

# Act 173: Gensus Block Grants



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# Local Budget Influences

- Loss of Equalized Pupils during the pandemic, lack of weight adjustments
- Common Level of Appraisal (CLA) impacting local tax rates; largely increasing rates
- Yield (needs to remain favorable)
- Budget warning and ballot language focuses on Education Spending
- Continued political strife regarding the centralization and loss of control in local budgets; weights would have helped ease this burden

# Reimbursement to Local School Budgets is Gone

Revenue Loss, four districts: **-1,269,247**

OUSD: **-562,691**

Thetford: **-189,278**

Waits River: **-229,956**

Blue Mountain: **-287,321**

Student need remains strong in the face of challenging educational conditions due to COVID -19. Staffing shortages remain a challenge for districts. There are not enough licensed special educators.

# Local Scenario To Show Impact

Blue Mountain School District

Education Spending FY22: \$16,974

Education Spending FY 23: \$18,775

Ed Spending Increase FY 22: -2.01%

Ed Spending Increase FY 23: +7.84%

Lack of reimbursement is a driving factor to these increases; student needs and IEP services do not enable a cut to those para and support services. This will result in services being cut to pass budgets that are just the types of services we should be adding to meet the needs of 173: intervention, counseling, etc. If weights were adjusted or local reimbursement was preserved in a transition period, these cuts would not be necessary to align ed spending.

# Blue Mountain USD:

## Weighting Model:

% Poverty: 44%

Equalized Pupils: 417.86 vs. Modeled Equalized Pupils: 462.67

Ed Spending: \$16,474 vs. Modeled Ed Spending: \$14,780

Equalized Tax Rate: \$1.523 vs Modeled Tax Rate: \$1.328 (-12.8%)

## Cost Equity Model:

\$1.523 vs \$1.228 (-19.4%)

# Impact

I fully support the implementation of 173 and the measures it is asking us to take, but we need those changes to be coupled with the financial changes for this to work.

Either model being implemented would have made this transition far more palatable, and would not result in cuts to service for students who need them, or tax rate increases to Vermonters who are unfairly being asked to shoulder this transition without all the puzzle pieces in place.

The lack of local reimbursement was not widely understood, and may still not be. Meaning, that this may have large scale impacts on school budgets and tax bills across the State.

SUs are not as able to absorb these changes as SD, due to the differences in how their budgets are structured with local costs and SU assessments. This will rekindle some of the anti-merger dialogue of past budget cycles.