

Slate Valley Unified Budget FY22

We Believe:

- In providing for the social, emotional and academic needs of every child so that they feel connected, safe, and respected in order to ensure student achievement.
- In providing a challenging and engaging atmosphere in which all members of the school community can learn and grow.
- In providing opportunities for inquiry, research, global collaboration, and communication.
- In providing varied, rich and personalized opportunities for learning.
- In providing experiences to develop critical thinking skills that allow students to become engaged participants in their school communities and beyond.

Enrollment Summary

School Year	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	Total Enrollment
2014-15	70	82	92	96	100	102	90	96	93	100	112	110	126	96	1365
2015-16	81	87	87	91	97	94	100	93	93	93	112	104	118	115	1365
2016-17	138	90	83	83	94	97	90	102	93	93	99	99	105	114	1380
2017-18	129	96	93	87	87	90	92	87	104	100	119	75	93	99	1341
2018-19	118	89	96	93	87	87	90	92	91	104	88	95	82	100	1302
2019-20	105	81	88	93	95	90	89	78	88	90	101	87	93	83	1261
2020-21	93	65	82	81	85	80	86	88	75	89	84	93	80	93	1174
2021-22	95	78	65	82	81	85	80	86	88	75	89	84	93	80	1161

Projected FY23
Grade 7 Enrollment: 86 Students
Grade 8 Enrollment: 88 Students

Projected Staffing Changes

FY22 Changes:

Reduction of 10.5 FTE (Direct Instruction and Support Staff)

Addition of 3 FTE (Student Support, 5-12 Athletic Director)

Total reductions: 7.5 FTE

Total Reductions in Staffing over 4 years (FY19, FY20, FY21, FY22): **22.65 FTE**

Budget Objectives

- Social Emotional Learning
- Building Maintenance
- District Reconfiguration
- Educational Equity for All Students
- Efficiencies Throughout the System
- Value for Taxpayers

Additional Considerations

- Increase in percentages of students with social emotional needs due to COVID
- Increased cost of health insurance premiums: 10% (Negotiated by the State)
- Expenses due to deferred maintenance across the buildings, specifically at the high school
 - Upfront cost to reconfigure for long term gain (moving 7th and 8th to FHUHS)
- Hold Harmless on Average Daily Membership (ADM) which affects equalized pupil calculation
- Plans to realign Benson Village School to a K-6 = savings approx. \$160,000 in personnel

Building Maintenance

Through work with the Administration and Building and Grounds Committee we have identified approximately \$8 million in building projects that are needed at our 6 locations over the next 5-10 years. Each project is being prioritized based on need. Over the next 2 years we have prioritized the budget on moving the Middle School students to the High School campus. This work will focus on renovating a section of the building for the Middle School and upgrading heating and ventilation in this space. Funding for these renovations will come from the regular school budget along with reserve funds.

Slate Valley District Middle School

- The reorganization of schools is a school board decision. The school board will be voting on the proposed reorganization in May.
- There are projected savings in the district reorganization plan to be realized in the FY23/FY24 budgets.
- With continued declining enrollment at all schools in the district, combining our 7th and 8th grades will allow access to high quality programming.
- Increasing the number of 7th and 8th graders on a single campus increases opportunity to learn with a larger more diverse cohort of students & extracurricular programming.
- The development of a Slater in 7th grade.
- Reduction of 20 +/- FTE (over 1 million dollars in savings)

Slate Valley Middle School Project Funding

Estimated Project Cost at this time	\$2,344,000
Where will the funds come from?	
Capital Project Fund currently available for FHU projects	\$411,500
Additional amount needed from reserve for FHU and middle school project	\$732,500
FY22 General Fund budget	\$600,000
FY23 General Fund budget	\$600,000

Slate Valley Unified Union School District

FY22 Capital Projects Fund

Capital Projects Fund Balance:	\$541,462
FY22 Transfer - Voter approval needed Article 6	\$882,500
Total Capital Project Fund Balance after FY22 transfer	\$1,423,962
Amount currently available for FHU projects	\$411,531
Additional amount needed from reserve for FHU and middle school project	\$732,500

The remaining balance (\$279,931) after the FHU project is available for projects in the district's other 5 buildings (OVS, BVS, CES, CVS, FHG).

Article 6 for Transfer to Capital Reserve Fund:

Shall the voters of the School District authorize a transfer from the general fund surplus balance in the amount of \$882,500 to the capital improvements and repairs reserve fund?

