

Thank you for the opportunity to address current concerns regarding the implementation of Act 127. My name is Mark Koenig. I am a member of the Addison Northwest School District where I have negotiated at least 10 master agreements. I am also the current Chair of the Employer Commissioners on the Commission on Public School Employee Health Benefits which will soon start its third round of negotiations. And I am a member of the Vermont School Board Association. Aside from school-related organizations, I am also a council member for the City of Vergennes, meaning that I have the distinct pleasure of having responsibility for both the school district's and the City's portion of our local tax bill. In general, I have a lot of experience with and interest in various impacts on budgets. I am sure that a number of voices heard today will focus on the specifics of this Act and delve into the 10% and 5% cap issues. I would like to take a step back and look at two "larger picture" items.

First, I believe that this committee hearing is being held to consider possible adjustments to a revision to a fix of a problem. Years ago, people realized that some student demographics cost more or less to education than the "average student," and that these various demographics should be weighted so that the true cost of educating them was captured. Later, people realized that the original weighting formula didn't capture the true cost of education, so a new formula has been devised. And still later, people realized that parts of this new formula created loopholes for districts to obtain needed funds in ways not contemplated by the new formula. This results in a bandage on top of a bandage on top of a bandage on top of a problem, and the current focus is on how the latest bandage adheres to the previous bandage rather than whether the original problem is healing or festering. This consideration of issues in isolation to one another leads to my second big picture thought.

Imagine being in a crowded emergency room and learning that today the ER will only be helping people who are having heart attacks. If you are there because of a car accident or a high-risk pregnancy or a stroke, you should go home and come back another day. If my child was having a medical emergency, have no doubt that I will tell the triage nurse that my child is having a heart attack – not because I want to cheat the system, but because I am desperate for help. Similarly, if my school board can add some needed funds to our budget while limiting the financial impact to our constituents, that can be seen as a fiscally responsible move to make. Also, if by going even slightly over the 5% tax cap rate I can ensure the possibility of having access to that option in the next tax year to offset any possible future budgetary problems, that too can be seen as a fiscally responsible move to make.

The Legislature continues its attempt to fix education by considering individual parts rather than the whole. Act 127 was meant to provide assistance to school districts that were financially impacted by the new weighting formula. However, most districts in Vermont are being financially impacted due to a number of different events including decreased student populations, aging facilities, increased healthcare premiums, inflation and cost of living increases, PCBs, or CLAs as well as the new weighting formula. Right now, school boards across the state are drafting budgets to put before their voters, budgets robust enough to provide their kids with the best education possible but lean enough to to be affordable to the community at large. My own district's budget will exceed a 5% increase in its previous tax rate, not due to excessive spending but because of negotiated salary and wage increases which allow us to keep needed staff, a 16% increase in healthcare premiums, a 10% increase in transportation costs, and maintaining vital behavior and intervention supports previously covered by ESSER funds (whether the federal government wants to acknowledge it or not, the impacts of COVID still have a major impact on our students). In addition, two needed building maintenance projects which we assumed would total less than \$1 million just came back with a single bid in excess of \$2 million. Similar pressures are heavy on the minds of school boards across the state.

Maintaining a narrow view today about which portion of which school district's financial crisis should be address while conveniently ignoring all of the remaining pieces that make up the totality of the education funding crisis might win the battle, but will surely draw out the war.

Thank you.