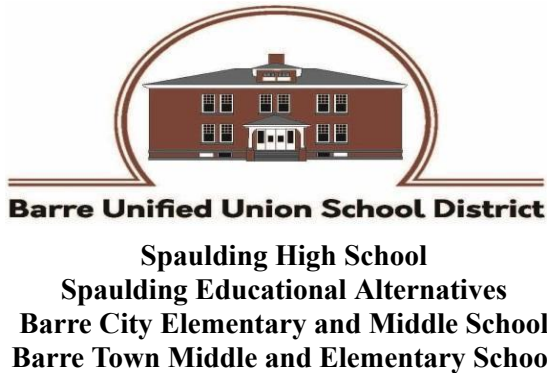


Addendum
BUUSD Board Meeting
February 14, 2024



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 Superintendent of Schools

A rock solid education for a lifetime of discovery

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February 9, 2024

Dear BUUSD Board,

Attached in the addendum is a "Proposed Act 127 Revision" slide deck presentation. Lisa and I have taken the latest information from the proposed revisions being considered from the legislature and updated our budget presentation from last Thursday evening's Budget Information Night. Any changes made are highlighted in yellow; importantly, there are some changes to the district tax rate discount spreadsheet that was shared a few days ago that work (at least slightly) more in the BUUSD's favor.

A few other things for us to consider:

- * We believe the updated bill will be voted on the House floor next week, followed by the Senate and then the Governor's desk at an unknown date. Until then, nothing is official, and things could still change.
- * It is anticipated that the yield, currently set at 9,775, will not go down and will likely go up when all is said and done.

As volatile as things are across the state with Act 127 right now, the BUUSD is positioned well to stay the course with our approved budget. It will now be up to the voters to decide if this works for them and this budget can be supported.

In the meantime, we will share any updates that come our way before Wednesday night's meeting with you right away.

Respectfully,

Chris



Proposed Act 127 Revisions

February 9, 2024

Our Strategic Plan Guides Our Work

Our Vision

- A rock solid education for a lifetime of discovery

Our Mission

- To build a community of curious learners that empowers student voice and exploration through education, character development, and perseverance, so our students can take on the world's greatest challenges



The Tax Rate: How Is This Calculated?

1) Total BUUSD Expenses	\$58,880,532
2) Less Local Revenues	\$15,200,486
3) Education Spending	\$43,680,046
4) FY25 Long Term Weighted Average Daily Membership (LTWADM)	3703.38
5) Education Spending per LTWADM	\$11,795



The Tax Rate: How Is This Calculated?

6) LTWADM \$11,795, divided by Yield \$9,775 , equals 1.20 - NO CAP	1.20 w/discount 1.17
7) Barre City CLA Barre Town CLA	76.62% 86.93%
8) Barre City Homestead Rate Barre Town Homestead Rate	1.52-Increase of 11 cents over last year 1.34-Increase of 12 cents over last year



Expenses: What We Spend

- 1) **TOTAL EXPENSES:** These are the general fund expenses plus any grant funded expenses.

General Fund Expenses = **\$55,380,532**, an increase of 11.62%,
or \$5,764,898, from FY24

Grant Fund Expenses = \$3,500,000

TOTAL EXPENSES: \$58,880,532

THIS IS THE NUMBER YOU WILL SEE ON THE BALLOT



Revenues: What Comes In

- 2) **GENERAL FUND REVENUE:** This includes tuition from sending schools, the census based grant (special ed. Act 173), extraordinary reimbursement, interest, transportation state aid, tax stabilization, and "miscellaneous."

General Fund Revenues = \$11,700,486

Grant Fund Revenues = \$3,500,000

TOTAL REVENUES: \$15,200,486



Education Spending: Expenses - Revenues

This is the amount that the **EDUCATION FUND must support.**

WHAT IS THE EDUCATION FUND?

- Property taxes contribute to the total Education Fund revenues in Vermont, broken down as follows:
 - * Homestead Property Tax (YOUR TAXES)
 - * Non-homestead Property Tax (From Businesses and Second Home Owners)



Act 127: The Impact of Long Term Weighted Average Daily Membership

EQUALIZED PUPILS has been changed to LONG TERM WEIGHTED AVERAGE DAILY MEMBERSHIP (LTWADM) due to ACT 127:

- Act 127 was signed into law in 2022.
- The law included changes to the weighting structure implemented under Act 60 of 1997.
- A study determined that the formula used for determining the costs for educating students was outdated and did not reflect true costs.
- The intent of Act 127 is to allow districts with students deemed to cost more to educate to increase services and educational capacity.
- The **equalized pupil calculation has changed to long-term weighted ADM starting in FY25** with new weights for students.
- Barre's student count increased by nearly 1,500 to a LTWADM of 3,703.



Act 127: The Impact of Long Term Weighted Average Daily Membership

EDUCATION SPENDING PER LTWADM: Divide LTWADM by the total expenses less revenues:

$$3703.38 / \$43,680,046 = \$\mathbf{11,795}$$

THIS IS THE PER PUPIL SPENDING YOU SEE ON THE BALLOT.



What is the Impact of the Property Yield?

6) EDUCATION SPENDING Per LTWADM: The Yield will be finalized toward the end of the legislative session. The recommended Yield is now **9,775**.

$$\mathbf{\$11,795 / 9,775 = 1.20}$$
 then with the .03 cent discount the tax rate is **1.17**

Proposed revision to ACT 127 removes cap

and provides discounts to ease with the transition of Act 127

FY25=.03, FY26=.02, FY27=.02, FY28=.01, FY29=.01



How Does the CLA Impact Our Taxes?

7) The CLA, or "Common Level of Appraisal," is a method of ensuring that each town is paying its fair share of education property tax to the state's Education Fund. This year we have seen unprecedented drops in the CLA across Vermont which means tax rates increased for nearly all towns. School districts have no control over this, but the CLA has a big impact on our tax rates.

Divide equalized tax rate by CLA.

$1.17 / 76.62\% = 1.52$ ADJUSTED TAX RATE

$1.17 / 86.93\% = 1.34$ ADJUSTED TAX RATE



How Does the CLA Impact Our Taxes?

8) HOMESTEAD TAX RATE: The tax rates are applied per \$100 of property valuation.

1.52 TAX RATE for BC, Increase of 11 cents

1.34 TAX RATE for BT, Increase of 12 cents



RECAP: How is the Tax Rate Calculated?

TAX RATE CALCULATION: Barre City

$$\$58,880,532 - \$15,200,486 =$$

$$\$43,680,046 / 3703.38 =$$

$$\$11,795 / 9,775 =$$

$$1.20 \text{ with discount } 1.17 / 76.62\% =$$

1.52



RECAP: How is the Tax Rate Calculated?

TAX RATE CALCULATION: Barre Town

$$\$58,880,532 - \$15,200,486 =$$

$$\$43,680,046 / 3703.38 =$$

$$\$11,795 / 9,775 =$$

$$1.20 \text{ with discount } 1.17 / 86.93\% =$$

1.34



A Few Words on Tax Stabilization...

How does the board determine how much tax stabilization funds “surplus” to assign to the budget?

Stabilization is the key word. Keeping taxes as level funded as possible is always the goal. It helps taxpayers to budget accordingly and prevents spikes in tax rates due to factors beyond the board's control.



**Thank you for spending the time to
learn more about our budget!**



Please help your friends and neighbors get out to vote.