

Preliminary Fiscal Snapshot

January 2018

Agency of Education
Secretary Rebecca Holcombe,
Ed.D.

What is the baseline for our local tax rates?

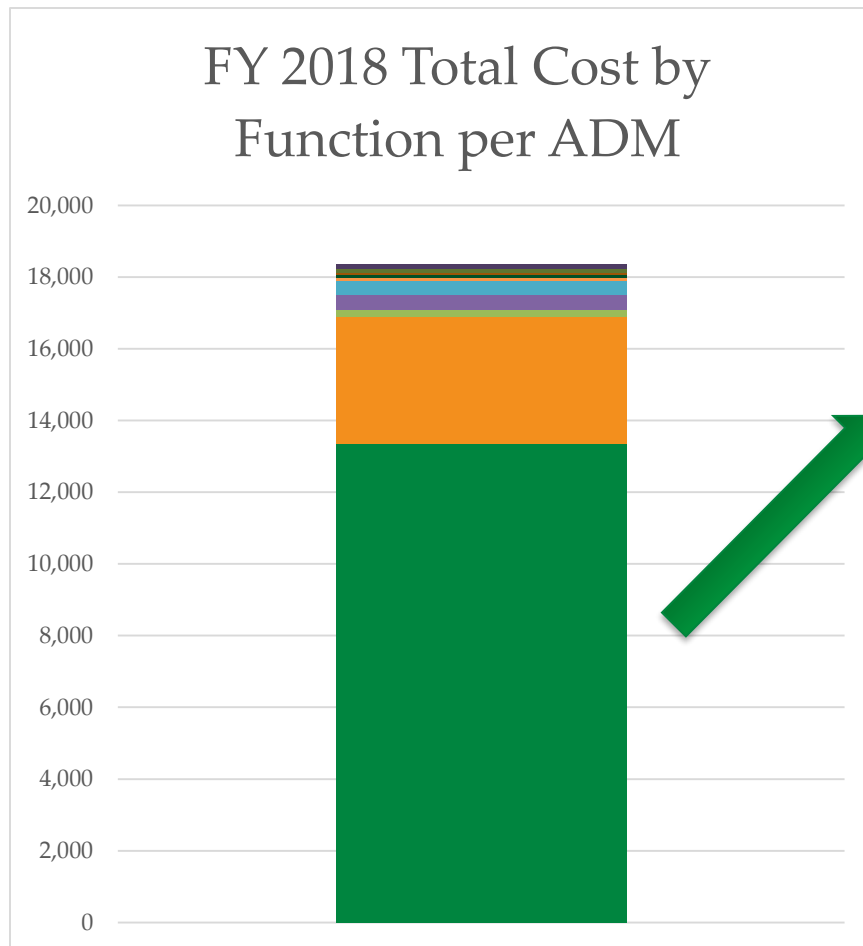
1. In the Education Fund, historically the state “funds” budgets approved locally by taxpayers.
2. In December, based on spending trends and various indicators, the Tax Commissioner recommended an “Education Fund yield” of \$9,842. The yield indicates the amount of money that can be raised per dollar of taxes. This means that for every \$9,842 spent per pupil in school year 2018-2019, the homestead tax rate is \$1.00. This yield is 3.13 percent lower than the 2017-2018 school year yield of \$10,160.
3. The lower the yield, the higher the homestead tax rates need to be to cover the school budgets approved by voters. Total local expenditures are not the same as per pupil spending. Per equalized pupil spending is factored into the homestead tax rate, not total local expenditures.
4. As a result of this lower yield, and assuming the Common Level of Appraisal (CLA) applied to the local Grand list stays constant, if a district has the same spending per equalized pupil from this year to next, the homestead tax rate will be 3.2% higher next year.

What do we buy with our Education Dollars?

FY 2018 Total cost by Function per ADM

Net education payment	13,352.2	72.7%
Special education	3,533.3	19.2%
State-placed students	189.2	1.0%
Transportation	441.5	2.4%
Technical Education support	372.8	2.0%
Small school support	86.1	0.5%
Flexible pathways	92.9	0.5%
Community HS of Vermont	66.9	0.4%
Teacher pensions	89.5	0.5%
Other	137.1	0.7%
Total per ADM	18,361.5	

