

Coalition for Vermont Student Equity

Testimony of: Mark Tucker, Superintendent, Caledonia Central Supervisory Union (CCSU) Adopting The Weighting Study Guidelines - Student Weighting Or Categorical Grants September 7, 2021

CCSU Position on Weighting Study Implementation

The CCSU Administration supports the full implementation of the UVM Weighting Study recommendations, as presented. We do not support the alternative approach of creating categorical grants to address (some?) aspects of today's inequitable weighting formula.

Currently, Cabot, Peacham and Walden are eligible for a Small Schools Grant (a form of categorical grant), and while the additional revenue is appreciated, the mechanisms by which this grant are managed are problematic:

- The amount of the grant each year does not keep up with simple inflation, and so far as I can tell, the calculation does not consider the impacts of such factors as the overwhelming costs engendered by student trauma;
- The administrative process for the grant is not timely. The grant amount is not finalized until well after the respective Boards have finalized the next budget. When budgeting, we have to "guess" that the amount awarded for the upcoming fiscal year will at least equal last year's grant, and when it isn't, we miss a revenue projection.
- One District, Peacham, was initially determined to be disqualified one year (FY '20) because of a simple staffing increase that was necessitated by student need¹. Penalizing a District for meeting the needs of a particular student is ironic, given that this conversation is about equity;
- Categorical grants are subject to Legislative "tweaking" up and down from year to year. This creates a challenge if the money from the grants is applied to staffing to meet student needs; the potential reduction of funding from one year to the next could introduce instability in our workforce.
- Overall, categorical grants, while addressing some of the additional costs that challenge rural Districts, will have unintended consequences in the area of budgeting that do not arise with a simple adjustment to student weighting. This is because of the direct tie between enrollment and ADM – which is determined early in the school year - and the calculation of the equalized pupil count. If the Legislature wishes to take the route of categorical grants, we believe that significant mandates that address the timing concerns expressed above has to be part of the Legislative directive.

Background on the CCSU Challenge

Taken on its face, the UVM Study of the student weighting formulas in Vermont is work that is long overdue. Implemented 20+ years ago with no documented reliance on empirical data, the current weighting formula, while perhaps well-meaning, is fundamentally unfair and has resulted in an education funding approach that does not serve the interests of Vermont

¹ The FY '20 Small Schools Grant was restored as a result of Legislative action, but not before the District had delayed its budget vote until the end of the session.

students, their families, the School Boards they elect to represent them and the administrators and staff who are tasked with teaching our students. I am not aware of any cogent argument for continuing the current approach to divvying out shares of the Education Fund, and I have not heard anyone argue in favor of the status quo. We seem to be at the point in this process where there is general agreement that *something* has to change, and as I understand it the debate has come down to a choice between implementing weighting changes, as recommended by the UVM study, or an alternative fix that involves the use of categorical grants.

It has been apparent to me from the beginning that a “simple” adjustment to the weighting formula – as recommended by the UVM Study - that changes the calculation for Equalized Pupils will run into resistance because under the current funding model an adjustment to student weighting will result in some Districts winning and some Districts losing. While I personally dislike the terms winning and losing in the context of educating children, it seems like an apt description of the outcome given the current overall model for funding education is predicated on dividing up into shares a single pool of money – the Education Fund. Without specifically adding money to that fund to cover the increases needed to bring greater equity to students across the State, we are stuck with a share distribution approach. Even without having a seat at the table, I can well imagine Legislators who represent Districts that would be considered “winners” asking, “what are we waiting for?” while Legislators who represent Districts that would be considered “losers” saying, “I can’t impose the resultant property tax increase that will come with lowering our proportional share on my constituents.”

Fair enough, but that tug-of-war would seem to overlook the fact that some Districts have benefitted for years from the inequity built into the current weighting model, and perhaps have benefitted from lower property tax rates, while other Districts have struggled to operate within the constraints of a model that does not recognize the cost of special education, poverty and rurality.

