



# Springfield School District

To: Springfield School District Board of Directors

From: Zach McLaughlin, Superintendent of School

Re: Next Steps in the Budget Process

As a board, you are in a difficult position. Our initial proposal was rejected by the voters 588-687. Without exit polling, we are relying on communication with a small sample of community members to gauge the reasons. Those conversations have led to the consideration of a few key concerns that may have led to the defeat.

1. Article language included "THIS PROJECTED SPENDING PER EQUALIZED PUPIL IS 10.72 % HIGHER THAN SPENDING FOR THE CURRENT YEAR." The idea of a double-digit increase may have turned voters off.
2. My decision to bring you a first proposal that included 19 potential cuts created an impression for some voters that we can operate without all these people. The question lingered "Did they all really need to go back in?"
3. The ballot question asks the community to agree to our spending \$30,940,964. We continue to believe that there remains confusion for many voters about the meaning of that number. We intended to raise approximately 7.9 million from local sources in order to access the approximately 31 million in school spending.
4. There was a lack of effective explaining of the budget and persuading of the community.

I think you have two ways to attack this problem. First, you can consider additional ways to change the budget to show comparatively more conservative spending. Second, you can work to engage the public in a thorough campaign of budget education. Of course, you could also look for a solution that is a combination of both.

So let's consider some ways to think about defining and explaining a more conservative approach. I think it might need to start with defining a value that shows fairness.

## Ways to Think About Fiscal Fairness

### **Fairness View Point: ≤ Average Total Budget Increase Around the State**

Average Budget Increase 3.08%<sup>1</sup>

Reductions needed to hit this goal \$341,473

If you followed my budget recommendation to you, the following positions would be cut:

SHS	.5 FTE Art	29,700.00
RMS	.5 FTE Music	47,950.00
SHS	PE & Health	92,400.00
RMS	.5 FTE Art	29,700.00
SHS	English position	63,600.00
SHS	Math position	54,800.00
Plant	.5 FTE Custodial	21,400.00

### **Fairness View Point: ≤ Average Ed Spending Increase Around the State**

**4.07%**<sup>2</sup>

Reductions needed to hit this goal \$509,115

If you followed my budget recommendation to you, the following positions would be cut:

USS	Planning Room Instructional Assistant	29,900.00
RMS	Registrar position to .5 FTE	32,100.00
SHS	.5 FTE Music	47,950.00
RMS	SAP Counselor	47,800.00
SHS	.5 FTE Art	29,700.00
RMS	.5 FTE Music	47,950.00
SHS	PE & Health	92,400.00
RMS	.5 FTE Art	29,700.00
SHS	English position	63,600.00
SHS	Math position	54,800.00
Plant	.5 FTE Custodial	21,400.00

### **Fairness View Point: ≤ 9.99% per equalized per pupil increase**

Reductions needed to hit this goal \$68,285

If you followed my budget recommendation to you, the following positions would be cut:

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<sup>1</sup> Testimony from Brad James, Vermont Education Finance Manager to House Education Committee on February 28, 2019, p.2:  
<https://legislature.vermont.gov/Documents/2020/WorkGroups/House%20Education/Education%20Finance/W~Brad%20James~Equalized%20Pupils%20And%20Preliminary%20Budgets%20Testimony~2-28-2019.pdf>

<sup>2</sup> Ibid.

SHS	Math position	54,800.00
Plant	.5 FTE Custodial	21,400.00

**Fairness View Point: ≤ Statewide per equalized pupil increase 4.64%<sup>3</sup>**

Reductions needed to hit this goal \$1,206,181

If you followed my budget recommendation to you, the following positions would be cut:

USS	Planning Room	84,400.00
RMS	FACS Position	80,500.00
SHS	World Language (French) position	99,300.00
SPED	Instructional Assistant at Union	32,500.00
RMS	Computer Science	67,700.00
ELM	2nd Grade Classroom Teacher	90,800.00
USS	TBH Nurse Secretary	52,900.00
RMS	PE & Health position	89,600.00
SHS	Instructional Coach	89,700.00
SPED	TBH Teacher at RMS	85,600.00
USS	Planning Room Instructional Assistant	29,900.00
RMS	Registrar position to .5 FTE	32,100.00
SHS	.5 FTE Music	47,950.00
RMS	SAP Counselor	47,800.00
SHS	.5 FTE Art	29,700.00
RMS	.5 FTE Music	47,950.00
SHS	PE & Health	92,400.00
RMS	.5 FTE Art	29,700.00
SHS	English position	63,600.00
SHS	Math position	54,800.00
Plant	.5 FTE Custodial	21,400.00

**Fairness View Point: ≤ 1.9 ¢ Residential Tax Increase**

Reductions needed to hit this goal \$278,115

If you followed my budget recommendation to you, the following positions would be cut:

RMS	.5 FTE Music	47,950.00
SHS	PE & Health	92,400.00
RMS	.5 FTE Art	29,700.00
SHS	English position	63,600.00

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<sup>3</sup> Testimony from Brad James, Vermont Education Finance Manager to House Education Committee on February 28, 2019, p.2:  
<https://legislature.vermont.gov/Documents/2020/WorkGroups/House%20Education/Education%20Finance/W~Brad%20James~Equalized%20Pupils%20And%20Preliminary%20Budgets%20Testimony~2-28-2019.pdf>

