

AGENDA



**Addison Central School District
Finance Committee
Committee Meeting
Monday, January 15, 2024, 8:30 am - 9:30 am
208 Charles Avenue, Middlebury VT**

ACSD District Vision and Mission

OUR VISION

Our vision is for all ACSD students to reach their full learning potential, have a sense of belonging in our schools, and enrich our community and the communities where they live in the future.

OUR MISSION

Our mission is to provide high-quality, equitable, and varied learning environments that inspire a passion for learning and growth among our students.

Please click the link below to join the webinar:

Link to join Webinar

<https://us06web.zoom.us/j/85864226789>

- A. Call to Order Upon Reaching a Quorum
- B. Introductions: Board Members, Administrators and Staff
- C. Public Comment - Agenda Items
- D. Approve the Minutes of 12/18/2023
- E. Committee Discussion:
 - 1. FY25 Budget Development: Taxes
 - 2. Enrollment Based Cost Share Breakdown and Budget Book Statistics
- F. Public Comment - Any Topic
- G. Adjournment

***Public Comment Guidelines:**

Public comments are encouraged and welcome at each regular board meeting during the period designated for public comment. Comments are limited to three minutes per person. Citizens will be called to make their statement by the board chair. Public comments regarding personnel, students or legal matters will not be heard by the Board.

MINUTES



Addison Central School District Finance Committee Committee Meeting

**Monday, December 18, 2023, 8:30 am - 9:30 am
208 Charles Avenue, Middlebury VT**

ACSD District Vision and Mission

OUR VISION

Our vision is for all ACSD students to reach their full learning potential, have a sense of belonging in our schools, and enrich our community and the communities where they live in the future.

OUR MISSION

Our mission is to provide high-quality, equitable, and varied learning environments that inspire a passion for learning and growth among our students.

A. Call to Order Upon Reaching a Quorum Meeting called to order at 8:35 AM

B. Introductions: Board Members, Administrators and Staff

Present: James Malcolm, Steve Orzech, Ellen Whelan-Wuest, Jason Chance [on zoom until

9am] Assistant Superintendent Nicole Carter, Director of Finance and Operations Matt Corrente, Mary Heather Noble [guest from communications comm]

C. Public Comment - Agenda Items None

D. Approve the Minutes of 12/6/2023

Minutes approved for 12/6/2023 meeting with one addition ; Ellen Whelan-Wuest was not present and should be listed as absent E. Committee Discussion:

1. Financial Strategy to Ensure Budget Approval - with Communications and Engagement Committee

Mary Heather Noble relayed to finance comm recommendations from communications comm as to possible efforts to educate the public about the budget in this very difficult year. ie; 1-2 page high-level document to note all the major issues ,many new to this time. ie; the absolute importance of remaining under the 10% increase per student threshold. ie: the major effects both for this

transition year and future years of ACTs 173 and 127{special ed and weighting of students}.ie: possibility of a recorded message to be easily available to the public.ie: an in person and zoom presentation prior to the annual meeting budget hearing.ie :a list of FAQs that could be added to by the public and answered in a public manner.ie: a site on the website easily reached with budget info. MH noble was thanked by the committee and she left the meeting.

2. Communicating and Presenting the ACSD FY25 Budget

A long discussion {Jason Chance left at 9am} regarding a financial strategy to use in explaining the budget . [detailed record is available on zoom recording of this meeting].The very difficult conundrum of trying to honestly budget for pending ongoing negotiations. The potential use of education fund balance if deficit spending occurs after negotiations settlement - no decisions were made . At the 1/8/2023 ACSD board meeting a preliminary budget will be presented to be approved by the board on 1/22/2023 meeting.

F. Public Comment - Any Topic No public comment

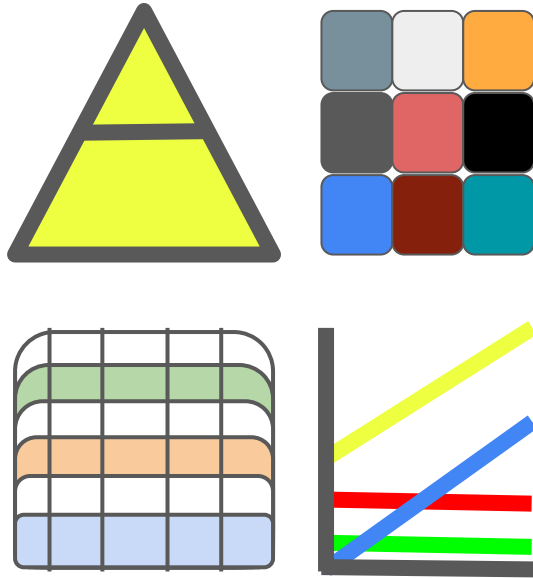
G. Adjournment

Meeting Adjourned at 9:50 AM

Respectfully submitted,
James Malcolm

*Public Comment Guidelines:

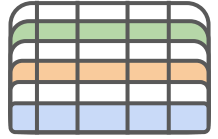
Public comments are encouraged and welcome at each regular board meeting during the period designated for public comment. Comments are limited to three minutes per person. Citizens will be called to make their statement by the board chair. Public comments regarding personnel, students or legal matters will not be heard by the Board.



