

The 2024-25 OSSD Budget

The driving force behind this year's budget planning season relates to Act 127, which focuses on, "improving student equity by adjusting the school funding formula." The impact of this legislation is exceptionally wide, and it is the controlling factor behind the major rate changes every taxpayer in Vermont will contend with this year and every year going forward.

The law seeks to address educational equity by recognizing that some students, depending on their circumstances, need more resources to receive an equitable education. To create this equity, the law weights students depending upon their needs and provides additional funding to support them. For instance, the law recognizes that students from impoverished households need additional resources if they are to receive an equitable education, and therefore provides additional funding for these students. That additional funding needs to come from somewhere; and this is accomplished by raising the tax rate for all Vermonters. This tax rate reset, which is required to fund the new legislation is immense.

This past November, the Vermont Department of Taxes projected that this reset would increase residents' property taxes statewide by 18.5 percent. In addition, there are two other stressors that will impact budget planning and tax rates for 2024-25: increasing property values, and the end of the COVID era grants.

There has been an unprecedented rise in Vermont property values. This is fantastic for property owners in terms of return on investment, but the downside is that the state requires residents to pay taxes on that gain in value. All three of our towns have seen significant increases in their property values over the past year, meaning a further rise in tax rates – with Brookfield and Braintree seeing the largest increase and Randolph following close behind.

Lastly, districts are contending with the loss of the COVID era grants. These were federal monies provided to schools to help students recover from the learning losses caused by the pandemic. Much of the money was used to staff academic recovery and mental health programming. Many of the problems caused by COVID still remain, and without the grants,

many districts are seeking to move that programming into their regular budgets to make sure students continue to receive needed support.

Given all of this, our focus in terms of the 2024-25 budget was a simple one: maintain the programs and systems we have built to support students and staff while minimizing, as much as we can, the impact of Act 127 and the huge increase in property values on our local taxpayers.

Wednesday's writing will focus on the bottom line for taxpayers – the school tax rates folks can expect if our recommended budget passes. It should be noted that the legislature is currently trying to address some of the unintended impacts of Act 127; because of this, it is possible that our estimates may change.