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General Fund Surplus and Use in FY22 Budget

FY20 Preliminary General Fund Surplus as of 6/30/2020	\$3,900,836
Committed to FY21 Budget	\$1,019,000
Committed to FY21 Capital Projects Reserve Fund	\$200,000
Available for FY22 Budget	\$2,681,836
FY22 Transfer to Cap Projects (Voter approval needed - Article 6)	\$882,500
Amount available for FY22 General Fund budget - local revenue (cash to open or use of prior year surplus)	\$1,799,336

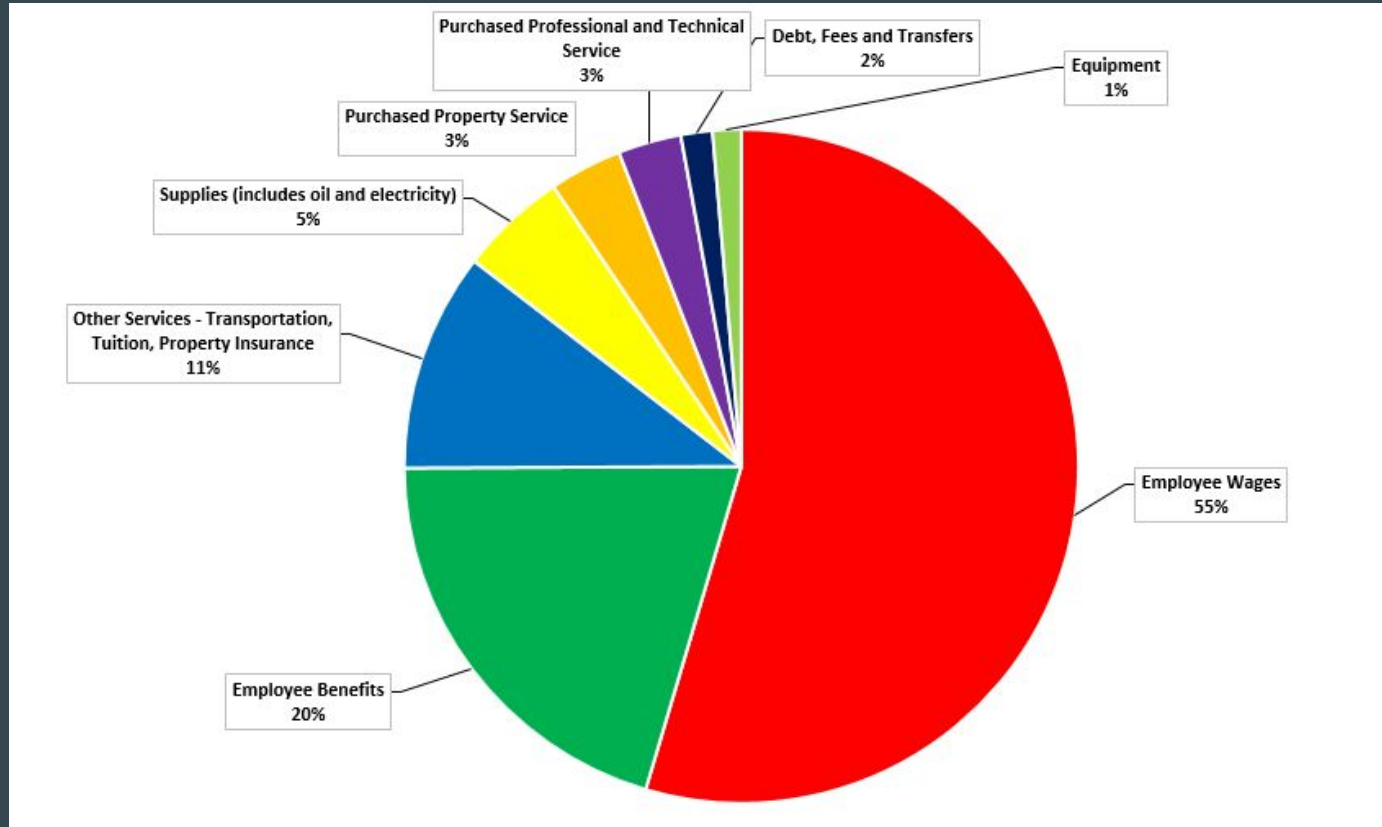
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FY22 Proposed Budget

	FY22 Budget Proposed	FY21 Budget	Change Inc. (Dec.)	
Expenditure Budget	\$26,280,385	\$26,402,586	(\$122,201)	(0.46%)

Note: The FY22 expenditure budget is \$213,253 less than the FY20 expenditure budget.

