



# Norwich School District

2017 – 2018 SCHOOL BUDGET

State Education Issues

Cost Containment

Teacher Contract Negotiations

Budget

Tax Rate Calculation

## GOVERNOR'S 'RADICAL' EDUCATION PLAN TAKES MANY BY SURPRISE

VTDigger 1/24/2017

- FY18 budgets level funded from FY17
- Move teacher's retirement liability and retirement healthcare costs to Education Fund
- Require teachers to pay 20% of health care premiums
- Move General Fund appropriations to the Education fund
- \$118 million cost shift

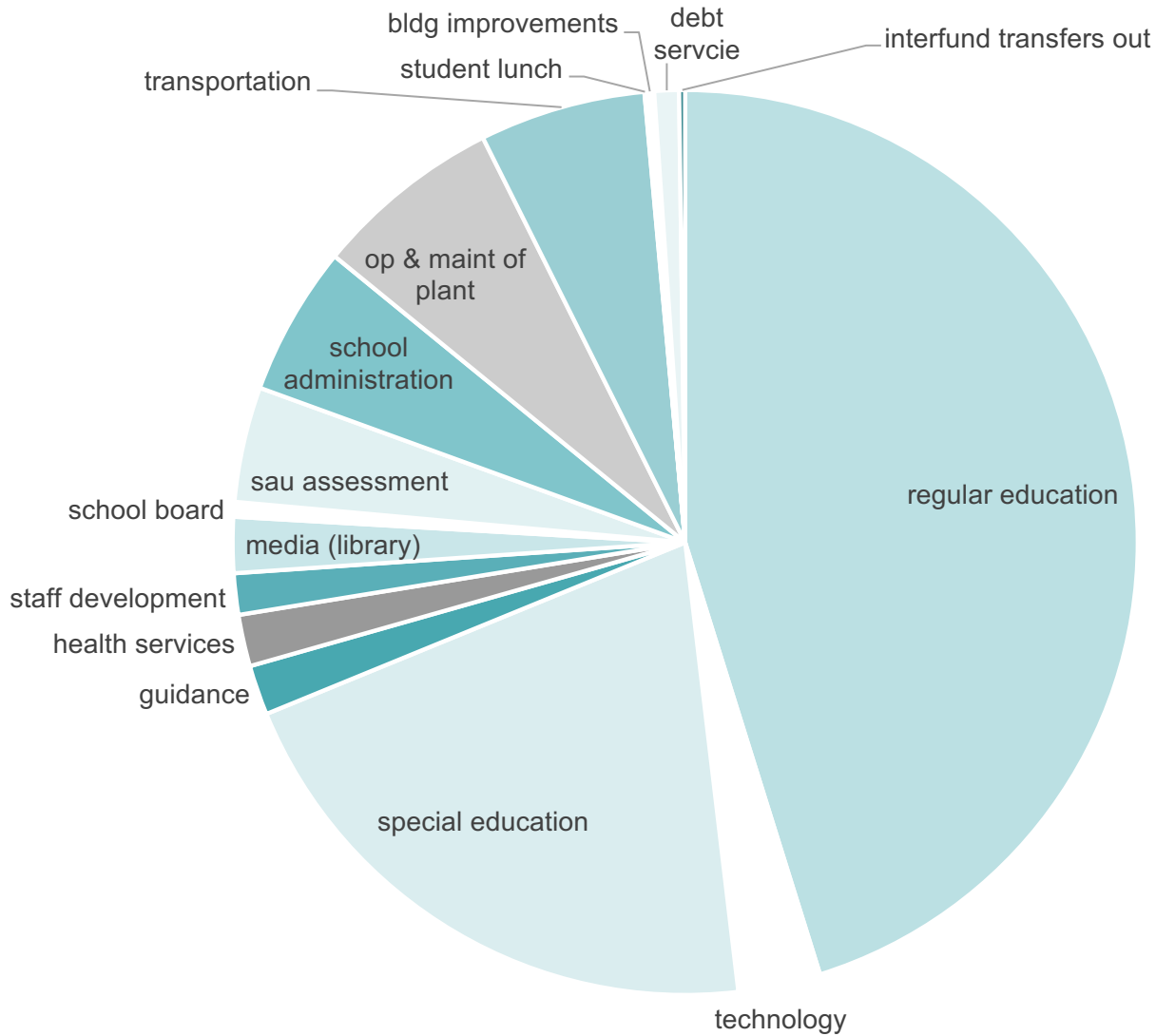
## The Results

- General Assembly declined to move date for voting school budgets
- Rejected the Governor's call to level fund FY18 budgets

