

AGENDA



**Addison Central School District
Finance Committee
Committee Meeting
Monday, November 4, 2024, 8:45 am - 9:45 am
49 Charles Avenue
Middlebury VT
05753**

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:

<https://us06web.zoom.us/j/86181819320>

- A. Call to Order Upon Reaching a Quorum
 - 1. Introductions: Board Members, Administrators and Staff
- B. Public Comment - Agenda Items
- C. Recommendation to Approve the Minutes from October 7, 2024 and October 25, 2024
- D. Committee Discussion:
 - 1. Budget Development
 - 2. Action: Recommend Financial Feasibility Target
- E. Public Comment - Any Topic
- F. 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
Friday, October 25, 2024, 8:30 am - 9:30 am
49 Charles Avenue
Middlebury VT
05753**

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A. Call to Order Upon Reaching a Quorum

Chip called the Finance Committee meeting of ACSD to order at 8:44 am.

1. Introductions: Board Members, Administrators and Staff

Matt Corrente, Ellen Whelan, Wiest, Chip Malcolm attending.

Chip noted we may not have a quorum today, but we won't make any decisions without quorum. Just discussion.

B. Public Comment - Agenda Items

No public comment

C. Committee Discussion:

1. Budget Feedback Forums

Focus of the meeting is to evaluate the feedback of the surveys that were circulated to members of the public, as well as feedback that came from individual meetings at schools on Tuesday, 10/22.

Matt noted that we received good feedback from the listening sessions and the surveys. We received 129 responses from the survey.

Chip noted that there was good discussion at the Weybridge school, which is the listening session he attended.

Matt explained we need to determine how to incorporate the feedback and results we received, including open ended or qualitative responses into the budget process.

There is original tone and emotion in the survey responses, so if we turn those responses into a 1 or a 0 then you lose that.

Question for the committee is- what would we like to see this feedback become? What should the administration prepare as far as a summary? How can it be a useful tool for the

school board.

Ellen suggested sharing the raw data, as it were, with the school board because there is a lot of value in reading through all of the responses.

Ellen noted that this data will help the board to see where there are pervasive narratives driving people's perceptions of what is driving budget increases, and how the board can work to communicate other realities that people may not be as aware of, including increasing health care costs, and others that are less well known.

Chip noted that there are disincentives to go above a certain number that has to inform our budget making, even if people disagree with that approach.

Matt noted we have to be careful to not trim the budget without knowing what we may need, which informed the strategy of index budgeting for the last couple of years. This year, internally the district is approaching things differently to look at zero basis budgeting, start from scratch and consider what do we need in each building and starting there.

Matt explained that he and Wendy are working on creating the most feasible and necessary budget for voter consideration, and then within that larger amount are the individual plans at the school level that are designed to meet strategic plan goals and our district priorities.

Matt noted that he and Emily have been working to put together all the information and feedback from the surveys, and it's hard because there is a spectrum of where people fall around major themes. And even identifying the themes is difficult, or they end up reading a lot like the strategic plan. A challenge that we're dealing with is how much to present at the upcoming board meeting versus saving it for a couple of weeks from now, so that the longer budget discussion about budget prices can remain the focus of the board discussion.

Ellie pointed out that it would be likely that if we present the survey responses at the end of the 50 slides about budget costs, it will be a lot to read and discuss at a single board meeting. Ellen agreed that it will be challenging for the board to really focus and absorb the dense and important information from the first part of the budget presentation and also give enough time to the community responses, or the community responses will dominate and we won't focus on the other pieces.

Ellie asked if we should structure it as the budget presentation with discussion first, and then a presentation as the preview of community survey feedback.

Matt laid out his plan for budget presentations over the coming months.

The committee talked about the small number of responses, and how that represents a very small percentage of voters, but it also has value because it's like a conversation with 129 people we would not otherwise have had.

Emily noted that there is a lot in these responses that identifies people's perceptions or misperceptions of different issues and problems.

Emily also pointed out that these are not public comments to the board. Ellen reiterated she thinks the board should read all of the responses because then Emily and Matt's analysis will help guide how the board processes all of it.

Matt said he thinks he and Emily have a good strategy for moving forward. Next steps are to take what we've done here today and bring it to Wendy and the executive committee, and place this information we're presenting on Monday in context of the next few months of work.