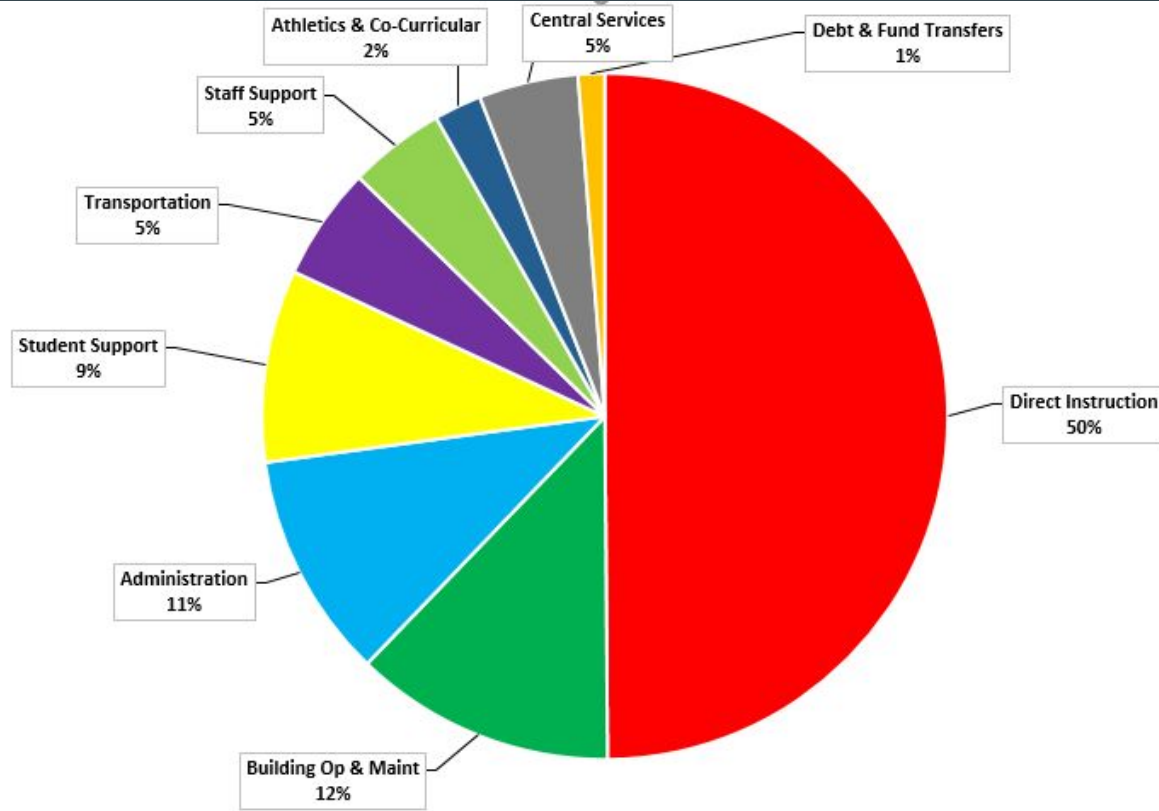
FY22 Proposed Budget Breakdown by expenditure account



FY22 Proposed Budget Breakdown by expenditure account detail

	FY22	FY21	Change Inc. (Dec.)	Explanation
Wages	14,343,825	14,392,484	(48,659)	Net decrease in staff costs
Benefits	5,346,667	5,380,817	(34,150)	Net decrease in benefits related to staff changes
Other services including transportation and property ins	2,762,861	2,748,873	13,988	Inc. property ins; inc. telephone; dec. tuition and cost for students out of dist.; dec. cost of PT shared with another district
Supplies	1,355,215	1,341,851	13,364	Inc. books, software, utilities and dec. supplies
Purchased property services to operate, repair, maintain buildings	918,275	830,825	87,450	Inc. expenditures directed to building maintenance, some shift between purch prof services; dec for FHU van in FY21B
Purchased professional services performed by persons or firms with specialized skill or knowledge	797,010	991,522	(194,512)	Dec. in serv for student, psych serv, legal and other consultants, shift to purch prop services for building and grounds
Debt, fees & fund transfers	397,740	272,052	125,688	Inc. transfer to food service fund for Provision 2
Equipment	358,792	444,162	(85,370)	FY21 included FHU ropes course (\$13.5k) and cafe furniture (\$25k) which are not in FY21, net \$25k decrease in tech hardware and software consolidation district wide
Total	26,280,385	26,402,586	(122,201)	15

