

**ADDENDUM**  
**BUUSD Finance Committee**  
**Meeting**  
**December 11, 2023**

# FY25 Budget Information

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December 6, 2023

# FY25 Proposed Budget

- Budget Timeline Review
- Expenses and Revenues
- Act 127, What is it and how does it impact Barre

# FY25 Budget Timeline

- 1) November 13, proposed Budget presented to Finance Committee
- 2) November 29, proposed Budget presented to Board
- 3) Administrators continue to plan and prioritize based on feedback
- 4) December 1, tax commissioner announces Property YIELD
- 5) December 11, Finance Committee meeting, updated LTWADM and tax rate information presented (Preliminary LTWADM from AOE-3,734.48)
- 6) December 20, Board meeting, Finance Committee presents proposed Budget recommendation
- 7) January 4, Finance Committee meeting
- 8) January 10, Board meeting, Finance Committee recommends Budget to Board, Board approves Budget and warnings

# FY 24 & 25 Budget Expenses

	<b>FY24</b>	<b>FY25</b>	<b>Percent Increase</b>
General Fund	\$49,615,633	\$55,421,430	+ 11.7%
Grants	\$6,000,000	\$3,500,000	- 42%
Total	\$55,615,633	\$58,921,430	+ 6%

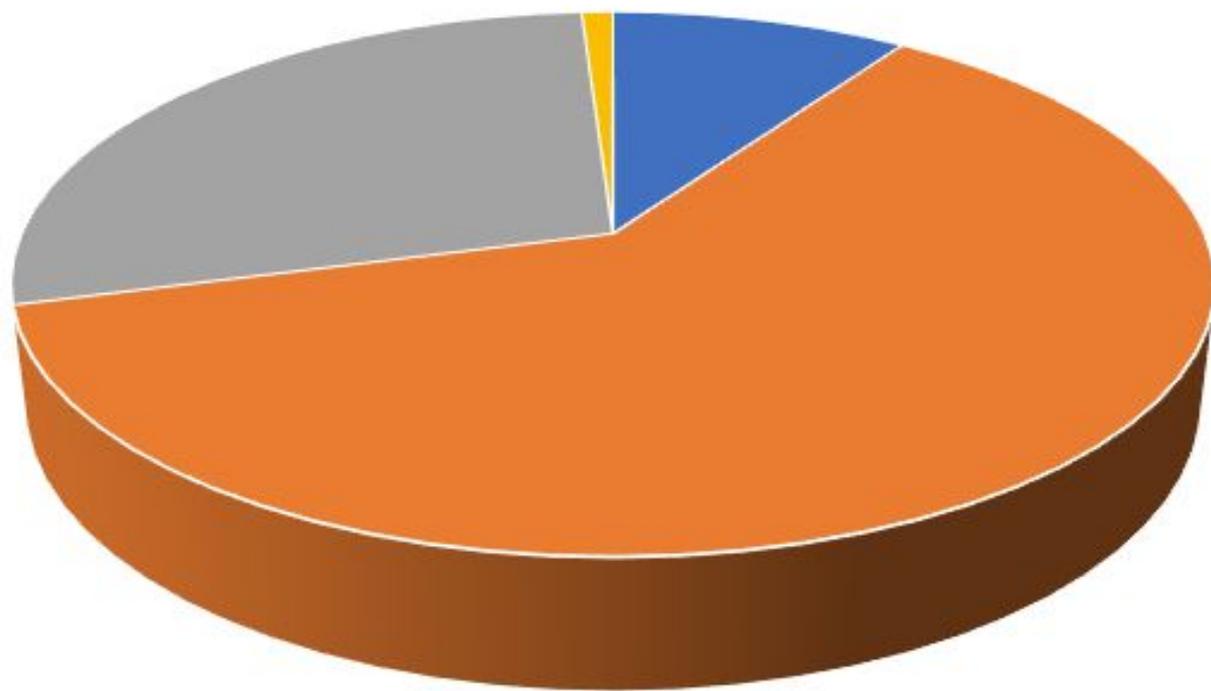
# FY 24 & 25 Budget Revenues

	<b>FY24</b>	<b>FY25</b>	<b>Percent Increase</b>
General Fund	\$9,867,039	\$11,700,486	+ 19%
Grants	\$6,000,000	\$3,500,000	- 42%
Total	\$15,867,039	\$15,200,486	- 4%

# FY 24 & 25 General Fund Expenses, Revenues, Education Spending

	<b>FY24</b>	<b>FY25</b>	<b>Percent Increase</b>
Expenses	\$49,615,633	\$55,421,430	+ 11.7%
Revenues	\$9,970,237	\$11,700,486	+ 19%
<b>Education Spending</b>	<b>\$39,645,396</b>	<b>\$43,720,944</b>	<b>+ 10%</b>

