



Proposed FY 2023 Budget and Ballot Language

School Board Review and Ratification

January 11, 2022

Proposed Ballot Language

“Shall the voters of Rutland City School District approve the school board to expend which is the amount the school board determined to be necessary for the ensuing fiscal year? It is estimated that this proposed budget, if approved, will result in education spending of per equalized pupil. This projected spending per equalized pupil is higher than spending for the current year.”

- State-mandated ballot language must include three budget-related numbers.
- **Employee compensation** constitutes ~ **80%** of the District budget.
- **State-provided metrics** impact spending per pupil and property taxes.

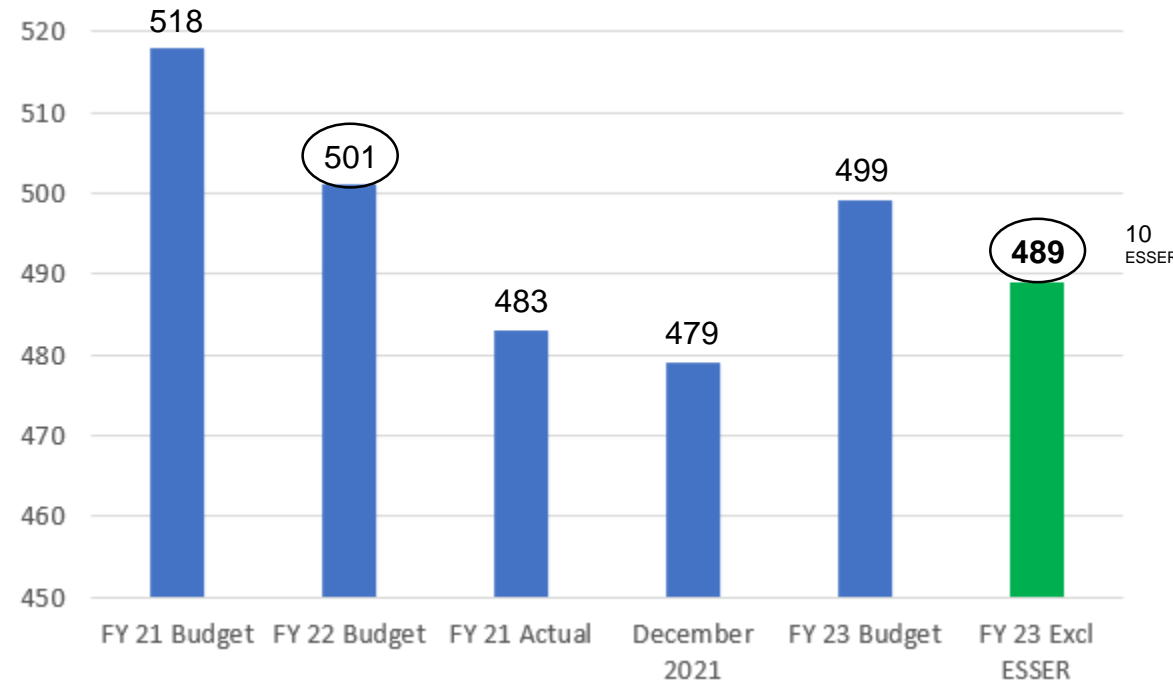
Key Messages

FY 23 versus FY 22 Budget

- 1. Staffing** is reduced by -2.4%, excluding positions funded with new federal grants.
 - ESSER-grant funded positions have no local cost or tax impact; but will add to the economy.
- 2. Compensation** costs increase by 1.6%, after being held flat from FY 21 to FY 22.
 - Salary costs could exceed FY 23 Budget, depending upon labor negotiations.
 - A 1% increase in teacher salaries increases costs by more than \$200 thousand, plus benefits.
- 3. Cost increases** are also budgeted in areas including special ed, facilities, utilities, and IT.
- 4. Equalized pupils** are down by ½% this year to 1,971 for FY 23.*
 - No impact of Weighting Study, pending 2022 deliberations by House and Senate Committees.
- 5. Net cost per equalized pupil** is projected to increase to \$18.6 thousand (+7.4%).

