



# FY'26 Budget

## Presentation Three Recommended Budget Scenarios

January 7, 2025

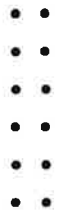
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# DISTRICT ENROLLMENT



Past and Future	
2009	2,162
2012	2,144
2015	2,150
2018	2,106
2021	2,154
2024 Current	2,202
2027	2,252
2030	2,303
2034	2,297





# VERMONT EDUCATION QUALITY STANDARDS

**GRADES  
K-3**

**20 students  
per  
classroom**



**GRADES  
4-12**

**25 students  
per  
classroom**

**100 students  
per teacher**





# FY26 Budget Development



Vermont's education funding system is **STATEWIDE**.

- Every District/SU in the state receives the funding they ask for
- Money comes out of one fund at the state level
- This fund is filled mainly by property taxes
- Increased spending in other districts will influence Colchester's tax bills
- Tax rates are set to raise all the money needed to cover the cost of all the approved school budgets

## Resources

•• a. [VT Public Video explaining education finance](#) ••

•• b. [VT's Education Funding System: Explained & Compared to Other States prepared by VT AOE](#) ••



# Education Funding Glossary of Terms

## Education Spending

Total budget minus 'non-tax revenues' such as federal & state grants as well as locally-generated revenues such as tuition & interest

## Long Term Weighted - Average Daily Membership (LTW ADM) - *has changed numerous times*

Two-Year Average Daily Membership (ADM - enrollment) adjusted by several factors such as preK (-0.54), middle 6-8 (.36) secondary 9-12 (.39), Poverty (1.03), & limited English proficiency (2.49)

## Property Dollar Yield - *not final until the legislative session ends*

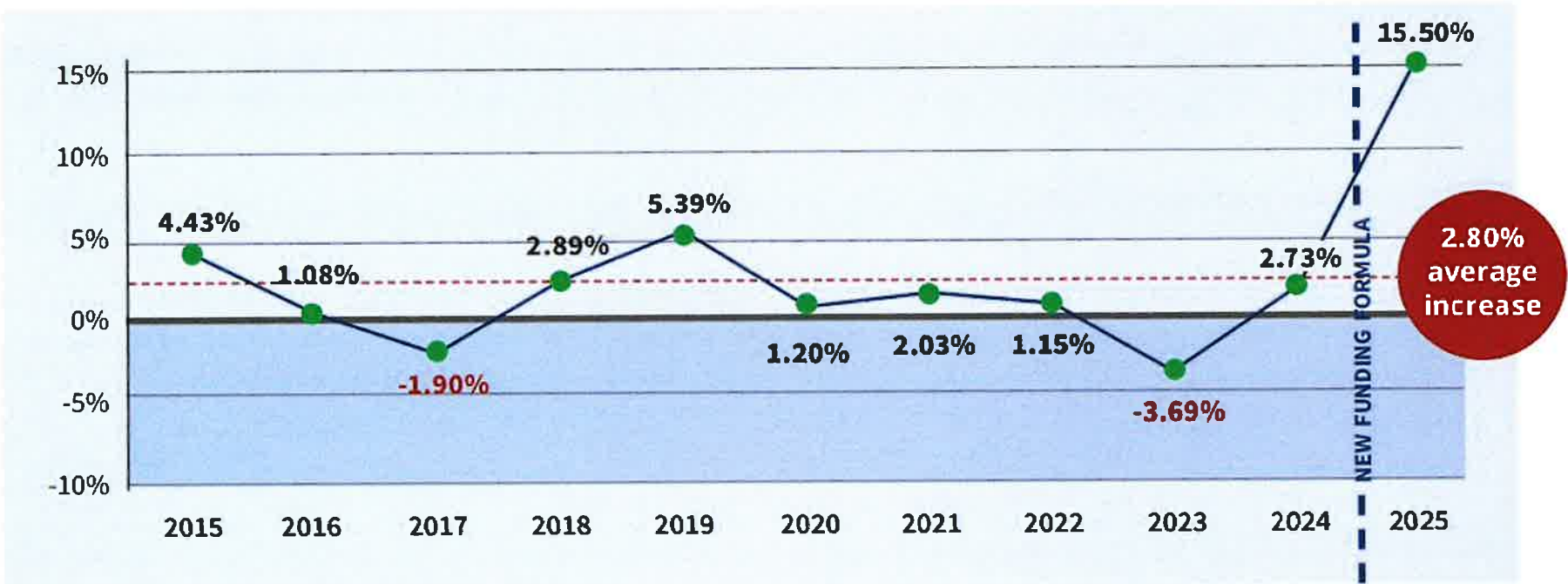
Estimated amount districts have to spend per pupil to have an equalized tax rate of \$1.00 while generating enough money for the State's Ed Fund

