

AGENDA



**Addison Central School District
Finance Committee
Committee Meeting
Wednesday, December 4, 2024, 8:45 am - 10:15 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/85229951449>

- 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 11-4-2024
- D. Committee Discussion:
 - 1. Financial Feasibility Target Strategies
 - 2. FY 26 Budget Status Review
- 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
Monday, November 4, 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 8:48 am

1. Introductions: Board Members, Administrators and Staff

Matt Corrente, Ellen W. Jan-West, Ellie Romp, Jason Chance, Wendy Baker in attendance

B. Public Comment - Agenda Items

No public comment

C. Recommendation to Approve the Minutes from October 7, 2024 and October 25, 2024

Move: Jason Chance Second: Ellie Romp Status: Passed

D. Committee Discussion:

1. Budget Development

Matt recapped that we are here to preview information and workshop it before it goes to the full board at regular meetings, through the budget development season.

Main goals of today are to look at feasibility targeting- what is our target goal, what is feasible and what should the internal work be aiming at. And to look at internal performance monitoring, what is happening at the school, administration and district level.

Chip pointed out that there are two ways to form a budget- either work from the bottom up with a ceiling you don't go over, i.e. zero based budgeting. The second is to look at everything you need and determine what it costs.

Matt affirmed that zero-based budgeting is ongoing now, but we need to establish what the ceiling or the maximum is. We need to set some target constraints around where the budget

can or can't grow.

Internally, we are using big picture budget strategies to guide the work, i.e. zero-based strategies, but also using meta strategies to identify programmatic inequities (tied into the strategic plan)- how can we identify where there are inequities across schools, assess the needs and what are the budget implications?

Related but different, we are also looking at strengthening resources. This means looking at what we need to strengthen our classroom resources for all students. At the same time, we're streamlining student services, which are often recovery resources spent on recovering learning that has been lost. Strengthening universal instruction helps avoid lost learning.

For performance budgeting there are three points on a triangle that principals have been asked to think about, or lenses to think through for establishing budget needs. 1) Providers- such as teachers, 2) Coaches - people who help providers enhance their skills as providers, and 3) System Supports- i.e. software that helps collect data, the people who are behind the data, systems we use to strengthen the operation for everyone involved.

On this, Chip pointed out that the terminology of providers and coaches is somewhat confusing or easily confused with other contexts.

Matt explained that a reason to maintain these terms is that it allows for a more nuanced understanding of different roles people can serve within single positions. It helps clarify for people how they see themselves, their teams, and how principals can gather resources.

Wendy suggested we could make it "improvement coaches" and possibly amend the visual of the triangle to point out that in the middle is the outcome of "what are we trying to achieve?" That is different for each building, so we have to be intentional about using the resources we have and distribution of resources so that everyone can achieve their objectives.

As far as internal processes, November the goal is for principals and directors to provide development plans, the mix of providers, coaches and system supports that will optimize outcomes within their department/building.

In our budget development cycle, now is a good time to determine what we believe success looks like or means.

Jason asked if the outcomes will look different for every building? Wendy affirmed that yes, they will look different based on the different needs within each building. Matt explained this is also part of addressing inequities across the system.

In December, individual plans will be incorporated and melded into a budget draft for January. The work there will result in plans that largely line up with one another at least 75-80% of the way. But there will be times through the December process that will offer choices between one direction or another to get to 100% alignment, and we will have to work collaboratively to achieve a holistic budget plan.

Wendy recommends adding to December box that the board needs information related to whether a feasibility target will ask the district to absorb large additional costs (i.e. \$2.5 million for increased healthcare and salary costs), and if there are large cuts being contemplated to meet the feasibility target, then the Board will receive that information in December so that the Board can guide administration heading into the new year.

The budget is a combination of different allocation types. There are:

operations expenses (keep lights and heat on, feeding kids, transportation),

educational quality standard resources (teachers, principals, nurses, counselors that the state requires based on the number of students we have enrolled, and based on school board policy requirements),

school supplies and materials (computers, books, construction paper, etc.)

Student services- legally required services and staffing based on student need, not enrollment

Student opportunity funds (field trips, enrichment experiences), based on enrollment and performance- if we took money away, wouldn't be out of legal or policy compliance so we have to assess how these funds are working towards the targets of what we want them to achieve.

Targeted equity allocations- based on specific goals within a school or department, allocating additional resources (coach, staff member) to help achieve a result we don't think we could otherwise. This is based on performance more than enrollment or necessarily IEP or student needs. This is identified as a need by the director or principal, so it's another case where we have to look at what the data would show.

Chip asked about how we square the fact that some schools have resources gifted to them, such as the McGilton fund for Mary Hogan, that creates inequitable experiences for some schools over others?

Matt responded that this is a tricky question for the district because we have to evaluate what the district will fund to achieve equity?

Wendy confirmed that the district won't budget in a way that puts us out of legal or policy compliance. The evaluation of other resource allocation on performance measures is new, and will lead to thinking about things differently. For example, student services with legal and need basis is where class sizes would fall. Principals need to establish class sizes now, and be in compliance with current class size policy.

