



FY'26 Budget

Presentation Three Recommended Budget Scenarios

January 7, 2025

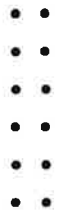
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DISTRICT ENROLLMENT



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*

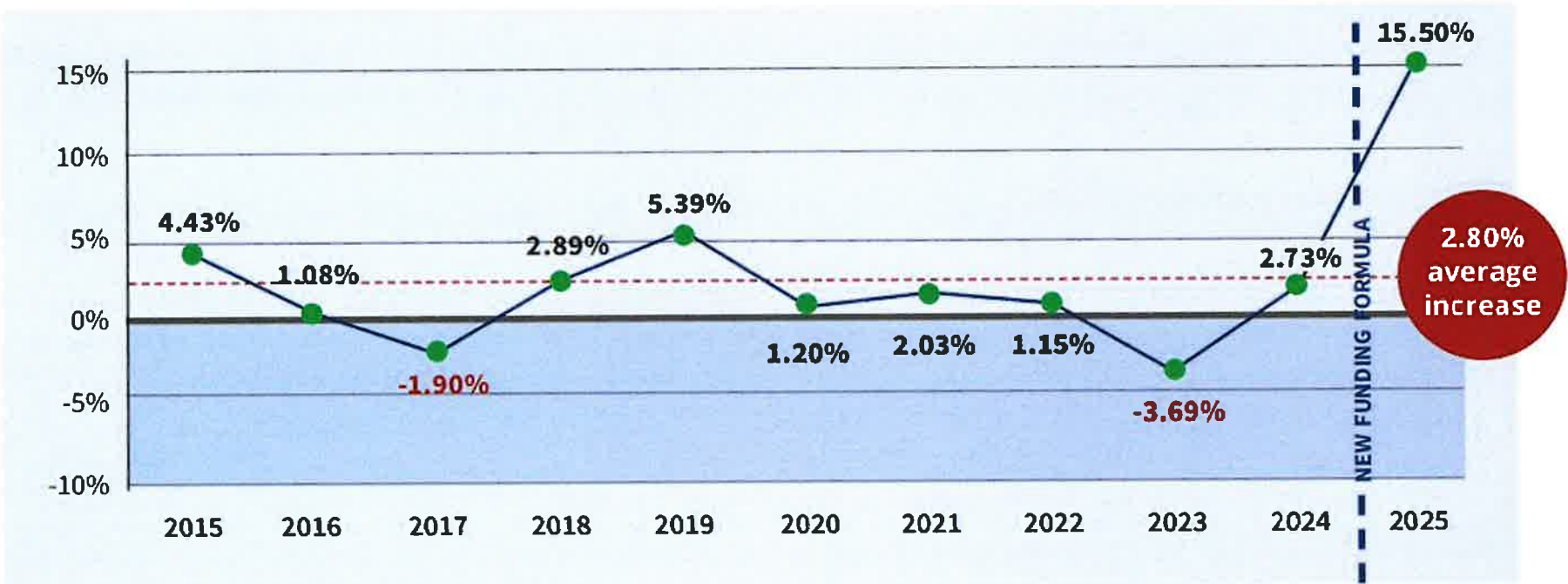
Estimated amount districts have to spend per pupil to have an equalized tax rate of \$1.00 while generating enough money for the State's Ed Fund

- 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
<i>Dollar Yield (set by legislature)</i>	State	\$8,553
Income Yield	State	\$12,260
Estimated Ed Spending Increase \$	CSD	\$6,977,021
Per Pupil Spending	CSD	\$14,571
<i>Common Level of Appraisal (CLA)</i>	Town	61.51%
<i>Statewide Average CLA</i>	State	72.36%
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
Additions	No Additions No Reductions	Reduction in Open Positions
Budget Amount	\$65,501,630	\$64,889,466
Increase \$	\$8,075,673	\$7,463,508
Increase %	14.06%	13.00%
Estimated Tax Increase %	4.37%	3.102%
Tax Rate Increase (cents)	7.95	5.64
Per Pupil Spending Increase	\$14,571	\$14,403

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

