



# **FY'27 Budget**

## **Presentation Three**

## **Funding Formula & Tax Impact**

January 13, 2026



# Property Tax Credit

Vermont uses an Income Sensitivity Calculation via the Income Yield to provide Property Tax credit to anyone with a household income of under **\$99,000**. In this case your property tax calculation has nothing to do with your property value and is calculated on income alone.

About **60%** of Colchester Homeowners receive a property tax credit.

Example: If your adjusted gross income is \$50,000, but your property value is \$400,000, you only pay using this calculation.  $\$50,000 \times 2.35\% = \$1,175$  So even if your property tax bill is \$7,000, you only have to pay \$1,175 and will receive a property tax credit of \$5,825.

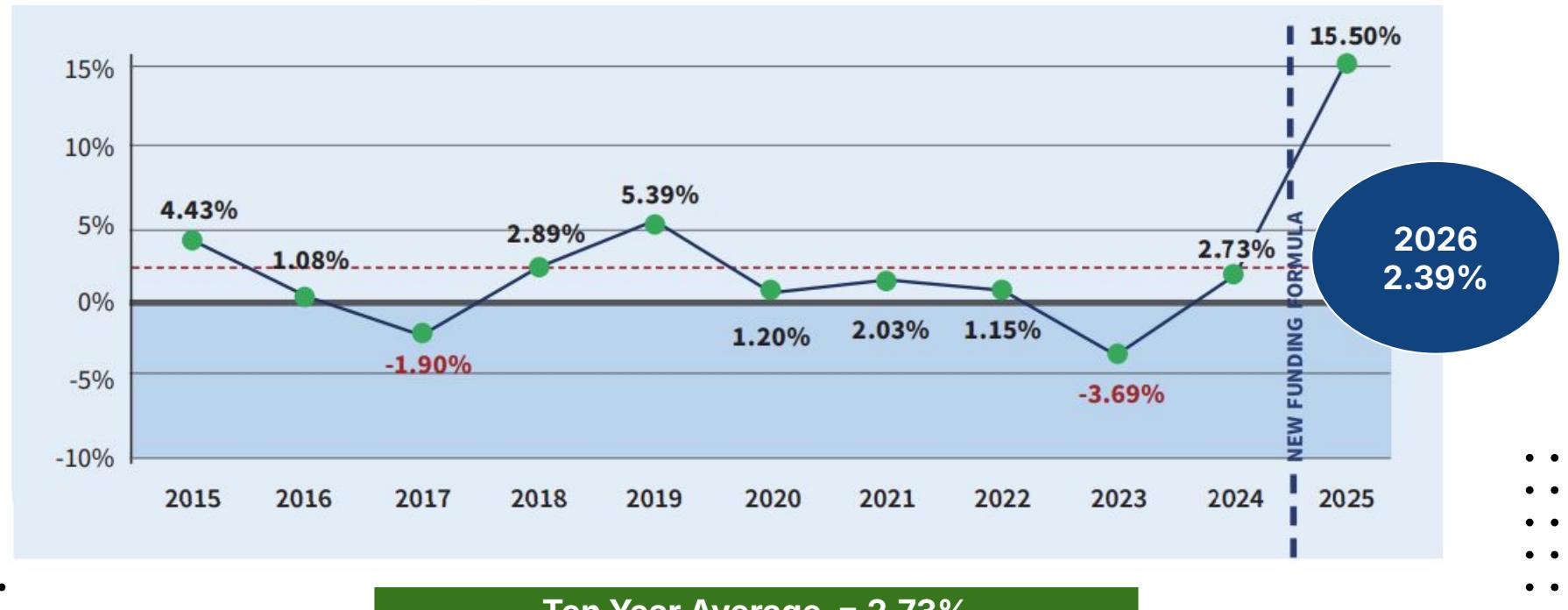
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This is key for people who are retired about to retire and are worried about their property tax bill. If you make less than **\$99,000** in retirement the amount you have to pay is likely to go way down.

Tax Year	Maximum Household Income
2026	
2025	\$115,400
2024	\$115,000
2023	\$128,000
2022	\$134,800
2021	\$136,900
2020	\$138,500
2019	\$138,250
2018	\$136,500
2017	\$147,500
2016	\$141,000

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# CSD Historical Tax Increases



# Educational Tax Components

COMPONENT	SET BY	FY'26	FY'27
Dollar Yield (set by legislature)	State	\$8,596	\$8,849
Income Yield	State	\$12,172	\$12,154
Estimated Ed Spending Increase \$	CSD	\$6,365,303	\$5,113,153
Per Pupil Spending	CSD	\$14,383	\$16,042
Common Level of Appraisal (CLA)	Town	62%	110%
Statewide Average CLA	State	72%	70%
Baseline Budget Increase \$	CSD	\$7,463,955	\$6,339,996
Baseline Budget Increase %	CSD	13.00%	9.77%