## However....

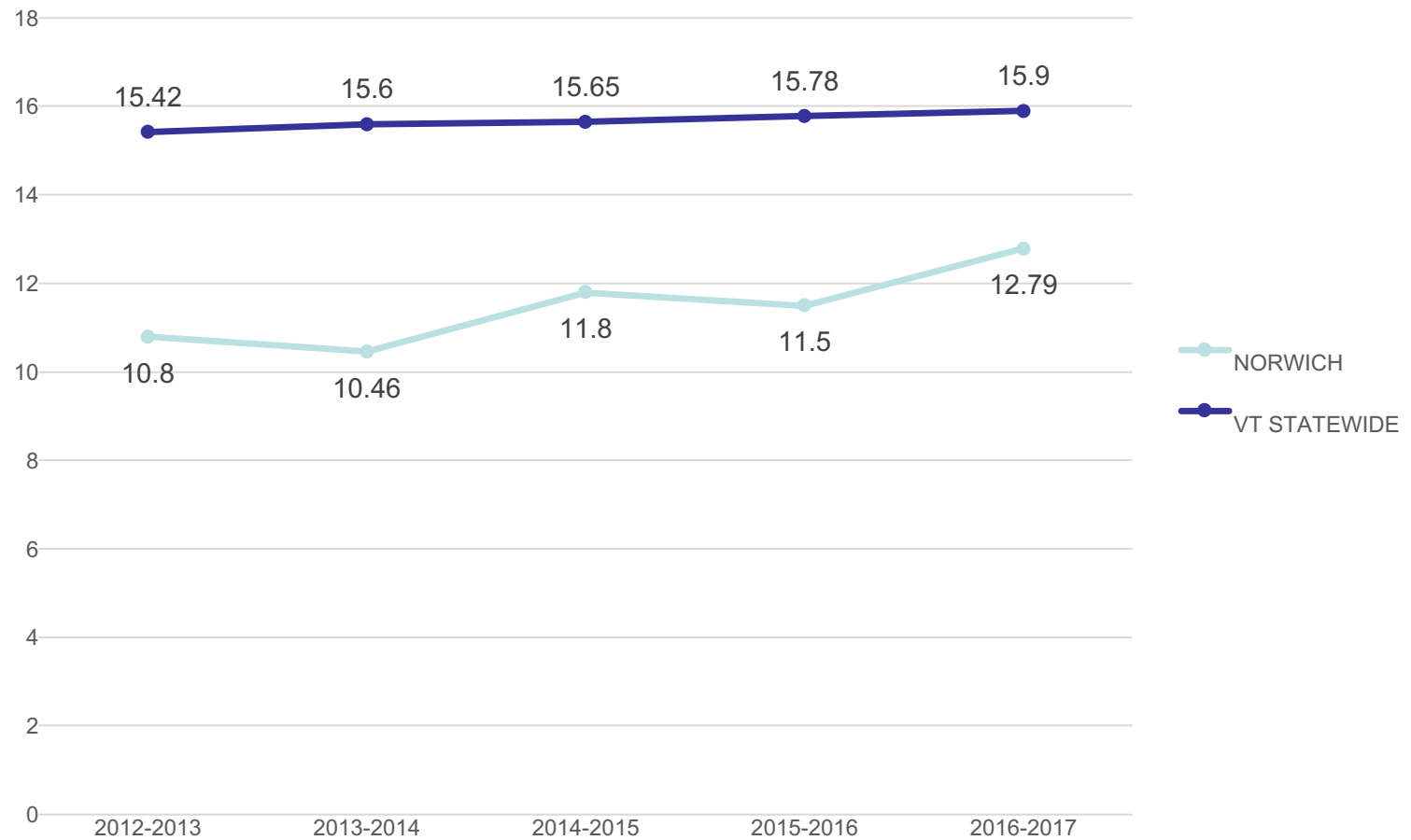
- High property taxes are a problem
- School boards are not ignoring the issue
- Budgets already down by 1.67%