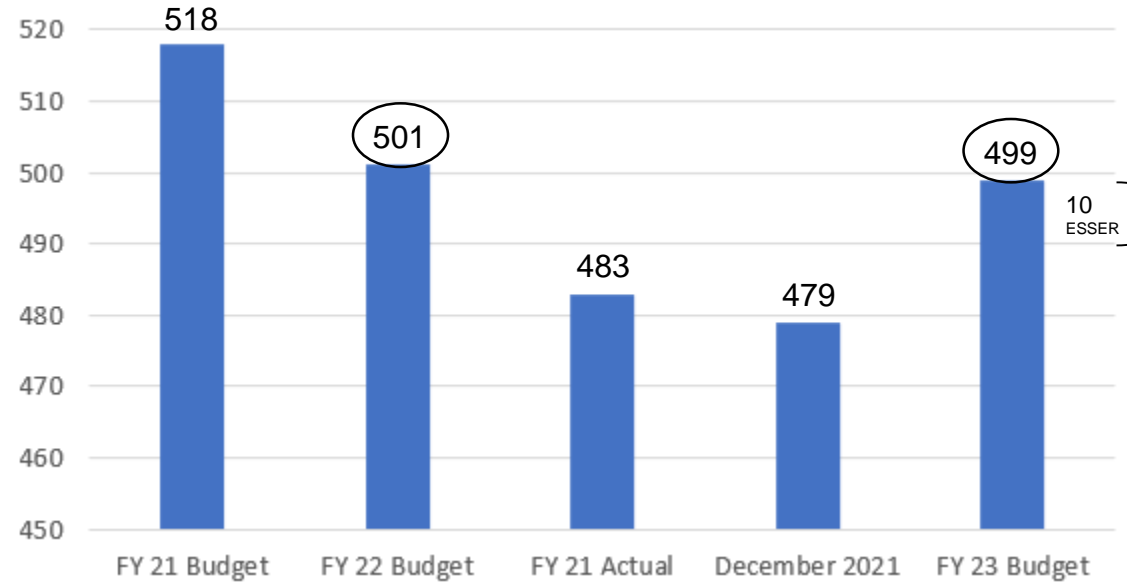
* Based upon preliminary guidance from AOE and subject to change.

Full Time Staffing Trends FY 2021 - 2023



- Staffing was reduced by -3.4% to 501 for the FY 22 Budget.
- FY 23 Budget includes a further -2.4% staffing reduction.
- New federal grant funds (“ESSER”) will be used to add 10 positions.

Full Time Staffing Trends FY 2021 - 2023



- Total staffing is flat in FY 23 vs. FY 22 Budget.
- 10 ESSER-funded positions for FY 23 are mostly offset by reductions in other areas.
- Reducing six positions through attrition will lower FY 23 costs by about **\$667,000**.

- Staffing declined during calendar 2021 from the FY 22 budgeted level.
- ESSER grants will fund 10 positions in FY 23.
 - ESSER-funded positions do not increase the local tax rate.
- RCPS will realign and reduce - **6 positions** in FY 23 through attrition:
 - - **3** To Be Hired (“TBH”) positions will be eliminated.
 - - **3** other net FTE reductions.

Salaries and Benefits *Before* ESSER Funding

	<u>FY22 Budget</u>	<u>FY23 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
<i>(\$ thousands)</i>				
Salaries	31,814	32,049	235	0.7%
Benefits	14,561	15,065	504	3.5%
Compensation	46,375	47,114	739	1.6%
Full Time Employees	501	489	-12	-2.4%

- Budgeted salary increases are mostly offset by staff reductions. Agreements for two major labor contracts involving ~ 2/3's of the salary budget are pending.
- Higher per person costs for medical insurance, pension contributions, and FICA are partly offset by lower costs for health care buy-outs, following a policy change by the State.