ACSD FY25 Budget

Tax Rates and CLA's

Overview



- Act 127 Effects
 - District weights
 - Year to Year Comparison
 - Tax Cap
- Equalized District Tax Rate Calculation (EDTR)
 - Year to Year Comparison
- Common Levels of Appraisal (CLA)
 - Town tax rate projection

Criteria	FY23 ADM	FY24 ADM	Difference	%
prek	161.02	164.2	3.18	2%
k-5	715.15	708	-7.15	-1%
6-8	350.55	364.9	14.35	4%
9-12	490.85	453.31	-37.5	-8%
Total ADM	1717.57	1690.4	-27.2	-1.60%
2 Year ADM Avg	1716.64	1706.1	-10.5	-1%
Grade Weight	239.44	225.52	-13.9	-6%
FRL	391.4	382.4	-9	-2%
ELL	57.27	52.66	-4.61	-8%
Sparsity	120.7	119.43	-1.27	-1%
Small Schools	0	0	0	
Total LTWADM	2525.45	2486.1	-39.3	-1.60%

Criterion	Weight	ACSD Count	ACSD Weight
PreK	0.46	162.63	74.81
Elementary	1.00	712.58	712.58
Middle	1.36	358.23	487.19
High School	1.39	472.67	657.01
FPL	1.03	371.26	382.40
ELL	2.49	21.15	52.66
Sparsity	0.07	1706.11	119.43
		ACSD TOTAL	2486.12

ACT 127 is a new law that will change the way pupils are weighted in FY25. These weighting changes affect the District's tax capacity, influence our budget strategy, and impact the District tax rate.

**LONG TERM AVERAGE DAILY
MEMBERSHIP**

Average enrollment from current and previous years plus state placed students. 1.0 per pupil.

**LTADM:
1706.1**

**ENROLLMENT
WEIGHT**

PreK: (0.54)
K-5: +0.0
6-8: +0.36
9-12: +0.39

**GRADE LEVEL:
225.52**

FPL and ELL WEIGHT

FPL: +1.03
ELL: +2.49

**FPL:
382.4
ELL:
52.66**

**DISTRICT SPARSITY and SCHOOL
SIZE WEIGHT**

ACSD Sparsity: +0.07 per LTADM
(not eligible for school size weight)

**SPARSITY:
119.43**

When these weights are combined, it is known as the
LONG TERM WEIGHTED AVERAGE DAILY MEMBERSHIP. (LTWADM)

LTWADM is used as the pupil count in the calculation of the Equalized District Tax Rate.

The ACSD FY24 LTWADM is 2487.15 (-1.5%).

	FY24	FY25	% Change
ADM	1717.57	1690.4	-1.6%
LTWADM	2525.45*	2486.12	-1.6%
ED\$/ADM	\$21,540	\$23,679	9.9%
ED\$/Weighted	\$14,650	\$16,100	9.9%

Declining enrollment/weight combined with increased spending create dual pressures on the District Tax Rate.

*Converted from EQPUP

Graphic representation of the
relationship between four major
elements:

Per Pupil (weighted) Spending

Spending Threshold

Capped Tax Rate

Actual Tax Rate

Per Pupil Spending

How much has our budget grown
year to year?

Actual District Tax Rate

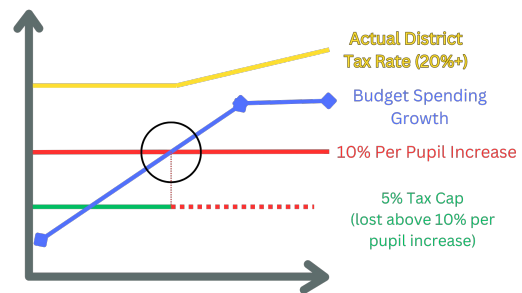
What tax rate is required to fund the
budget?