# Expenditure Budget



# Special Education

Percentage of Students with Disabilities



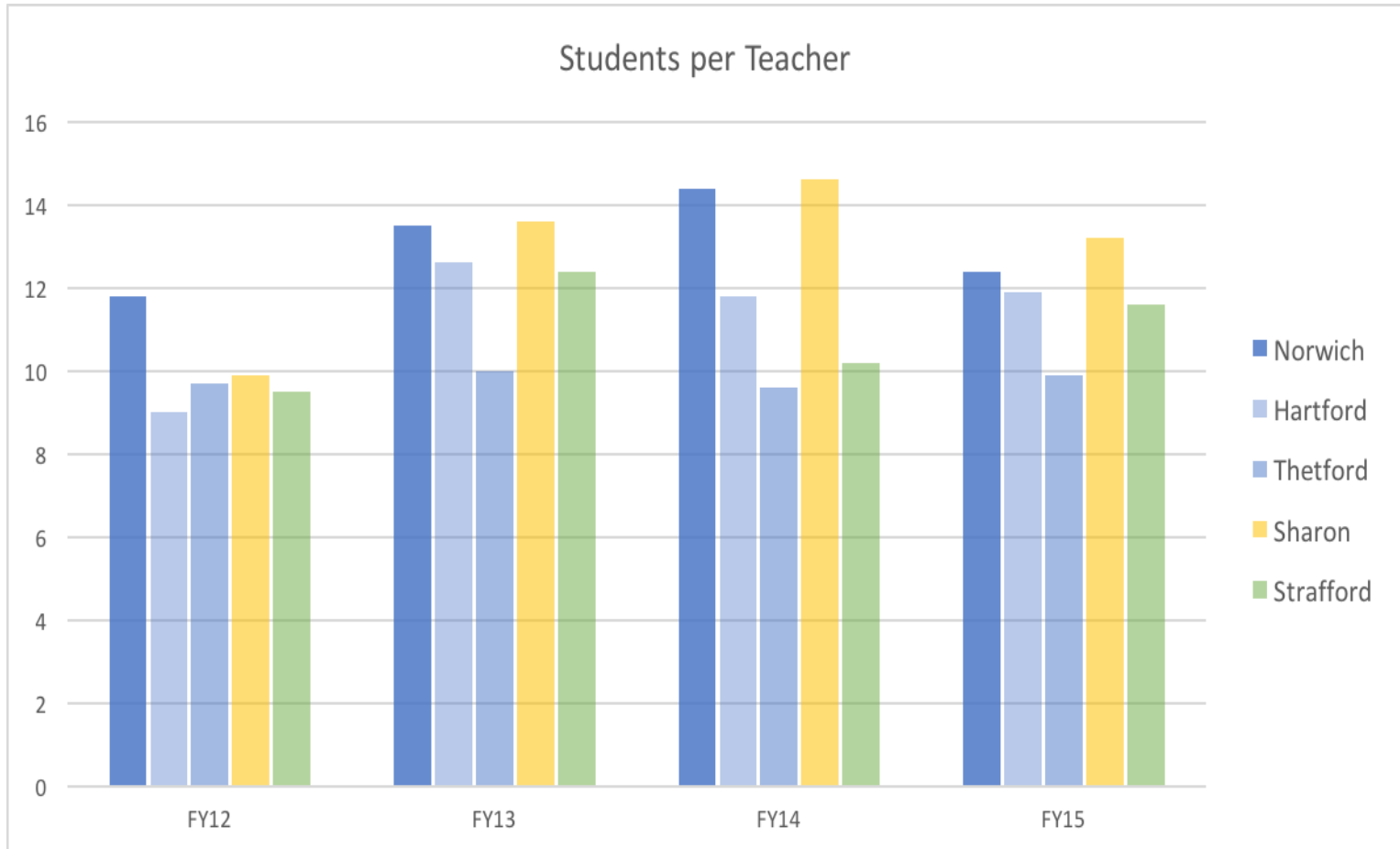


## Student to Staff ratios

- Shifting student to staff ratios from 4.67:1 to 5:1 could save \$74 million
- MCS student:staff ratios

FY13	FY14	FY15	FY16	FY17	FY18*
5.7	5.8	5.4	5.6	5.4	5.3

## Regional Student to Staff ratios





## Budget Considerations

- Reopened SAU budget – decreased assessment to Norwich
- No additional monies to reserve funds
- Decrease of 1 FTE classroom teacher
- Cut student textbooks, library management system, carpet replacement, administrative books and software
- Significant in-year savings

## Teacher contract negotiations

- Unique year for negotiations
- Initial meetings held in public session

## Teacher contract negotiations

- Initial Board Proposal
  - Salary increases

Year 1	Year 2	Year 3
\$500	\$1,000	\$1,500

- Healthcare

Single	2 Person	Parent/Child	Family
\$5,275	\$9,906	\$8,155	\$14,611
HRA: \$900 up to \$1,800			

