

VSA / VPA / VSBA Legislative Bulletin

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House Committee Proposes Voluntary FY12 School Budget Reduction Targets

On Friday morning, the House Education Committee voted 8-3-0 to direct the Department of Education to develop voluntary education spending reduction targets for each school district for fiscal year 2012. Statewide, the targets would total \$23.2 million in education spending reductions from voter-approved fiscal year 2011 budgets. The targets would be developed this summer, and school officials would be directed to dialogue with the Department of Education about what steps the districts would need to take to achieve the savings. The voluntary spending targets grew out of the *Challenges for Change* law ([Act 68 of 2010](#)) which required a number of areas of state government to “redesign” their operational practices to achieve better outcomes with a reduced budget.

The *Challenges* law required the Department of Education to develop an implementation plan to meet budget reduction targets. Commissioner of Education Armando Vilaseca presented his plan on March 30th, which included three options. The options were (1) authorize the Commissioner to implement mandatory school district consolidation to approximately 50 districts, (2) examine schools with fewer than 75 enrolled pupils for possible closure, and (3) allocate spending reduction targets to local districts using a undetermined formula, and allow districts to manage their own budget reductions.

The Commissioner’s recommendations were not well received in the Legislature, and only option 3 received serious discussion. The House Education Committee took the lead in responding to Vilaseca’s recommendations, and they spent several days considering what criteria would be appropriate for a spending-reduction formula, and how to induce districts to meet their targets. Earlier in the week, it appeared that the Committee was seriously considering legislation that would assign each district a reduction target, and double-tax any local spending above the target that might be approved by voters. The double-tax would have worked similarly to the excess spending threshold, which double taxes district spending above 125% of the prior year’s statewide average spending per pupil. However, the Committee eventually rejected this approach, partially in response to testimony from Robert Gensburg of St. Johnsbury, lead attorney for the plaintiffs in the *Amanda Brigham et. al. v. State of Vermont* equity lawsuit, who questioned whether the approach would meet the *Brigham* standard of substantially equal access to resources.

On Thursday morning, House Committee members expressed frustration with the *Challenges* process and their role in coordinating implementation of the law, and it appeared that a majority of the Committee was willing to vote to support a resolution that would have asked for public education to be exempted from *Challenges* for both fiscal years (2011-12). One media account described the Committee members’ stance at the time as “a mutiny” against *Challenges*. In response, Speaker of the House Shap Smith then took the unusual step of addressing the entire Committee as well as assembled media members and interested parties. Smith sympathized with the complex nature of the limited state control Vermont has over its local school districts, but urged Committee members to develop a workable solution.

By Thursday afternoon, the Committee had adopted the approach described in the first paragraph of this *Bulletin*, and as of Friday afternoon the voluntary spending reduction targets appeared to have won key preliminary endorsements from Speaker Smith, the House Appropriations Committee, and Commissioner Vilaseca. **Its implementation into law is far from a “done deal.” At this time, the voluntary targets plan has not received formal approval from either legislative chamber or the Governor’s administration.**