FY22 Proposed Budget Breakdown by functional area



FY22 Proposed Budget Breakdown by functional area detail

	FY22	FY21	Change Inc. (Dec.)	Explanation
Direct instruction	13,106,480	13,461,742	(355,262)	Decrease in staff wages & benefits, decrease student tuition costs
Building op & maint	3,237,718	3,224,541	13,177	Increases and decreases - no significant change
Administration	2,802,905	2,806,186	(3,281)	Increases and decreases - no significant change
Student support	2,384,331	2,360,627	23,704	Increase in support serv for students including Social Emotional Interventionist
Transportation	1,403,000	1,410,800	(7,800)	Includes adjustment for fewer routes and school days
Central services	1,232,637	1,227,321	5,316	Increases and decreases - no significant change
Staff support	1,195,215	1,144,931	50,284	Increase in professional development to support teachers
Athletics & co-curricular	589,199	564,496	24,703	New position and increase in costs for event staff & referees
Debt & fund transfers	328,900	201,942	126,958	\$150k increase fund transfer for Prov 2
Total	26,280,385	26,402,586	(122,201)	

Slate Valley Unified Union School District

FY22 Proposed Revenue Budget

	FY22 Budget Proposed	FY21 Budget	Change inc(dec)
Local Revenue Budget	\$5,221,285	\$4,794,234	\$427,051
Summary of Changes:			
Use of Prior Year Surplus	\$1,799,336	\$1,019,000	\$780,336
Special Education Revenue Sources	\$2,760,764	\$3,067,799	(\$307,035)
Tuition	\$30,000	\$45,000	(\$15,000)
Transportation Revenue Sources	\$428,750	\$460,000	(\$31,250)

Slate Valley Unified Union School District

FY22 Education Spending per Equalized Pupil

	FY22 Proposed	FY21	Change Inc. (Dec.)
Expenditure Budget	\$26,280,385	\$26,402,586	(\$122,201)
Local Revenues	\$5,221,285	\$4,794,234	\$427,051
Education Spending	\$21,059,100	\$21,608,352	(\$549,252)
Equalized Pupils	1,277.61	1,318.09	(40.48)
Education Spending per Equalized Pupil based on Proposed Budget	\$16,483.20	\$16,393.68	\$89.52 0.55%

Article 7 for Budget:

Shall the voters of the School District approve the school board to expend \$26,280,385, which is the amount the school board has determined to be necessary for the ensuing fiscal year? It is estimated that this proposed budget, if approved, will result in education spending of \$16,483.20 per equalized pupil. This projected spending per equalized pupil is 0.55% higher than spending for the current year.

Slate Valley Unified Union School District

Education Spending per Equalized Pupil Comparison to Surrounding School Districts

Addison Central UUSD	\$18,936
Mill River UUSD	\$17,543
Barstow UUSD	\$17,144
Rutland City SD	\$16,956
Rutland Town SD	\$16,730
Quarry Valley UUSD	\$16,530
<i>Slate Valley UUSD</i>	<i>\$16,483</i>
Otter Valley UUSD	\$15,526

Tax Rate Considerations

- FY22 Property Tax Yield will be set by the Legislature
 - The Yield recommended by the Tax Commissioner for FY22 was \$10,763.00
 - The Yield was based on statewide education spending increases of 3.79%. Slate Valley is proposing a 2.54% education spending *decrease*.
 - The Tax Commissioner's estimate of the average spending per equalized pupil was \$16,975. Slate Valley's proposed is \$16,483.20.
 - The Tax Commissioner notes in his letter that the Yield he set was based on "statutorily prescribed parameters".
 - He also notes that the Administration was committed to "mitigating the impacts on property taxpayers".
 - In FY21 the Legislature wanted to send a message when it set the yield in May at \$10,998 that the issues with the Education Fund due to COVID 19 would not be borne by taxpayers.
 - Based on the latest Education Fund Outlook - state revenues have improved from what was originally projected.
 - On January 27th the House Ways & Means Committee passed a yield in the amount of \$11,385, further signaling that the legislature will be looking to protect taxpayers in FY22 as well.
- Merger Incentives
 - SVUUSD FY22 merger incentive is \$.02
 - All taxpayers will benefit from the merger incentive

SVU Equalized Tax Rate Estimate

This is PRELIMINARY! The yield has not been set by the Legislature.

*For the purpose of illustrating tax rate implications we have used the yield passed by the House Ways & Means Committee on January 27th. A higher yield results in a lower tax rate.