- Estimated three year cost ~ \$56,000

## Teacher contract negotiations

- Initial Teacher Proposal
  - 12% Salary increase over 3 years
  - 98% of premium for any plan
  - Board to fund HRA covering all medical expenses
- Estimated three year cost ~ \$682,000

## Teacher contract negotiations

- Both sides adjusted offers but gap still exists
- Impasse declared on December 8, 2016
- Scheduling mediated fact-finding
- October 15 deadline

## The Budget

- The Marion Cross School budget as proposed increases from \$5,458,847 to \$5,573,371
- Increase of \$114,524 or 2.1%
- Decrease in teacher FTE
- Notable drivers:
  - Special Education up \$90K
  - Transportation up \$37K
  - Guidance up \$19K
  - PreK up \$23K

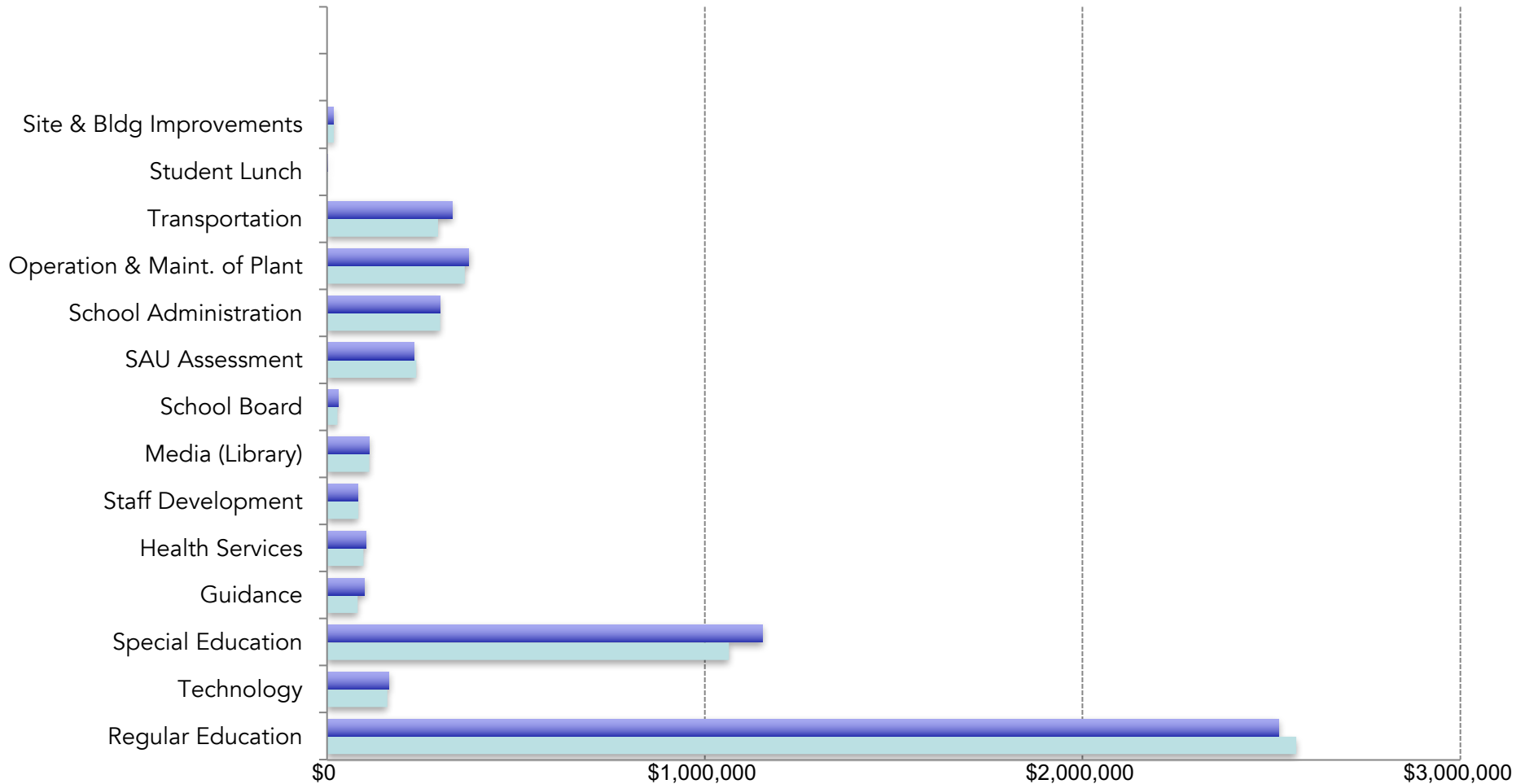
# Norwich School District

## Expenditures

Function	2016-17	2017-18	\$ change	%
Regular Education	\$2,564,205	\$2,518,304	-45,901	-1.8%
Technology	160,251	163,842	3,591	2.2%
Special Education	1,062,743	1,153,007	90,264	8.5%
Guidance	81,081	99,265	18,184	22.4%
Health Services	96,470	102,858	6,388	6.6%
Staff Development	82,900	82,300	-600	-0.7%
Media (Library)	111,241	111,024	-217	-0.2%
School Board	27,565	29,316	1,751	6.4%
SAU Assessment	235,289	229,504	-5,785	-2.5%
School Administration	298,490	298,085	-405	-0.1%
Operation & Maint. of Plant	365,311	374,734	9,423	2.6%
Transportation	293,501	331,032	37,531	12.8%
Student Lunch	1,500	1,600	100	6.7%
Site & Bldg Improvements	17,300	17,500	200	1.2%