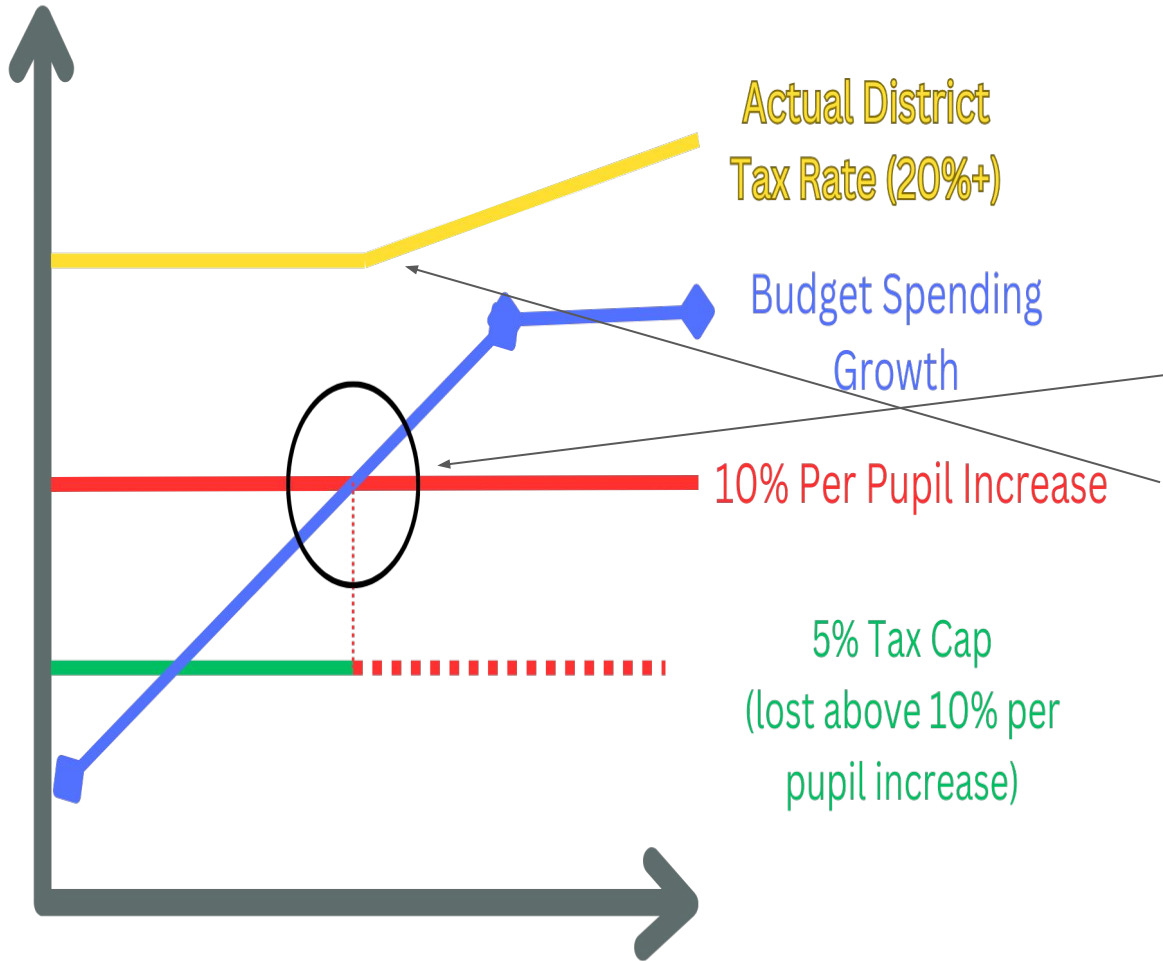
Capped District Tax Rate

Maximum annual District rate
increase of 5%.

Spending Growth Threshold

10% spending limit to maintain
capped rate.





Actual District
Tax Rate (20%+)

Budget Spending
Growth

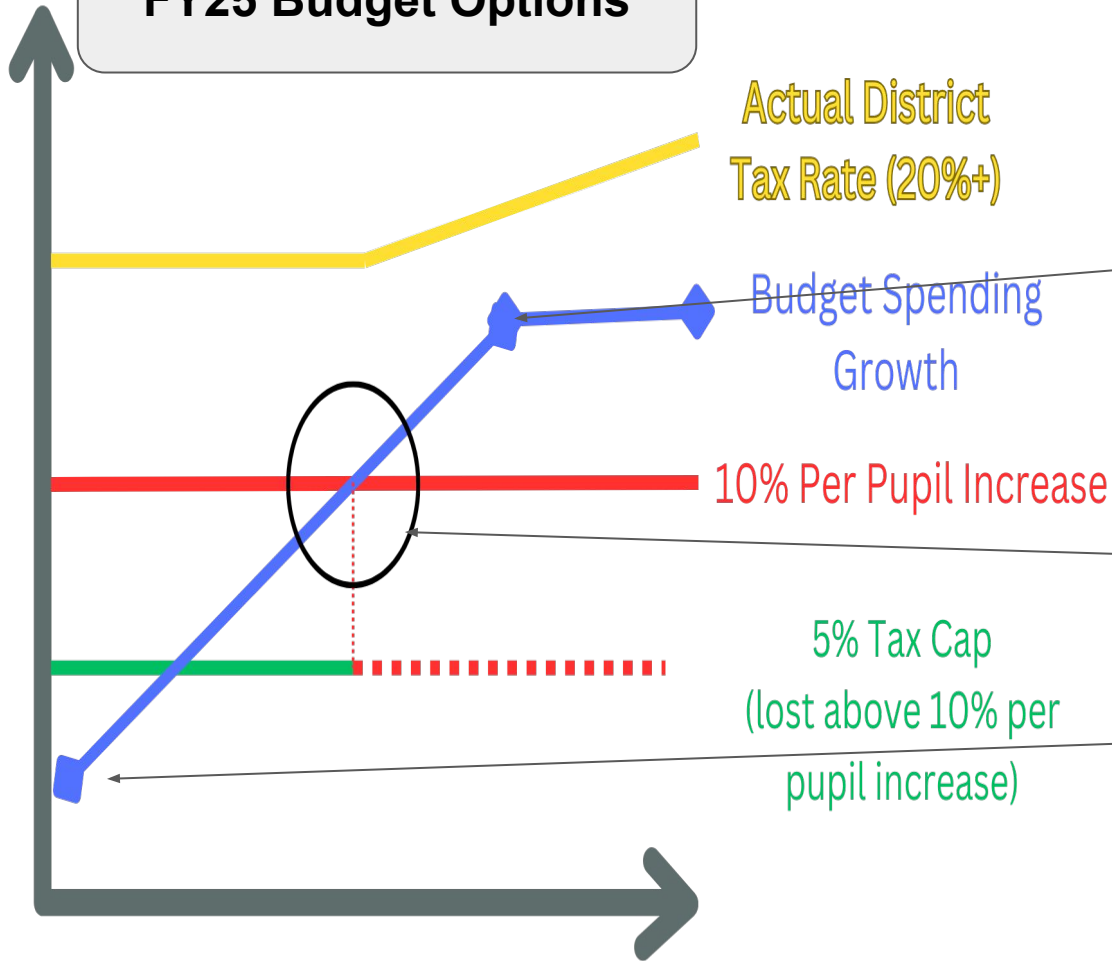
10% Per Pupil Increase

5% Tax Cap
(lost above 10% per
pupil increase)

As Budget Spending
growth passes the 10%
threshold, the 5% property
tax cap is lost.

