



Proposed Budget for Fiscal Year (FY) 2022

School Board Review

January 12, 2021

Overview

- Objectives:
 1. Review budget details.
 2. Highlight cost drivers, savings, and grants.
 3. Describe uncertainties and their possible impacts.
- Requested actions:
 1. Approve budget or recommend revisions.
 2. Approve ballot language.
- Deliverable: Ballot language to City Clerk by January 19.

Key Messages

Proposed expenses of \$58 million would be almost \$1 million lower than the FY2021 budget.

Efficiencies and lower costs for special education programs in FY 2022 more than offset higher costs for salaries, benefits, and COVID-related changes.

Revenues also are projected to decline in FY 2022. Special COVID-related funding will be applied to FY 2021. Additional COVID-related funding for FY 2022 has been mentioned by the AOE.

The district's average cost per pupil to be funded by the State in FY 2022 would:

- increase by 6% to \$16,956.
- remain below the Vermont average of \$17,612.

Estimated cost per pupil could be updated in January after further information is released by the AOE.

Related Points

“Making predictions is difficult, especially about the future.”

AOE has agreed to “freeze” or “hold harmless” enrollment counts for the FY 2022 Budget (ADM).

There has been discussion at the State level about freezing factors that drive the calculation of homestead tax rates.

- Common Level of Appraisal (CLA).
- Property Tax Yield (Yield).

If findings in the UVM Weighting Study are implemented, in coming years, then districts such as RCPS could receive added funding.

Negotiations of all union contracts could have a material impact on the district’s FY 2022 Budget.

Currently, there is a wide range of possible outcomes for the district’s homestead property tax rate.

Proposed Ballot Language

“Shall the voters of Rutland City School District approve the school board to expend \$57,981,000 which is the amount the school board determined to be necessary for the ensuing fiscal year? It is estimated that this proposed budget, if approved, will result in education spending of \$16,956 per equalized pupil. This projected spending per equalized pupil is 6% higher than spending for the current year.”

Expenses, Revenues, Cost per Pupil

	<u>FY21 Budget</u>	<u>FY22 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
Expenses <i>(\$ thousands)</i>	\$ 58,792	\$ 57,981	\$ (811)	-1.4%
Revenues, Federal & Local	\$ 26,548	\$ 23,654	\$ (2,894)	-10.9%
State Funded	\$ 32,244	\$ 34,327	\$ 2,083	6.5%
Average Daily Membership *	1,840.5	1,813.4	-27.1	-1.5%
Equalized Pupils *	2,024.5	2,024.5	0.0	0.0%
RCPS Cost per Pupil (\$) *	\$ 15,927	\$ 16,956	\$ 1,029	6.46%
Vermont Avg. Cost per Pupil (\$) *	\$ 16,975	\$ 17,612	\$ 637	3.75%

* Pending official results to be released by AOE after January 22.

AOE announced that ADM will be held flat year to year due to COVID.

Salaries and Benefits

	<u>FY21 Budget</u>	<u>FY22 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
<i>(\$ thousands)</i>				
Salaries	32,595	31,814	-781	-2.4%
Benefits	<u>13,808</u>	<u>14,561</u>	<u>753</u>	5.5%
Compensation	46,403	46,375	-28	-0.1%
Full-time employees	518	501	-17	-3.3%

Expenses

	<u>FY21 Budget</u>	<u>FY22 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
<i>(\$ thousands)</i>				
Compensation	46,403	46,375	-28	0%
Program Cost (excl S&B)	3,312	3,312	0	0%
Special Ed. (excl S&B)	1,607	954	-653	-41%
Facilities & Transportation	1,799	1,734	-65	-4%
Food Service	1,300	1,315	15	1%
Financing	1,289	1,251	-38	-3%
IT	705	705	0	0%
Utilities	692	650	-42	-6%
Other	<u>1,685</u>	<u>1,685</u>	<u>0</u>	0%
Total Expenses	58,792	57,981	-811	-1%

Revenues

	<u>FY21 Budget</u>	<u>FY22 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
<i>(\$ thousands)</i>				
Federal Grants & Reimbursements	12,100	13,020	920	8%
Tuition	2,700	2,804	104	4%
Working Capital	4,400	1,000	-3,400	-77%
Special Ed and Local	<u>7,348</u>	<u>6,830</u>	<u>-518</u>	<u>-7%</u>
Federal & Local Revenues	26,548	23,654	-2,894	-11%
State Education Fund	32,244	34,327	2,083	6%

25 Cents on the Dollar

25% Approximate proportion of school district expenses that are funded by local taxpayers.

\$14.0 M Taxes paid by Rutland City taxpayers (homestead, commercial, non-homestead) in FY 2021.

- \$5 million: homestead
- \$9 million: commercial and non-homestead

\$58.8 M District expenses per the approved FY 2021 budget.

RCPS receives an average of **75 cents from state and federal sources for each \$1 of expense**. Incoming education funds contributes to the local economy and generates a **“multiplier effect.”**

Locally paid taxes are reduced by an average of 25 cents for a \$1 reduction of district expense.



Wrap Up

Questions?

Comments?

Thank you for your time and consideration.