

Budgeting for 2024-2025 (FY25)

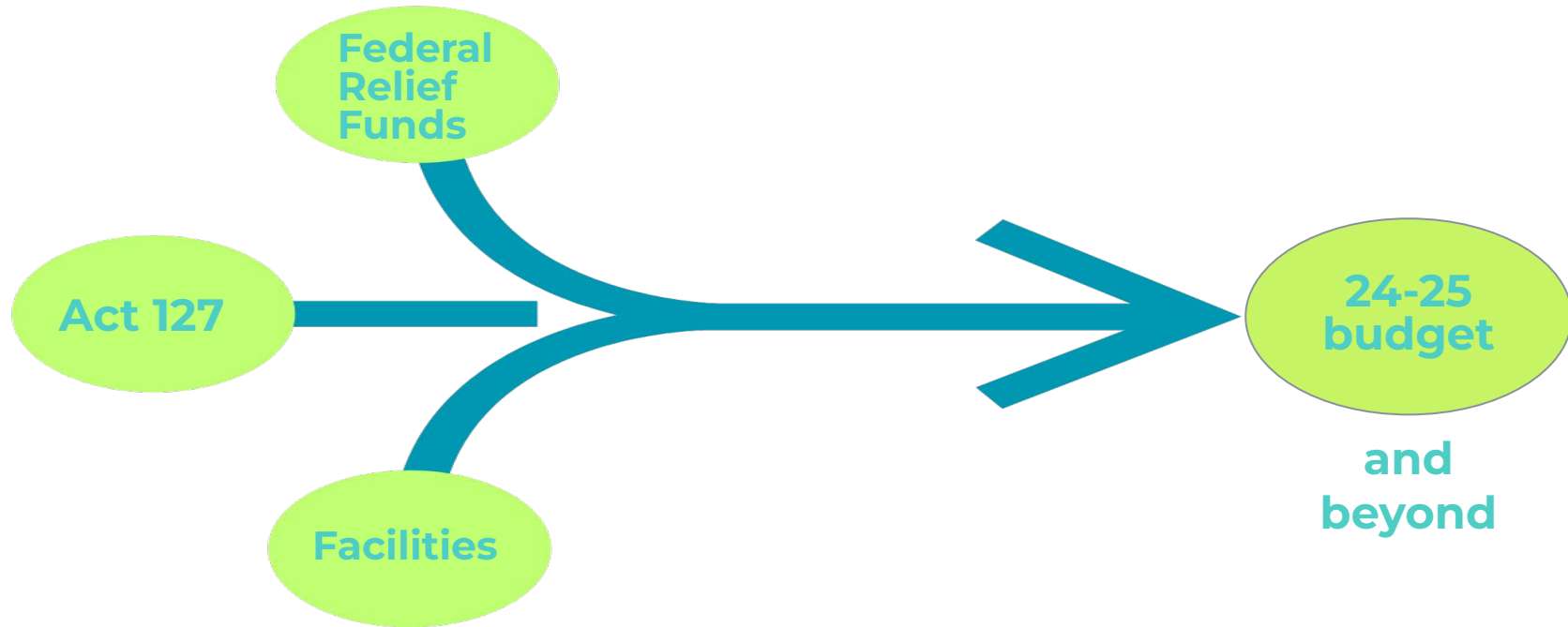
Explaining the Convergence

Intro



As we look ahead to budgeting for FY25 (2024-2025) and beyond, there are some important things to consider.

3 Things Are Converging



Act 127

Change to VT Education Finance

Federal Relief Funds

ESSER (provided during and after COVID)

Facilities Needs

1.

Act 127



Act 127 will impact all budget decisions for the near future

- Act 127 updates and adds new pupil weights beginning FY25 (2024-2025) with the intent of providing more resources to students who need them.
- For a district losing tax capacity under the new weights, a higher tax rate will be required to maintain the same level of spending per pupil.
- There is a cap on the tax rate increase for the first five years.

Anticipated Tax Rate Impact



- Assuming we hold our average expense increase to 5% per year, the projected “jump” in FY30 is 21 cents or 13%.
- Reduction required to get to a 5% increase (\$1.74 tax rate) in FY30 is \$9M

Assumes student enrollment per the 2021 demographic study

Approach

Constrain spending. All new staffing and expense requests must have offsetting reductions.

Use our strategic plan and all data sources to identify resources that may no longer align with our goals, or have become inefficient.

Consider one-time spending opportunities that will reduce spending in FY30 and beyond.

Begin to educate the community on Act 127's eventual impact.

2.

Federal Relief Funds

Aug. 2021-Sept. 2024

ESSER funds were intended to prepare for, prevent, and respond to COVID-19

ESSER Funds



Staff supports have grown to meet increased student needs; were exacerbated by the pandemic; and we contend with the availability of mental health services.

ESSER funds have supported:

- Additional school counselors & social workers
- Interventionists
- Assessment systems (iReady) and some other educational software
- Summer programs

Approach

Act 127 constraints won't allow us to easily absorb these 18 positions into the general fund budget.

