

## Memorandum: Act 82 in Fiscal Year 2010

*Prepared by the VT Superintendents, School Boards, and Principals' Associations*

To: Vermont Superintendents, Business Managers, and School Board Members

In 2007, the Vermont Legislature passed Act 82, the law that limits the amount of education spending that certain school districts may include in a single question on the school budget ballot. Any additional education spending must be approved by voters in a second question (i.e., "If Question #1 is approved, shall the voters also approve an additional amount of [X]?").

Only districts with "above average per pupil education spending" in the year preceding the budget year are subject to the "two-question" requirement. For FY2009, it is that estimated per pupil spending of greater than \$11,594 is above average. At that level, 155 of Vermont's 280 districts budgeted spending above average in FY2009. Act 82 will be effective through fiscal year 2014, so even if a given district is not one of the 155 with above average spending this year, it could be in an upcoming year. The table at the back of this memo has the list of the 155 affected districts.

The 155 districts on the list will be subject to a threshold, or dollar amount of education spending, that can be included in a single question when their budgets are voted on in the spring of 2009. The formula that determines this precise amount depends on a variable that will not be available until November 2008 (an inflation factor). The most accurate approach to use at this time is to estimate the range of each district's "question #1" amount of education spending.

**To determine the estimated range for a particular district, you must first estimate the number of equalized pupils in the district in FY2010, and determine whether this is greater or fewer than the number in FY2009. Next, refer to the table at the back of this packet. Multiply the greater of the two pupil counts first by the low per pupil estimate and then, separately, the high per pupil estimate, that corresponds to that district. When the Department of Education makes its final determination of each district's FY2010 threshold, it will likely fall within the range given by the low and high estimates.**

This memorandum includes the following:

- 1) An explanation of how to present your school district budget in two questions, if required;
- 2) Common questions and answers regarding the two-question requirement;
- 3) Estimates for each affected district's education spending threshold.

I hope you find this guide useful. For additional information or questions please contact me.

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## 1. How to Present Your School Budget in Two Questions (if required)

If your district is on the list of 155 with above average spending, you may have to divide the school budget proposal into two questions. If your district is not on the list of 155, you may present a school budget proposal in any amount as one question just as in previous years.

Even if your district is on the list of 155, you will not have to present the budget in two questions unless the district's education spending in the budget proposal exceeds the threshold amount. The Department of Education will inform your district of this threshold, or "maximum inflation amount," in November or December 2008. Until then, you may rely on the estimated range (defined by the low and high estimates) provided in this guide.

If your district spent above average but your proposed budget does not exceed the maximum inflation amount of education spending for your district, you may present your budget as one question.

*A word on total budgets & education spending:* A budget proposal that goes before voters includes all school spending, but only some of that spending affects the district's tax rate. "Education spending" is the term for that spending which *does* affect the tax rate, and it is defined in Vermont law (16 V.S.A. § 4001(6)). If a district must divide its budget into two questions, question 1 would include education spending up to the maximum inflation amount, as well as all spending offset by local revenues such as Title 1, Medicaid reimbursements, or the Small Schools grant. Question 2 can contain only education spending in excess of the maximum inflation amount.

If your district does propose a school budget with education spending that exceeds the maximum inflation amount, you must word the two ballot questions exactly as follows.

School Budget Question #1:

Shall the voters of the \_\_\_\_\_ School District approve a total budget in the amount of [\$ \_\_\_\_\_ ], which includes the Maximum Inflation Amount of education spending?

School Budget Question #2:

If Question #1 is approved, shall the voters of the School District also approve additional education spending of [\$ \_\_\_\_\_ ]?

*(Please consider this section advisory. Follow all Department of Education instructions regarding ballot preparation.)*

## **2. Common Questions & Answers Regarding the Two-question Requirement**

**Q: If my district does not have above average spending and/or it is not proposing spending above the maximum inflation amount, do I have to do anything specific regarding the ballot?**

A: No, you can present your budget in one question on the school district ballot as in prior years. In FY2009, statewide average education spending per equalized pupil is estimated to be \$11,594.

