

AGENDA



**Addison Central School District
Finance Committee
Committee Meeting
Monday, February 12, 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/83263820010>

- 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 1/15/2023
- E. Committee Discussion:
 - 1. Presentation of Q2 financial report
 - 2. Effects of Property Tax Cap Repeal on Budget Development and Timeline
- 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, 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.

A. Call to Order Upon Reaching a Quorum

Meeting called to order at 8:32 AM

B. Introductions: Board Members, Administrators, and Staff

James Malcolm, Steve Orzech, Wilson, Ellen Whelan-Wuest, Jason Chance [zoom], Matt Corrente, Director of Finance and Operations

C. Public Comment - Agenda Items

None

D. Approve the Minutes of 12/18/2023

Approved

E. Committee Discussion:

Three possibilities presented by Matt. A budget with less than 9.9% increase per student. Budget with 9.9% increase staying just below the cap in Act 127 and benefitting from the 5% cap on tax increases. Or a budget over 9.9% per student to compensate for pending negotiations but subjecting the district to the loss of the 5% tax cap per Act 127. There will be a spending cliff after the 5 year stabilization in Act 127 leading 2 members to think a less than 9.9% increase was better. All comm members eventually supported Matt's recommendation of 9.9% increase per student. At the 1/22 meeting a budget presentation will delineate what we do not get with the proposed budget and what we get. Matt is continuing to work with the communications comm to present and inform the public once a final budget is approved by the board on the 1/25/24 special meeting . [the long discussion can be viewed on the zoom recording of this meeting.]

1. FY25 Budget Development: Taxes

2. Enrollment Based Cost Share Breakdown and Budget Book Statistics

F. Public Comment - Any Topic

None

G. Adjournment

Meeting Adjourned at 10:10 AM

Respectfully Submitted,
James Malcolm - Recorder

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DRAFT

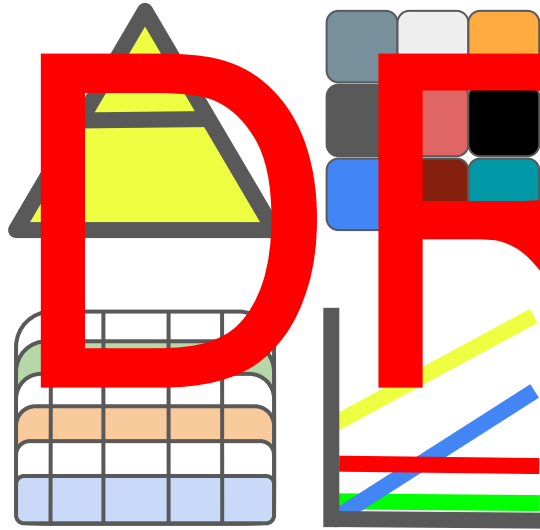
ACSD Q2 Unaudited General Fund Activity FY24

EXPENSES

	FY24 Budget	% of Gen Fund	FY24 EXP + ENC	Balance
GenEd	\$24,581,951	58%	\$ 23,719,904.55	\$862,046
StuSrv	\$5,594,011	13%	\$5,227,409	\$366,602
UPK	\$489,320	1%	\$489,320	\$0
PHCC	\$1,392,489	3%	\$ 1,416,918.75	(\$24,430)
TRANS	\$1,303,269	3%	\$ 1,408,126.42	(\$104,857)
FACILITY	\$4,254,272	10%	\$ 4,182,469.85	\$71,802
TECH	\$1,386,936	3%	\$ 1,366,660.77	\$20,275
CO&ADMIN	\$2,391,208	6%	\$ 2,290,606.08	\$100,602
PD&C	\$703,776	2%	\$ 677,138.31	\$26,638
DEBT	\$172,073	0.40%	\$ 172,072.87	\$0
Gen Fund Subtotal	\$42,269,305	100%	\$ 40,950,626.83	\$ 1,318,678.17
Fund Balance Transfer	\$1,520,974		\$1,520,974	\$ -
Other Fund Expenses	\$3,706,976		\$3,706,976	\$ -

REVENUES

	FY24 Budget	% of Total Rev	FY24 REV+ Expected
General Fund (State & Local Grants)	\$6,367,324	61%	\$6,367,324
Special Ed Block Grant	included above		
ELL Grant	\$ -	0%	\$ -
Federal Grant Funds	\$1,442,566	14%	\$1,442,566
ESSER	\$917,313	9%	\$917,313
Medicaid/MAC	\$191,707	2%	\$191,707
Special Funds	\$60,165	1%	\$60,165
Fund Balance Transfer	\$1,520,974	14%	\$1,520,974
Total Revenues	\$10,500,049	100%	\$10,500,049
Total Projected Revenue plus Ed Funding Expense	\$10,500,049 \$36,997,236 \$ 46,178,576.83		
Projected Balance	\$1,318,708	Projected Q1 Balance Projection	\$1,247,629 6%



DRAFT

ACSD

FY25 Budget

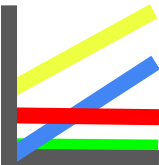
Proposed Changes to Act 127:
Summary and Impact
February 8, 2024

The Vermont Legislature is expected to repeal the 5% Property Tax Cap portion of ACT 127.

