

**State Board of Education  
January 17, 2012  
Item H**

**DEPARTMENT OF EDUCATION  
Montpelier, Vermont**

**TEAM:** Commissioner’s Office; Finance Team

**ITEM:** FY 2013 State Board of Education Budget

**RECOMMENDED ACTION:** The State Board Education adopt the FY 2013 State Board of Education Budget proposal as submitted

**STATUTORY AUTHORITY:** 16 VSA § 164(4) “Biennially or as required by the governor cause to be prepared a budget for all money to be expended by the department of education.”

**BACKGROUND INFORMATION:**

This is the annual State Board of Education budget submission.

**COST IMPLICATIONS:**

The FY 2013 budget is displayed in the enclosed spreadsheet. The FY 2012 budget request is also enclosed for reference. As we have indicated in our previous discussions with the Board, FY 2013 general funds will be level funded, however adjustments for benefits and certain categorical reductions indicate a decrease of \$122,769.

At this point, we expect our federal funds to be reduced in FY 2013 but have not had any clear indication of what the reductions might be. We have made our best guess but expect to adjust once allocations are made.

Three initiatives for FY 2013 are included: funding for the Learning Network of Vermont, the Instructional Resources and Collaboration site project (Intrafinity license) and SU merger studies (to be budgeted with additional funds in our Medicaid administration funds).

The Education Fund shows an increase reflecting our estimate of the education portion of school budgets increasing by 1.7%, the remainder due to formula increases. The attached sheet provides the detail. Under current law the base spending amount will increase from \$8544 where it has been for the last three years to \$8891. Assuming our estimate of education spending is correct, the base homestead tax rate will need to be raised \$0.02 from \$0.87 to \$0.89 to balance the education fund. The Governor would like to see the base homestead tax rate remain at \$0.87. In order to achieve this he is recommending an increase in the base amount to \$8723 and has asked districts to level fund as they have the past two years.

**STAFF AVAILABLE:** Armando Vilaseca, Commissioner; Bill Talbott, CFO