**Q: Why can't I know the exact amount of education spending I can include in question #1 right now?**

A: First, the formula that determines this amount depends on an inflation figure (the New England Economic Project's state and local government cumulative price index) that is not released until November annually. Second, districts with increasing enrollment will need official estimates of equalized pupils in FY2010 that are also not yet available. Third, one district still has to approve a school budget for fiscal year 2009.

**Q: Can I view the full text of Act 82?**

A: Yes, here:

<http://www.leg.state.vt.us/docs/legdoc.cfm?URL=/docs/2008/acts/ACT082.HTM>. The two-question requirement is in sections five and six of the law.

**Q: What is the formula that determines the maximum inflation amount (MIA)?**

A: Here is the formula for the MIA threshold. Please note that "pupil count" refers to the number of equalized pupils in the district in either FY2009 or FY2010, whichever is greater.

District MIA = (District education spending FY2009) + ((Statewide average education spending per equalized pupil in FY2009) \* (Inflation + 1%) \* (Pupil count))

(continued on next page)

**Q: Can my school budget ballot include special articles for individual items (e.g., a new bus, or a technology upgrade) that the electorate can choose to approve or reject independent from the regular school budget?**

A: The Department of Education has indicated its belief that if your district spent above average in FY2009, and the total amount of regular and special articles proposed exceeds the MIA, you may not include special articles on the school budget ballot this year. 16 V.S.A. § 563(11)(B) reads:

If the proposed budget contains education spending in excess of the Maximum Inflation Amount, and the district's education spending [is above average]... then *in lieu of any other statutory or charter form of budget adoption or budget vote*, the board shall present the budget to the voters by means of a divided question... (Emp. added)

The statute goes on to specify that the "divided question" must be presented as shown in the box in part 1 of this memo, and can include only two questions.

**Q: How is "above average education spending" calculated?**

A: Above average education spending means a district had per pupil spending greater than all education spending in Vermont public schools divided by all of the State's equalized pupils. In FY2009, total education spending is estimated to be \$1.109 billion, and there is estimated to be 95,671.69 equalized pupils. "Average" education spending is therefore estimated to be \$11,594. "Education spending" is defined in 16 V.S.A. § 4001(6).

**Q: Why are the low and high inflation estimates 3% and 6% respectively?**

A: No precise calculation was involved in choosing 3% and 6%. These figures are intended to be a large enough range to be accurate while also providing meaningful information for school budget planning. The inflation factor for each of the last several years fell within the 3-6% range.

### 3. Estimated Per Pupil Thresholds for 2nd Question FY2010

If a district is not listed below, it did not spend above average in FY 2009.

*To estimate a district's FY2010 MIA threshold, multiply both the low and high estimates by the number of equalized pupils in the district in either FY2009 or FY2010, whichever is greater. Expect the precise threshold amount to fall between the two estimates. Any additional education spending must be proposed in a 2nd question.*