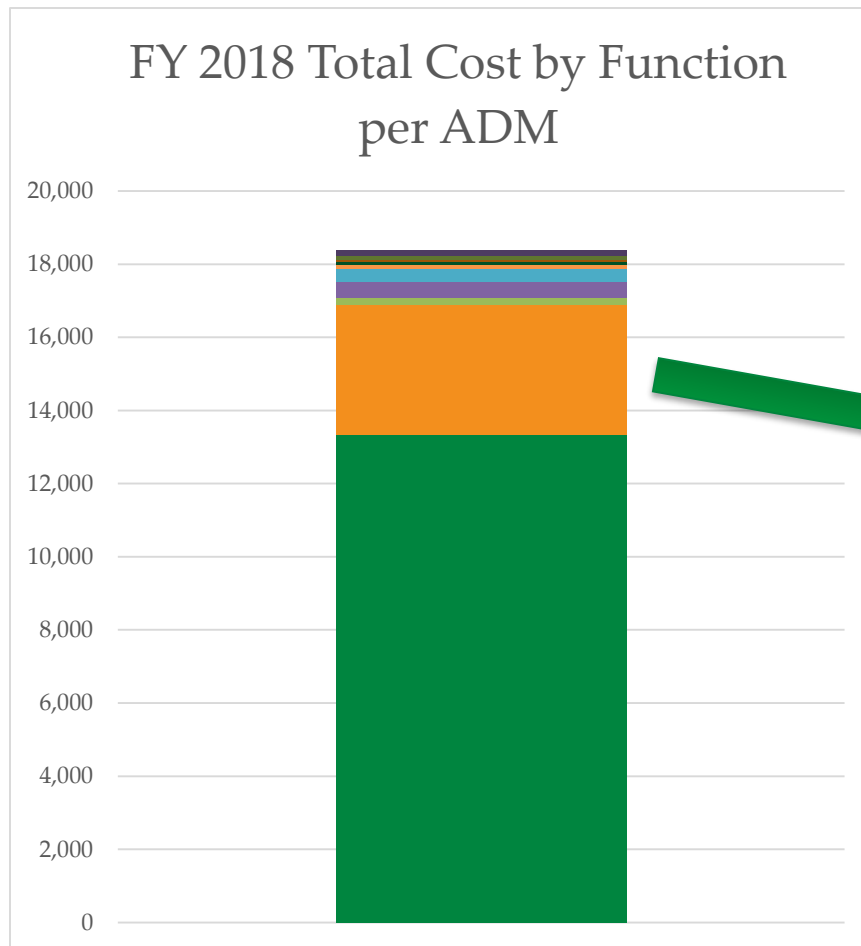
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About 73%: “net education payment” which covers items including (but not limited to):

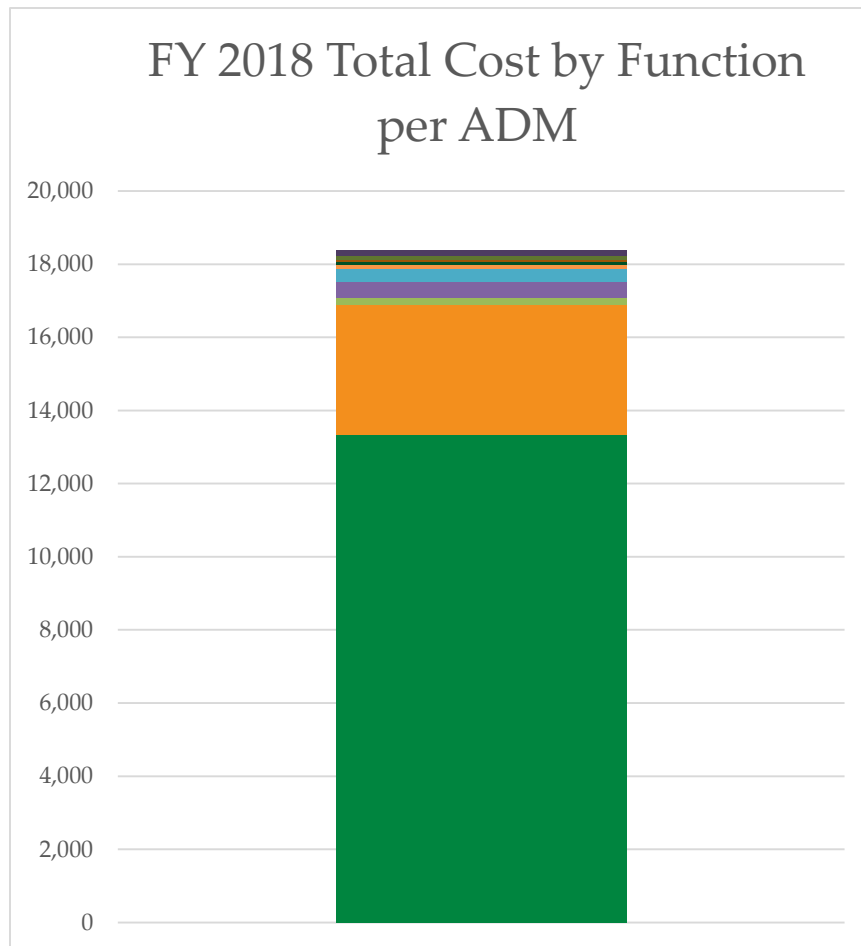
- Most costs of our public schools, tuition payments to other public, independent, and out-of-state schools
- Supervisory Union Costs
- Prekindergarten

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About 19% is spent on special education costs in public and independent schools.

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The remainder of the \$1.6 billion we spend per pupil is spread across a number of functions, including:

- Subsidies to small schools
- Education of children in state custody who are placed in schools near their foster homes.
- Technical Education
- Flexible pathways
- Transportation
- Community High School of VT
- Teacher pensions
- Other administrative costs