

Cabot School
2018-19
Draft Proposed Budget
Budget Information Forum
January 16, 2018

Proposed Cabot School Budget for 2018-19

Proposed Budget for 2018-19 is \$3,720,787
(an increase of \$388,007 (11.64%) over 2017-18)

Education Spending in the proposed budget is \$3,413,479
(a 10.63% increase over 2017-18)

Budget Increases for 2018-19

- Instruction (salary and benefits): \$125,572
- Special education \$134,499
- Guidance (new elementary counselor) \$64,317
- Operations (added .5 custodian) \$22,897
- Construction \$20,481
- Technology \$16,019
- Supervisory Union assessments \$11,798

Rationale for Proposed Budget Increases:

- Special Education (+ \$134,317): Needed to meet the needs of an increased number of students requiring special education services
- Elementary Guidance Counselor (+ \$64,317): Will provide needed support and counseling for students in grades preK-6

Rationale for Proposed Budget Increases:

- Instruction (+\$125,572):

1. Add Design Technology teacher/Community Connections coordinator: \$74,000

2. Increase in HS Social Studies position to coordinate senior “capstone”(IOTA) projects: \$9,177

3. Estimated increases in salary/benefits for teachers and support staff: \$39,488

Impact of Proposed Staffing Increases:

- Design Technology teacher (0.5 FTE):
increase the opportunities for hands-on learning at Cabot
- Community Connections coordinator (0.5 FTE):
develop and support opportunities for students to learn outside of the classroom
- Capstone project (IOTA) coordinator (0.2 FTE):
support in-depth research and internships in career fields selected by Cabot high school seniors

Tax Impact of Proposed Budget

- The proposed budget will increase the Local Homestead Tax Rate from \$1.7317 to \$2.1344/\$100; this is a 23.3% increase
- The Homestead Tax will increase by \$403 for every \$100,000 of assessed homestead value (from \$1,731 to \$2,134) if the proposed budget is approved.

How can a budget increase of 11% result in a tax increase of 23%?

- The Homestead Tax rate is driven by several factors:
 1. Education Spending in budget
 2. Number of “equalized pupils” at Cabot
 3. Estimated Property Yield (“base”)Amount *
 4. Vermont Base Education Tax Rate *
 5. Cabot’s Common Level of Appraisal (CLA)
 6. Excess spending penalty *

* : Set by the State of Vermont

Factors affecting the Cabot Homestead Tax rate this year:

- Education Spending:
increased by \$328,069 (+10.6%)
- Equalized Pupils:
increased from 174.95 to 176.46 (+0.86%)
- Estimated Property Yield (base) Amount:
decreased from \$10,160 to \$9,847 (-3.08%)

Factors affecting the Cabot Homestead Tax rate this year:

- Vermont Base Education Tax Rate:

Remained at \$1.00/ \$100 of appraised value

- Cabot's Common Level of Appraisal*

Decreased from 101.66% to 99.31%

*Compares appraised value and actual selling price of Cabot homes/real estate: as CLA decreases, tax rate is increased

Factors affecting the Cabot Homestead Tax rate this year:

- Vermont “Excess Spending” penalty:
 1. Works by setting an “excess spending threshold” for a school district’s education spending per pupil, and counting any spending above that threshold twice
 2. This year’s threshold is \$17,816/student, so a school whose actual education spending/pupil was \$17,916 would be assessed a \$100 penalty, and its “penalty-included” education spending/pupil figure used to determine the property tax rate would be \$18,016

Calculating the Cabot Homestead Tax for the 2018-19 Proposed Budget (w/o penalty)

Education Spending per
Equalized pupil
\$19,344

Vermont Base Education
Tax Rate
\$1.00

X

VT Property Yield
\$9,847

Cabot's C.L.A.
99.31%

= \$1.9781/ \$100 of appraised value (up 14.2%
from last year's rate of \$1.7317)

Calculating the Cabot Homestead Tax Rate for the 2018-19 Proposed Budget (w/penalty)

Education Spending per Equalized pupil \$20,872		Vermont Base Education Tax Rate \$1.00
	X	
<hr/> VT Property Yield \$9,847		<hr/> Cabot C.L.A. 99.31%

= \$2.1344/ \$100 of appraised value (up 23.3% from last year's rate of \$1.7317)

Comparing FY 18-19 taxes based on Home Value and Household Income

By Home Value

- Property Value: \$150,000
- Household Income: \$50,000
- Homestead tax rate:
\$2.1344/\$100

Estimated Tax:

$$(\$150,000 \times 2.1344) = \\ \$3,201$$

By Household Income

- Property Value: \$150,000
- Household Income: \$50,000
- Income Sensitivity Rate:
3.26%

Estimated Tax:

$$(\$50,000 \times 0.0326) = \\ \$1,630$$

Cost Comparison: Program improvements or maintaining the status quo

Program improvements: staffing increases for elementary guidance, design tech/community connections, and capstone project

- Education spending: \$3,413,479
- Homestead Tax rate: \$2.1344
- Tax rate increase: 23.3%
- Added tax/\$100,000: \$402

Status quo: omit staffing increases for program improvements

- Education Spending: \$3,268,479
- Homestead Tax rate: \$1.9662
- Tax rate increase: 13.5%
- Added tax/\$100,000: \$234

Looking ahead: Why make this investment now?

- Cutting staff and programs at Cabot in recent years to limit tax increases has reduced the opportunities available to our students
- Re-investing now in specific program areas will add to the opportunities for our current students and may serve to attract additional families and students to Cabot in the future
- To continue as an independent (unmerged) school district, Cabot must demonstrate to the VT State Board of Education that it's capable of improving opportunities for its students

Looking ahead:

How might new students impact school costs?

Proposed 18/19 budget with current school enrollment

- Education spending: \$3,413,479
- Homestead tax rate: \$2.1344
- Tax rate increase: 23.3%
- Added tax/\$100,000: \$402

Proposed 18/19 budget with 4 new tuition students

- Education spending: \$3,345,479
- Homestead tax rate: \$2.0489
- Tax rate increase: 18.3%
- Added tax/\$100,000: \$317