

Good morning, members of the House Committee on Ways and Means; I am Sherry Sousa, Superintendent of the Mountain Views Supervisory Union, and I thank you for the opportunity to discuss the impact of H.949 on our seven communities. My testimony today centers on correcting the misconceptions surrounding our per-pupil spending by highlighting the realities of rural education, detailing the devastating programmatic cuts an abrupt threshold drop to 112% would force upon our district, and expressing our strong support for the bill's exclusion of Capital Debt. Ultimately, I urge the committee to consider a gradual, phased reduction of the threshold, and to establish a floor spending amount that ensures that all students are afforded adequate funding which is the stated aim of the foundation formula.

Mountain Views School District (MVSD) has been recognized for many of its attributes, including strong academic outcomes, diverse student opportunities, and engaged communities. MVSD also has the reputation of being a high-spending district. When comparing LTW-ADM per-pupil costs across the state, MVSD is within the top five highest-spending districts.

It is crucial to provide context behind these numbers. The MVSD salary grid and benefits package are within the average range and competitive with surrounding SU/SDs. All of our classrooms meet Act 73's minimum class sizes. Currently, MVSD does not meet the recommended number of instructional coaches as stated in the latest APA report. In addition, MVSD does not meet Education Quality Standards for the number of school nurses or librarians. The Unified Arts offerings at our elementary schools are comparable to other SU/SDs. MVSD has been recognized by the AOE for reductions made in the use of paraeducators, both in the general education setting and in special education, the goal of Act 173. Further, MVSD has been commended by the AOE for our containment of special education costs. The MVSD Central Office team is strictly limited to a Superintendent, Director of Finance, Director of Curriculum, Instruction and Assessment, Technology Director, and Director of Student Support Services. Our technology department consists of 3.5 full-time equivalents for approximately 1,300 students and staff members. I do not believe that MVSD educators are overcompensated, nor are our schools overstaffed.

So, why is MVSD so expensive? A number of factors specific to our district have resulted in per-pupil spending above the established threshold. These include geographic isolation, the calculation of Long-Term Weighted Average Daily Membership (LTWADM), the MVSD Articles of Agreement, the offering of Universal Pre-K, and the cost of fully funding our facility needs.

While the seven towns of MVSD are located in the center of Vermont, we are functionally a rural district. We are centrally located between the cities of Hartford, Springfield, and Rutland. MVSD receives limited support from our four Designated Agencies, as communities with greater population density receive a higher proportion of those resources. Counseling and mental health services must be provided at each of our schools so that our students are able to access their education. Our towns also lack access to needed healthcare and public transportation, requiring our schools to step in and fill those service gaps.

In a side-by-side comparison of Mountain View Supervisory District with another district in the Southeast region, it is important to note that unweighted spending per pupil in attendance indicates that MVSD spends less per student than that district. MVSD has 936 students who live in our

seven towns, and our LTWADM is only 1,520. The number of students residing in that district is 1,236; however, their LTWADM is 2,266. MVSD has an adopted budget of \$30,773,078 which is \$30,990 cost per student in attendance. This district has an adopted budget of \$39,825,271 resulting in a \$34,096 cost per student in attendance. This LTWADM formula puts this district below the threshold (LTWADM Ed Spend \$13,742) and MVSD above (LTWADM Ed Spend \$16,601) even though the actual spending per pupil in attendance at MVSD is less.

In July of 2019, our towns successfully merged under Act 46 to become one Supervisory District with Agency of Education-approved Articles of Agreement. The structure of those agreements now mandates how resources are allocated across the district and how campuses are maintained. These contractual requirements articulate accountability regarding costs, staff, and student outcomes, as well as the strict process for closing a school. While this document has had a significant, positive impact on the equity of educational experiences for all of our students, there are associated costs that must be represented in our annual budget.

While the closing of schools is not explicitly stated in any of the current transformational legislation, a significant lowering of the excess spending threshold will inevitably result in small schools being forced to close. The smallest school within our merged district is Reading Elementary School (RES). There are those in our region who have inquired about the implications of closing this vibrant school community. First, the one MVSD elementary school within the state-recommended allowable driving distance, Woodstock Elementary School, does not have the physical capacity to absorb these students. Since offering Universal Pre-K in MVSD, the space required by statute for our youngest students has reduced the available number of classrooms. Furthermore, even if Woodstock Elementary could meet the needs of the RES children, the cost reduction to our budget would only be \$750,000. This amount would still not bring MVSD below the current excess spending threshold.

Members of the MVSD School Board have reached out to other local school districts and Supervisory Unions to explore how our small schools could better partner. At this time, due to the Articles of Agreement in neighboring districts, that is as far as we can go in making these kinds of significant, potentially cost-saving changes.

MVSD has maintained stable student enrollment since the end of the pandemic. Many attribute that consistency to the offering of Universal Pre-K at all of our elementary schools. This Board and community decision to provide high-quality early education, in line with state requirements, has provided the foundation for significantly improved student outcomes. However, this decision also comes with a price tag that impacts our overall budget.