The EDTR reverts to the
Actual rate increase of
20-30%.

FY25 Budget Options



Option 1 - New \$ Exceeds 10% Threshold. Tax Rate jumps to Actual.

Option 2 - New spending held at 9.9%. Tax rate capped at 5%.

Option 3 - No new spending, return to pre-Covid staffing, cuts to offset external drivers. Tax rate capped at 5%.

WHAT NEW SPENDING IS
DRIVING PER PUPIL
INCREASES?

Driver	New Amount in Budget	Details
Healthcare	\$765,874	16.4% to all healthcare lines
Wages	\$ 1,535,744	6% Placeholder
ESSER Positions	\$761,873	See Breakout
Other New Money	\$600,000	See Breakout

Funded ESSER Positions

- Math Interventionist (1.0)
- Lit. Interventionist (2.75)
- First Grade Teacher (1.0)
- Social Worker/Prevention (1.0)
- PreK Coordinator (0.33)
- Literacy Coordinator (1.0)

Other New Money

- CCC Tax
- Transportation
- MH HVAC Project
- Foodservice Shortfall
- District Contingency
- Career Center Tuition

Equalized District Tax Rate Calculation

\$16,120 Per Pupil Ed. Spending divided by

\$9,452 Tax Commissioner's Yield equals

\$1.71 FY25 Equalized District Tax Rate (“Actual”)

\$1.40 FY24 EDTR (22% increase)

9.9% Per Pupil Spending Increase

5.0% Capped EDTR

\$1.47

Total Expenses - Offsetting Revenues = Education Spending

Offsetting Revenues are:
State and Federal Grants,
Tuition Payments,
and other minor revenues

Education Spending $\div$ LTWADM =
Ed. Spending Per Pupil

Education Spending is determined
by the school budget.
LTWADM is determined by school enrollment
and district demographics.

Ed. Spending Per Pupil $\div$ Property Yield =
Equalized District Tax Rate (EDTR)

Property Yield is set by the Tax Commissioner.
DISTRICT TAX RATE DOES NOT
EQUAL TOWN TAX RATE

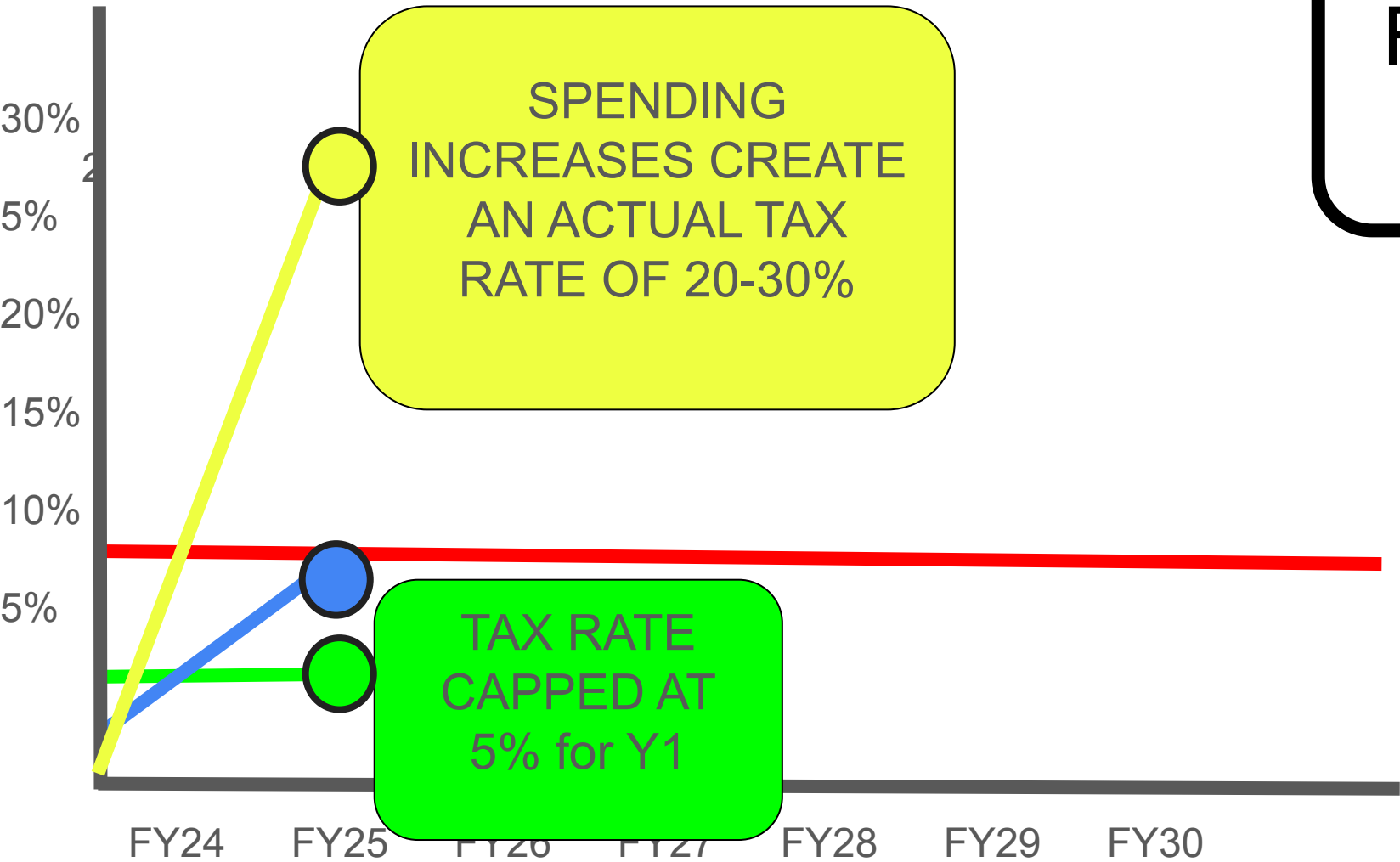
EDTR $\div$ Town Common Level of Appraisal (CLA) =
Town Tax Rate

