

Oxbow Unified Union School District (OUUSD) Budget

Testimony for the House Education Committee

September 8, 2020

Good afternoon, my name is Emilie Knisley and I serve as the Superintendent of Schools for the Orange East Supervisory Union, of which Oxbow Unified Union School District is a member. Thank you for the opportunity to speak with you today regarding the lack of an operating budget in OUUSD.

Today is the first day of school in the four schools operated by OUUSD. Students are returning to their classrooms for the first time since March. All of us have been working tirelessly to be ready to open schools as safely as we can. Measuring space between desks, building isolation rooms, creating procedures for closing classrooms if there is a positive case. All while attempting to make school as normal and as welcoming as possible for students who are returning--wearing masks--in the midst of a global pandemic.

We are all navigating uncharted waters and redesigning school as we know it. To compound this, we have no approved school budget to operate schools. This causes stress for our faculty and staff who worry about their jobs, and that stress trickles down to the students in the classroom.

Our first budget vote was scheduled to take place from the floor in April. Due to the pandemic, we were forced to postpone our budget vote. We then held a vote via Australian ballot in June. This vote failed. 523 no, 323 in favor. The Board worked to cut the budget and held a second vote via Australian ballot on September 1st. This vote also failed, with less than 15% of the voters turning out. 273 no and 184 yes.

We are now faced with warning a third vote. We have concerns that the budget still won't pass. Voter turnout is low, and anti-merger sentiment is high.

OUUSD was created by order of the State Board of Ed. It is what is referred to as a "forced merger" of the towns of Newbury and Bradford. This district operates two elementary schools, a high school, and a tech center. On top of the district being merged, we also had another Supervisory District placed into our SU. This means that we have gone through both a district merger and an SU merger. This has meant a lot of change has come quickly.

There is strong anti-merger sentiment. There is a belief that the SU is too big, that local control and decision making have been stripped back and placed in the hands of a regional board, administrators and an SU Board. This has been a driving force for voting down the school budget. People are upset about Act 46 and that we are not seeing financial savings, and we have now reached the point that the schools are paying the price.

Despite the antimerger sentiment, the new district has brought increased sharing of resources, greater collaboration among the board, teachers and administrators; and a popular school choice program amongst families. We have a lot more work to do and we need to work to create understanding in our communities. But most importantly, we have promise. We have a committed Board, we have dedicated staff, we have a wonderful working relationship between the Boards, the staff, and the Union. We have increasing cooperation across districts in the SU.

I have had experience with failed budgets in my seven years as a superintendent, even budgets that have failed multiple times in a budget season. After the budget failed in June, we froze both spending and hiring--and we only let the ice thaw on that freeze for items that are essential to operations and COVID opening. I now have concerns that we may be reaching a point where cash flow is going to make operations problematic. We are working with the bank, but there is a reluctance to let us borrow more money because we are in such a unique situation. I have been working with bank leadership on a daily basis since our budget failed to get a second gap loan in place.

If we have to make drastic cuts to our operations, we will need to lay off staff that are already working with children in classrooms. If we aren't allowed to borrow, we won't be able to operate schools. I don't want our district to be in that situation. I want a level playing field for our kids. They deserve the same opportunities as their neighbors.

Here is the bigger picture:

By statute, the district may operate on 87% of last year's operating budget. Last year's operating budget was \$16,287,560...that means that we are permitted to operate on \$14,170,177...until we pass a budget. We have little to no reserves.

We warned a budget for this year's operating expense of \$17,086,683. Driving factors include wages, health care, special education services, universal meals for students, and keeping positions that have lost their federal funding.

That means we are short \$2,916,506 until we pass a budget. We are not able to receive State monies at our full rate until we have a budget. We anticipate that we will receive 25% of our normal allocation. Without an approved budget we can't set a tax rate, so clerks need to set an interim rate of \$1.00. This means that the money we receive from the towns will be less than normal.

In order to operate at 87%, we are looking at having to borrow about 9 million dollars. We will have to pay interest on that borrowing, only compounding the financial stress of the district. We also need to cut many staff who are essential to our schools being open and safe for our students during COVID.

We do not have the luxury of running schools that have a huge number of resources. We have high levels of poverty, high numbers of students on IEPs, a growing population of English

language learners. Our teacher and administrator salaries are amongst the lowest in the State. Our school spending per pupil is average.

We are asking for help. We are asking for a legislative intervention to get us through this challenging period. We want to continue to try to pass a school budget locally, but a default budget of 87% is not operationally feasible in the COVID era.

Relying on banks to loan us money is also problematic because they are reluctant to lend.

We hope that consideration will be given to giving us a default budget if we are not able to pass a budget by December 1st. We would ask that this budget be 1% less than the budget presented to voters. This would still mean that we would need to trim back, but we could operate and be more stable for our students.

We hope that legislative consideration will be given to the idea of looking to the Education Fund, or another governmental source, to enable us to have the cash flow that we need for operations. This would still mean that we would need to trim back, but we could operate and be more stable for our students.