District Leadership will review and prioritize these positions against existing general fund spending.

Other spending (outside contracts, assessment tools, etc) will also need to be eliminated or offset with other reductions.

3.

Facilities

Facilities

- All schools are in need of investments due to projected overcrowding or facility age.
- Construction costs are escalating faster than the rate of inflation.
- The timing of major facilities projects will likely coincide with the full implementation of Act 127.



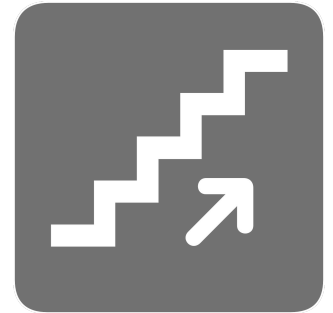
Approach

We will create a facilities committee to identify the needs in our district and begin planning for how best to address them.

We will advocate with the legislature and the School Construction Aid Task Force for a renewal of state capital construction aid.

4.

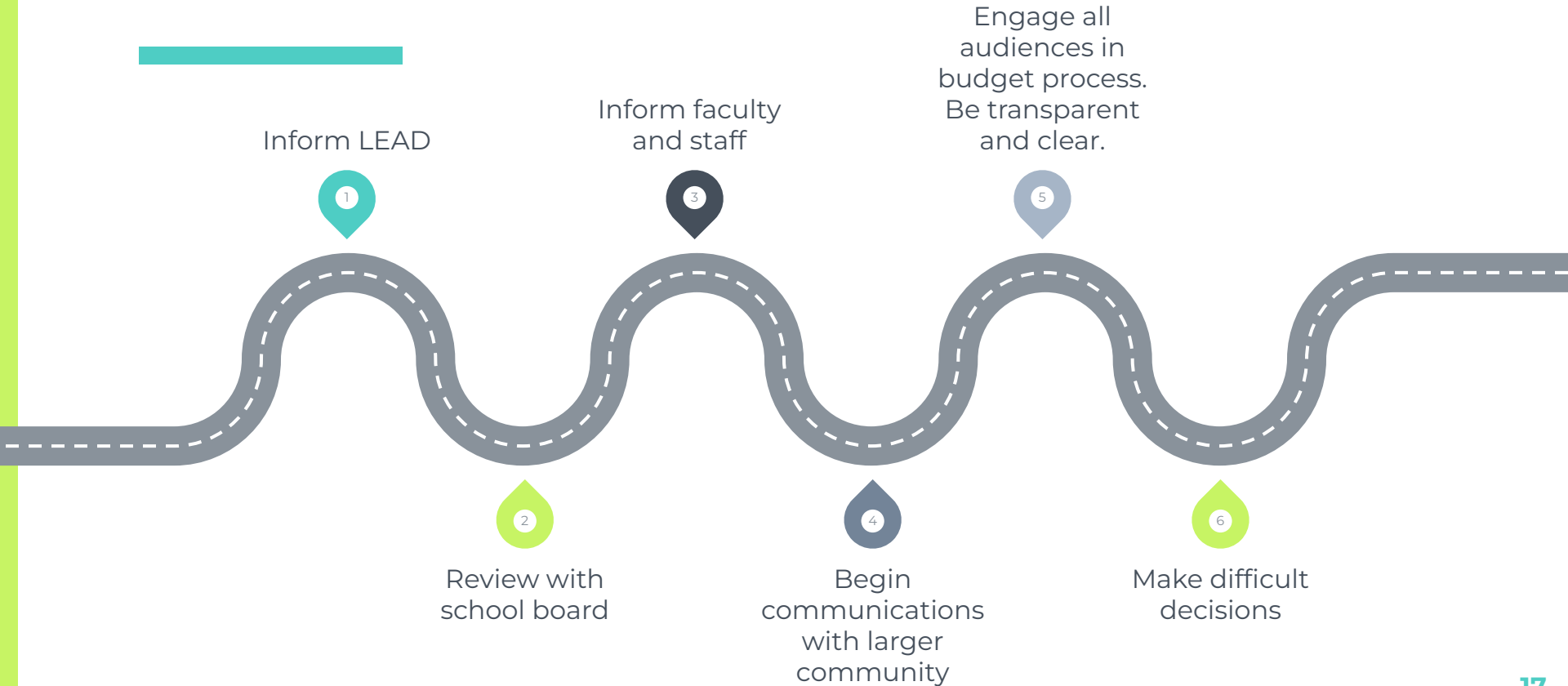
Next steps



Initial Next Steps

- Begin to plan for the general fund offset or elimination of ESSER funded programs.
- Anything added to new budgets must be offset with reductions. Review current spending to identify possible efficiencies or program eliminations.
- Be prepared to explain Act 127 to staff at a high level but reinforce that we have time to plan in order to minimize impacts to students and to them.
- Be open to change; difficult decisions will be required.

The Road Ahead - Year 1



Questions?