Estimated Education Spending per Equalized Pupil	\$16,483.20
Homestead Property Yield	\$11,385 *
FY22 Estimated Equalized Tax Rate	\$1.4478
Act 46 Incentive	(\$.02)
FY22 Estimated Equalized Tax Rate After Act 46 Incentive <i>before each town's CLA is applied</i>	\$1.4278

SVU Equalized Tax Rate Estimate (continued)

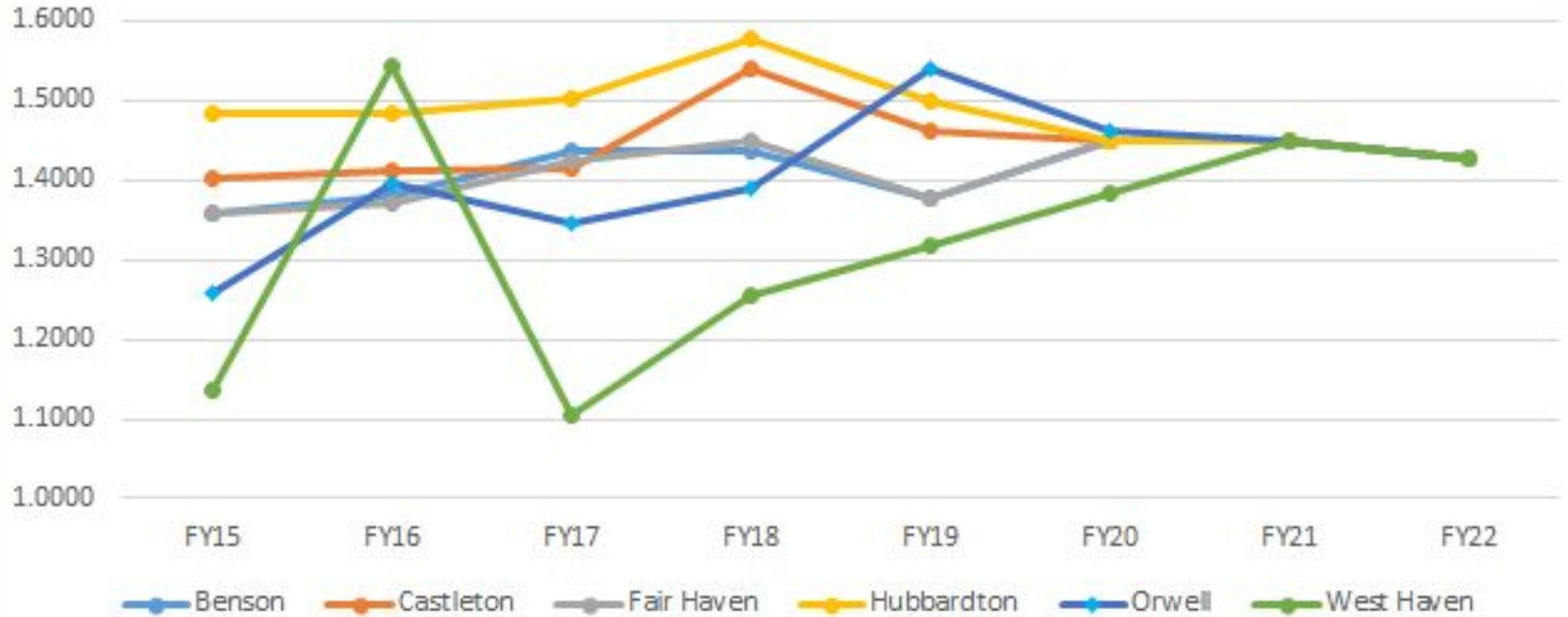
This is PRELIMINARY! The yield has not been set by the Legislature.

FY22 SVUUSD <u><i>Estimated</i></u> Equalized Tax Rate After Act 46 Incentive <i>before town's CLA is applied and with preliminary equalized pupils AND estimated yield</i>	\$1.4278
FY21 SVUUSD Equalized Tax Rate After Act 46 Incentive <i>before town's CLA is applied</i>	\$1.4506
Change in Equalized Tax Rate (cents)	<i>(\$0.0228) decrease</i>
Change in Equalized Tax Rate (percent)	<i>(1.57%) decrease</i>

At this point each town's CLA (common level of appraisal) is applied to determine the town's homestead education tax rate.