We have not given the necessary attention to universal instructional support, which means we've had to invest more into our student services support. We are working to flip this so that our universal instructional support is much stronger.

Matt pointed out that this process is meant to pause before removing resources, to design an outcomes based approach to analyzing resource allocation, that targets the outcomes of those resources and tracks with data.

Wendy pointed out that in future budget years, as we keep going, we will also evaluate what in our resources is working and what we need to sustain. For example, if there is a program that is really making a difference how can we evaluate the elements that are making this program work and bring it to scale across the district. This is fairly common in a corporate setting, but in human services it can be difficult because you often lose what is transformative. But as we work to streamline student services we need to think carefully about what we take what we know work and streamline what we're doing to meet a financial feasibility goal and build on what we know works programmatically.

2. Action: Recommend Financial Feasibility Target

First question is: what do we need to do to measure change? Three options:

Focus on a percent change to the equalized district tax rate. This relies heavily on the yield as a variable, which we never know until after the school budgets have been submitted. It is a powerful denominator that can have a big impact if we only look at the tax rate as a target.

Percent change to the General Fund expense budget or total expenses. Challenge here is that if we look at the bottom line only, it becomes hard to understand what that means in the details of the budget or what it looks like for each area of budget allocation.

Percentage change to per pupil spending- this is the smallest level to look at things, it is related to the LTWADM, would rely heavily on the LTWADM (another state generated number) as a variable.

Matt highlighted the second or third as the ideal options because the answer is probably somewhere in the middle. Look at the big picture, and also keep tracking by per pupil spending to show how changes in percentage changes have affected what we make available for students.

Jason asked if we can use the per headcount workup that we saw to say "this is where we started- \$x,000 per pupil to \$x, 000 per pupil. And, should we also be keeping the double taxation threshold in mind because after that point it becomes a very hard sell?

Matt said yes, understanding the percentage change at which we hit that threshold is important. Right now we know that \$2.4 million will be coming in new money based on health care and salary increases. We also saw additional growth in student services with additional programs and positions that were added to meet need that adds approximately another

\$600,000. That means we need approximately \$3 million in new money, which constitutes almost 1% growth no matter what. In order to avoid the per pupil spending threshold and double taxation, we need to maintain 0% growth, which essentially means reducing by 1% to accommodate the new monies we have to spend.

If we need \$3 million to stay level, and we want to present the board and the public with a 0% budget growth, we will have to determine how to absorb \$3 million within our current budget. Ellen asked how the adjusted projections of LTWADM might help us have more buffer in our budget?

Wendy explained that we should not rely on the state maintaining the current LTWADM weighting formula because the AOE is requesting all districts to provide their expected spending by November 13, and this seems to indicate that the state will potentially change the LTWADM formula in a way that may not allow for adjusted LTWADM for ACSD the way the current formula shows.

Ellen said that it feels naive and foolish to propose a budget with any growth that would lead to double taxation, it would likely not pass. She suggested that Matt add to his slide a column that shows how our current budget is on track for growth (.75-1%) and what that would mean on per pupil spending and the impact for the threshold and double taxation, so that the full picture is available. And to be very clear that 0% growth will require cuts because we'll have to absorb \$3 million in additional spending by making other cuts somewhere.

Ellie said she thinks that avoiding the double taxation threshold is more important than 0% growth and if we aim for that and then have some understanding of what the state is going to do in ways that affect our budget, that should be our goal.

Ellen pointed out that a lot of people in the public already believe that closing schools would immediately achieve the savings we need. Ellie said that's what is so important about understanding how we are spending money on students now, and most of those resources are not going to operations. We will still need to provide education, student services, transportation, and food services.

Jason agrees that our preliminary target should be to avoid double taxation and aim for 0% growth until we know what the state is going to do.

Wendy said she's hearing that we as a committee, want the administration to pursue 0% growth. Ellie said she prefers the message that level funding would mean an increase in \$3 million, whereas a 0% increase would require \$3 million in cuts. Wendy asked if we should talk about level funding versus level service, which may make it easier for people to understand maintaining what we have now will require an increase in funding based on health care and salaries.

This information will be presented to the board at the next board meeting. It will include what growth will look like if we don't make reductions in other areas.

In December we're aiming for 2 presentations with LTWADM and early yield calculations.

Using the target we set today, what are the options to arrive there and achieve that target?

On December 16, we'll talk about data from December 1st with the yield and LTWADM information folded in.

Finance committee should meet in early December to look at the cost equivalence. We will meet December 2nd as a committee and December 9th at 8:45 am.

E. Public Comment - Any Topic

None

F. Adjournment

Meeting adjourned at 10:03am

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

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DRAFT

Addison Central School District FY26 Budget Development 3.0

Foundational Forecast | Cost-Equivalent Reductions





Cost-Equivalent Budget Reduction Strategies





ESSER Positions

Strategy: Reduce some ESSER positions that were rolled into the General Fund in FY25.