	Low Estimate	High Estimate
<i>Inflation estimate +1% is ...</i>	<b>3.0%</b>	<b>6.0%</b>
Addison	\$14,541.77	\$14,889.59
Arlington	\$12,869.68	\$13,217.50
Barnard	\$13,476.29	\$13,824.11
Barnet	\$12,872.78	\$13,220.60
Bellows Falls UHSD	\$13,560.23	\$13,908.05
Belvidere	\$16,592.04	\$16,939.86
Berlin	\$12,747.94	\$13,095.76
Bethel	\$13,617.40	\$13,965.22
Black River UHSD	\$12,859.20	\$13,207.02
Blue Mountain USD	\$12,001.75	\$12,349.57
Bolton	\$13,493.24	\$13,841.06
Braintree	\$12,493.16	\$12,840.98
Brandon	\$11,973.78	\$12,321.60
Brattleboro	\$13,559.80	\$13,907.62
Brattleboro UHSD	\$15,070.11	\$15,417.93
Bridport	\$13,538.19	\$13,886.01
Bristol	\$12,862.39	\$13,210.21
Brookfield	\$13,109.63	\$13,457.45
Burke	\$12,018.25	\$12,366.07
Cabot	\$12,829.33	\$13,177.15
Calais	\$13,152.00	\$13,499.82
Cambridge	\$13,248.35	\$13,596.17
Cavendish	\$15,643.19	\$15,991.01
Champlain Valley UHSD	\$12,353.98	\$12,701.80
Charlotte	\$13,699.08	\$14,046.90
Chittenden	\$11,944.10	\$12,291.92
Clarendon	\$13,798.11	\$14,145.93
Cornwall	\$13,095.02	\$13,442.84
Craftsbury	\$14,048.66	\$14,396.48
Danby	\$13,358.57	\$13,706.39
Danville	\$12,266.28	\$12,614.10
Dorset	\$12,503.62	\$12,851.44
Dover	\$13,455.10	\$13,802.92
Dummerston	\$14,842.22	\$15,190.04
East Montpelier	\$12,268.77	\$12,616.59
Eden	\$14,047.74	\$14,395.56
Essex Comm. Ed. Ctr. UHSD	\$13,184.03	\$13,531.85
Essex Junction ID	\$13,086.23	\$13,434.05
Essex Town	\$13,624.75	\$13,972.57

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	Low Estimate	High Estimate
<i>Inflation estimate +1% is...</i>	<b>3.0%</b>	<b>6.0%</b>
Fayston	\$13,267.73	\$13,615.55
Ferdinand	\$13,380.62	\$13,728.44
Ferrisburgh	\$12,478.57	\$12,826.39
Flood Brook UESD	\$13,872.75	\$14,220.57
Granville	\$14,174.00	\$14,521.82
Guilford	\$13,310.25	\$13,658.07
Hancock	\$12,134.26	\$12,482.08
Hartford	\$12,079.90	\$12,427.72
Hartland	\$13,222.94	\$13,570.76
Harwood UHSD	\$12,182.70	\$12,530.52
Hazen UHSD	\$13,619.61	\$13,967.43
Hinesburg	\$13,899.49	\$14,247.31
Huntington	\$13,399.35	\$13,747.17
Hyde Park	\$12,111.54	\$12,459.36
Ira	\$12,890.50	\$13,238.32
Jamaica	\$12,026.72	\$12,374.54
Jericho	\$12,575.07	\$12,922.89
Kirby	\$13,206.88	\$13,554.70
Lakeview UESD	\$13,518.22	\$13,866.04
Lamoille UHSD	\$13,131.56	\$13,479.38
Landgrove	\$12,248.25	\$12,596.07
Leicester	\$13,757.81	\$14,105.63
Leland & Gray UHSD	\$13,683.85	\$14,031.67
Lincoln	\$12,275.97	\$12,623.79
Londonderry	\$13,633.18	\$13,981.00
Ludlow	\$13,166.22	\$13,514.04
Maidstone	\$13,587.63	\$13,935.45
Manchester	\$12,866.10	\$13,213.92
Marlboro	\$12,381.19	\$12,729.01
Middlebury ID	\$13,921.74	\$14,269.56
Middlebury UHSD	\$14,098.16	\$14,445.98
Middlesex	\$13,107.63	\$13,455.45
Middletown Springs	\$12,801.01	\$13,148.83
Mill River UHSD	\$11,982.94	\$12,330.76
Monkton	\$13,264.54	\$13,612.36
Montpelier	\$12,166.13	\$12,513.95
Moretown	\$13,048.73	\$13,396.55
Mt. Holly	\$12,920.19	\$13,268.01
New Haven	\$13,870.14	\$14,217.96