In CCSU, I currently serve three Districts – Peacham, the Caledonia Cooperative SD (Waterford, Barnet and Walden), and Cabot – that routinely run up against the Excess Spending Penalty Threshold, though the impacts vary. In Peacham, the school district for at least the past two years has set school spending well above the penalty threshold but the community has supported the tax impact of that penalty because they value the small community school that serves about seventy students in grades PK-6 and tuitions grades 7-12 to area public and independent schools. Caledonia Cooperative SD has set spending above the penalty threshold in each of the last two years, but because they were still benefitting from tax rate caps because of their voluntary Act 46 merger, the impact of that penalty was masked by the tax cap. Going into the FY ’23 budget cycle, the merger incentives are exhausted, and the penalty will be a concern moving forward, starting after FY’23 when the penalty moratorium expires (this will be a moot point if the weighting discussion is settled for FY ’24).

Cabot is a story unto itself. Cabot School has for several years struggled to stay on its feet under the weight of a proportionally higher number of students with trauma histories who

require excess special education services well above those provided to students who have a learning disability. While Cabot received some reimbursement for the costs associated with serving these students, the reimbursement falls well below 100% and the school has seen its costs for special education go up every year for the past six, at least. In FY '18, Special Education costs were almost 1/3rd of the total budget. Most of the high-cost students in the school's population have a documented history with childhood trauma, and we get no financial support from anywhere in the mental health system

In successive years (FY '18 and FY '19) the school board put forward budgets that reflected the true cost for supporting all of its high-needs students while maintaining a quality education for all students, but because those costs exceeded the penalty threshold, the community refused to pass the budget. It took three tries each year to pass a budget, and success only came when the Board carved enough out of its limited discretionary spending to get below the penalty threshold. Anyone who is even vaguely familiar with school budgeting knows that most of the expenses reflect salary and benefit costs; making meaningful cuts to a school budget in a small rural school always comes from cutting staff, an action that hurts all students and is its own form of inequitable treatment in the education system.

Following the FY '18 and FY '19 challenges, Cabot had two "normal years," meaning the Board presented a budget with spending below the Excess Penalty level and the community approved the budget on the first try each year. The just completed FY '22 budget preparation cycle resurrected the experience of FY '18 and FY '19, again because of the Excess Spending Penalty. Cabot finished FY '20 with a deficit that came from two sources – a carryover deficit in Food Service and a \$256,000 deficit in the Special Services fund. This is a significant deficit that had to be resolved in the FY '22 budget, but could not be absorbed in total in a single year, forcing the District to propose a deficit note to be paid over three years. This deficit note (year one principal and interest) helped to push Cabot's per pupil spending above the Excess Spending Penalty threshold. For a budget affecting our return to full in-person instruction following the 18-month Covid-19 interruptions, the administration and Board were loath to cut staff in order to get spending below the penalty threshold, and Cabot was once again trying to sell a "penalized" budget to its reluctant community. Two attempts were failures, and the budget only passed, finally, in June, after the Legislature passed the moratorium on the Excess Penalty.

For reasons that defy a clear analysis, Cabot continues to attract families with high-needs in the area of trauma abatement and general special education. At the end of the last school year, Cabot's Child Count (the number of students qualified for an IEP) was 37 students, representing 23.1% of enrollment. The Free and Reduced percentage for Cabot last year (calculated for Title I eligibility purposes) was 53.1%. Nothing in our projections points to a lessening of the poverty level or the special population count for this school².

² In November 2017, I published a report to the Secretaries of Education and Human Services on the impact that childhood trauma was having on the ability of Cabot School to meet its obligations to all students. I will be happy to share that report if asked.

One last point: I have heard concerns that any changes to the student weighting formula could result in a reduction of spending by a school district, as opposed to increasing the investment schools make in their rural, high poverty, special needs population. That will not be the case in the Districts I serve. We are not looking to cut spending, we are trying to find ways to better meet the needs of student populations, and we need a bigger share of the Ed Fund to do this.

Respectfully,

Mark Tucker, M.A.
Superintendent, CCSU