4.0	Interventionist (1.0 Lit HS, 1.0 M HS + 2.0 K-5)
2.0	Behavioral Interventionist
1.0	Aspire Coordinator

Estimated Cut Amount:
\$620,000

Cost per Pupil: \$376



Surplus Reduction

Strategy: Identify and investigate areas of unspent or underspent budget in FY24, mainly in non-personnel areas. Trim while maintaining appropriate contingency.

Estimated Cut Amount:
\$225,000

Cost per Pupil: \$136



Facilities Construction Funds

Strategy: Reduce additional funds budgeted to cover non-ESSER portion of Mary Hogan construction project. Reduce additional construction contingency line, transfer some to Repair and Maintenance.

Estimated Cut Amount:
\$285,000

Cost per Pupil: \$173



Healthcare Budget Adjustments

Strategy: Healthcare is a variable expense that depends on individual employee selections. By auditing all healthcare lines, budgeted HC costs can be tightened to match current staff usage.

Estimated Cut Amount:
\$300,000

Cost per Pupil: \$181



General Ed. Paraprofessionals

Strategy: Reduce vacant and difficult to fill paraprofessional positions. 5-10 FTE variable.

Estimated Cut Amount:
\$236,400 -
\$472,800

Cost per Pupil:
\$143-\$287



Student Services Streamlining

Strategy: Use case-load quota system to adjust student:teacher ratio. Consolidate personnel and facility costs at ACP programs. Reduce pandemic-based behavioral specialist/consultant positions.

**Estimated Cut Amount:
\$620,000**

Cost per Pupil: \$376



Ripton Operations

Strategy: Transfer all Ripton school students to different classrooms. Reduce operating costs to minimum, reduce or reassign all positions.

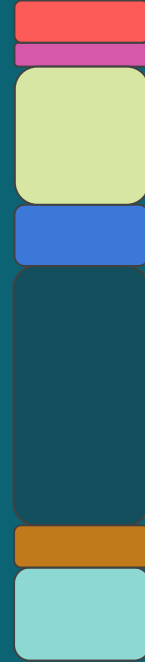
**Estimated Cut Amount:
\$580,000**

Cost per Pupil: \$352

Summary of Reduction Strategies

Strategy	Projected Reduction Amount	Price Tag per Student (n=1650)
ESSER Positions	\$620,000	\$376
Surplus Reduction	\$225,000	\$136
Construction Funds	\$285,000	\$173
Healthcare Adjustments	\$300,000	\$181
Gen. Ed. Para Vacancies	\$236,400 - \$472,800	\$143-\$287
Student Services Streamline	\$620,000	\$376
Ripton Operations	\$580,000	\$352
TOTALS	\$2,766,400 - \$3,002,800	\$1,677 - \$1,820

Foundational Cost Forecasting



\$50M

\$0

BLOCK 7: Equity Investments

BLOCK 6: Student Opportunity Funds

Block 5: Student Services

Block 4: School Supplies, Services, and Materials

Block 3: Federal, State & Policy requirements

- Salary and Benefits of mandatory Teachers, Administrators, Nurses, Counselors, General Paraeducators, Admin. Assistants
 - Based strongly on Enrollment
- District Administration, Coordinated Curriculum, Fiscal Services.