# Expenditures



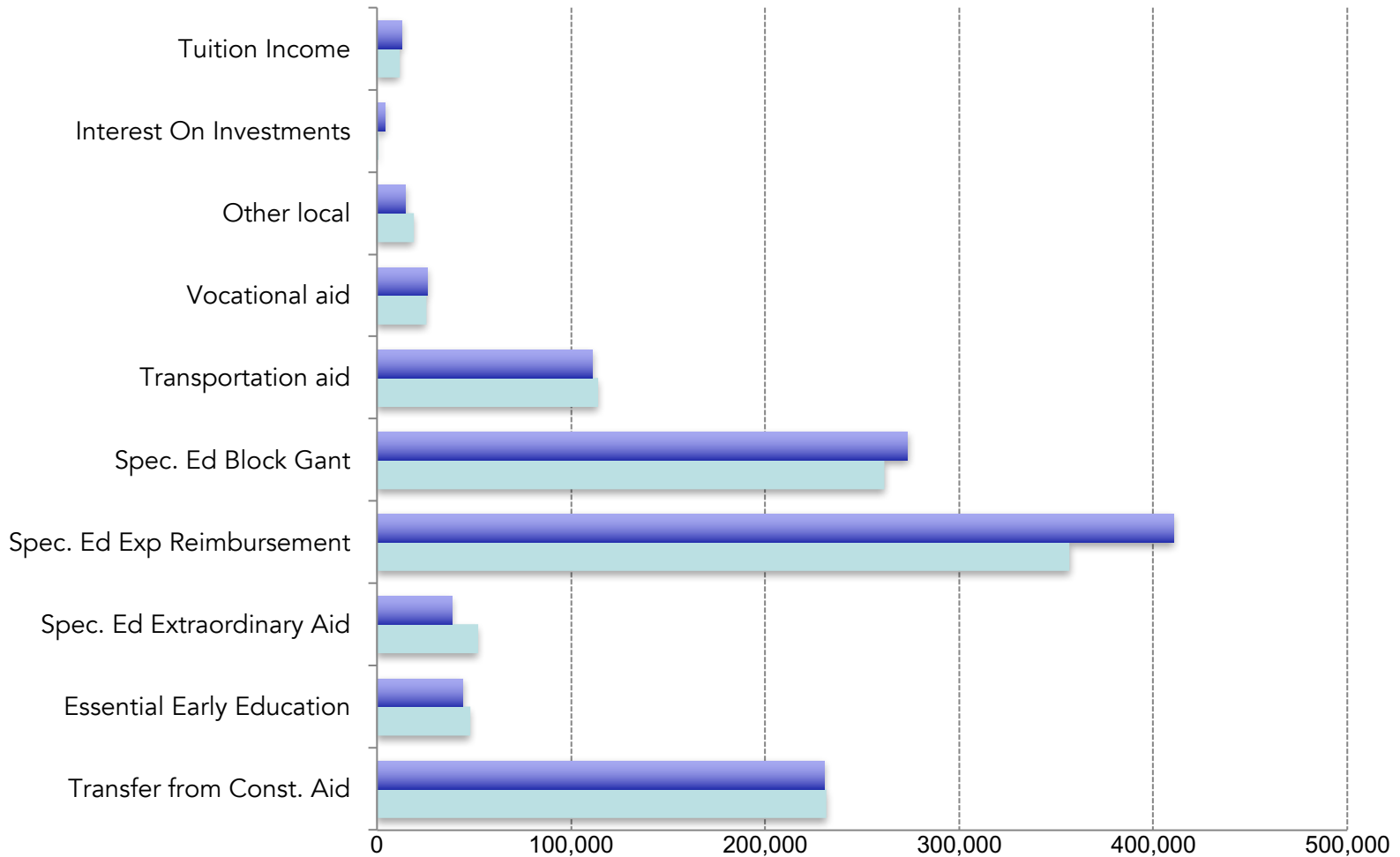
# Revenues

## Norwich School District

### Revenues

Item	2016-17	2017-18	\$ chg	%
<b>Local Sources</b>				
Tuition Income	\$11,800	\$12,800	\$1,000	8.5%
Interest On Investments	800	4,000	3,200	400.0
Other local	18,920	14,650	-4,270	-83.5
subtotal	31,520	31,450	-70	-0.22
<b>State Sources</b>				
Vocational aid	\$25,449	25,777	328	1.3%
Transportation aid	114,071	111,073	-2,998	-2.6
Spec. Ed Block Gant	261,124	273,331	12,207	4.7
Spec. Ed Exp Reimbursement	356,483	410,175	53,692	15.1
Spec. Ed Extraordinary Aid	52,171	38,457	-13,714	-26.3
Essential Early Education	47,866	44,189	-3,677	-7.7
subtotal	857,164	903,002	45,838	5.35
Transfer from Const. Aid	231,343	230,452	-891	-0.4
<b>Total Budgeted Revenues</b>	<b>\$1,120,027</b>	<b>\$1,164,904</b>	<b>\$44,877</b>	<b>4.01%</b>