CLA Rates come from the annual
Equalization Study and are town specific.
Ratio of assessed value to market value.
CLA's convert EDTR to Town Tax Rate.

	FY24	FY25	% Change
ED\$/LTWADM	\$14,652	\$16,120	+9.9%
EDTR (capped)	\$1.40	\$1.47	+5%
Uncapped EDTR	\$1.40	\$1.71	+22%
Per \$100k Home Tax Bill With CAP	\$1,400	\$1,470	+\$70
Per \$100k Home Tax Bill NO CAP	\$1,400	\$1,710	+\$310

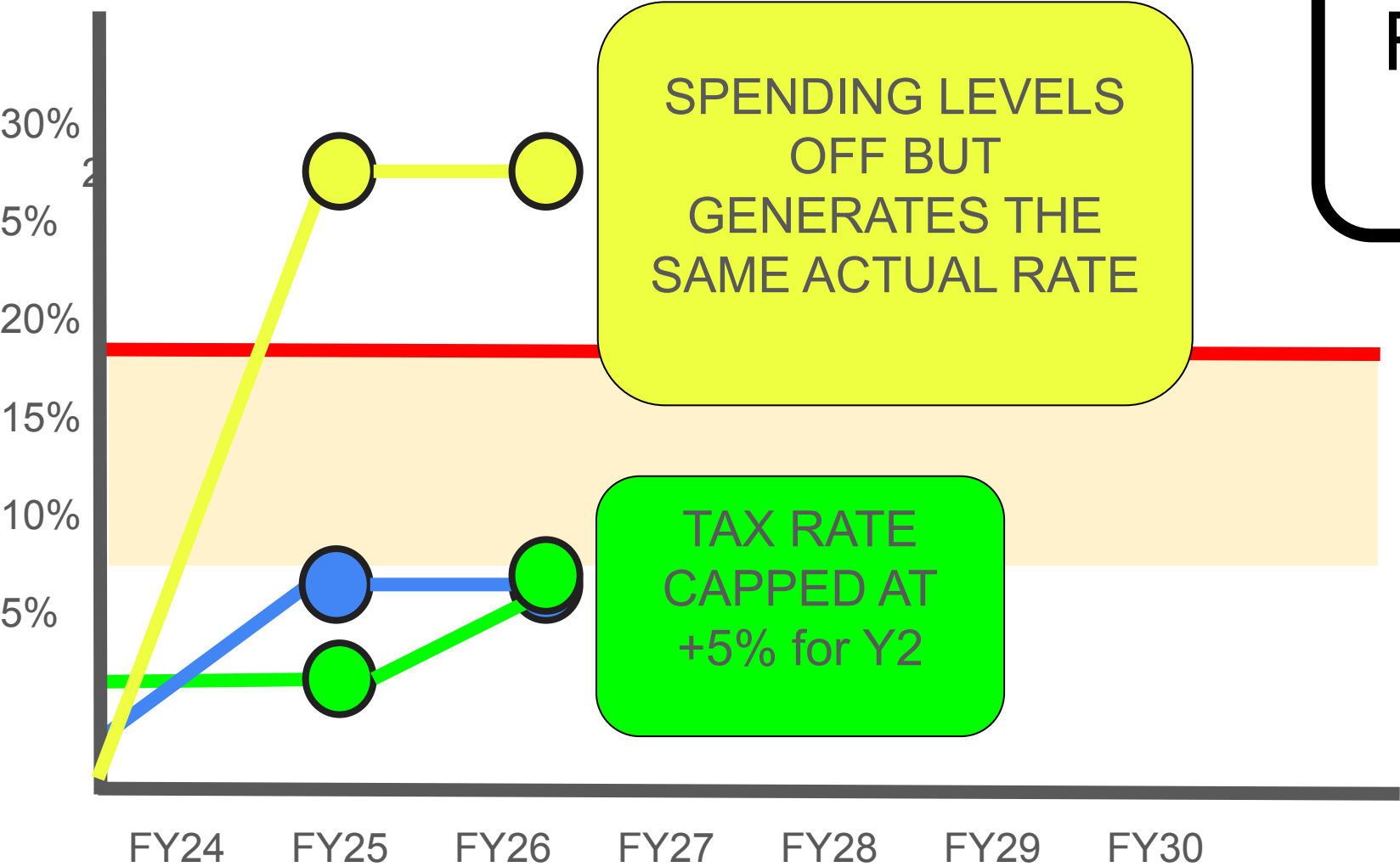
Tapering effect of the Tax Cap.