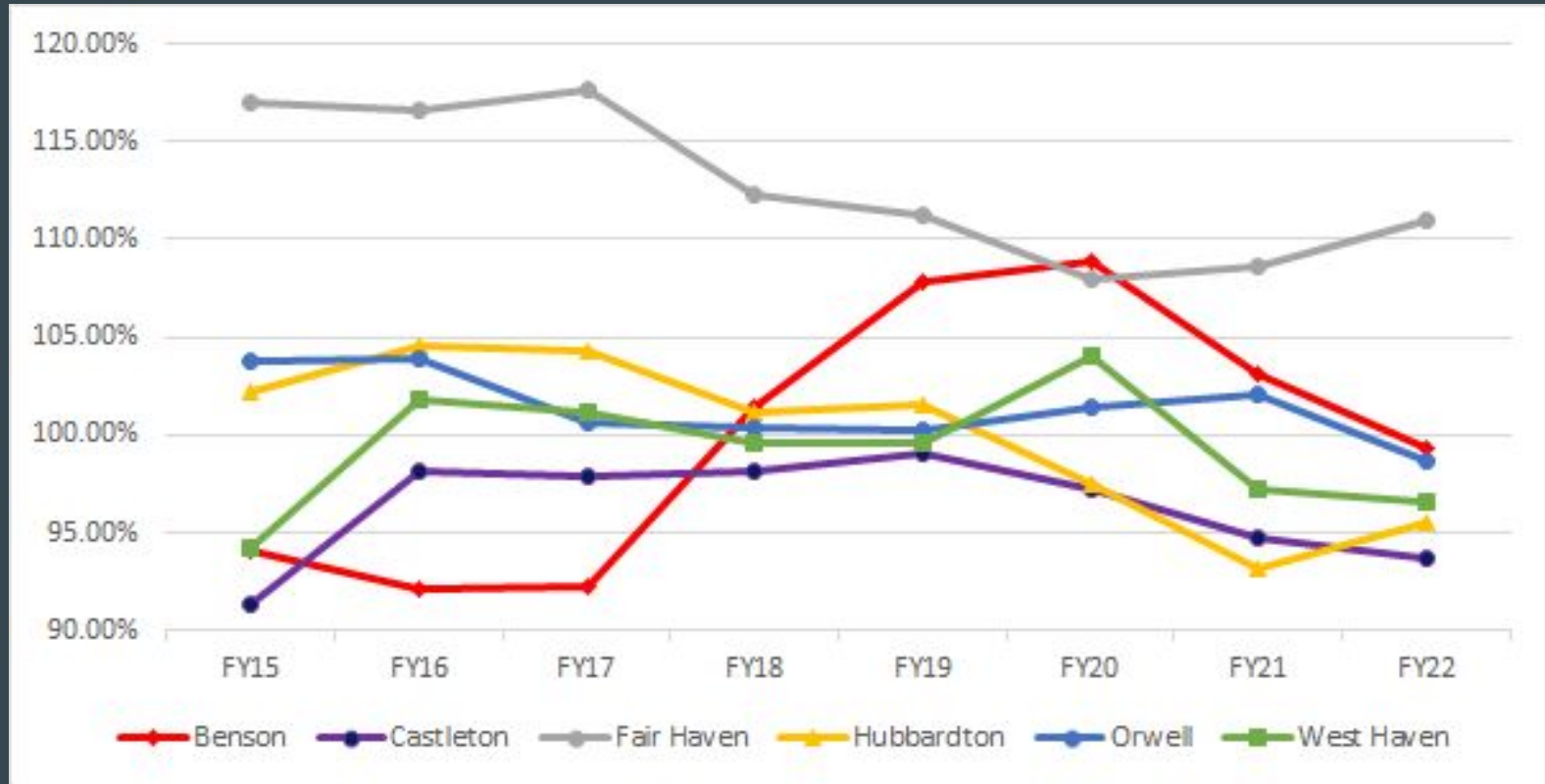
Equalized Homestead Tax Rates by Town 2015 to 2022 (est)

(Before CLA is applied)



Common Level of Appraisal Town 2015 to 2022

A decrease in CLA increases the tax rate. An increase in CLA decreases the tax rate.



FY22 Tax Rate Estimate (continued)

This information is PRELIMINARY! The yield has not been set by the legislature.

A decrease in CLA increases the tax rate. An increase in CLA decreases the tax rate.

FY22 SVUUSD <u>Estimated</u> Equalized Tax Rate After Act 46 Incentive				\$1.4278	
	FY22 CLA	FY21 CLA	CLA impact	Homestead Tax Rate Estimate	Percent Change inc(dec)
Benson	99.29%	103.41%	3.98% increase in tax rate	\$1.4380	2.25%
Castleton	93.74%	94.78%	1.09% increase in tax rate	\$1.5231	(0.48%)
Fair Haven	110.98%	108.59%	2.20% decrease in tax rate	\$1.2865	(3.70%)
Hubbardton	95.47%	93.21%	2.42% decrease in tax rate	\$1.4955	(3.90%)
Orwell	98.70%	102.11%	3.34% increase in tax rate	\$1.4466	1.83%
West Haven	96.57%	97.2%	0.65% increase in tax rate	\$1.4785	(0.93%)