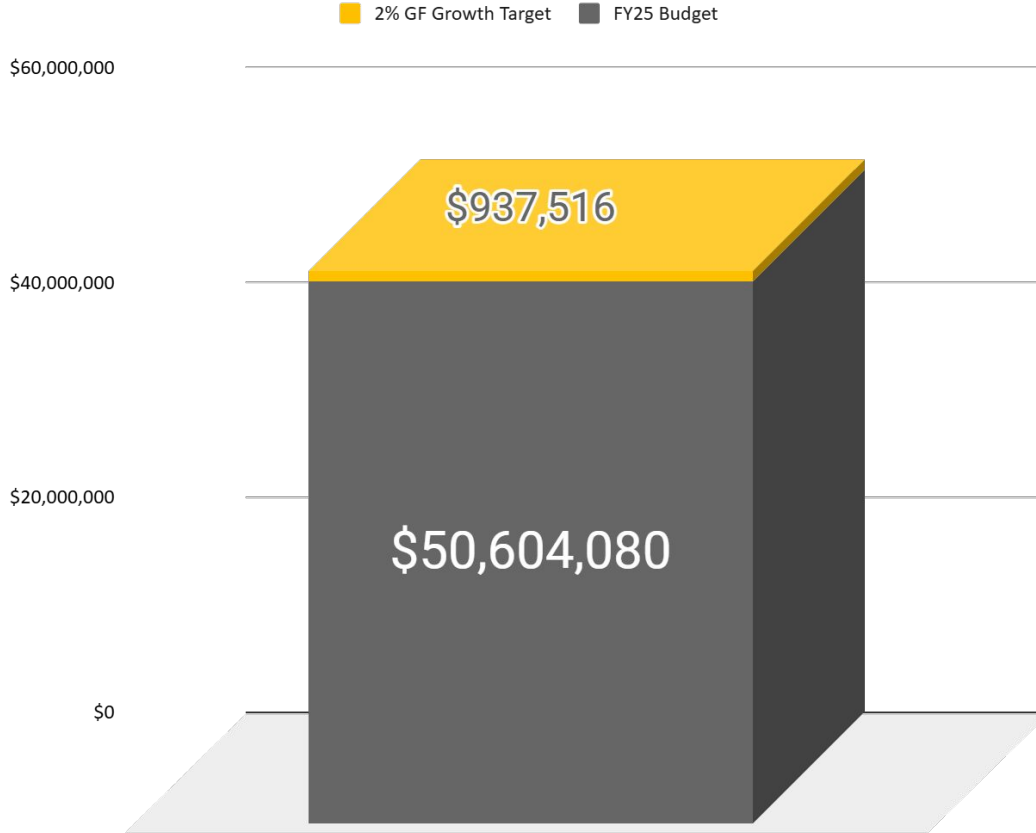
Block 2: Tuition Expenses: PHCC and UPK

Block 1: Operations Expenses:
Facilities, Technology, Foodservice, Transportation,
Debt

**Foundational
Cost
Forecasting:**

**The Stack,
Part One**

Foundational Costs Forecast: Path to the Target





Debt Service



FY25 Budgeted: \$172,073

FY26 Projection:
\$119,554 (-31%)

Price Tag: \$72

Construction loan in Bridport has reached maturity and will lower our debt service obligation in FY26.



Transportation (School/Home)



FY25 Budgeted: \$1,361,916

FY26 Projection:
\$ 1,428,340 (+4.8%)

Price Tag: \$866

Base rate increase of 4.5% for 19 school bus routes.
\$74,000 per bus. Additional increase is from projected line item changes such as overtime and fuel surcharges.



Technology

FY25 Budgeted: \$1,418,472

FY26 Projection:
\$ 1,406,765 (-1.0%)

Price Tag: \$853

No major additions or subtractions. Salary and benefit growth is offset by modest reductions in supply/hardware budget.



Facilities

Reductions:

- Construction Services (-\$285,000)
- Equipment (-\$42,500)
- Landscaping (-\$30,000)

FY25 Budgeted: \$4,507,252

FY26 Projection:
\$ 4,547,561 (1.5%)

Price Tag: \$2773

Increases:

- Repair and Maintenance (+\$100,000)
- Utilities and Communications (+\$100,000)
- Salary and Benefits (+\$200,000)



Food Service

(Difference between Expense and Grant Revenues)

FY25 Budgeted: \$100,000

FY26 Projection:
\$ 300,000 (200%)

Price Tag: \$182

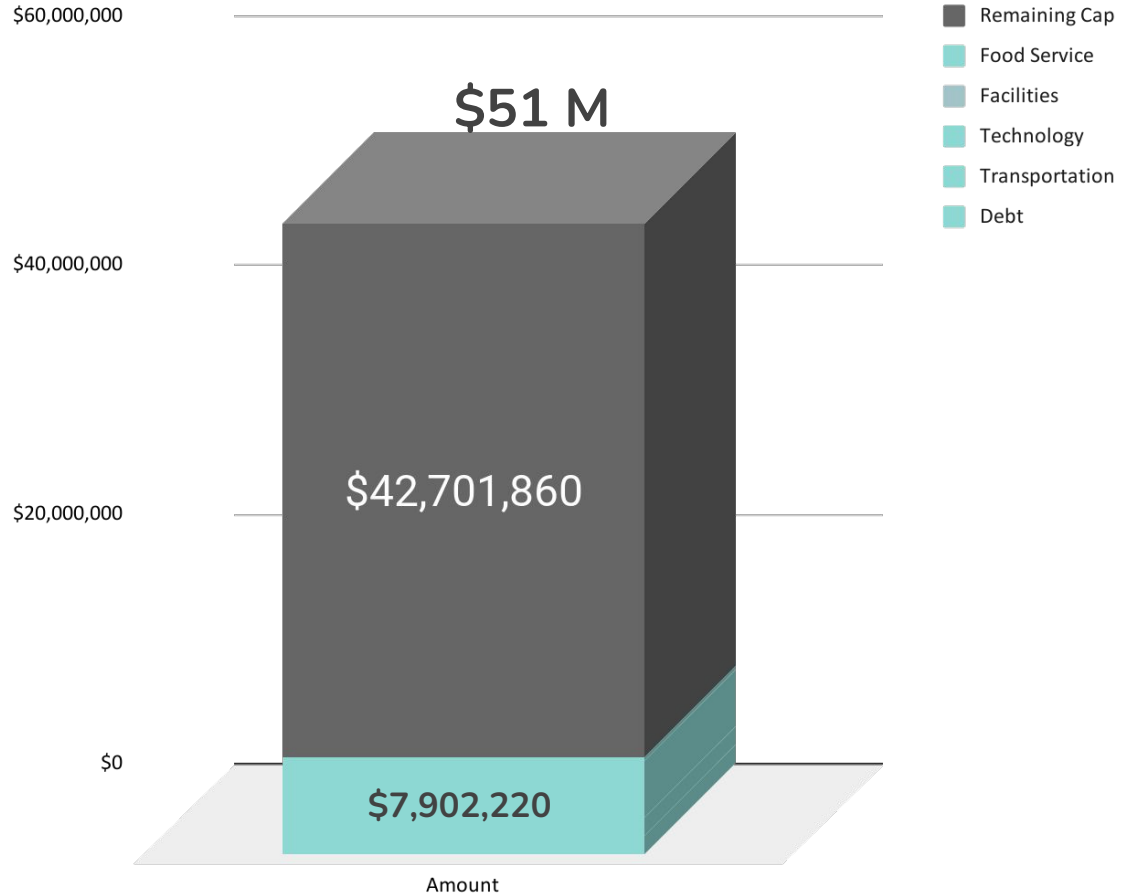
Food Service is an expense to the General Fund when the costs are not covered by State and Federal grant reimbursement.

