

MINUTES



**Addison Central School District
Finance Committee
Committee Meeting
Monday, November 4, 2024, 8:45 am - 9:45 am
49 Charles Avenue
Middlebury VT
05753**

ACSD District Vision and Mission

OUR VISION

Our vision is for all ACSD students to reach their full learning potential, have a sense of belonging in our schools, and enrich our community and the communities where they live in the future.

OUR MISSION

Our mission is to provide high-quality, equitable, and varied learning environments that inspire a passion for learning and growth among our students.

A. Call to Order Upon Reaching a Quorum

Chip called the meeting to order at 8:48 am

1. Introductions: Board Members, Administrators and Staff

Matt Corrente, Ellen Whelan-Wuest, Ellie Romp, Jason Chance, Wendy Baker in attendance

B. Public Comment - Agenda Items

No public comment

C. Recommendation to Approve the Minutes from October 7, 2024 and October 25, 2024

Move: Jason Chance Second: Ellie Romp Status: Passed

D. Committee Discussion:

1. Budget Development

Matt recapped that we are here to preview information and workshop it before it goes to the full board at regular meetings, through the budget development season.

Main goals of today are to look at feasibility targeting- what is our target goal, what is feasible and what should the internal work be aiming at. And to look at internal performance monitoring, what is happening at the school, administration and district level.

Chip pointed out that there are two ways to form a budget- either work from the bottom up with a ceiling you don't go over, i.e. zero based budgeting. The second is to look at everything you need and determine what it costs.

Matt affirmed that zero-based budgeting is ongoing now, but we need to establish what the ceiling or the maximum is. We need to set some target constraints around where the budget

can or can't grow.

Internally, we are using big picture budget strategies to guide the work, i.e. zero-based strategies, but also using meta strategies to identify programmatic inequities (tied into the strategic plan)- how can we identify where there are inequities across schools, assess the needs and what are the budget implications?

Related but different, we are also looking at strengthening resources. This means looking at what we need to strengthen our classroom resources for all students. At the same time, we're streamlining student services, which are often recovery resources spent on recovering learning that has been lost. Strengthening universal instruction helps avoid lost learning.

For performance budgeting there are three points on a triangle that principals have been asked to think about, or lenses to think through for establishing budget needs. 1) Providers- such as teachers, 2) Coaches - people who help providers enhance their skills as providers, and 3) System Supports- i.e. software that helps collect data, the people who are behind the data, systems we use to strengthen the operation for everyone involved.

On this, Chip pointed out that the terminology of providers and coaches is somewhat confusing or easily confused with other contexts.

Matt explained that a reason to maintain these terms is that it allows for a more nuanced understanding of different roles people can serve within single positions. It helps clarify for people how they see themselves, their teams, and how principals can gather resources.

Wendy suggested we could make it "improvement coaches" and possibly amend the visual of the triangle to point out that in the middle is the outcome of "what are we trying to achieve?" That is different for each building, so we have to be intentional about using the resources we have and distribution of resources so that everyone can achieve their objectives.

As far as internal processes, November the goal is for principals and directors to provide development plans, the mix of providers, coaches and system supports that will optimize outcomes within their department/building.

In our budget development cycle, now is a good time to determine what we believe success looks like or means.

Jason asked if the outcomes will look different for every building? Wendy affirmed that yes, they will look different based on the different needs within each building. Matt explained this is also part of addressing inequities across the system.

In December, individual plans will be incorporated and melded into a budget draft for January. The work here will result in plans that largely line up with one another at least 75-80% of the way. But there will be times through the December process that will offer choices between one direction or another to get to 100% alignment, and we will have to work collaboratively to achieve a holistic budget plan

Wendy recommends adding to December box that the board needs information related to whether a feasibility target will ask the district to absorb large additional costs (i.e. \$2.5 million for increased healthcare and salary costs), and if there are large cuts being contemplated to meet the feasibility target, then the Board will receive that information in December so that the Board can guide administration heading into the new year.

The budget is a combination of different allocation types. There are:

operations expenses (keep lights and heat on, feeding kids, transportation),

educational quality standard resources (teachers, principals, nurses, counselors that the state requires based on the number of students we have enrolled, and based on school board policy requirements),

school supplies and materials (computers, books, construction paper, etc.)

Student services- legally required services and staffing based on student need, not enrollment

Student opportunity funds (field trips, enrichment experiences), based on enrollment and performance- if we took money away, wouldn't be out of legal or policy compliance so we have to assess how these funds are working towards the targets of what we want them to achieve.

Targeted equity allocations- based on specific goals within a school or department, allocating additional resources (coach, staff member) to help achieve a result we don't think we could otherwise. This is based on performance more than enrollment or necessarily IEP or student needs. This is identified as a need by the director or principal, so it's another case where we have to look at what the data would show.

Chip asked about how we square the fact that some schools have resources gifted to them, such as the McGilton fund for Mary Hogan, that creates inequitable experiences for some schools over others?

Matt responded that this is a tricky question for the district because we have to evaluate what the district will fund to achieve equity?