# FY27 Budget Scenarios

	Scenario A	Scenario B	Scenario C	Scenario D	Scenario E
<b>Ed Spending % Increase</b>	9.73%	8.50%	7.27%	6.03%	4.80%
<b>Additions</b>	No Additions				
<b>Reductions \$</b>	\$0	\$648,895	\$1,297,789	\$1,946,684	\$2,595,579
<b>Budget Amount</b>	\$71,229,966	\$70,581,071	\$69,932,177	\$69,283,282	\$68,634,387
<b>Increase \$</b>	\$6,340,500	\$5,691,605	\$5,042,711	\$4,393,816	\$3,744,921
<b>Increase %</b>	9.77%	8.77%	7.77%	6.77%	5.77%
<b>Per Pupil Spending</b>	\$16,056	\$15,875	\$15,694	\$15,514	\$15,333
<b>Per Pupil % Increase</b>	11.54%	10.38%	9.12%	7.87%	6.61%

# Scenario B

## 1% Reduction \$648,000

### **Proposed Reductions:**

\$500,000 Repairs and Maintenance

\$220,000 5 Open support staff positions

**\$720,000 Total**

### **Impact:**

Use of capital reserve fund for anticipated project

General school-wide educational support staff support and student supervision will decrease

# Scenario C

## 2% reduction \$1,297,789

### Proposed Reductions:

\$500,000 Repairs and Maintenance

\$440,000 10 Open support staff positions

\$150,000 Professional Ed Services  
CSD tutoring program

\$65,000 Stipends

\$260,000 2.0 FTE

**\$1,415,000 Million Total**

### Impact:

Use of capital reserve fund for anticipated project

General school-wide educational support staff support and student supervision will decrease

Tutoring will fall back to the buildings as a responsibility for students

Impact electives and level of service to some students

# FY27 Budget Scenarios

	Scenario A	Scenario B	Scenario C
<b>Ed Spending % Increase</b>	9.73%	8.36%	7.04%
<b>Additions</b>	No Additions	No Additions	No Additions
<b>Reductions \$</b>	\$0	\$720,000	\$1,415,000
<b>Budget Amount</b>	\$71,229,462	\$70,509,966	\$69,814,966
<b>Increase \$</b>	\$6,339,996	\$5,619,996	\$4,924,996
<b>Increase %</b>	9.77%	8.66%	7.59%
<b>Per Pupil Spending</b>	\$16,042	\$15,824	\$15,649
<b>Per Pupil % Increase</b>	11.54%/3.68%	10.15%/2.29%	8.80%/0.94%



# DRAFT Ballot Language

Shall the voters of the school district approve the school board to expend **\$xx,xxx,xxx**, which is the amount the school board has determined to be necessary for the ensuing fiscal year? The Colchester School District estimates that this proposed budget, if approved, will result in per pupil education spending of **\$xx,xxx**, which is **xx.%** higher than per pupil education spending for the current year.

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# FY27 Budget Timeline

- Discussion*** - What is the board's goal regarding the tax implications of our budget?
- When we bring back potential recommended budgets in January is there a target tax increase that the board would like to see?
- ...
- What information does the board need as the budget process moves forward?

- January 6th**
- January 13th**
- January 20th\*\* - preferred date to warn**
- January 27th - if necessary**



# Questions?



Assessed	TR	Taxes	
FY'26	\$400,000	\$1.8634	\$7,454
FY'27	\$666,071	\$1.1191	\$7,454
Rate Reduction		-39.94%	



# Administrative Priorities

- Maintain resources effective for Multi-Tiered Systems of Support (MTSS) model in Academics, Social Emotional Learning and Inclusion.
- Follow the class size guidelines in the VT Education Quality Standards
- Early literacy and mathematics proficiency
- Ensure continuation of co-curricular activities for students
- Protect services dedicated to our most vulnerable students and families
- Develop a budget that is fiscally responsible for tax payers
- Explore all systems for efficiencies

# Scenario D

## 3% Reduction, \$1,946,684

### Proposed Reductions:

\$500,000 Repairs and Maintenance

\$150,000 CSD tutoring program

\$440,000 Open support staff positions

\$65,000 Stipends

\$260,000 2.0 FTE

\$660,000 6.0 FTE additional

**Total**

### Impact:

Use of capital reserve fund for anticipated project

General school-wide educational support staff support and student supervision will decrease

District services to schools will decrease

Tutoring will fall back to the buildings as a responsibility for students

Impact elective offerings, class size at CHS rises to 25, and level of service to some students diminished

# FY27 Budget Scenarios

	Scenario A	Scenario B	Scenario C	Scenario D
<b>Ed Spending % Increase</b>	9.73%	8.36%	7.04%	5.78%
<b>Additions</b>	No Additions	No Additions	No Additions	No Additions
<b>Reductions \$</b>	\$0	\$720,000	\$1,415,000	\$2,075,000
<b>Budget Amount</b>	\$71,229,462	\$70,509,966	\$69,814,966	\$69,154,966
<b>Increase \$</b>	\$6,339,996	\$5,619,996	\$4,924,996	\$4,264,996
<b>Increase %</b>	9.77%	8.66%	7.59%	6.57%
<b>Per Pupil Spending</b>	\$16,042	\$15,824	\$15,649	\$15,465
<b>Per Pupil % Increase</b>	11.54%/3.68%	10.15%/2.29%	8.80%/0.94%	7.53%/(0.33%)

# 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

# FY25 Comparison

## Spending per Equalized Pupil

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

\*Numbers are estimated based on approved budgets



NEED  
FY26