In FY24 our total FS expense was roughly \$1.6 million. Of that, \$300,000 (18%) was not covered by reimbursement.

This expense requires recalibration of the budgeted gen fund amount to reflect:

- increased FS staff wages (parallel to ESP Union Agreement and FY24 Side Letter)
- increased food costs.

Foundational Costs Forecast: Block One





PAHCC Tuition

FY25 Budgeted: \$1,615,287

FY26 Projection:
\$ 1,776,816 (10%)

Price Tag: \$1077

ACSD pays tuition to the Hannaford Career based on a six semester rolling average of enrollment times the annual tuition rate.

We project enrollment to be between 50 and 60 FTE in FY26.

Against a stable enrollment backdrop, we project a 10% increase in expense in advance of PAHCC announcing their FY26 Tuition Rate.

This number is likely to change.



Universal Pre-K

FY25 Budgeted: \$508,893

FY26 Projection:
\$ 540,893 (6%)

Price Tag: \$328

ACSD pays tuition to third party Pre-K providers at a universal rate (\$3,800 +/- FY26 change) times the annual program enrollment.

We estimate tuition enrollment to be between 115 and 125 FTE in FY26 and anticipate a small increase in tuition rate.

Additionally, 0.3FTE of UPK Coordinator Salary and Benefits will be added to this cost center. (+\$32,000, from Student Services)