FY22 Estimated Homestead Tax Rates Comparison to FY21

FY22 SVUUSD Estimated Equalized Tax Rate After Act 46 Incentive

\$1.4278

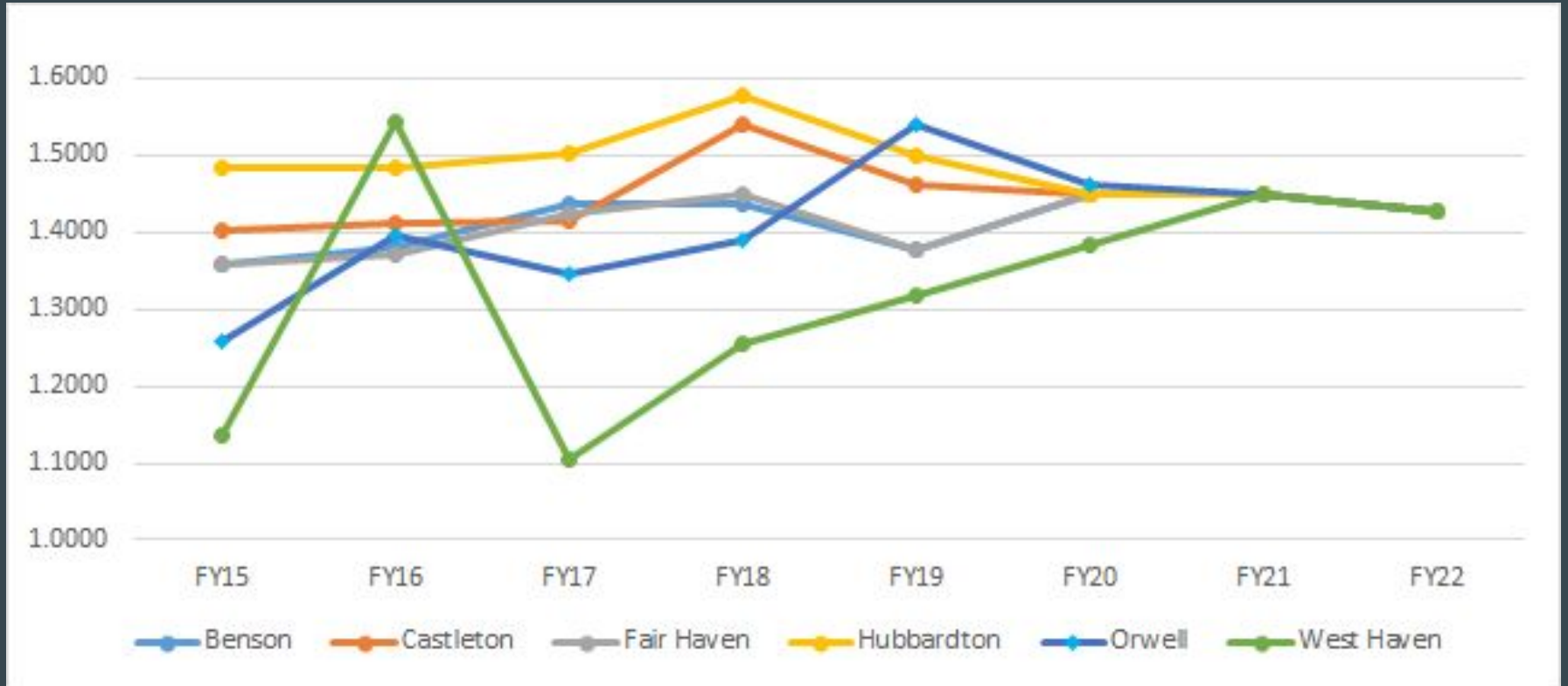
HOMESTEAD TAX RATE COMPARISON

(after each town's CLA is applied to the equalized tax rate the result is the homestead tax rate which is the education tax rate that appears on property bills)

	FY21 Tax Rate	FY21 Rank from Lowest Out of 252 Tax Paying Entities in VT	FY22 Tax Rate Using Estimated Yield	Cents Change inc(dec)	Percent Change inc(dec)
Benson	\$1.4064	49th	\$1.4380	\$0.0316	2.25%
Castleton	\$1.5305	112th	\$1.5231	(\$0.0074)	(0.48%)
Fair Haven	\$1.3359	29th	\$1.2865	(\$0.0494)	(3.70%)
Hubbardton	\$1.5563	123rd	\$1.4955	(\$0.0608)	(3.90%)
Orwell	\$1.4206	56th	\$1.4466	\$0.0260	1.83%
West Haven	\$1.4924	89th	\$1.4785	(\$0.0139)	(0.93%)