Emily asked if the Finance committee and Communications and Engagement committee have worked together. Ellie is on both committees and said that the focus of the Communications and Engagement committee is on creating strong communication tools and approaches, including on the website.

Next meetings are 11/4 and 12/2

D. Public Comment - Any Topic

No public comment

E. Adjournment

Meeting adjourned at 9:54 am

Move: Ellen Whelan-Wuest Second: Status: Passed

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DRAFT

MINUTES

**Addison Central School District
Finance Committee
Committee Meeting
Monday, October 7, 2024, 8:45 am - 9:45 am
49 Charles Avenue
Middlebury VT
05753**

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A. Call to Order Upon Reaching a Quorum

Chip called the meeting to order at 8:51am.

1. Introductions: Board Members, Administrators and Staff

Matt Corrente, Ellen Whelan-Wuest, Wendy Baker, Chip Malcolm, Ellie Romp

B. Public Comment - Agenda Items

No members of the public were present

C. Recommendation to Approve the Minutes from May 6, 2024

Move: Ellen Whelan-Wuest Second: Ellie Romp Status: Passed

D. Committee Discussion:

1. Present FY24 Q4 Financial Report

Matt walked us through the most recent financial report.

Chip noted that the end of September, or the first quarter isn't usually a period that tells us much

Total revenues are \$50,465,788. There are details broken out by revenue code, which is the type of revenue- local, state, other. Each category also has a restricted code, which means either the revenue has a specific purpose for the funds (restricted) or we can spend how we like (unrestricted).

Wendy asked about the universal meals and federal food services revenue- what would lead that to be much lower than originally budgeted?

Matt noted that a theme of the report is that food service was wonky in relation to the amount of revenue vs. expense. It's been hard to project since universal meals became a mandate and we had to do a lot of guessing in the budget. The fact that revenues came in low may not be due to any missed opportunities on our part, it may just be due to over-budgeting initially. Food services is one of those areas that lives off books, it's not published in the budget book. It's gone through a few iterations at the state level related to universal meals, the impact on our free and reduced lunch (FRL) levels. Increases in staff salaries were made for food service employees as well, and costs of ingredients went up by a lot, so all of this would contribute to the changes we see in our current vs. projected budget.

Chip notes that it should mean that we could budget more accurately in the future.

In the past we've covered any funds not available in the dedicated food service budget with general fund dollars.

Wendy notes she is asking about the revenue for universal meals because funding for that is being added to the state ed fund and we want to make sure that the funding is sufficient for the costs.

In expenses we had a total of \$42,269,305 with a balance of \$803,549 which represented a 1.9% surplus.

Chip noted that this is where we want to be, not under and not too far over either.

Some of the other items are the fund balance transfer, other fund expenses. Other fund expenses is a difference because the YTD expenses included ESSR funded expenses that had not been part of the FY24 budget because we decided to spend what we had to on ESSR expenses and fold it into two budget years.

We have a deficit on total expenses, but if we add the general fund balance to that we get a projected FY24 fund balance of \$1,297,237.

We are on track with what we projected so far.

Our auditors are coming next month and giving the full run down which will lead to a more in depth report for the Finance committee. Chip noted that the report from the audit will set us up for how we move forward with the budget development and adoption process throughout the year.

2. FY26 Budget Creation

Process over the last few years has been to bring budget development and adoption materials to this committee in draft form to brainstorm and refine, and to bring a baseline familiarity to committee members in advance of discussion among the full board, usually a week later.

The last budget presentation to the board focused on the key budget drivers, while this presentation looks at FY25's budget- refreshing the data on what is included, and looking at analysis of both what is in the budget and what are some numbers broken down by per pupil amounts.

Per pupil price tag approach was a focus of the equity-based budgeting workshop that Matt, Courtney Krahn and Nicole Carter attended a few weeks ago in DC. At the workshop, the focus was to look at universal issues of communicating budgets, budgeting for equity, how to construct a budget in coordination with a school board.

Matt said it was a helpful conference, it was 2 days in person and there will be six additional remote sessions for certification.

We'll be looking at our budget through some of these lenses.

We've also talked about how the school board helps set goals in the budget making process, which can look a couple different ways.

Could be literal like setting spending thresholds or increase goals

Could be more focused on policy, guiding the administration towards the board's priorities- work on buildings, supporting taxpayers, implementing the strategic plan, for example.

