

South Burlington School District
March 12, 2010

To: School Board Members

From: John Everitt

Re: Superintendent Report – March 17, 2010
Policy 2.9 – Communication and Support to the Board

1. Legislative Update – There are two substantive issues I have been following at the Legislature – governance and funding. It appears that the bill to consolidate the 300+ Vermont school districts into 16 school districts will not advance from the Senate. The bill to provide incentives for school district consolidation is scheduled for consideration in the House Education Committee today. It needs to be passed out of the committee today if it is to meet the crossover deadline which is the traditional marker for continued viability.

The Legislature passed and the Governor signed the Challenges for Change bill that, among other things, authorized an education working group to find \$17M in cost savings in FY2011 and \$40M in FY2012 in administration (operations) and special education. The budgets for Vermont schools next year are about \$20M less than anticipated by the tax commissioner last fall. Nevertheless, the working group is looking to ensure that \$17M was reduced in operations and special education. The more significant work of the group is to recommend ways to save \$40M in operations and special education in FY2012. We can expect any Legislation that comes out of the recommendations of this group to significantly impact our budget development for FY2012.

2. Staff retirement – (This is a repeat from my last report.) We have received the district actuarial valuation for our support staff retirement plan that covers the period of the significant downturn in the equity market starting in late 2008. Our minimum contribution has increased \$133,621 from last year. (\$441,718 to \$575,339) The new amount exceeds our budgeted amount by \$122,764.

This payment is due June 15, 2010. We have researched the consequences of making a late payment. The process is covered under Government Accounting Standards Board Statement 27. It involves amortization at the interest rate in our plan, 7.5%, and would result in additional accounting work and audit notes.

I recommend we avoid this unpaid liability process and make the June 15 payment by using tuition revenue funds that exceed the budgeted tuition revenue by \$300,000. This will reduce our carry forward in our FY2012 budget development next fall.

The FY2011 budget has \$615,000 for this expense next year so that I do not anticipate a similar situation next year. In addition, we are continuing with our research to switch from a self-funded retirement system to the Vermont Municipal Employee Retirement System.

3. Middle school principal search – Four candidates have completed interviews with students, parents, staff, teachers, and administrators. The Search Committee has been given a report that consolidates the feedback from the interviews. The committee will meet to review the report and decide if one or more candidates should move to the next step – site visits.
4. Board summit concept – I have been thinking about the board summit idea discussed at the last meeting and have had a chance to visit with Paul Costello of the Vermont Council on Rural Development about the value and structure of such an activity. Paul was very supportive of the idea and said that it was very forward thinking and mirrors very successful work done in several Vermont communities. He offered to assist us in developing the structure of the meeting as well as securing appropriate facilitators.

I would offer for your consideration the following:

- The South Burlington Board would organize a summit to discuss two questions:
 - What collaboration among school districts would benefit the children in our area?
 - What governance changes would support this collaboration?
- Develop an agenda for a meeting that includes board members and administrators (and perhaps teachers, parents, and students). Small group discussions would focus on one aspect of the question and include ideas for action steps. Action steps would include ways to engage a broader segment of the communities.
- The discussion would be recorded in a manner that leads directly to a report. The report of the session would be taken by each participating school district back to their respective board for further discussion.
- Select a date that avoids regularly scheduled board meetings. (April 29, June 29 or 30, August 30, September 29 or 30)
- Once there is a board decision to move ahead on such a summit, the board could appoint a member or two to work on developing the summit with me. The board could reach out to other boards to see if there is another board interested in partnering on the planning.

I encourage the board to take this step. I believe it is the kind of grass roots leadership that is needed if Vermont is to confront the difficulties we face in public education and turn them into opportunities for improvement.

Please bring your policy manual to the board meeting.