley
Board Chair: Stacy Emerson
Number of Students Served: 226
District Free and Reduced Lunch Eligible: 60%

FY2020 education spending is \$271,555 less than Proposed FY2021 education spending.

Predicted type and scope of reductions in FY2020 if level funding is applied:
Universal meals, support staff for students, enrichment and student activities

Professional assessment of the impact of the reductions:
This is a school that runs a very lean program with a high needs population. They do not have a lot to spare in terms of what they provide to students. This would directly impact student experience

District: West River Modified Union Educational District
Status: No vote held before COVID-19 crisis

Date of Next Vote: June 10, 2020
Superintendent: William Anton
Board Chair: Joe Winrich
Number of Students Served:
District Free and Reduced Lunch Eligible: 24% - 46% (for SU)

FY2020 education spending is \$390,000 less than Proposed FY2021 education spending.

Predicted type and scope of reductions in FY2020 if level funding is applied:
West River would need to find \$390,000, so it would be a combo of reserve (200,000-300,000), reduced spending but not staff, and maybe a little deficit spending depending on how Special Education would work out.

Professional assessment of the impact of the reductions:
reduced reserves, very tight budget, preparing for reductions in FY22District

District: Windham SD
Status: Budget did not pass
Date of Next Vote: June 10, 2020
Superintendent: William Anton
Board Chair: Antje Ruppert
Number of Students Served:
District Free and Reduced Lunch Eligible: 24% - 46% (for SU)

There is no difference between FY2020 education spending and Proposed FY2021 education spending.

Predicted type and scope of reductions in FY2020 if level funding is applied:
We are unique. Windham has proposed a budget LOWER than fy20, so no impacts.

Professional assessment of the impact of the reductions:
reduced reserves, very tight budget, preparing for reductions in FY22

District: Windham Northeast Union Elementary SD
Status: No vote held before COVID-19 crisis
Date of Next Vote: June 25, 2020 - Tentative
Superintendent: Christopher Pratt
Board Chair: Jack Bryar
Number of Students Served: 1200
District Free and Reduced Lunch Eligible: 86%

FY2020 education spending is \$1,500,000 less than Proposed FY2021 education spending.

Predicted type and scope of reductions in FY2020 if level funding is applied:

36 paraeducators were let go
11 bus drivers were placed on Furlough until schools opened back up.
The SU Office receptionist position cut
SU Data Manager Position was cut
Reduced 2 SU position to 1/2 time

Professional assessment of the impact of the reductions:

Unknown at this time. We still have 47 paraeducators to provide the current special ed and 504 services.

District: Windham Southeast SD
Status: No vote held before COVID-19 crisis
Date of Next Vote: June 30, 2020
Superintendent: Lyle Holiday
Board Chair: David Schoales
Number of Students Served: 2464
District Free and Reduced Lunch Eligible: 29% - 91% (for SU)

FY2020 education spending is \$2,030,773 less than Proposed FY2021 education spending.

Predicted type and scope of reductions in FY2020 if level funding is applied:

11 FTE's, 4 programs totally cut, all library books, all classroom materials, Diversity materials, not included in the 11 FTE's are the .2 FTE's cut from "specials" such as PE, Library, Art, night custodial staff, cut backs in after school programming and Field trips

Professional assessment of the impact of the reductions:

My biggest concern is really looking forward to FY 22. We will be starting at a place much different from those districts that were not forced to make deep cuts this year. We will cut back "extras" such as after school programming that parents rely on so that they have safe activities for students while they work. Arts, PE and Library and field trips, the types of activities that some of our students only experience at school due to poverty. The high school's Dean of Students may need to be cut, a position devoted to working with students at high risk of dropping out due to attendance and discipline needs, almost ensuring the dropout rate will increase. Knowing that the next few years will also be lean, it will take years to rebuild library and classroom book collections and after school programming. It is easy to cut back but always much harder to bring back positions once they have been reduced or cut.

Concluding Remarks

The information Chelsea presented portrays the effects of default budgets at the FY 2020 education spending level. The State has contributed significantly to those effects by adding expenses that districts cannot control in the form of the statewide bargaining for health insurance for school employees. Currently, the arbitrator's decision in statewide bargaining for health insurance for school employees goes into effect during FY2021.

According to an expert witness, the arbitrator's choice of the Employee Commissioners' Last Best Offer will result in approximately \$25 Million of additional cost (which will be approximately 10% of the overall cost of health care benefits for educational employees). This figure does not reflect the annual increase in premium costs for health plans - the \$25 million reflects an additional cost above and beyond the 14% increase in health care premium rates for FY2021.

It is contradictory for the State to add expenses to the budgets of these districts on one hand while on the other hand constraining them to FY2020 education spending levels. In most of the districts, the result will be extreme cuts to programs for students. On top of that, the overall approach to the 167 million dollar deficit in the Education Fund is unresolved, as evidenced by the testimony in the House Ways and Means Committee yesterday. There is a high potential for these districts to be dealt a double whammy if they are subject to a default budget based on last year's ed spending and subject to clawbacks imposed upon all districts.

Since Vermont is committed to equity in educational opportunity, and fairness in our support for the public institutions charged with bringing it about, we hope that you and your colleagues in the Senate can bring this matter to a successful resolution.

Thank you for the opportunity to speak with you today.