FCF: Block 1 and Block 2

\$60,000,000

\$40,000,000

\$20,000,000

\$0

\$51 M

\$40,448,763

\$2,317,709

\$7,902,220

Amount

Remaining Cap

UpK

PHCC

Block 1 Total

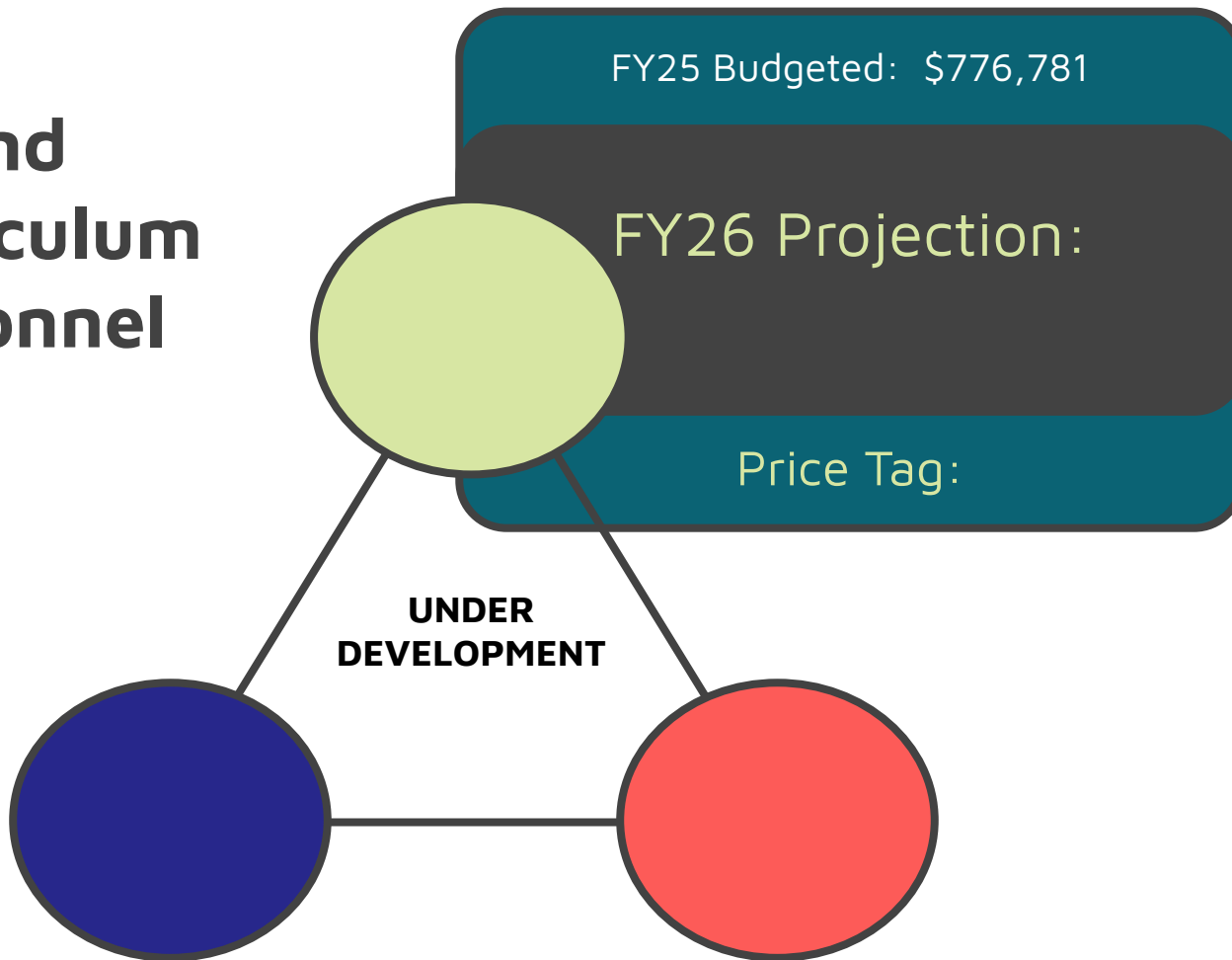


Block 3: Board Policy and EQS required personnel

- Block 3, along with Blocks 5, 6 and 7 are in development pending the Triangle planning process.



PD and Curriculum Personnel



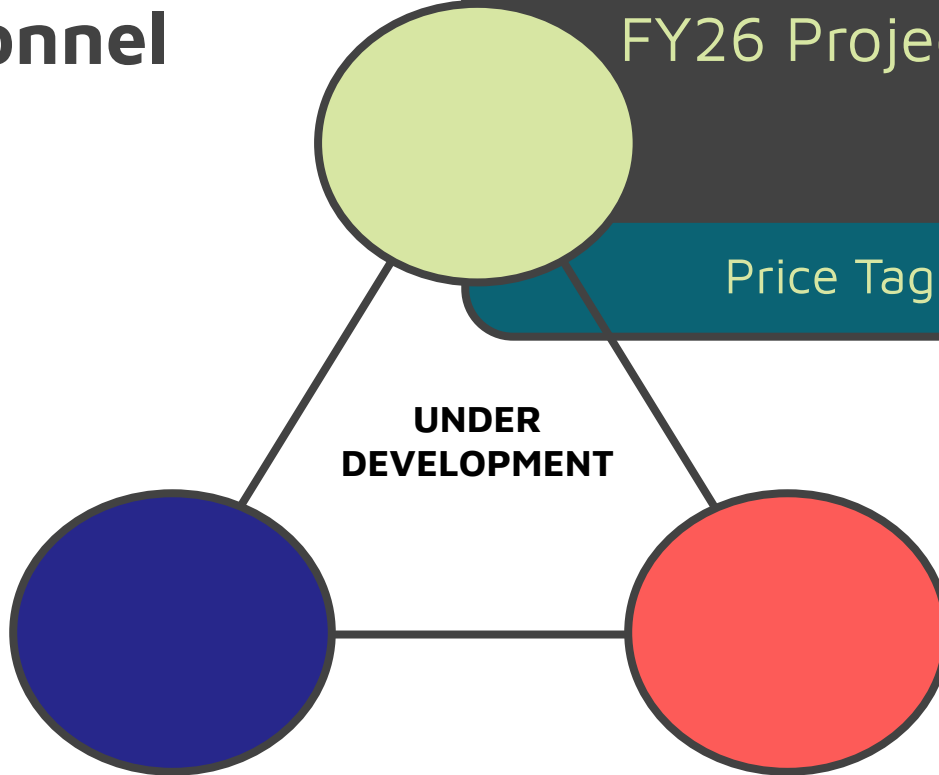
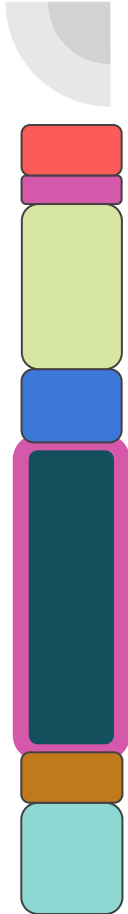
Administration Personnel

FY25 Budgeted: \$1,671,156

FY26 Projection:

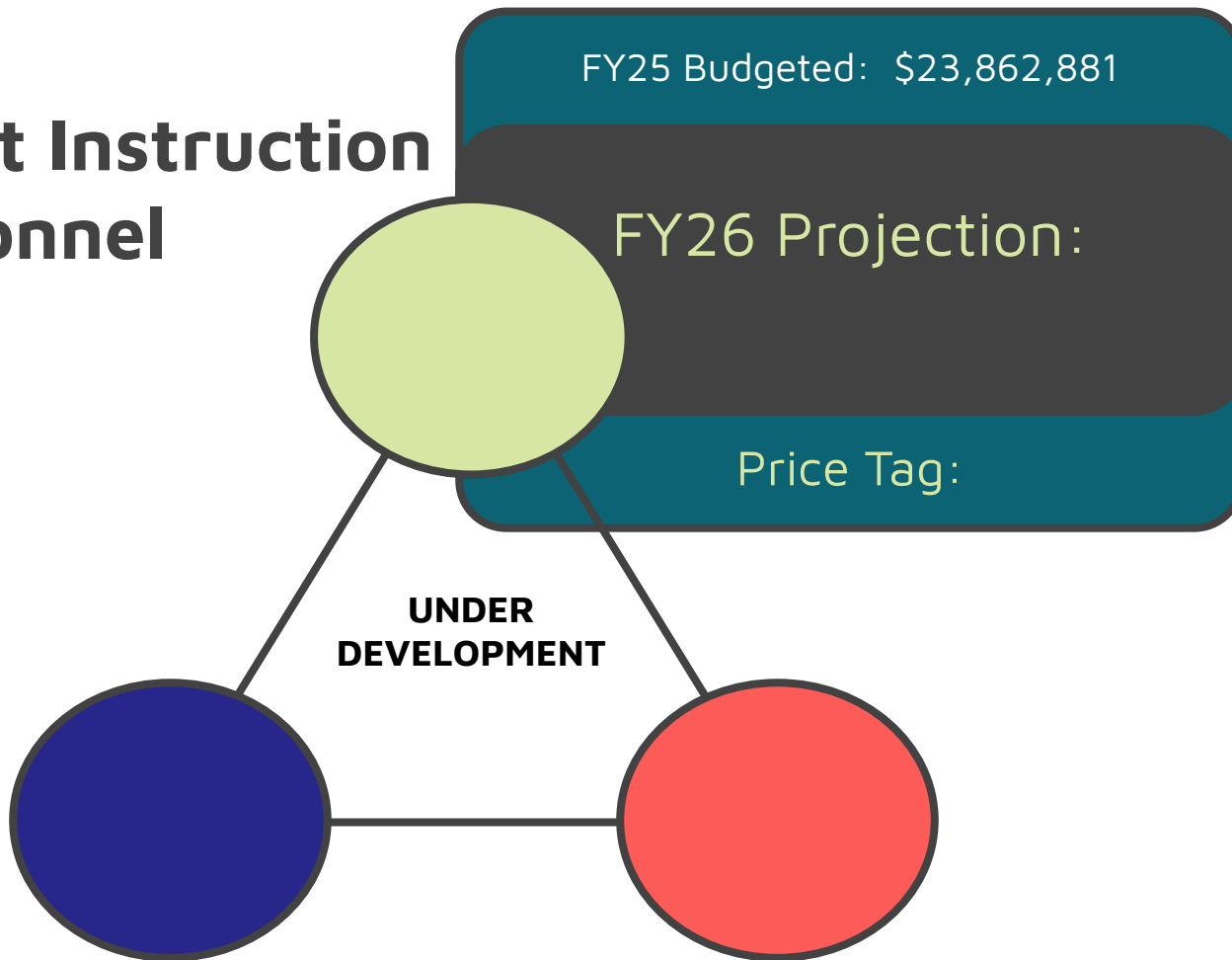
Price Tag: \$

**UNDER
DEVELOPMENT**

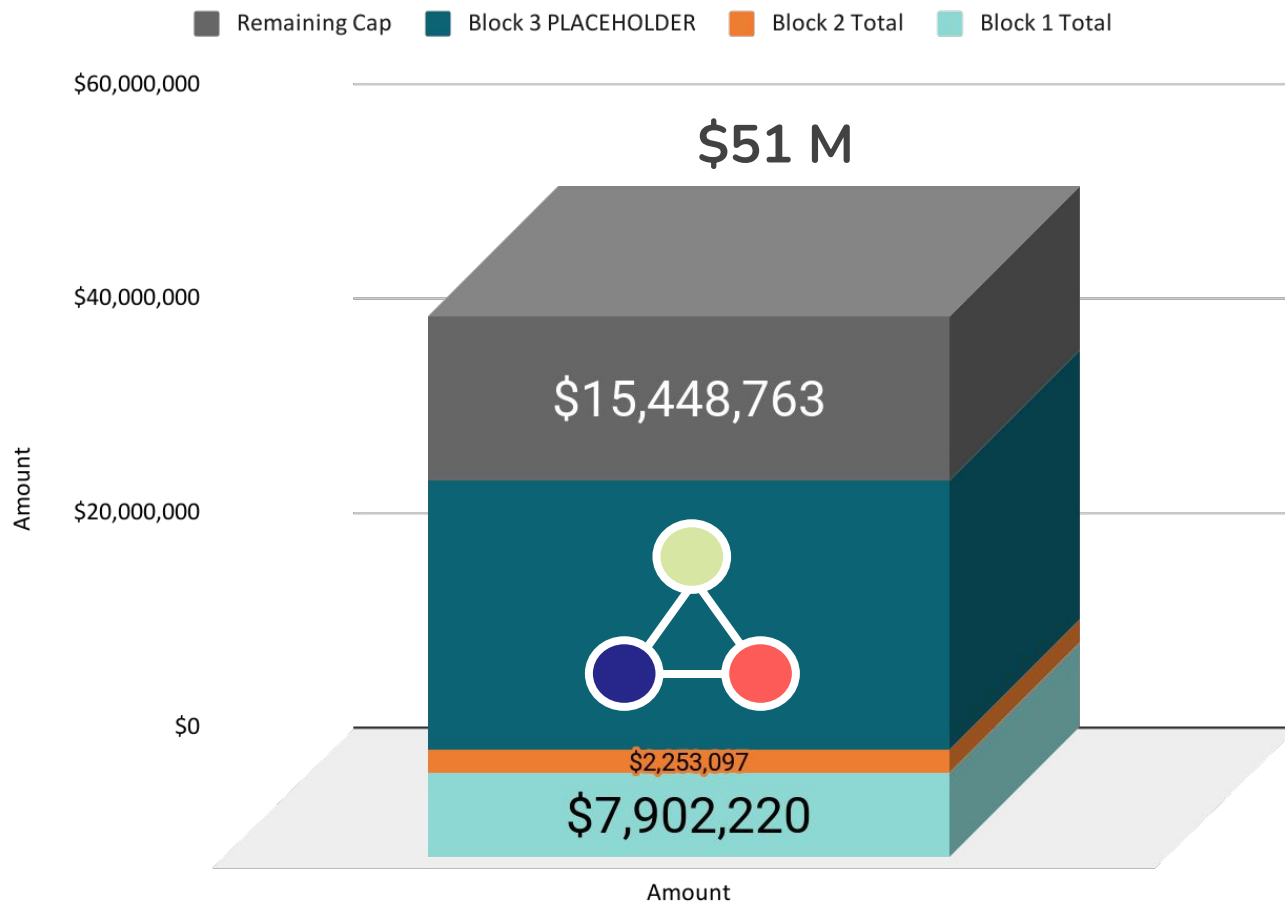




Direct Instruction Personnel



FCF: Block 1, 2, and 3



Block 4: FY26 Projected Non Personnel Costs

FY25 Budgeted: \$2,934,625

FY26 Projection:
\$2,764,883 (-5%)

Price Tag: \$1,676

Cost Center	General Supplies	Professional Services	Other	Total
Direct Instruction	\$663,989	\$367,209	\$488,015	\$1,519,213
District Administration	\$57,158	\$408,195	\$484,501	\$949,854
PD & Curriculum	\$33,000	\$133,945	\$128,871	\$295,816
Total	\$754,147	\$909,349	\$1,101,387	\$2,764,883

FCF: Block 1,2,3 (placeholder), and 4

\$60,000,000

\$40,000,000

\$20,000,000

\$0

Amount

\$51 M

\$12,683,880

\$2,764,883

\$2,253,097

\$7,902,220

Amount

Category

- Remaining Cap
- Other Non-Pers
- Professional Services
- General Supplies
- Block 3 PLACEHOLDER
- Block 2 Total
- Block 1 Total

Summary of Blocking Strategies

Strategy	Projected Budget Amount	Price Tag per Student (n=1650)
Block 1: Operations	\$7,902,220	\$4,789
Block 2: Tuition	\$2,253,057	\$1,366