Salaries and Benefits

With ESSER Funding

	<u>FY22 Budget</u>	<u>FY23 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
<i>(\$ thousands)</i>				
Compensation	46,375	47,114	739	1.6%
Full Time Employees	501	489	-12	-2.4%
✓ ESSER				
Compensation	-	875	875	n/a
Full Time Employees	-	10	10	n/a
Total RCPS				
Compensation	46,375	47,989	1,614	3.5%
Full Time Employees	501	499	-2	-0.4%

Excluding ESSER, about \$4 million of compensation (9%) is funded by other grants.

Expenses

	<u>FY22 Budget</u>	<u>FY23 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
<i>(\$ thousands)</i>				
Program Cost (excl S&B)	3,312	3,312	-	0%
Special Ed. (excl S&B)	954	1,584	630	66%
Facilities & Transportation	1,734	2,773	1,039	60%
Food Service	1,315	1,364	49	4%
Financing	1,251	1,327	76	6%
IT	705	850	145	21%
Utilities	650	850	200	31%
Other	1,685	1,600	(85)	-5%
➔ Total Expenses *	57,981	61,649	3,668	6%
<i>Memo:</i>				
* Total Expenses include \$48.0M of Compensation. ESSER funding (10 positions and carpet):		1,775		
➔ Total Expenses, Net of ESSER funding :		59,874	1,893	3%

FY 23 Notes

- **Facilities & Transportation** includes:
 - o Roof repairs (\$290k)
 - o Carpet (\$900k, ESSER)
- **Food Service:** 3.7% increase allowed by VT.
- **IT** increases after remaining flat in FY 21 and FY 22.
- **Utilities** include higher costs for all major fuels.
- Net of ESSER funds, FY 23 Expenses are **\$59.9 M.**

Revenues

Federal, Local, and State

<i>(\$ thousands)</i>	<u>FY22 Budget</u>	<u>FY23 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
Federal Grants & Reimbursements	13,020	15,113	2,093	16%
Tuition	2,804	2,654	-150	-5%
➔ Working Capital	1,000	-	-1,000	-100%
Special Ed and Local	<u>6,830</u>	<u>7,183</u>	<u>353</u>	5%
➔ Federal & Local Revenues	23,654	24,950	1,296	5%
State Education Fund	34,327	36,699	2,372	7%

-\$1M decline in revenue from W/C increases cost per pupil by > \$500 (3%).

Expenses, Revenues, Cost per Pupil

	<u>FY22 Budget</u>	<u>FY23 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
Expenses (\$ thousands)	\$ 57,981	\$ 61,649	\$ 3,668	6%
Revenues, federal & local	\$ 23,654	\$ 24,950	\$ 1,296	5%
➔ State funded	\$ 34,327	\$ 36,699	\$ 2,372	7%
Equalized Pupils *	1,979.65	1,970.56	-9.1	-0.5%
➔ RCPS Cost per Pupil (\$) *	\$ 17,340	\$ 18,624	\$ 1,284	7.4%
Vermont Avg. Cost per Pupil (\$) *	\$ 17,207	\$ 18,023	\$ 816	4.7%

* FY 23 data are preliminary per AOE.

- RCPS cost per pupil increases to \$18,624 in FY 23 (+7.4%)
 - Expenses increase more than revenues in FY 23, resulting in a larger net balance to be funded by the State.
 - Equalized pupil calculations provided by AOE are preliminary, and could be revised later this year.

Proposed Ballot Language

*“Shall the voters of Rutland City School District approve the school board to expend **\$61,649,000** which is the amount the school board determined to be necessary for the ensuing fiscal year? It is estimated that this proposed budget, if approved, will result in education spending of **\$18,624** per equalized pupil. This projected spending per equalized pupil is **7.4%** higher than spending for the current year.”*

Total spending of \$61.6 M includes:

- \$1.8M of new federal funding, with no cost to local tax payers.
- \$4M of other grant funding for S&B, with no local cost or tax.

- State-mandated ballot language must include three budget-related numbers.
- **Employee compensation** constitutes ~ **80%** of the total budget.
- **State-provided metrics** impact spending per pupil and property taxes.



Wrap Up

Questions?

Comments?

Thank you for your time and consideration.