

New Budget Proposal FAQs

1. Why is the district delaying its town meeting?

- a. Last year Vermont passed **Act 127**, which made the distribution of state education funding more equitable. Given that the new law, in its implementation year, might cause an artificial spike in state funding to some towns, a 5% cap on new spending was added to protect taxpayers.
- b. This year, when the state received an estimate of the costs of proposed school district budgets for the **24-25 school year**, they quickly realized that they underestimated the cost of Act 127 and that they could not afford to support the 5% cap.
- c. Last week, the House Ways and Means committee drafted a bill to repeal the funding cap and "give districts an opportunity to rescind their budgets and delay their town meetings while they revise and adopt a new budget that addresses the decreased state funding."

2. How does the rescinding process work?

- a. Basically the school warns a meeting to consider rescinding their current budget proposal. The board then votes to withdraw their current budget proposal and plans to present a new budget to address the needs of the community. In this case, a reduction in state funding announced after the the initial budget proposal was made.
- b. **What is the primary reason for the board's decision to rescind the budget? The state's announcement of the repeal of the 5% tax cap that was part of Act 127.**
- c. Act 127 will result in an anticipated 38.9% tax increase. This is not reasonable nor an increase the school board or superintendent can support.
- d. Is this unprecedented? Yes, in my 38 years in public education, the past 24 in Vermont, I have never seen a decision to reduce a state's contribution to funding, this late in the budget season.
- e. What exactly does rescinding mean and entail? Rescinding means removing a law, regulation or decision of a public body. In this case, the board voted to adopt a budget and warned it for taxpayers to vote on. Given the state announcement to drastically reduce school funding, after the school board had already adopted a budget, we were left with no option but to formally rescind, withdraw the proposed budget. The school board understands Hartford taxpayers support schools, however, given the reduction in funding from the state, the originally proposed budget would have resulted in a property tax increase of 38%. The Board found that unreasonable and was left with no choice but to pursue rescinding the proposed budget.
- f. Does the board have to rescind?

3. Is it possible for the district to avoid a (homestead) tax increase of 38.9%?

- a. The School Board has directed the Superintendent to prepare a revised budget that represents a 18.5% increase on the homestead tax. We are committed to working diligently to develop a budget that gets as close as possible to the board's directed goal of no more than an 18.5 % increase on new spending, without compromising our district vision and ENDS policies.
- 4. How did the board arrive at an increase of 18.5%?**
 - a. ?The board considered the increases that are out of their control, negotiated salary increases, healthcare increases and identified 18.5% as necessary to pay for its mandated obligations.
 - 5. How will the newly revised budget proposal impact the community?**
 - a. Given what is currently known about the state revenue sources, reductions of \$3.5M to \$5M will be necessary to reach the board's directive.
 - b. Obviously, this has the potential to have a huge impact on our community, and I refuse to rush to propose a solution that does not reflect our priorities as a district.
 - 6. Will there be a special town meeting called to review the new budget?**
 - a. Yes, the school board and administration is committed to transparency and clarity as we move forward with a new budget proposal. The new budget will be presented weekly at school board meetings until the vote. These dates are still be determined as we consider the states adoption of H850 as a law.
 - 7. Will the Superintendent provide updates on the progress of the new budget proposal to the community?**
 - a. **Yes, the Superintendent will make regular updates on changes as he knows of them. This is a fluid, and ever changing process that will require constant and consistent response to fluctuations, changes etc. for this reason the Superintendent will be providing update reports on the progress of the new budget proposal.**