Wendy confirmed that the district won't budget in a way that puts us out of legal or policy compliance. The evaluation of other resource allocation on performance measures is new, and will lead to thinking about things differently. For example, student services with legal and need basis is where class sizes would fall. Principals need to establish class sizes now, and be in compliance with current class size policy.

We have not given the necessary attention to universal instructional support, which means we've had to invest more into our student services support. We are working to flip this so that our universal instructional support is much stronger.

Matt pointed out that this process is meant to pause before removing resources, to design an outcomes based approach to analyzing resource allocation, that targets the outcomes of those resources and tracks with data.

Wendy pointed out that in future budget years, as we keep going, we will also evaluate what in our resources is working and what we need to sustain. For example, if there is a program that is really making a difference how can we evaluate the elements that are making this program work and bring it to scale across the district. This is fairly common in a corporate setting, but in human services it can be difficult because you often lose what is transformative. But as we work to streamline student services, we need to think carefully about what we take what we know work and streamline what we're doing to meet a financial feasibility goal and build on what we know works programmatically.

2. Action: Recommend Financial Feasibility Target

First question is: what do we need to do to measure change? Three options:

Focus on a percent change to the equalized district tax rate. This relies heavily on the yield as a variable, which we never know until after the school budgets have been submitted. It is a powerful denominator that can have a big impact if we only look at the tax rate as a target. Percent change to the General Fund expense budget or total expenses. Challenge here is that if we look at the bottom line only, it becomes hard to understand what that means in the details of the budget or what it looks like for each area of budget allocation.

Percentage change to per pupil spending- this is the smallest level to look at things, it is related to the LTWADM, would rely heavily on the LTWADM (another state generated number) as a variable.

Matt highlighted the second or third as the ideal options because the answer is probably somewhere in the middle. Look at the big picture, and also keep tracking by per pupil spending to show how changes in percentage changes have affected what we make available for students.

Jason asked if we can use the per headcount workup that we saw to say "this is where we started- \$x,000 per pupil to \$x, 000 per pupil. And, should we also be keeping the double taxation threshold in mind because after that point it becomes a very hard sell?

Matt said yes, understanding the percentage change at which we hit that threshold is important. Right now we know that \$2.4 million will be coming in new money based on health care and salary increases. We also saw additional growth in student services with additional programs and positions that were added to meet need that adds approximately another

\$600,000. That means we need approximately \$3 million in new money, which constitutes almost 1% growth no matter what. In order to avoid the per pupil spending threshold and double taxation, we need to maintain 0% growth, which essentially means reducing by 1% to accommodate the new monies we have to spend.

If we need \$3 million to stay level, and we want to present the board and the public with a 0% budget growth, we will have to determine how to absorb \$3 million within our current budget. Ellen asked how the adjusted projections of LTWADM might help us have more buffer in our budget?

Wendy explained that we should not rely on the state maintaining the current LTWADM weighting formula because the AOE is requesting all districts to provide their expected spending by November 13, and this seems to indicate that the state will potentially change the LTWADM formula in a way that may not allow for adjusted LTWADM for ACSD the way the current formula shows.

Ellen said that it feels naive and foolish to propose a budget with any growth that would lead to double taxation, it would likely not pass. She suggested that Matt add to his slide a column that shows how our current budget is on track for growth (.75-1%) and what that would mean on per pupil spending and the impact for the threshold and double taxation, so that the full picture is available. And to be very clear that 0% growth will require cuts because we'll have to absorb \$3 million in additional spending by making other cuts somewhere.

Ellie said she thinks that avoiding the double taxation threshold is more important than 0% growth and if we aim for that and then have some understanding of what the state is going to do in ways that affect our budget, that should be our goal.

Ellen pointed out that a lot of people in the public already believe that closing schools would immediately achieve the savings we need. Ellie said that's what is so important about understanding how we are spending money on students now, and most of those resources are not going to operations. We will still need to provide education, student services, transportation, and food services.

Jason agrees that our preliminary target should be to avoid double taxation and aim for 0% growth until we know what the state is going to do.

Wendy said she's hearing that we, as a committee, want the administration to pursue 0% growth. Ellie said she prefers it be messaged that level funding would mean an increase in \$3 million, whereas a 0% increase would require \$3 million in cuts. Wendy asked if we should talk about level funding versus level service, which may make it easier for people to understand maintaining what we have now will require an increase in funding based on health care and salaries.

This information will be presented to the board at the next board meeting. It will include what growth will look like if we don't make reductions in other areas.

In December we're aiming for 2 presentations with LTWADM and early yield calculations.

Using the target we set today, what are the options to arrive there and achieve that target?

On December 16, we'll talk about data from December 1st with the yield and LTWADM information folded in.

Finance committee should meet in early December to look at the cost equivalence. We will meet December 2nd as a committee and December 9th at 8:45 am.

E. Public Comment - Any Topic

None

F. Adjournment

Meeting adjourned at 10:03am

Move: Ellen Whelan-Wuest Second: Ellie Romp Status: Passed

***Public Comment Guidelines:**

Public comments are encouraged and welcome at each regular board meeting during the period designated for public comment. Comments are limited to three minutes per person. Citizens will be called to make their statement by the board chair. Public comments regarding personnel, students or legal matters will not be heard by the Board.