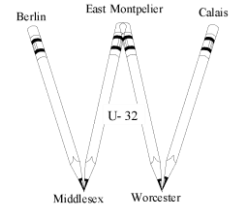


Washington Central Unified Union School District

WCUUSD exists to nurture and inspire in all students the passion, creativity and power to contribute to their local and global communities.

1130 Gallison Hill Road
Montpelier, VT 05602
Phone (802) 229-0553
Fax (802) 229-2761

Steven Dellinger-Pate
Superintendent



TO: WCUUSD School Board
FROM: Susanne Gann, WCUUSD Business Administrator
Steven Dellinger-Pate, Superintendent
RE: FY 2025-2026 Budget Discussion
DATE: September 13, 2024

Summary: Included in the Board is a projected FY 2025-26 Baseline Budget. The goal of that presentation will be to help the Board understand what the estimated cost will be to support the current programs and services that are happening in our schools, and understand some of the budget realities that exist prior to any changes in programming, services or building configurations. This is an initial step in the budget building process, which allows the Board to see what current programs and services will cost with adjustments for negotiated salary increases as well as estimated inflationary increases. After reviewing the baseline budget, the Board will provide the Leadership Team with guidance to advise the development of Budget Draft #1 to be presented in October.

Numbers to Consider:

- Every 1% increase (or decrease) in the budget = \$341,803.
- A 3% increase in the budget = \$1,025,410.
- The excess spending threshold = \$16,108.20 per LTW ADM.
- The estimated LTW ADM for the FY 26 budget is 2,355.11.
- The estimated excess spending threshold is \$37,936,583.

Baseline Budget includes:

1. Current staffing salaries plus negotiated salary increases.
2. Estimated premium increase for health insurance premiums of 15%. This will become more refined once VEHI notifies us of 2025-2026 rates.
3. VMERS employer contribution estimated an increase of .25%, based upon notice received from the Vermont State Treasurer's office in May 2022.
4. Services for students receiving special education that include out of district placements, transportation and other services. This number will continue to be developed and refined as we move through the budget process.
5. Current contracts for auditors and insurance plus estimates for inflation.

6. Transportation based upon current transportation contract.
7. Non-payroll expenses have been increased for estimated inflationary increases over FY 24 actual, plus 3.6% (the CPI-Northeast Region as of July 2024) for this fiscal year and 5% estimate for next fiscal year.
8. Debt service payments updated per the debt service schedule.
9. Capital Fund transfer increased based upon an amount identified when developing the multi-year capital improvement plan.
10. Funding includes requests to provide current software programs and continue cybersecurity strengthening efforts.
11. Cost breakdowns by building.
12. Extremely rough estimates for the tax rate, using current year LTW ADM and current year CLA percentages

Grant Funding: It is estimated that grant funding will either be reduced or end in the following funding sources: Title IV 1.0 Teacher FTE, Medicaid .5 Teacher FTE, Project SERV .5 Teacher FTE, SAP .75 Teacher FTE.

These positions have been included in the baseline general fund budget to illustrate the maintenance of current staffing levels.

Next Steps:

1. The Finance Committee discusses and recommends to the full Board the specific guidance to provide the Leadership Team on what the budget needs to include in order to be approved and what would cause the board to not approve it.
2. The School Board will receive the annual budget training.
3. The School Board reviews and discusses the FY 2025-26 Baseline Budget.
4. The School Board will review the budget for alignment to the Strategic Plan.
5. The School Board continues to work to inform and engage the community in the budget process.
6. The Leadership Team will prioritize program and service changes for instructional services and special education services. A proposal will be brought in Draft #1 closely considering:
 - a. The Board's guidance
 - b. The Strategic Plan
 - c. Equity Indicators
 - d. Continuous Improvement Plan
 - e. Enrollment data and class size
 - f. Resource sharing opportunities
 - g. Staff recommendations and feedback
7. Students with special education needs will be continuously reviewed and updated.
8. The Agency of Education (AOE) should provide updated revenue and tax information in December, which should include the Special Education Block Grant and extraordinary cost reimbursement estimates.
9. The CLA adjustment for tax rates is received in January.
10. The Leadership Team has identified steps in the Budget Timeline for timely communication with any impacted staff and the community regarding proposed reductions in force.

Reconfiguration Modeling: The budget will also be provided for the three PK-5 elementary school, and 6-12 U-32 configuration. This budget will include the same assumptions as the baseline budget with fewer school buildings.

Recommended Board Action: The Board provide specific guidance on what the budget needs to include in order to be approved and what would cause the board to not approve it.