RUTLAND CITY PUBLIC SCHOOLS
Board of School Commissioners– FINANCE/PLANNING COMMITTEE
October 1, 2024

Committee Members Present:
Marybeth Lennox-Levins, Chair
Sara Atkins-Doenges
Justine Franko (Remote)
Heather Hauke
Cathy Solsaa
Other Board Members Present:
Charlene Seward

Also Present:
Superintendent Bill Olsen
Assistant Superintendent Bianca McKeen
CFO Ted Plemenos (Remote)
Controller Tim Smith
Director B,G&T Glenn Scott
Director Equity & Inclusion Pam Reed
Director of Technology Patricia Aigner
Systems Engineer Dan Roswell

CALL TO ORDER

Chair Lennox-Levins called the meeting to order at 6:29 pm.

ROLL CALL

Roll Call – All Committee Members were present. Also present: Bill Olsen, Bianca McKeen, Ted Plemenos (Remote), Tim Smith, Glenn Scott, Pam Reed, Patricia Aigner and Dan Roswell.

APPROVAL OF THE AGENDA

Approval of the Agenda – Motion by Seward/Atkins-Doenges to approve the agenda as written. Motion carried.

PUBLIC INPUT

Public Input – There was no public input.

BUDGET FY26

Annual budget assumptions for FY 2026 – Controller Tim Smith provided an update on ESSER Spending for the committee, noting that ARP ESSER is complete, except for the liquidation period which has been extended for the HVAC Project. The total RCPS utilization rate for eligible ESSER funds FY23 – FY25 is 99%. Mr. Smith reviewed allocations, noting that other districts struggled to utilize all ESSER funds on time and the challenges related to expending these Federal funds. Mr. Plemenos acknowledge gratitude for Rob Bliss and Abby Brodowski for their dedication and work related to ESSER Funds.

Mr. Smith reviewed the status of the fund balance FY23 – FY24, noting Sullivan Powers' recommendation of a 5-10% operational working capital balance. RCPS targets for a 10% operating working capital balance relative to annual expenditures which exceed $60,000,000. The intent is to provide for about two months of liquidity for payroll (about $6 million based upon an average bi-weekly payroll of about $1.5 million). Discussion revolved around: fund balance related to ESSER funds and cash balance, and operating capital and cash inflows/outflows. Mr. Smith reviewed 16 V.S.A. & 567. Discussion revolved around: potential of establishing a restricted reserve fund for facilities and major equipment, Yield Bill (Act 183), and the Commission for the Future of Public Education in Vermont. Steps toward formally establishing restricted capital and operating reserve funds were introduced as a possible means to be proactive in protecting funds. There is still a lot of research and work to be done. More information will be brought forth for discussion at a future Committee meeting as appropriate.

CFO Ted Plemenos provided a preliminary outlook related to annual budget assumptions for FY26. The presentation document is attached. Topics reviewed and discussed included: a challenging education funding landscape, Yield Bill, its impact on homestead property tax burden, and tax rate increases. On the presentation documents, Mr. Plemenos provided direct quotes from Act 183 (H 887) which established a Commission on the Future of Public Education in Vermont to evaluate and recommend changes to Vermont's educational system. The Commission is charged with reviewing many fundamental aspects of the system, including: vision, governance, structure of AOE, local boards, physical size of buildings, tuition and the role of addressing emotional and social behavior. Preliminary findings will be released after the

BUDGET FY26 CONT.

RCPS budget is prepared (December 15, 2024.) Mr. Plemenos noted the benefit of the Long Term Weighted Average Daily Membership realized for the FY25 Budget and provided a comparison of funding and student metrics for FY24 and FY25. He advised that a similar benefit (11.8% annual increase in LTW ADM) is not expected to be repeated going into FY26. The Business Office is working with the registrar to report every eligible student to maximize student number counts. Mr. Plemenos noted that detailed discussions with the administration will be taking place and highlighted anticipated increases in medical plan costs, employee compensation, as well as a lower census block grant. An overview of special education and support services cost, as well as food service was provided. The absence of the turf field project was noted. This preliminary budget outlook assumes that FTE employees will be held flat from FY25 to FY26. Inflation metrics were provided. The hope is that the trend of inflation continues downward.

STRATEGIC PLAN

Director of Instructional Technology Patricia Aigner and Systems Engineer Dan Roswell presented the Board with a reorganization of the Technology Department. Reasons for the reorganization sighted included: maintaining cyber security, support critical infrastructure changes that were made due to the pandemic and ESSER funding, industry changes, and a pathway for employee growth. It was noted that the reorganization addresses increasing demands as well as the level of service, with a net zero cost.

NEXT MEETING

Strategic plan update – An update on Strategic Plan implementation will be provided at the next Committee Meeting.

ADJOURN

Next Meeting Date – November 5, 2024 – 6:00 pm – 7:00 pm.

Motion by Hauke/Atkins-Doenges to adjourn at 7:41 pm. Motion carried.

Respectfully submitted,
Betty A. Kapitan, Recording Secretary

Rutland City Public Schools

Preliminary Outlook for FY 2026 Budget

Finance and Strategic Planning Committee

October 1, 2024

Rutland City Public Schools

Education Funding Landscape

- State Ed Fund starts FY 2026 with a $60 million “gap” versus FY 2025 funding.
  - Legislature used $69 million to reduce FY 2025 homestead tax burden (by raising the annual “Yield.”)
  - Similar steps were taken in FY 2022 and in other years.
- Many homestead tax rates still increased by 5% to 10% or more in FY 2025.

