

# VERMONT



## SCHOOL BOARDS ASSOCIATION

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*Great Governance, Excellent Education, Strong Communities*

To: Senate Education Committee  
From: Sue Ceglowski, Executive Director  
Re: School Budget Vote Information  
Date: April 7, 2020

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Good afternoon Senators:

My name is Sue Ceglowski and I am the Executive Director of the Vermont School Boards Association. Thank you for the opportunity to provide you with information related to school districts which do not have approved budgets.

### 2020 School District Budget Vote Results (FY2021 Proposed Budgets)

106 school district budgets have been voted on to date. 97 were approved.

9 were defeated:

Alburgh School District  
First Branch Unified School District  
Harwood Unified Union School District  
Milton Town School District  
Slate Valley Unified Union School District  
South Burlington School District  
Springfield School District  
Strafford School District  
Windham School District

9 districts have not voted on their budgets:

Caledonia Cooperative School District  
Essex-Westford School District  
Granville-Hancock Unified District  
Oxbow Unified Union School District  
Rochester-Stockbridge Unified School District  
Waits River Valley Union School District  
West River Modified Union Education District  
Windham Northeast Union Elementary School District  
Windham Southeast School District



Temporary Elections Provisions:

Last week, Governor Scot signed H.681 which establishes temporary elections provisions intended to allow Vermonters to continue to participate in elections while protecting their health, safety, and welfare.

The temporary provisions (in effect only for the year 2020) (1) remove the signature gathering requirements for candidates to be placed on the ballot, (2) allow the legislative body of a municipality to adopt Australian balloting for an upcoming vote, and (3) grant the Secretary of State authority, with the Governor's agreement, to order or permit appropriate procedures in light of the COVID-19 virus, including:

- (a) requiring mail balloting by requiring town clerks to send ballots by mail to all registered voters;
- (b) creating early or mail ballot collection stations;
- (c) permitting municipal clerks to process and begin counting ballots in a 30-day window preceding the day of an election;
- (d) permitting drive-up, car window collection of ballots by election officials;
- (e) extending the time for municipal clerks to process and count ballots; and
- (f) extending voting hours on the day of an election.

My understanding is that the above list is not exhaustive and that there may be additional or difference procedures that are deemed necessary.

VSBA notified school boards about these temporary elections provisions shortly after the Governor signed them into law.

Elections Guidance from Secretary of State's Office – Affects School Budget Votes That Have Not Occurred Yet and School Budgets That Were Defeated on Town Meeting Day

Late last week, the VSBA received an elections bulletin from the Elections division of the Vermont Secretary of State's Office which was sent to municipal clerks. The Secretary of State's Office asked us to distribute the bulletin widely to school districts and their attorneys, which we did.

If your committee does not already have this information, it may be helpful for you to hear directly from the Elections Division of the Secretary of State's Office. I will give you a summary of the bulletin.



The bulletin states that the Secretary of State reached an agreement with the Governor to allow cancellation of municipal elections mandated to be held on or before a certain date. For those who have elections coming up in April or May, the Secretary of State's guidance is to cancel those meetings if at all possible. "Whether they are votes from the floor or Australian ballot votes that require processing and counting, the processes required at this time to conduct the election put voters and election workers at too much risk from this highly contagious virus."

On the topic of budget re-votes, it states that there is no time frame in election law in which the budget re-vote must be held. For votes that by charter, article of agreement or by law are required to be held on or before a certain date, the Governor has agreed, under the authority granted to the Secretary of State in section 3 of H.681 to allow those elections to be canceled as well.

The stated objective is to see if votes can be conducted safely in late spring/early summer and, if that is not possible, to provide time for the Secretary of State's Office to devise and implement appropriate procedures to allow local elections to take place more safely.

VSBA has communicated this guidance to school boards.

#### Clarification of Timelines for Warning Budget Votes

17 V.S.A. Section 2641(a) requires school boards to warn the annual meeting and initial budget vote not less than 30 days and not more than 40 days before the meeting.

If the budget is defeated and the district uses the Australian ballot system, the warning requirement for a subsequent vote is seven days pursuant to 17 V.S.A. Section 2680(c)(2)(A). The seven day requirement is a minimum – it can also be longer, which would allow more time to do early/absentee balloting.



## What Happens If A School District Does Not Have An Approved Budget By July 1?

16 V.S.A. 566 authorizes a school district to borrow up to 87% of the previous year's budget if a budget has not been approved by June 30. This statute is intended to ensure a district has access to funds in order to begin operations on July 1. It is not a default budget amount. Once the electorate approves a budget, the district will have access to the full amount of that budget for that fiscal year.

In our current situation and looking forward for the next several months, there is a significant concern that it may be extremely difficult to get budgets approved by the electorate.

Our guidance is that districts should consult with their legal counsel and the Agency of Education if they are considering delaying an initial budget vote until past June 30, as statute contemplates initial budget votes occurring prior to June 15 (*See* 16 V.S.A. 422(a)).

If a town or a union district does not have a budget in place by June 30, it can expect the following (from the Agency of Education):

1. The district would be entitled to the following funds, on the dates indicated:
  - 25% of the base education amount per equalized pupil – September 10 (16 V.S.A. § 4028)
  - Any federal funds owed to the district – varies
  - State categorical grants (Small Schools Grant, etc.) – September 10
  - Any fund balances and reserve accounts – immediately
2. The district is entitled to have up to 87% of the prior year's budget on hand. After subtracting out the amounts in #1 above, the school board has authority to borrow the remaining amount per 16 V.S.A. § 566 without first obtaining the approval of the voters.
3. The towns within a union district would be assigned an interim homestead tax rate of  
\$1.00 by the Vermont Department of Taxes. The interim tax rate is divided by the CLA and levied by the town. Funds are remitted to



the VT Education Fund. Towns may not disburse these funds to the district until the district has a voter-approved budget. (32 V.S.A. § 5402).