FY25



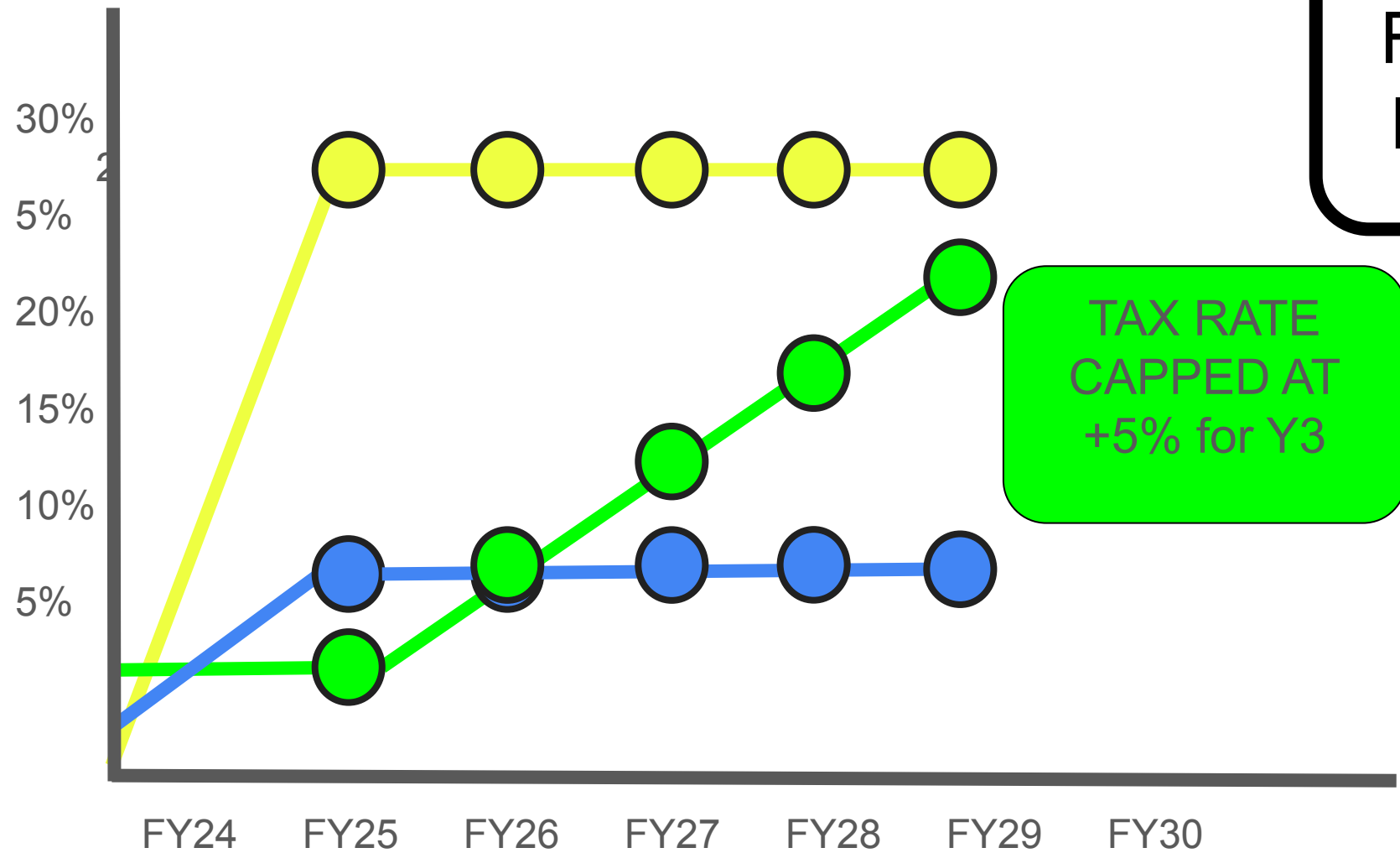
Tapering effect of the Tax Cap.