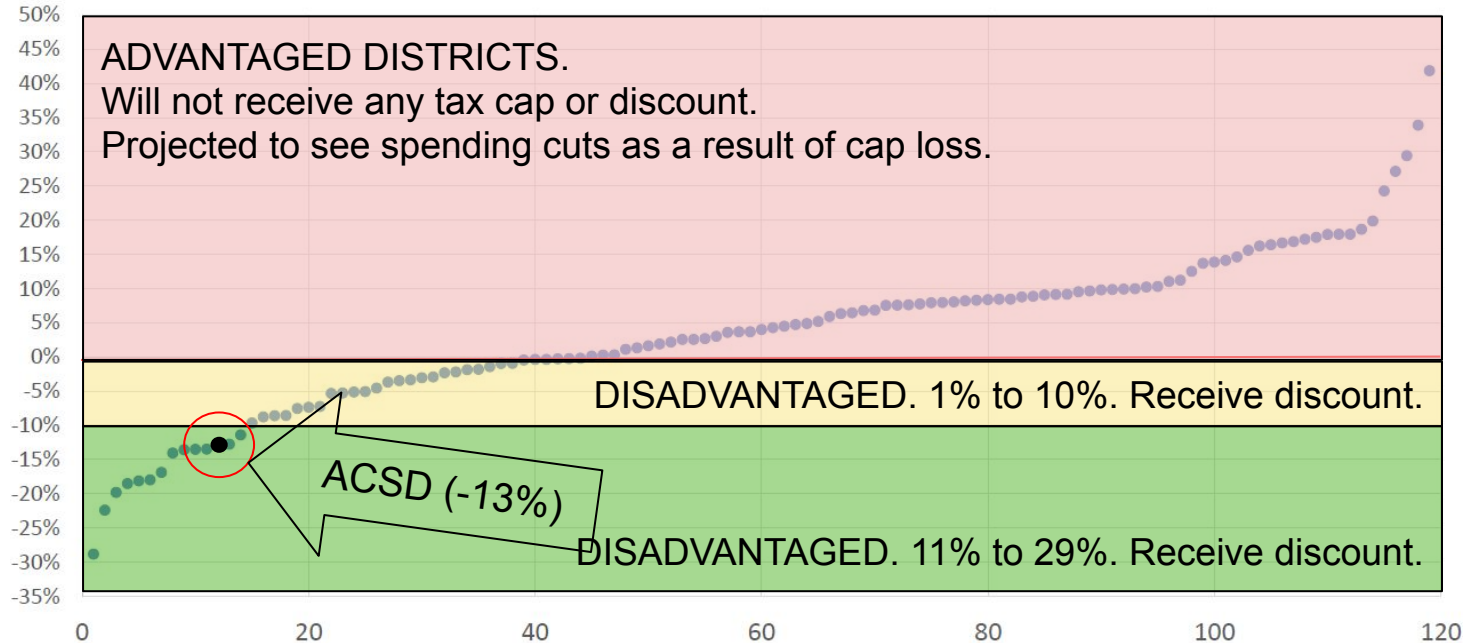
It would be replaced by a “Transition Mechanism.”

Instead of a 5% cap for **all** districts, **only** the disadvantaged districts would receive tax rate relief.

This would come in the form of a **tax rate discount** and would be proportionate to the district’s relative loss in tax capacity.



Relative Change in District Share of State LTWADM from FY 2024 to FY 2025



Spending cuts are most likely in districts who lost the cap or who proposed budgets where the discount falls short of the capped rate.

Hypothetical Effect of 5% Cap Loss

All Districts begin with FY24 EDTR of \$1.40, spending growth, and 5% cap.

	District A	District B	District C
% Change in Capacity	+5%	-5%	-13%
Capped EDTR	\$1.47	\$1.47	\$1.47
Actual EDTR*	\$1.61 (+15%)	\$1.61 (+15%)	\$1.76 (+26%)
Discount	\$0.0	\$0.05	\$0.13
Discounted EDTR	\$1.61 (+15%)	\$1.56 (+11%)	\$1.63 (+16%)

*EDTR, fixed in this example, will decrease as YIELD increases.

Tapering Effect of Tax Discount

The proposed Tax Discount would decrease by 20% each year for 5 years.

	District A	District B	District C
FY25	\$0.0	-\$0.05	-\$0.13
FY26	\$0.0	-\$0.04	-\$0.10
FY27	\$0.0	-\$0.03	-\$0.08
FY28	\$0.0	-\$0.02	-\$0.05
FY29	\$0.0	-\$0.01	-\$0.03
FY30	\$0.0	\$0.0	\$0.0

Property Yield

Formulaic calculation representing the statewide value of \$1 of tax rate per \$100 of property value. Think of it as the calibration of the first dollar.

If the State determines that \$1 of tax rate will support \$10,000 of spending, the yield would be set at \$10,000.

If a District's per pupil spending is \$15,000, the District tax rate would need to increase to \$1.50 to support that budget.

Property Yield

Formulaic calculation representing the statewide value of \$1 of tax rate per \$100 of property value.

As total Ed Spending increases, the State reduces the yield to signal that \$1 now has less value.

Without cutting spending, a yield decrease will mean a tax rate increase.

The repeal of the 5% cap and anticipated spending cuts in other districts will reduce pressure on the ED Fund and increase the Yield.

EDTR SCENARIOS \$0.13 Discount Applied		Yield Rates					
		Dec 1 Letter	Jan 1 Outlook	Feb 5 Outlook	Hypotheticals		
		\$9,452	\$9,171	\$9,775	\$10,000	\$10,500	\$11,000
Per Pupil Spending, Approved Budget	\$16,104	\$1.57	\$1.63	\$1.52	\$1.48	\$1.40	\$1.33

**EDTR SCENARIOS:
PERCENTAGES**

**\$0.13 Discount
Applied**

Yield Rates

**Dec 1
Letter**

**Jan 1
Outlook**

**Feb 5
Outlook**

Hypotheticals

\$9,452

\$9,171

\$9,775

\$10,000

\$10,500

\$11,000

**Per Pupil
Spending,
Approved
Budget**

\$16,104

12.4%

16.1%

8.4%

5.7%

0.3%

-4.7%