# FY25 BUDGET



■ Facilities ■ Instruction ■ Supports ■ Debt

# Act 127, In effect for FY25

- Signed into law in 2022
- **Changes to weighting structure implemented under Act 60 of 1997**
- Act 60 came about as a response to the Vermont Supreme Court's ruling that the current education formula violated the state's constitution
- A study determined that the formula used for determining the costs for educating students was outdated and did not reflect true costs
- The intent is to allow districts with students deemed to cost more to educate to increase services and educational capacity
- **The equalized pupil calculation will change to long-term weighted ADM starting in FY25** with new weights for students

# Act 127

New weights: Every student starts with a weight of 1.0

- Grade Level:
  - PreK (-0.54), Grades K-5 (0), Grades 6-8 (+0.36), Grades 9-12 (+0.39)
- Economically Deprived Backgrounds (+1.03)
- Population Density per square mile (sparsity)
  - <36 (+0.15), 36-55 (+0.12), 55-100 (+0.07)
- Small Schools by Enrollment:
  - <100 (+0.21), >100 but <250 (+0.07) \*This provision eliminates the Small School Grant
- English Language Learner status (+2.49)

# Act 127

## Factors affecting BUUSD student weights

- Barre's pupil counts for students who are from economically deprived backgrounds increased considerably this year because Medicaid data can now be used to directly certify students for free and reduced priced meals
- Barre doesn't qualify for sparsity weights
- Barre doesn't qualify for small school status
- Barre has 18 ELL students who were reported in our ADM, Barre qualifies for a \$50,000 grant as well

# Act 127

The impact in numbers:

*FY24 Equalized Pupil Comparison (as proposed by AOE)*

	EqPupil	LTWADM	Change
Barre	2,205.25	3,097.47*	+892.22 Using last yr. Count

\*This number is to be used for comparative purposes to determine if the District's per pupil spending is higher than 10%

## Act 127

What is Average Daily Membership (ADM)?

*School districts are required to submit their ADM to the AOE each year. ADM is used to calculate the number of pupils in each school district and includes information about student grade level, economic background, and English learners.*

***FY24 ADM numbers as submitted to the AOE. New weights are applied. AOE averages BUUSD 10/22 enrollment with the current 10/23 enrollment, then calculates final LTWADM (12/5/23 preliminary 3,734.48):***

EEE/PK-223	K-167	1-162	2-163	3-161	4-152	5-164	
102.58	167	162	163	161	152	164	<b>1071.58</b>
6-148	7-164	8-153	9-191	10-151	11-153	12-146	
201.28	223.04	208.08	265.49	209.89	212.67	202.94	<b>1523.39</b>
EDB-1396	ELL-18						
1437.88	44.82						<b>1482.70</b>
						<b>TOTAL</b>	<b>4077.67</b>

# Act 127

- Property tax increase capped at 5% per year through FY29
- Tax cap requires per pupil spending increases to not exceed 10% per year
- Increases over 10% for per pupil spending will require review and approval from a committee made up of the secretary of education, along with 3 superintendents and 3 business managers
- Committee will not meet until after taxpayers have approved a budget

# Act 127 Impact on BUUSD

## EXAMPLE

	FY24 Approved	FY24 Act 127	FY(25) ACT 127
Education Spending	\$39,645,396	\$39,645,396	43,720,944
Divide Pupils	2205.25	3097.47	3734.48
=Per EqPup Ed Spend	\$17,978	\$12,799	\$11,707
Divide Yield	\$15,443	\$9,452	\$9,452
=District Tax Rate	1.164 *	1.35	1.239 <b>1.22</b> (5% max)

\* Tax rate used to cap at 5%-Barre will be capped at 1.22

# District Tax Rate

Expenditures

-Offsetting Revenues

**Education Spending**

÷ LTWADM

Per Pupil Spending

÷ Property Yield

Equalized Homestead Rate

The Property Yield is the amount of the per pupil spending covered by a \$1.00 tax rate. In other words, it is the value of \$1 on your property tax bill. This figure is largely determined by overall statewide education spending.

# Homestead Tax Rate

Expenditures

-Offsetting Revenues

Education Spending

÷ LTWADM

Per Pupil Spending

÷ Property Yield

Equalized Homestead Rate

÷ Common Level of Appraisal

Actual Homestead Rate

The Common Level of Appraisal (CLA) is a method used by the state in an attempt to tax based on fair market value, since towns can go many years between re-appraisals.

*\*The Actual Homestead Rate is before any income sensitivity is applied.*

# LTWADM Homestead Tax Rate Example

Expenditures	\$55,421,430	
<u>-Offsetting Revenues</u>	<u>-\$11,700,486</u>	
Education Spending	\$43,720,944	
<u>÷ LTWADM</u>	<u>÷ 3734.48</u>	
Per Pupil Spending	\$ 11,707	
<u>÷ Property Yield</u>	<u>÷ \$ 9,452</u>	
District Tax Rate	\$ 1.239	Capped at 5%, cannot exceed 1.22
<u>÷ Common Level of Appraisal</u>	<u>÷ 90%</u>	
Actual Homestead Rate	\$ 1.376	

# FY25 Budgeting Information

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Presented to the Finance Committee, December 11th