

TESTIMONY PROVIDED TO: House Education Committee

FROM: Mark Tucker, Superintendent, Caledonia Central Supervisory Union

TOPIC: **Caledonia Cooperative School District - One of Nineteen Districts Without an Approved FY2021 Budget**

Date: April 24, 2020

I appreciate the opportunity to share with you my thoughts on the situation we are facing in Caledonia Cooperative SD (Barnet, Walden and Waterford) resulting from our inability to hold a May budget vote. At this writing, I don't know when we will be allowed to hold our annual meeting and budget vote, and I am concerned about what happens to the District if we go into the new fiscal year without an approved budget, either because we have not been able to hold a vote or because the vote was held and failed.

I have been following the progress of the bill that is in Senate Education that aims to provide special operating authority to my district and the 18 other districts in Vermont that are in the same predicament – no approved budget. As it currently stands, I understand that Senate Ed has proposed authorizing education spending at the FY20 approved level, **with no associated inflationary factor applied**. Such an authorization, were it to come to pass for my District, would extremely restrict our ability to operate the three schools in Caledonia Cooperative SD (CCSD) in this upcoming school year.

The Senate bill also authorizes school districts to continue to vote to pass a budget, but I am concerned about the implications if 1) the budget does not pass ever; or 2) economic conditions are so bad that a budget less than the minimum required to operate adequately for the students in our system is approved. Neither of these conditions were faced by the districts who were able to hold votes prior to the emergence of the COVID-19 restrictions on public voting.

School Districts that have successfully passed budgets have approved an average increase in education spending statewide of 4%. While the needs and complexities of the Districts vary widely, it is certainly the case that much of the overall increase in education spending is the result of two factors – increased salary costs resulting from routine collective bargaining agreements and the 12.9% premium increase levied by the VEHI healthcare plan. These two factors hit us in the most expensive, and most difficult to control, area of our school budgets – staffing. The old saw that 80% of the school budget stems from staff compensation is very accurate. Most Districts in Vermont have commonalities in their collective bargaining agreements with VT-NEA that call for the issuance of contracts in the month of April; in the case of my Districts, we issued contracts for teachers last week according to our April 15th deadline. As a practical matter, we have now “baked in” the cost of teaching staff for the next school year, and there are no provisions in our CBA or any that I know of that allows us to revisit contracts after they are issued.

The postponement of the scheduled May budget vote in CCSD allowed us one last chance to look more closely at the budget, and the Board did decide in a special meeting on April 13th to eliminate the equivalent of 3.5 FTEs across the three schools. This reduction, along with the decision to forego the summer school programs at the three schools in July, results in a reduction of approximately \$250,000 from the educational spending that had been approved and warned for the original May vote. This will help to lower the proposed FY21 education spending by a little more than 2%, reducing the increase overall to a little over 4%.

So, we are within range of the statewide average, and if the Legislature approves a spending authorization that, absent an approved budget, caps our education spending at the level of FY20 plus 4%, we can make this work. What we **cannot do** is operate without that 4% inflationary factor.

If forced to do so, what will school look like next year? Essentially, we will start the year by freezing all discretionary spending (basically, everything except salary, benefits, and maybe some pre-buys of heating fuel). There will be no after-school programs at my three schools. There will be no extra-curricular activities, no middle-school sports, field trips, or enrichment programs. We will also have to make opportunistic cuts in some of the many contracted services we rely on to address the mental health needs that impact so many of our more impoverished students. This at a time when many of our returning students *need* these enrichment programs and other supports to restore a sense of normalcy to their lives after having been away from us for more than five months.

School will begin to look more like it was when I was in school – we rode a bus, sat in classes, ate lunch, and went home, maybe with an end of year field trip if there was money left over. While that type of “school” worked well in the ‘60s and 70’s, it looks nothing like the schools we run today, as a function of need, informed by our desire to help where other segments of society do not. Our families that rely on all of the extras that we provide during and after the school day will sorely miss those extra services.

As this legislation moves through the Senate and House committees and on to a final vote, I respectfully ask you to consider the fairness of allowing Districts that were able to pass budgets before COVID-19 to operate with the 4% inflationary factor baked in, while effectively penalizing Districts like CCSD who did not have a chance to pass a budget through no fault of its own.

I am not ignorant of the dire straits faced by the Ed Fund, and I will not be surprised to see more drastic actions taken by the Legislature to resolve the deficits. But if we are all going to be asked to “give back” something, I think it only fair that we all start from the same place, with authorized spending that reflects the true inflation rate for educational spending in Vermont.

Let me be clear that CCSD intends to advance a budget for approval by its resident voters. I am concerned that if the Legislature deems it wise to freeze the spending authorization at the FY20 education spending level with no inflationary factor, some voters will believe the matter is resolved and not bother to vote and some others will have no incentive to vote for higher, albeit necessary spending and will simply vote ‘no.’ For the fiscally frugal among you, this may be deemed an ‘okay’ outcome, given the state of the Ed Fund. For my schools in CCSD and our children, it will be a disaster.

I appreciate your time and welcome any questions you might about this matter.

Respectfully,

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