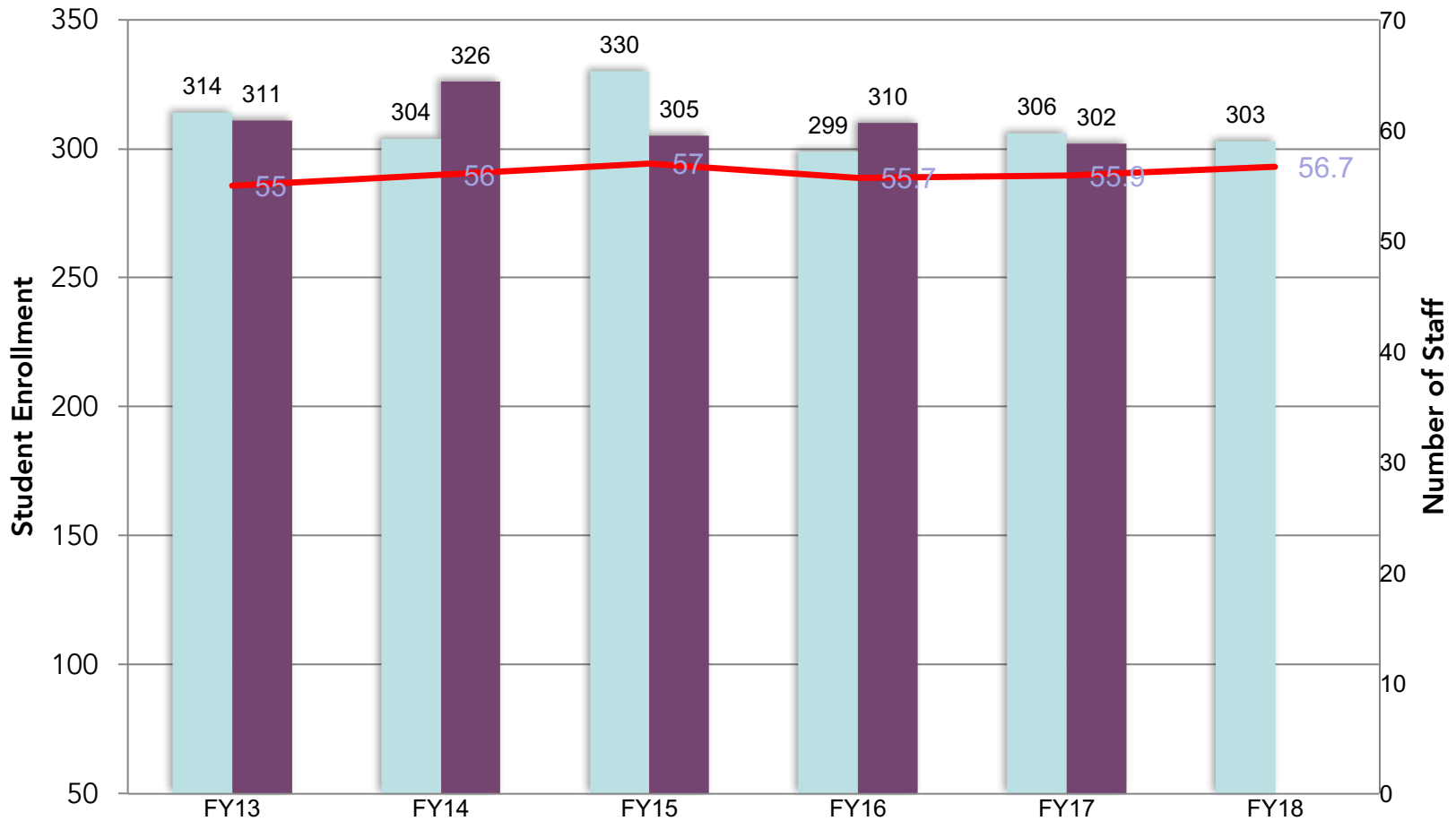
# Revenues



## Revenues/Appropriations and Net Assessment

Item	2016-17	2017-18	\$ Chg	% Chg
<b>Appropriations</b>				
Marion Cross School	\$5,458,847	\$5,573,371	\$114,524	2.1%
Dresden Assessment	6,493,613	6,847,422	353,809	5.4%
Total	11,952,460	12,420,793	468,333	3.9%
<b>Revenues</b>				
Total Budgeted Revenues	1,120,027	1,164,904	44,877	4.01%
Prior Year Fund Balance	0	292,164		
Total	1,120,027	1,457,068	362,490	33.1%
<b>Net Assessment</b>	10,832,433	10,963,725	131,292	1.21%

# Enrollment & Staffing



# Tax Rate Calculation

## The Formula

- Fixed Homestead Tax Rate \$1.00 per \$100 of property
- Fixed Income Tax Rate 2.0%
- Property Dollar Equivalent Yield &  
Income Dollar Equivalent Yield
- $$\begin{aligned} &\text{Per-Pupil Spending} \div \text{Property Dollar Equivalent Yield} \\ &\times \text{Statewide Homestead Rate} \\ &= \text{Tax Rate} \\ &\quad \div \text{CLA} = \text{Local Tax Rate} \end{aligned}$$



# Norwich School District

Norwich Budget	\$5,573,371
Dresden Assessment	6,847,422
Total Expenditures	12,420,793

less revenue (excludes voc. aid)	1,431,291
Net Ed Spending	10,989,502

divide by equalized Pupils	600.53
Net Ed Spending per Equalized Pupil	18,300

less debt per pupil	1,514	
less spec ed excess per pupil	175	
less teacher retirement assessment	15	
Qualified Ed Spending per pupil	16,596	
Excess Spending Threshold	17,386	<- No Penalty
Amount over threshold	-790	

## Tax Rate Calculation - Property Tax

Per pupil figure for calculating equalized tax rate	18,300
Property tax yield for \$1.00 of tax Rate	10,076
Equalized Homestead Tax Rate	1.8162

Common Level Of Appraisal	99.28%
Estimated Homestead Tax Rate	\$1.8294

## Tax Rate Calculation - Income Tax

Per pupil figure for calculating equalized tax rate	18,300
Income yield per 2.0% of household income	11,875
Income Tax Rate (income sensitivity)	3.08%