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	Low Estimate	High Estimate
<i>Inflation estimate +1% is...</i>	<b>3.0%</b>	<b>6.0%</b>
Newbury	\$12,255.87	\$12,603.69
Newport City	\$12,200.73	\$12,548.55
Newport Town	\$13,002.39	\$13,350.21
North Bennington ID	\$13,964.04	\$14,311.86
North Hero	\$12,683.36	\$13,031.18
Northfield	\$12,383.74	\$12,731.56
Norwich	\$14,115.46	\$14,463.28
Orange	\$12,152.28	\$12,500.10
Orleans ID	\$12,694.81	\$13,042.63
Orwell	\$12,640.02	\$12,987.84
Otter Valley UHSD	\$12,116.12	\$12,463.94
Peacham	\$12,711.79	\$13,059.61
Peru	\$13,158.13	\$13,505.95
Pittsfield	\$12,129.13	\$12,476.95
Pittsford	\$12,712.80	\$13,060.62
Plymouth	\$12,006.25	\$12,354.07
Pomfret	\$13,148.25	\$13,496.07
Poultney	\$13,546.85	\$13,894.67
Pownal	\$13,486.50	\$13,834.32
Proctor	\$13,745.06	\$14,092.88
Putney	\$12,778.63	\$13,126.45
Randolph	\$12,020.08	\$12,367.90
Randolph UHSD	\$12,887.28	\$13,235.10
Reading	\$14,104.17	\$14,451.99
Ripton	\$13,571.94	\$13,919.76
Rivendell Interstate USD	\$13,448.94	\$13,796.76
Rochester	\$12,649.15	\$12,996.97
Rockingham	\$12,383.62	\$12,731.44
Roxbury	\$12,313.32	\$12,661.14
Rutland Town	\$12,647.73	\$12,995.55
Salisbury	\$13,754.39	\$14,102.21
Sandgate	\$14,673.28	\$15,021.10
Shaftsbury	\$13,221.05	\$13,568.87
Sharon	\$12,374.81	\$12,722.63
Shelburne	\$12,624.23	\$12,972.05
Sherburne (Killington)	\$14,881.40	\$15,229.22
Shoreham	\$14,088.73	\$14,436.55
South Burlington	\$13,172.71	\$13,520.53
Springfield	\$12,490.39	\$12,838.21

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<i>Inflation estimate +1% is...</i>	<b>3.0%</b>	<b>6.0%</b>
Starksboro	\$13,526.52	\$13,874.34
Stockbridge	\$12,058.73	\$12,406.55
Stowe	\$12,853.92	\$13,201.74
Strafford	\$12,151.82	\$12,499.64
Stratton	\$13,394.26	\$13,742.08
Sudbury	\$13,449.23	\$13,797.05
Sunderland	\$13,616.65	\$13,964.47
Thetford	\$14,006.47	\$14,354.29
Tinmouth	\$13,083.56	\$13,431.38
U-32 UHSD	\$12,471.37	\$12,819.19
Underhill ID	\$12,613.81	\$12,961.63
Underhill Town	\$12,553.83	\$12,901.65
Vergennes UESD	\$12,271.28	\$12,619.10
Vergennes UHSD	\$12,173.64	\$12,521.46
Vernon	\$13,048.08	\$13,395.90
Waits River Valley UESD	\$12,094.91	\$12,442.73
Waitsfield	\$12,311.94	\$12,659.76
Wallingford	\$14,299.95	\$14,647.77
Wardsboro	\$12,574.80	\$12,922.62
Warren	\$12,276.41	\$12,624.23
Waterville	\$12,963.57	\$13,311.39
Weathersfield	\$14,063.84	\$14,411.66
West Windsor	\$12,931.73	\$13,279.55
Westminster	\$12,511.57	\$12,859.39
Westmore	\$13,497.95	\$13,845.77
Weston	\$13,333.32	\$13,681.14
Weybridge	\$12,379.57	\$12,727.39
Whiting	\$12,768.18	\$13,116.00
Whitingham	\$13,664.67	\$14,012.49
Williston	\$11,999.78	\$12,347.60
Wilmington	\$13,512.06	\$13,859.88
Windham	\$13,412.89	\$13,760.71
Windsor	\$12,281.59	\$12,629.41
Winhall	\$13,572.96	\$13,920.78
Woodbury	\$12,207.06	\$12,554.88
Woodstock	\$13,374.64	\$13,722.46
Woodstock UHSD	\$13,680.40	\$14,028.22
Worcester	\$13,362.87	\$13,710.69