Block 3: Mandatory Personnel	UNDER CONSTRUCTION	-
Block 5: Non-Personnel	\$2,764,883	\$1,676
Block 6: Special Education	UNDER CONSTRUCTION	-
Block 7: Student Opportunity	UNDER CONSTRUCTION	-
Block 8: Equity Investments	UNDER CONSTRUCTION	-
Feasibility Target	\$50,604,580 (+\$937,516)	-

FY26 Financial Feasibility Targeting

(Assuming Yield=\$9800)

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
General Fund Budget	0%	0%	-1%	-1%
LTWADM	2486	2682	2486	2682
District Tax Rate	\$1.53 (\$0.03, 2%)	\$1.42 (\$-0.08, -5%)	\$1.40 (\$-0.10, -7%)	\$1.29 (\$-0.21, -14%)

Ripton Operating Cost			
Category	FTE	Total FY25	FY26 Extension
Administrator	0.5	\$ 66,819.00	\$ 71,000.90
Classroom Teacher	2.0	\$ 144,101.00	\$ 152,594.50
AMS Teacher	0.8	\$ 59,668.40	\$ 63,452.74
Librarian	0.4	\$ 46,433.00	\$ 49,529.35
Paraeducator	1.0	\$ 46,984.00	\$ 50,422.80
Admin. Assist.	1.0	\$ 69,862.44	\$ 75,426.60
Custodian	0.5	\$ 36,009.22	\$ 38,621.68
Foodservice	0.5	\$ 36,009.22	\$ 38,621.68
Facilities Cost	\$48,185	\$48,185	\$48,185
		FY25 Operating Cost	FY26 Operating Cost
		\$ 554,071.28	\$ 587,855.26