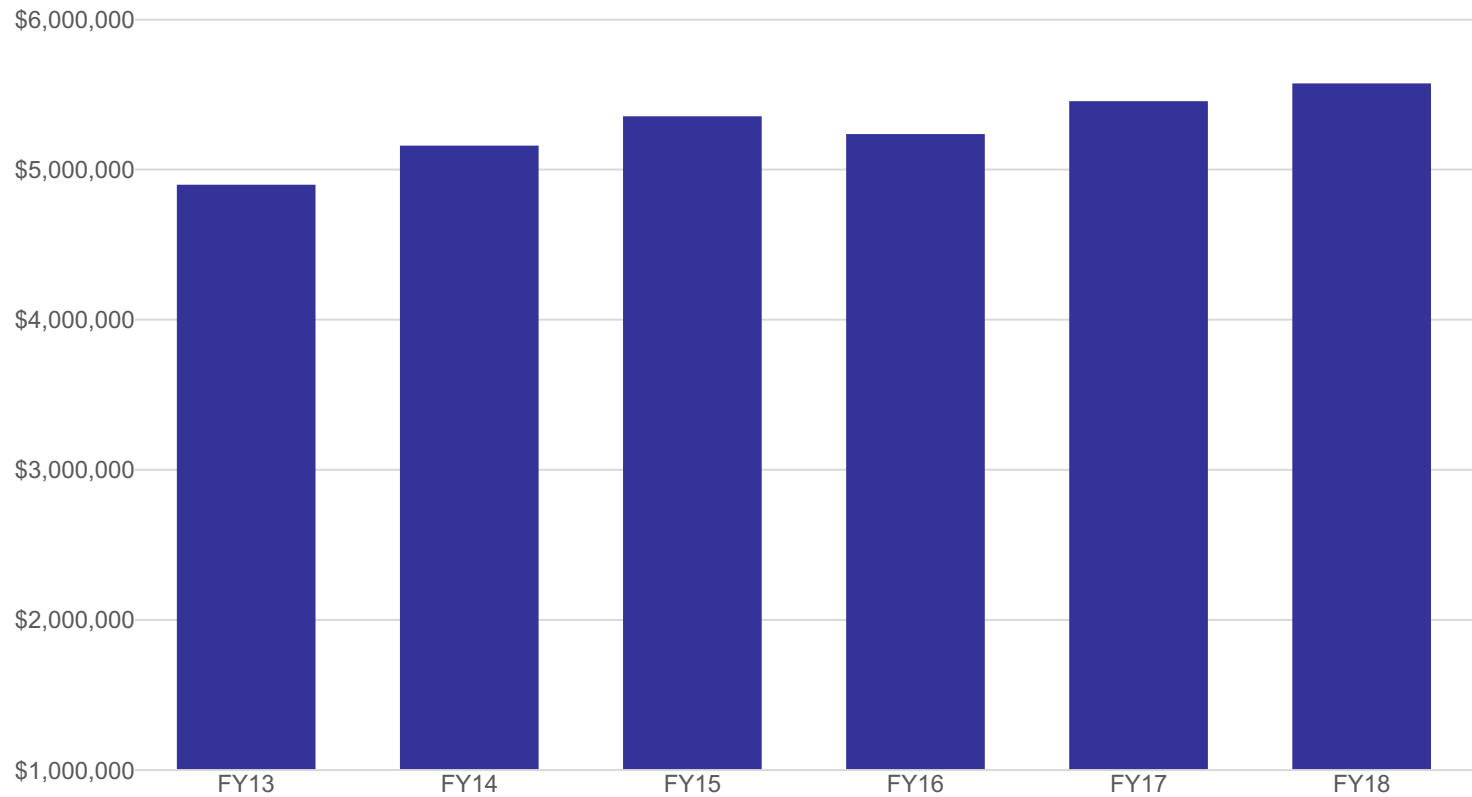
## Did you know?

- #4 school in VT (SchoolDigger.com)
- #6 school in the nation (TheBestSchools.com)
- Top 10 in VT SBAC scores for grades 4-6
- Community collaborations
  - Norwich Historical Society
  - Montshire Museum
  - Dan & Whits
  - Local banks
  - Geisel School of Medicine
  - Parental involvement
  - WISE

Questions?

## Supporting Data

## Norwich Budget History



## Enrollment History & Forecast

School Year	Grade							
	K	1	2	3	4	5	6	K-6
<b>Actual</b>								
October, 2011	50	44	45	42	41	40	39	301
October, 2012	43	48	49	45	42	44	40	311
October, 2013	39	51	45	52	47	46	46	326
October, 2014	25	40	52	46	53	46	43	305
October, 2015	33	29	44	53	53	49	49	310
<b>Oct 2016 Projected</b>	<b>32</b>	<b>37</b>	<b>30</b>	<b>46</b>	<b>57</b>	<b>54</b>	<b>50</b>	<b>306</b>
<b>Oct 2016 Actual</b>	<b>34</b>	<b>37</b>	<b>28</b>	<b>47</b>	<b>52</b>	<b>56</b>	<b>48</b>	<b>302</b>
<b>Projected</b>								
October, 2017	36	41	40	30	48	52	56	303
October, 2018	37	43	43	43	32	50	52	300
October, 2019	38	38	44	45	46	35	52	298