

**TO: Senate Finance Committee**  
**FROM: Nathan Lavery, VASBO & Burlington School District**  
**SUBJECT: COVID-19 & School Finances testimony**  
**DATE: June 3, 2020**

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Hello Senate Finance Committee members. Thank you for the opportunity to share some thoughts with you this afternoon. My name is Nathan Lavery, I am the Director of Finance for the Burlington School District. I am speaking today on behalf of the Vermont Association of School Business Officials, also known as VASBO.

COVID-19 has created unprecedented challenges for schools across Vermont, as well as the state Education Fund. At the same time, the federal response has been unprecedented, with Congress passing the CARES Act, which affords roughly \$31 million of federal relief funds intended to support schools. Below are three important points that VASBO would like you to consider as you discuss issues related to education funding in the wake of COVID-19.

**1. Immediately allocate relief funds to schools - end the uncertainty.**

Vermont schools have not received any emergency relief despite Congress' intent to provide rapid emergency funding to schools across the country. The state continues to withhold these funds from schools. Schools are making plans for summer programming and fall reopening without the benefit of knowing how much money will be available to address the complications posed by COVID-19. This uncertainty jeopardizes the ability of schools to open on time and with appropriate safety arrangements in place this fall. Providing certainty around the amount of money that will be available to each school district for COVID-19 response planning is critical. These funds should be made available in lump-sum fashion so that schools can carefully make use of their full allocation without being subject to an application and approval process from the Agency of Education that will introduce additional uncertainty and may cause cash flow issues for school districts across Vermont.

**2. Separate the long-term Education Fund issues from the short-term COVID-19 challenge.**

State-level discussions have understandably been focused on the projected Education Fund deficit, but the short-term challenge for schools is to be prepared for students in a COVID-19 world. Providing a set amount of COVID-19 response funds as recommended in point #1 will allow the state to advance efforts to resolve the Education Fund deficit without the risk of impeding the safe reopening of schools in the fall. School districts are responsible for providing a safe learning environment and we need the resources to do so as soon as possible.

**3. Refrain from reducing FY21 school budgets without providing tools to reduce spending.**

The looming Education Fund deficit will require state and local leaders to make difficult choices, but local school boards have very few options this near to the start of the next fiscal year.

Legislation that would reduce funding to schools in FY21 should not be implemented unless it is accompanied by practical tools that would allow schools to operate with less funding. Staff costs, which account for the vast majority of school spending, are particularly inflexible at this stage due to collective bargaining agreements. Providing early guidance with respect to FY22 funding levels would provide school boards with the time necessary to make difficult decisions with appropriate foresight.