- Good economy = higher yield, lower tax rates
- Set by law (usually in late spring)

## Common Level of Appraisal (CLA) - *has changed since December 1st Letter*

- ❖ Appraised value of property vs. market value
- ❖ Attempts to make tax bills "fair" across the State

# CSD Historical Tax Increases



# FY25 Comparison

## Spending per Equalized Pupil

### FY'25 COMPARISON OF SPENDING PER EQUALIZED PUPIL

\*Numbers are estimated based on approved budgets



# FY26 Educational Tax Components

COMPONENT	SET BY	FY'26
<b><i>Dollar Yield (set by legislature)</i></b>	State	<b>\$8,553</b>
Income Yield	State	\$12,260
Estimated Ed Spending Increase \$	CSD	\$6,977,021
Per Pupil Spending	CSD	\$14,571
<b><i>Common Level of Appraisal (CLA)</i></b>	Town	<b>61.51%</b>
<b><i>Statewide Average CLA</i></b>	State	<b>72.36%</b>
Baseline Budget Increase \$	CSD	\$8,075,673
Baseline Budget Increase %	CSD	14.06%



# Education Tax Calculation

$\text{Total Budget} - \text{Non-Tax Revenues} = \text{Education Spending}$



$\text{Education Spending} / \text{LTW ADM} = \text{Education Spending Per LTW ADM}$



$\text{Education Spending Per LTW ADM} / \text{Property Dollar Yield} = \text{Equalized Residential Tax Rate}$



$\text{Equalized Residential Tax Rate} / \text{Common Level of Appraisal (CLA)} = \text{Residential Tax Rate w/ CLA}$

*Note: The dollar yield is set by the state and will change.*



# Budget Drivers



## Areas that have the greatest influence in increasing or decreasing the budget

- Salaries and benefits
- State mandated district contributions to employee health benefits is proposed to increase by 11.9%
- Out of district placement
- Professional education services
- Food Service transfer
- Transportation





# New Bond Information



Starting the project a year early causes some required additions to the operating budget. Borrowing in March would cause the following.

- In FY'25, the district would need to pay approximately \$280K in interest.
- In FY'26, the district would need to pay approximately \$1,121K in interest.
- In FY'25, the district would earn interest revenue on unspent funds of approximately \$245K.
- In FY'26, the district would earn interest revenue on unspent funds based on current expenditure projections of \$1 million.
- Interest earned cannot be used to pay interest owed. It needs to be spent in a fashion similar to the bond proceed (building improvements/renovations).



	Scenario A	Scenario B
<b>Additions</b>	No Additions No Reductions	Reduction in Open Positions
<b>Budget Amount</b>	\$65,501,630	\$64,889,466
<b>Increase \$</b>	\$8,075,673	\$7,463,508
<b>Increase %</b>	14.06%	13.00%
<b>Estimated Tax Increase %</b>	<b>4.37%</b>	<b>3.102%</b>
<b>Tax Rate Increase (cents)</b>	7.95	5.64
<b>Per Pupil Spending Increase</b>	\$14,571	\$14,403

	Scenario B Current Yield	Scenario B Yield DOWN 5%	Scenario B Yield DOWN 10%
<b>Dollar Yield</b>	\$8,553	\$8,125 (down 5%)	\$7,698 (down 10%)
<b>Budget Amount</b>	\$64,889,466	\$64,889,466	\$64,889,466
<b>Increase \$</b>	\$7,463,508	\$7,463,508	\$7,463,508
<b>Increase %</b>	13.00%	13.00%	13.00%
<b>Estimated Tax Increase %</b>	<b>3.102%</b>	<b>8.83%</b>	<b>15.20%</b>
<b>Tax Rate Increase (cents)</b>	5.64	16.07	27.65
<b>Per Pupil Spending Increase</b>	\$14,403	\$14,403	\$14,403



# FY26 Budget Analysis

**Highest Priority:  
Maintain our existing levels of professional staffing**

## Areas we are monitoring:

- Roof at MBS
- Food services
- Level of ML staffing
- Size of current kindergarten class
  - 179 students, average 22 per class, above EQS
- Size of current grade 4 class
  - 24 per class, only elementary grade with 7 teachers
- Athletic funding at CMS and CHS
- Champ Program at CHS
- CMS new field hockey nets

## Areas for Efficiency:

- Full budget analysis
- Software
- Open positions

# FY26 Budget Timeline

## **Discussion -**

- Is the board comfortable with the timeline for the bond?
- Would the board like to see further financial scenarios as the next meeting?
- What other information does the board need in order to warn a budget?
- Does the board need an additional meeting on January 14th?

## **January 7th - Tonight**

## **January 14th**

## **January 21st\*\* - preferred date to warn**

## **January 28th**



**Questions?**