Finally, another source of financial strain for MVSD is our severely depleted middle and high school facility. Our communities have supported multiple bonds to address the needs of a failing building. Since the 2025 Yield Bill, facility costs have been combined with the per-pupil spend, further exacerbating our bottom line.

With this context in mind, MVSD is now facing how a sudden reduction in the threshold from 118% to 112% will impact our students and programs. Currently, our taxpayers send over \$39.5 million to the Ed Fund and keep \$25.279 million. If the threshold is dropped to 112%, the communities of

MVSD would be sending an additional \$1,442,342. Our money is going to districts that are underfunding education. For our communities, that means for every dollar raised by local taxes, \$0.61 goes to the statewide education fund and \$0.39 stays in our district. Changing the threshold to 112% would increase the funds going to the state to \$0.62 of every dollar raised.

I hope this financial context provides a clearer understanding of why MVSD lands in the category of highest-spending districts. Many of the decisions driving the amount of money raised annually are outside the control of our Board and our taxpayers. In addition to the factors listed above, we cannot ignore rising healthcare costs, the impact of tariffs, negotiated annual salary increases, and skyrocketing energy expenses. MVSD has inherently high per-pupil expenses, coupled with failing infrastructure, making it one of the districts most sensitive to H.949.

Cost containment and fiscal responsibility have always been at the forefront for the MVSD Board Finance Committee. Each year, they weigh the costs of funding public education in our rural communities against the impact on property taxes for those who choose to live in this region. They deeply feel the pressure of presenting a livable budget.

The impact of moving from a threshold of 118% to 112% in a single year represents an added cost of \$2,862,504 to our taxpayers. Even if our localized spending and per-pupil costs don't increase, too many of these broader expenses are completely out of our control. Last year, we froze the number of full-time positions in the district. No new positions were added, and some unfilled roles were eliminated entirely. Even with this strict cost containment, our budget increased by 6.7%.

If H.949 were to pass as is, and the Board decided to level-fund our FY28 and FY29 budgets, MVSD would need to cut roughly \$1,305,177 from the FY28 budget—the equivalent of 12 teachers. The Board would then need to cut an additional \$1,298,711 in FY29, representing another 12 teachers. In just two years, we would be cutting 20% of our teaching staff. The erosion of our educational offerings and the resulting harm to our students would be profound, all while leaving the state's fundamental funding inequities completely unaddressed. For a district our size, this impact would significantly restrict or eliminate our public Pre-K program, force the relocation of students to different campuses (adding to family stress), and greatly reduce the vital learning pathways currently available to our secondary students.

The strength of H.949 is the Capital Debt exclusion. This expense has been artificially inflating MVSD's per-pupil spend, creating a double-taxation penalty. As voters have repeatedly demonstrated, this region is fully committed to providing a healthy, safe learning environment for its children. Decoupling capital expenses from the per-pupil spend allows our district to finally move forward in addressing significant infrastructure needs.

Overall, the intent of H.949 to manage education spending growth and respond to the heavy burden of increasing property taxes is commendable. I applaud the effort both the House and Senate have made to exclude Capital Debt from per-pupil spending. Our schools simply cannot continue on this path of decay.

However, addressing the root causes of the financial situation all our districts find themselves in is the necessary first step in containing costs. MVSD did not become one of the highest-spending

districts because we ignored the taxpayer burden. Our seven communities highly value public education and actively support school budgets to meet those goals. Dropping the threshold from 118% to 112% in a single budget year fails to acknowledge the realities of offering responsive education in a rural setting. Instead, implementing a gradual, phased reduction that allows School Boards and their communities time to adapt is a much more sensible approach.

While H.949 attacks education spending by lowering the threshold, if the state truly wishes to meet the Act 73 expectation of improving educational equity, I believe that a spending minimum must also be identified in the Yield Bill to adequately educate students in a rural setting. As national and state testing has indicated, Vermont is currently not meeting its constitutional responsibility to educate its children. Towns should not be allowed to under-resource their schools. This only further compounds the inequities in student experiences.

In summary, I genuinely appreciate the dedication of the House and Senate to Vermont's children and taxpayers during this session. We all share the goal of ensuring our youngest citizens thrive while keeping Vermont an affordable place to live.

The strongest merit of H.949 for my district is the removal of Capital Debt from the per-pupil spend calculation; our communities desperately need every tool available to address failing facilities. However, drastically lowering the threshold adds impossible stress to the formulation of a fiscally responsible budget. I strongly urge the Committee on Ways and Means to approach the shift from 118% to 112% with a phased reduction, allowing districts to adjust over time. I also ask that a minimum allowable per pupil spending amount be defined so that all of our students have adequate resources to meet Act 73 expectations .

I hope my testimony has provided essential context as to why certain districts exceed the current threshold due to pressures outside their control, and how the impending decisions of this legislature will have an irrevocable impact on the students of Vermont. Our children only have access to this life-changing resource for a very short period of their lives. It is our collective responsibility to ensure those few years in our classrooms meet the expectations of our families, taxpayers, and communities.