FY26

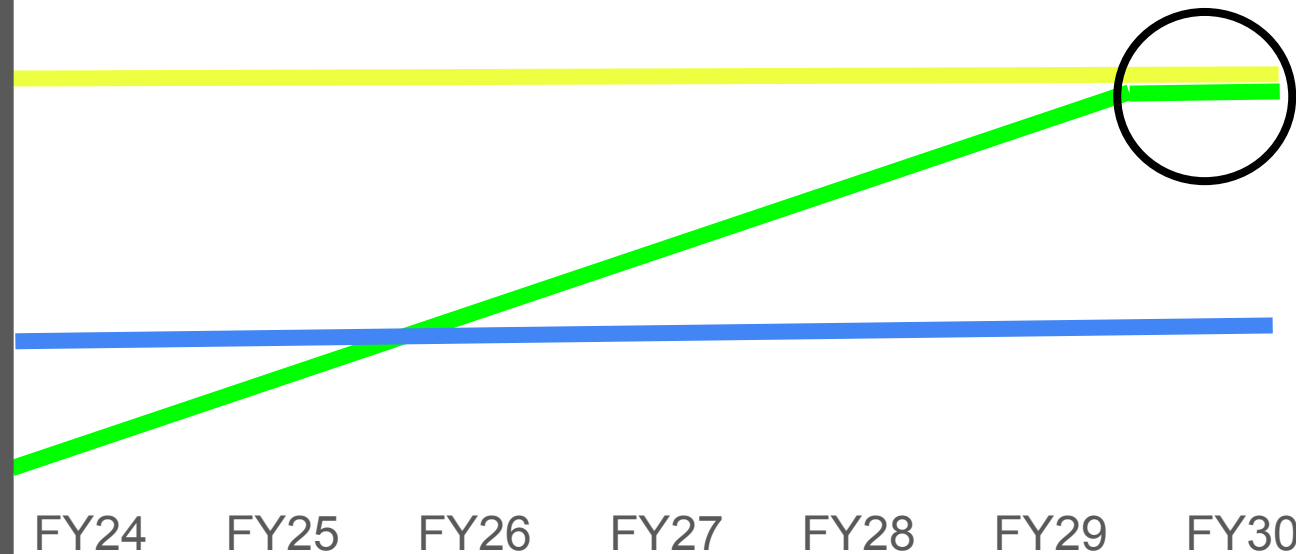


Tapering effect of the Tax Cap.

