



*Rivendell Interstate School District*  
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General Response to Budget Questions FY 23-24:

In the past 15-20 years, our state's student-aged population has decreased by 12,000 students, or nine percent. Even with the consolidations of Act 46, the SU's remaining high schools are under-enrolled, further emphasizing the statistic of declining enrollment. Along with downward pressure on enrollment, these demographic trends also contribute to significant staffing challenges in our schools. Scarcity fuels competition for resources, which is why I believe it is important to pay our staff a competitive wage and provide benefits that are competitive or higher than other districts (teachers = 8% increase and support staff = 10% increase). The district's overall combined increase in salary and benefits is equivalent to \$1,162,205. This represents 82.6% of the overall increase in the proposed FY 24 budget and 72.7% of the entire budget. The idea of recruiting students in the traditional sense is not practical in our current times. Families now choose to send their children here because of connections they make through youth sports programming, housing availability or by attending unique events that are specific to our district's approach to education and instruction.

This year's budget vote will be held on March 21<sup>st</sup> in the Academy gym at 6:30PM. Members of the National Honor Society will be providing childcare, and the Senior class will be offering a meal by donation. This will be our first in-person meeting in three years. To vote on the budget and special articles you must attend the meeting in-person on March 21<sup>st</sup>. Voters may obtain absentee ballots through their local town clerk's office until 5PM or until the closing of the Town Clerk's Office on March 20<sup>th</sup> to vote on officer elections.

The challenges we currently face as a district are many and they are common across the board in Vermont and New Hampshire. Our per pupil spending has continued to increase and is among the highest in either state. Besides the economy of scale that is required to operate a district, we continue to see increases in our percentage of special education cost, salaries and general operating expenses that are consistent with cost-of-living increases across the country. With all this being true how do we as a district address these concerns moving forward while maintaining our core values and mission?

I believe that moving forward it is critical for our district to evaluate the sustainability as it currently exists. Given the complex nature of our interstate status this will undoubtedly be a multi-year process that begins with a strategic plan with sustainability as one of its main priorities. Included in this plan we will certainly need to think about how to control special education costs, develop programs that generate revenue and put systems in place focused on early intervention that will best support student needs. At the heart of this I hope is a connection between the district budget and how to best educate our children.

Understandably, I have received many questions about tax rates, which reflect a substantial increase in the annual report. First, it is important to understand that Vermont and New Hampshire calculate tax rates differently and the two states should not be compared. Second, it is important for voters to understand that the printed tax rates are based on estimates and will change considerably between now and when tax bills are issued.

Vermont uses three variables that the district has no control over.

1. Common Level of Appraisal (CLA) – When homes in a town sell for more than the fair market value assessment that town's CLA decreases, which results in a negative impact on the town's tax rate.

*Fairlee, Vershire, West Fairlee, VT and Orford, NH*

2. Equalized Pupils – This number is based on weighting factors from the state applied to the average daily membership or total number of students. To put this in perspective we have 43 pre-k students but when the weighting factor is applied, we are only credited for 20.21. Conversely, high school students count more than a 1.0, but in the end our equalized pupil number is always less than our actual number of students. When equalized pupil numbers decrease tax rates increase.
3. Base Yield – This is determined by the State of Vermont and is impacted by the amount of revenue collected by the entities dedicated to supporting the education tax fund and the collective budget totals state-wide.

New Hampshire tax rate determination has two major factors.

1. The town's grand list of property values.
2. The State-wide Education Property Tax (SWEPT) for each town which is set by the legislature and raised by taxes within that town.

The other major factor, which effects both states, is the **total expenditure budget – the most obvious factor which happens to also be the only factor that taxpayers have control over through the voting process.**

Other components to consider that will impact tax rates for both states is offsetting revenue and the district's surplus from FY 21-22. Currently, the district office and the locally elected auditors are working together to reconcile the surplus in accordance with the Articles of Agreement and to develop a plan for the board that recommends the best way to allocate these funds in the upcoming fiscal year(s). While the surplus does not impact the expenditure number for FY 23-24, it will impact the tax rates. This is just another reason early tax rate estimates should not be taken at face value.

We have set up an e-mail account ([BudgetQuestions@rivendellschool.org](mailto:BudgetQuestions@rivendellschool.org)) for members of our four communities to send specific questions related to the upcoming budget meeting. The information in this document is a direct reflection of questions we have already received. Some of this information can be overwhelming and complex so I would encourage folks to follow up with any questions or concerns you might have.

Thank You,

Barrett Williams  
Superintendent  
Rivendell Interstate School District