Wendy noted that to that end, we'll be holding informational community buildings and

sessions. Wendy sent the draft letter of invitation to those meetings in the Spotlight email to the board sent this morning (10/7). She asked Finance committee members to read and provide feedback on that letter.

Chip noted that in the old days when we used to seek public input it was somewhat more linear to show people the translation of community and board priorities with outcomes, but now with the complexities of state and local education financing systems it's much harder to show that linear connection.

This is when we could set a percentage, but that's difficult now.

Wendy noted we should have some community input by the time we start to present out on the next year's budget.

Wendy noted that in a recent meeting with legislators, she appreciated that our district isn't just competing with other districts for resources, we are competing with other public sectors for resources.

Ellen said it seems like a matter of being proactive vs. reactive wherever we can in the budget.

Within our county, our district is very proactive and focused on every budget decision is focused on providing excellence and equity to every student. And there are many people who believe we, in Vermont, should be able to fund education for a lot less money, and we need to message and explain why it is not for the best interest of students.

Within our budget profile, general education is the highest cost by far, followed by student services, tuition to the career center and other expenses.

Our largest source of revenue is from the General Fund.

The general fund is primarily state revenue.

The weighted daily average (LTWADM) is largely determined from our enrollment, or how our weight is accrued.

Another breakdown of unweighted enrollment shows that our projected average daily membership overall should be up 4%- this is averaged from our average daily attendance by October 1st.

Plugging that enrollment into the LTWADM weighting, and thanks to new FRL (federal poverty rates) adjustments based on different (stronger (non-self reported) certification information/data, we have a potential large increase of our english as a second language (ELL) and FRL numbers, which Wendy notes is far more reflective of what she sees as our student population and needs.

Based on all these factors, we project our LTWADM to go up between 2-8%, which would be a huge part of our budgeting equation because it is one of the factors that affects our tax rates.

Wendy noted that this demonstrates that there is a gap between the financial resources that have been provided by the state to assist, and what our taxpayers have been asked to fund, and what our staff are trying to do for students.

Our base tax rate this year was approximately \$1.50, and Matt ran 4 scenarios.

Running these scenarios is hard without knowing what the yield will be so Matt used a lower yield to be cautious, conservative in estimating these scenarios.

Scenario 1 has a lower LTWADM (our FY24 ADM) and an increase in our district tax rate as a function of our shrinking discount in the next year, even with level funding. If nothing changes in the ADM and the budget, our taxes will increase to \$1.53, a 2% increase.

Scenario 2 has a higher ADM and level of 8% (high end of the estimates) and level funding, our tax rate would go down by approximately 5% to \$1.42.

Scenario 3 has our current ADM but a reduction in spending of -1%, would lead to a -7% tax rate to \$1.40.

Scenario 4 has our ADM going up by 8% again and a -1% reduction in GF budget would lead to -14% to \$1.29. Wendy noted that achieving a 1% decrease would be extremely difficult because that does not only require cutting costs, it also requires absorbing additional costs and THEN cutting costs, so it's almost like a double decrease.

Ellen asked if an 8% increase is optimistic or realistic. Wendy and Matt explained that it's realistic based on real numbers of ELL students we have and our certification information. Matt showed a slide with three categories of priorities, in differing orders, for the board to consider how to prioritize: strategic plan implementation, educational outcomes, and spending and tax targets.

Ellen noted that so many of our strategic plan metrics and goals are inherently tied to educational outcomes. Wendy pointed out that in some cases we will need to identify the specific educational outcomes we want to prioritize.

Matt pointed out that a budget is always a plan, and after the planning phase we have to go back to what worked as we wanted, but in the planning phase it's all about intentions.

Our total expenditures per enrolled student is \$31,747 and per weighted LTWADM is \$16,099 (for all kids, Pre-K to 12th grade who are in our ACSD buildings).

That is every meal dollar, transportation dollar, mental health dollar. And, compared to independent or private schools, even the original number of \$31k is far lower than what they spend per student.

We discussed equity-based methods of evaluating how to bring salary increase equity into teacher salaries for future contracts.

Ellen had to leave early (9:50 am) and Matt continued to present slides for committee consideration and discussion.

E. Public Comment - Any Topic

None

F. Adjournment

Move: Ellie Romp Second: James Malcolm Status: Passed

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