

Dear Committee Members,

Thank you for the opportunity to provide input on your latest draft bill (dr req 15-1034-draft 2.1).

We represent the Vermont Association of School Business Officials (VASBO). We must emphasize we do not represent our local boards, board members or superintendents.

Potential Savings: You have asked us for the potential savings resulting from the draft bill. We've previously submitted VASBO's 2010 position paper on school governance. While the paper did not identify an overall estimate of savings, it did provide non-cumulative estimates based on analogies.

Education Spending per Equalized Pupil - the difference in education spending (ES) per equalized pupils (EP) between supervisory unions (SUs) and supervisory districts (SDs): JFO has since analyzed comparative data for FY15 which shows the ES per EP gap between SDs and SUs has closed from \$472/EP to \$169/EP adjusting the potential savings from \$32M to just under \$12M.

Class Sizes (non-cumulative) - the difference in student-to-teacher ratios between SUs and SDs: Using FY14 data provided by the Agency of Education, the student-to-teacher ratio in SDs was 11.98 while the ratio was only 11.18 in SUs. If SUs could increase their ratio to 11.98, the state-wide number of teachers would be reduced by 505.75. Using the Bureau of Labor Statistics average Vermont teacher salary of \$53,759 and conservatively estimating benefits at \$14,514 (27% of salary), you arrive at a potential savings of \$34M compared to the \$29M we estimated in 2010. Although class size speaks to teaching staff, a more efficient governance structure as outlined will likely yield staff reductions in other employee classes thereby increasing the savings.

Reduction of Small Schools Grants: The Agency of Education can provide a more accurate estimate of savings relating to the elimination of this grant for schools that are not eligible due to geographic necessity. We believe a savings of \$5M is reasonable.

Central Office Staffing: Since the bill allows for local control and flexibility in the formation of new SDs it is difficult to estimate the number of staff that may be reduced in central offices across the state, but assuming there will be some reduction from the

current governance structure to the proposed governance structure there should be some savings that could be captured or reinvested.

State-wide Financial and Student Information Systems: This initiative would be beneficial and highly effective for capturing and analyzing data going forward, but there would be an associated cost. The cost is dependent on the system(s) that are selected. VASBO would be very interested in working with AOE to choose the right system(s).

Other Feedback: We'd also like to provide some feedback on some of the language within the draft bill.

Equalized Pupil Hold-Harmless Protection: We would like to see these adjustments take effect in FY18 instead of FY17. The adjustments may encourage affected districts to join a Regional Education District (RED) and they may not be able to do so until FY18. Extending the effective date could then be viewed as another incentive instead of a penalty.

Non-Operating Districts: We're concerned about the proposal to push non-operating districts into one or more SDs or to place them under the State Board of Education (SBE). Not knowing how this structure may look, coupled with the amount of administrative time that is taken up managing non-operating districts, the SBE would need to have a large, highly qualified staff to track and account for all the students, their residency, their placements, and their tuition agreements across a vast geographical area. This could result in an increase in education spending.

Thank you for your consideration.

Respectfully,

Richard Pembroke & Grant Geisler