SHS	Math position	54,800.00
Plant	.5 FTE Custodial	21,400.00

**What are the potential tax impacts of each of these concepts?**

Name	Category	Home Value	Income	FY19 Tax	Potential Tax Impacts				
					Avg VT Budget Increase	Avg VT Ed Spending Increase	Under 9.99% Per Pupil	Avg VT Equalized Pupil Increase	1.99 cent res tax increase
Larry the Landlord	Non-Residential	\$500,000	\$100,000	\$8,302	-\$342	-\$342	-\$342	-\$342	-\$342
Nancy the Nurse	Residential	\$280,000	\$115,000	\$4,850	\$42	\$7	\$100	-\$141	\$56
Betsy the Bookkeeper	Income	\$150,000	\$50,000	\$1,292	\$106	\$91	\$121	\$51	\$106
Ralph the Retiree	Super Circuit Breaker*	\$100,000	\$20,000	\$900	\$25	\$25	\$25	\$25	\$25
	*Taxes represent combined municipal and school tax cap		**2.8% COLA in 2019						

**Topics for Possible Community Education and Outreach**

**Latest Score Results**

In the last round of Smarter Balanced Assessment Consortium (SBAC), Springfield students were up in 10 of 12 categories and even in one other. While we still have to grow a lot, last year’s scores are a positive data point and potentially a start of a long term trend.

**Local Contribution to the Education Fund vs. Local Spending from the Education Fund**

When our voters go to the polls, they are voting to authorize us to spend a bottom line amount of money on schools for the upcoming year. Due to Vermont’s school funding system set-up, Springfield is given the opportunity to raise the funds needed for our kids’ education in a cheaper way.

For a clear example of this voters should look at the last two year's town reports. For FY18, the voters authorized Springfield School District to spend \$29,220,446.00<sup>4</sup> and the town collected \$7,063,648.84 in Education Taxes.<sup>5</sup> A similar ratio was true in what we proposed this time. While this is not how the warrant article can be written, our request was to raise 7.8 million dollars from the community so that we could spend 31 million dollars on the children on the community. This is a tremendous opportunity for Springfield, and it is not a fluke. Since the passage of Act 60 and 68, the Vermont system is purposefully designed to help communities like ours provide educational opportunities that might be beyond our reach with state assistance.

### **Differing Tax Impacts on Different Types of Community Members**

We could reemphasize the actual ways that taxpayers in Springfield are impacted by the budget. Larry the Landlord and friends can be a powerful teaching tool for those ideas. As we have spoken of in the past, 40% of the grand list is non-residential property. Amongst the residential property owners, roughly two-thirds of our community receive a pre-bate through income sensitivity. The major of those taxpayers that have income sensitivity is part of Vermont's super circuit breaker and their combined town and school taxes are capped at a percentage of their income. Their taxes only go up if they have more income.

### **"The 19": What Drove the Initial Proposal and Why It isn't An Appropriate Choice Now**

When we presented the original budget proposal, we needed to project several key variables: Equalized Pupil Count, Common Level of Appraisal (CLA), and "the Yield." As we wrapped up the creation of the proposal in the last days of November, we slotted the same CLA as last year and the same yield as the previous year. We also projected a slight decrease (1%) in enrollment. Based on those projections, we would have seen a 14 cent increase in taxes. Even after our proposed cuts of 19 people, we projected a 4 cent increase.

Only later when we got significantly different numbers for each of these big variables, did we understand that we were able to avoid the disastrous cuts considered in the original proposal. Our original proposal was not a picture of here is what we think we can do without. Instead, it was a vision of what we might have to suffer through at such a high potential tax rate.

### **Springfield School District's Actual Spending Ranking Compared to Other Districts**

It is true that the combined municipal and school tax burden is large in Springfield. In the latest completed Annual Tax Report from the Vermont Department of Taxation, Springfield School

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<sup>4</sup> Town of Springfield, Vermont; Annual Report, Fiscal Year 2017. Retrieved March 14, 2019, from [https://springfieldvt.govoffice2.com/vertical/sites/%7B234B28A5-DB73-489E-ABFA-F2FB1EF67C08%7D/uploads/2017\\_Town\\_Report.pdf](https://springfieldvt.govoffice2.com/vertical/sites/%7B234B28A5-DB73-489E-ABFA-F2FB1EF67C08%7D/uploads/2017_Town_Report.pdf)

See warrant article 15 on page 78 of this report.

<sup>5</sup> Ibid. See "Statement of Taxes" table on page 35 of this report. It lists the Education Taxes in its own line.

District ranked 46th in tax rate amongst school districts in Vermont.<sup>6</sup> Meanwhile, the combined rate was in the top five in Vermont. The top tier combined tax rate is less connected to school district spending than to other taxpayers choices about expenditures.

## Means of Communicating These Ideas

**Next School Budget Information Night**

**Interviews with Springfield Reporter**

**Letters to the Editors of Eagle Times and Springfield Reporter**

**Our Website**

**Sponsored Social Media**

**Information Tables**

**Puggy's Corner**

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<sup>6</sup> Annual Report Based on 2017 Grand List Data. Division of Property Evaluation and Review. (January 11, 2018.) Accessed February 15, 2019. <https://tax.vermont.gov/sites/tax/files/documents/2018AnnualReportBasedon2017Grand%20List.pdf>. See page 85 for both municipal and education tax rates in Windsor County.