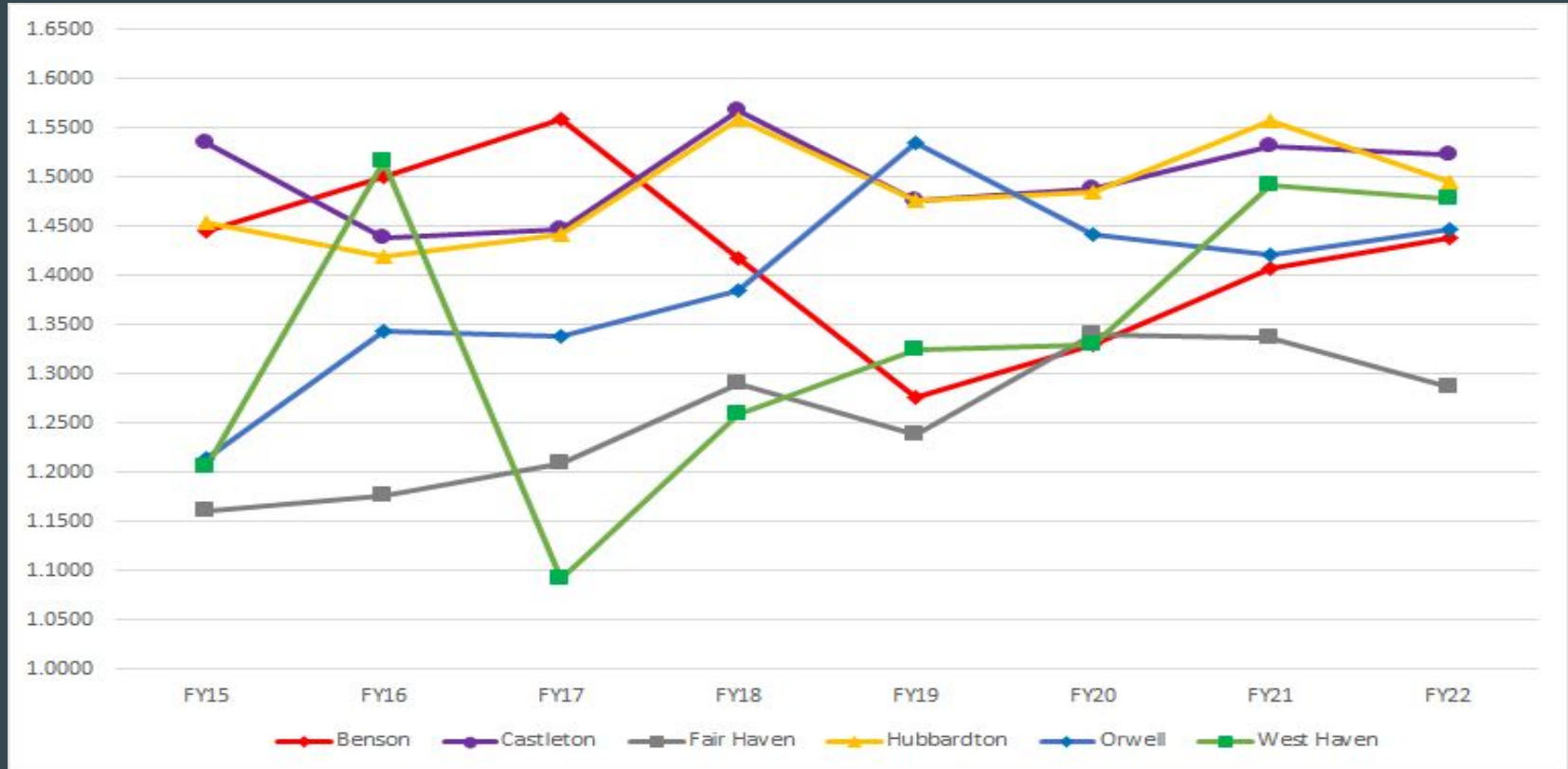
Equalized Homestead Tax Rates by Town 2015 to 2022 (est)

(Before CLA is applied)



Homestead Tax Rates by Town 2015 to 2022 (estimated)

(Tax rate after CLA is applied - amount that appears on tax bills)



Education Property Tax Adjustments

(Tax Year 2020)

Town	% of Taxpayers with a Homesite that Received an Education Tax Credit	% of Homeowners with Household Income less than \$47,000 that Received Homeowner Rebate
Benson	59.72%	16.96%
Castleton	69.09%	7.66%
Fair Haven	69.11%	26.94%
Hubbardton	74.37%	20.59%
Orwell	75.74%	15.10%
West Haven	80.49%	28.05%

Resident households with income under roughly \$140,000 may be eligible to receive property tax credits applied to their property tax bill. The education credit amount is equal to the difference between the housesite (house and up to 2 surrounding acres) education property taxes for the prior year and education taxes based on income. Households with income under \$47,000 may receive an additional credit of their education property taxes based on income as prescribed in statute, regardless of per-pupil spending amounts.

FY21 Household Income Cap Percentage	2.36%
FY22 Anticipated Household Income Cap Percentage	2.57%

Questions and Discussion

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