Education Funding Landscape

- Act 183 (H 887) established a "Commission on the Future of Public Education in Vermont" to evaluate and recommend changes to Vermont's educational system including:
  - "Vision, governance, resources, administration, structure of the AOE as an agency or department, role and function of the State Board of Education."
  - "What roles or decisions should be a function of local control and of control at the State level."
  - "The integration of career and technical education."
  - "Physical size and footprint of the education system."
  - "An analysis and recommendation for the number and location of school buildings, SD's, and SU's."
  - "An analysis of the current town tuition program and changes."
  - "The role of the public schools in the provision of education and social and emotional well-being of students."
- Commission will release preliminary findings by 12.15.24 – *after* RCPS Budget is prepared.

Overview

FY 2025 vs. FY 2024

FY 2024 Budget, excluding ESSER	$60.6 million
Annual increase	+ $3.2 million, 5.4%
FY 2025 Budget	$63.8 million

Note: FY 2025 Budget benefited from the implementation of LTW ADM, including an ***11.8%*** annual increase in that metric.

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Funding and Per Student Metrics

FY 2024 vs. FY 2025

	FY24 Budget	FY25 Budget	$ Change	% Change
Expenses ($ thousands)	$ 60,558	$ 63,835	$3,277	5%
Revenues, Federal & Local	$ 21,888	$ 21,926	$38	0%
✓ State Funded	$ 38,670	$ 41,909	$3,239	8%
Equalized Pupils (Old Weights)	1,917.04	N/A		
✓ LTW ADM (New Weights)	3,020.86	3,377.57	357	11.8%
RCPS Cost per Student ($)	$ 12,801.0	$ 12,408.1	-$393	-3.1%

Note: LTW ADM = Long Term Weight Average Daily Membership.

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Preliminary Overview

FY 2026 vs. FY 2025

FY 2025 Budget	$63.8 million

Estimated changes year to year:

Medical plan costs	+ $1.0
Other employee compensation (for 495 FTEs)	+ $1.3 to $1.7

Memo: FY 25 and FY 26 Teacher salaries not yet contracted.

Lower census block grant, less offset to costs	+ $0.4

FY 2026 Preliminary Estimate	$6X.X million

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Preliminary Overview
FY 2026 vs. FY 2025

FY 2025 Budget	$63.8 million
Direct instructional and SPED	+ $0.3
Food services (- 2% enrollment)	N / C
Absence of turf field project	- $0.4
IT and BGT	N / C
Net estimated change:	+ $2.6 to $3.0, up to 4.7%
FY 2026 Preliminary Estimate	$66.4 to $66.8 million

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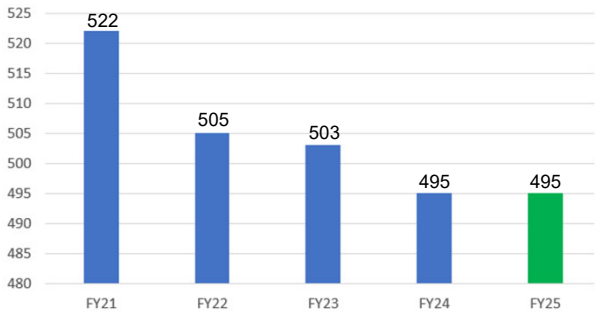
Full Time Employees



- FY25 included funding for *-27 fewer full time positions* versus FY21 (-5%).
- Fewer positions significantly offset higher per person salary and benefit costs.

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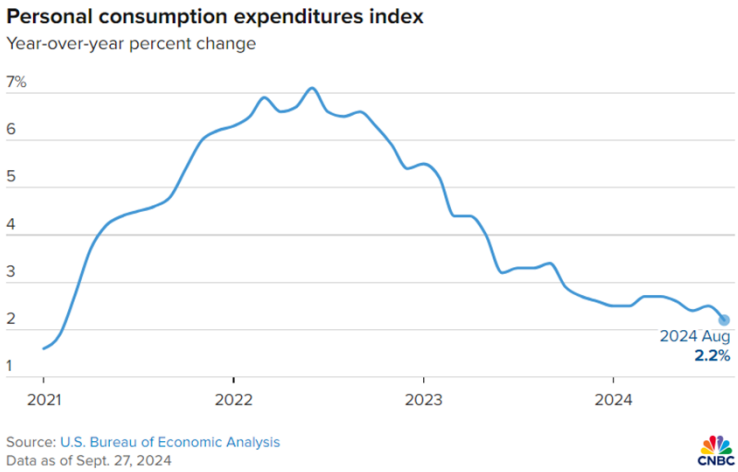
PCE Index
2.2% annual inflation through August 2024



PCE annual inflation < 3% since 2023.

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Establish Voter Approved Capital Reserve Funds?

- Many school systems have voter approved capital reserve funds.
- Helps to ensure continuity of building and other operations.
- As of year end FY 2024, RCPS has the resources to start initial reserves for:
  - Buildings and major equipment.
  - Operating cash flows.
- Would help to protect against possible “claw back” of funds by State to Ed Fund.

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Wrap up

Questions?

Comments?

Thank you!