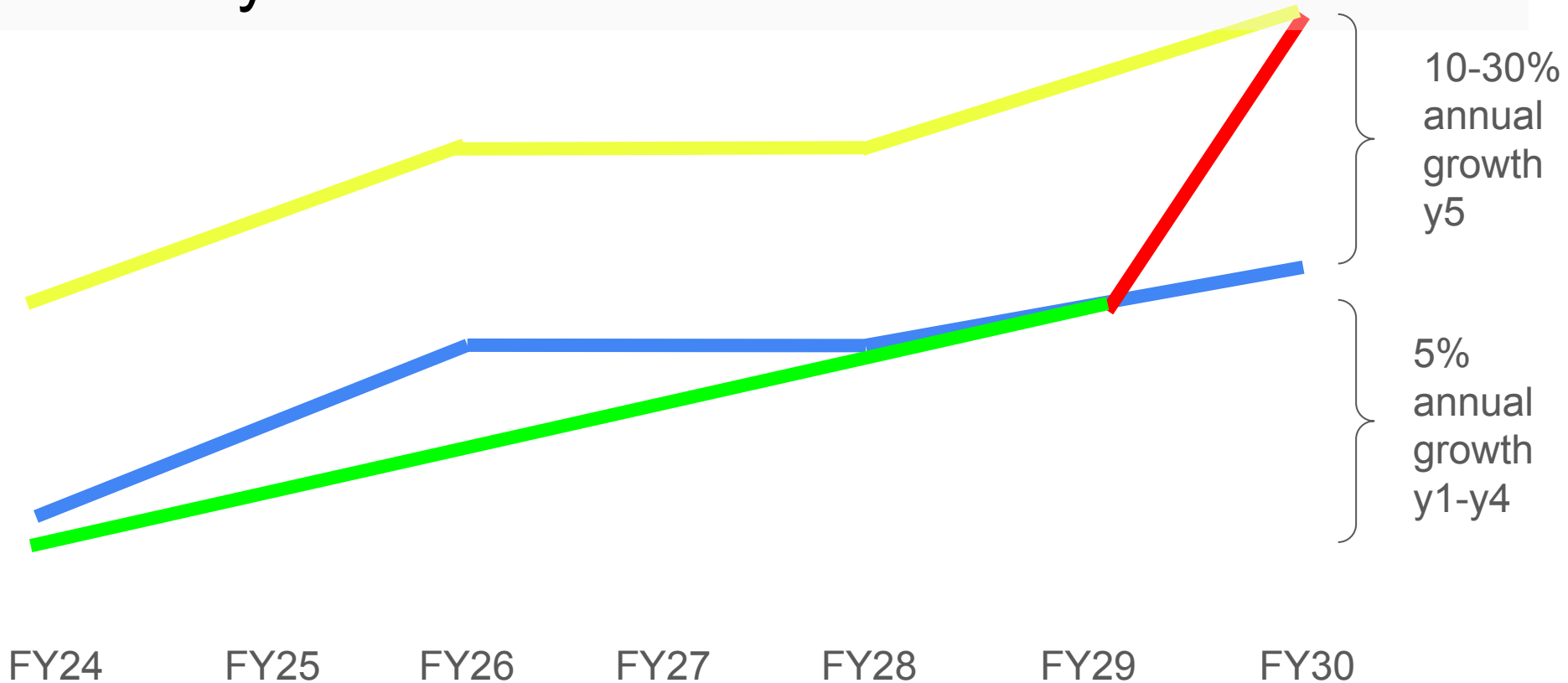
FY27,
FY28,
FY29



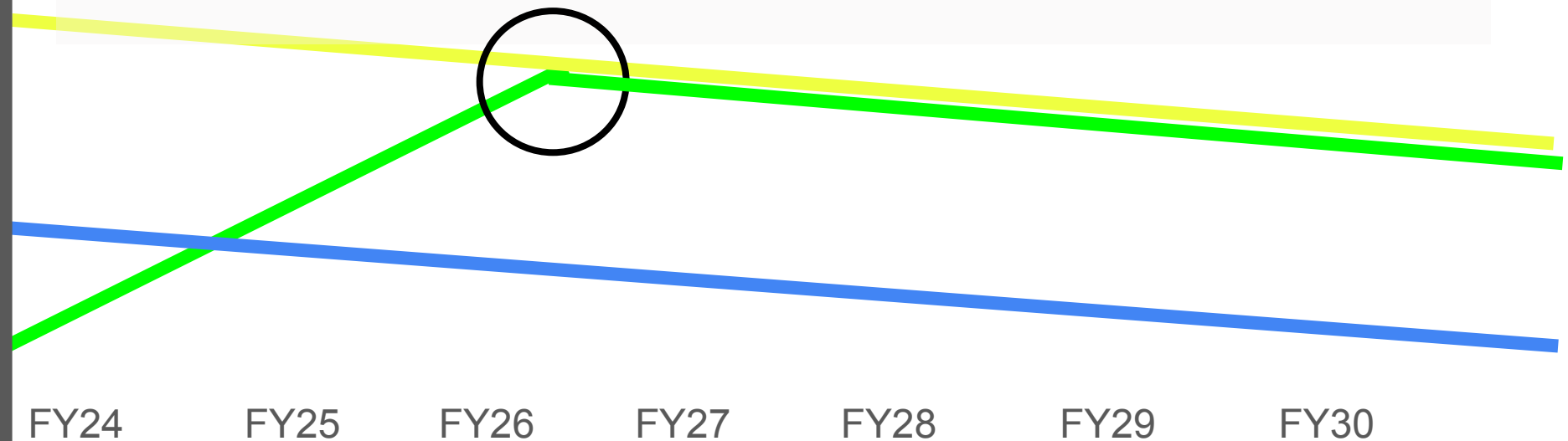
As long as spending is level, the capped rate will increase, by annual increments of 5%, towards the actual EDTR.

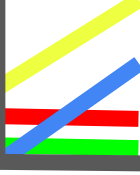


If spending increases, so will the actual tax rate needed to support that spending. This raises the yellow line and creates a fiscal cliff.



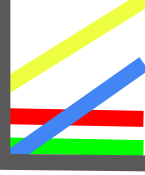
Trimming spending decreases the EDTR needed to support the budget and can therefore curb annual property tax rate increases.





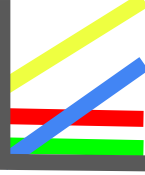
What is a CLA?

Common Level of Appraisal



What is a CLA?

- Conversion factor used to turn Equalized District Tax Rate (EDTR) into Town Tax Rate.
- Measures relative fluctuations in each town's property values.
- Results of annual Equalization Study from VTax.
- Ensures that each town pays their fair share of taxes.



ASSESSED VALUE MARKET VALUE

Common Level of Appraisal

ASSESSED VALUE
MARKET VALUE

Common Level of Appraisal

All Vermont districts are facing historically low CLA rates for FY25. This represents the culmination of three years of statewide property value increases.

$\frac{1}{1}$ Assessed = Market. CLA = 1.0

$\frac{2}{1}$ Assessed greater than Market. CLA > 1.0

$\frac{2}{1}$ Assessed less than Market. CLA < 1.0

- Will trigger statutory town reappraisal.
- Represents demand for local real estate and property appreciation.

TOWN	FY24 CLA	FY23 CLA	Change
Bridport	70.67	79.29	-8.62 (11%)
Cornwall	70.60	85.67	-15.07 (18%)
Middlebury	76.95	83.97	-7.02 (8%)
Ripton	73.29	79.45	-6.16 (8%)
Salisbury	68.33	75.97	-7.64 (10%)
Shoreham	76.09	82.90	-6.81 (8%)
Weybridge	77.07	84.75	-7.68 (9%)

TOWN	FY24 CLA	FY25 Town Tax Rate Projection (\$1.47 EDTR)	FY24 Town Tax Rate (\$1.40 EDTR)	Change
Bridport	70.67	2.08	1.78	+\$0.30 (17%)
Cornwall	70.60	2.08	1.64	+\$0.44 (27%)
Middlebury	76.95	1.91	1.68	+\$0.23 (14%)
Ripton	73.29	2.01	1.77	+\$0.24 (13%)
Salisbury	68.33	2.15	1.85	+\$0.30 (16%)
Shoreham	76.09	1.93	1.70	+\$0.23 (14%)
Weybridge	77.07	1.91	1.66	+\$0.25 (15%)

Summary of Remaining Budget Timeline

1/22/24

Board Meeting

**Full Budget
Presentation**

**Draft Budget
Book**

**Recommended
motion to
adopt***

2/12/24

Warnings

**Meetings
Warned**

**Publication of
Budget Book**

Final Updates

2/27/24

Annual Meeting

**Full Budget
Presentation**

**Budget Book
copies
available to
public.**

3/5/24

Town Meeting

Budget Vote

***May need to schedule Special Meeting on 1/25/24 for Board vote.**