

BUILDING BRIGHTER MINDS AND ENRICHING LIVES

BLUE MOUNTAIN UNION SCHOOL

FY 2027 BUDGET

**PRESENTED FOR YOUR CONSIDERATION BY
THE BLUE MOUNTAIN UNION SCHOOL BOARD**



BUDGET PROCESS

During the FY 2027 budgeting process, the Board reviewed expenditures and assessed service impacts across three main budget scenarios.

1 Level FUNDING

Maintain educational spending at the same level as the current fiscal year (FY'26) with no adjustments for inflation or new initiatives.

This scenario would result in a sizable reduction in staffing and services, negatively impacting the quality of education provided at BMU.

2 Level SERVICE FUNDING

Maintain the level of services provided in the current fiscal year (FY'26), accounting for inflation, contractual obligations, and cost increases that ensure services continue at the same quality and capacity. ***This scenario provides no funding for previously grant funded staff positions, newly identified service needs, or necessary capital expenditures.***

3 Level SERVICE FUNDING+

Level service funding as described in scenario number two, plus, priority-based additional spending deemed necessary to support students and facilities. ***This scenario maintains prior fiscal year services and evaluates proposed new positions, services, and capital expenditures.***



1.5 Funding increase with an operating service decrease

Electing to develop a sub-level service funding budget, the Board engaged in an iterative review of current service level funding, carefully evaluating expenditures to arrive at FY'27 Board approved **total estimated expenditures of \$12,856,291** which is a **6.66%** increase from FY'26.

ESTIMATED INCREASES IN GENERAL FUND EXPENSES

\$211,441+

Staff Contractual Obligations

Salary Increases: **Under negotiation**

Health Insurance increases: **\$211,441 (7.4%)**

\$156,352

Level Service Operating Increases

Inflation adjusted services, including non-staffing contractual obligations, tech tuition, and OESU assessment.

\$27,240

New Expenditures

Nurse Support (required)



Delayed New Net Expenses

- Tractor for grounds maintenance
- Upgraded phone/network system
- Fencing for the eroded bank by the playground
- Stage and lab floor repairs
- Water filtration replacement
- Door replacements
- Parking lot and tennis court repairs
- Support for increase in band rentals
- Support for increase in cost of the winter program at Burke Mountain

ESTIMATED DECREASES IN GENERAL FUND EXPENSES

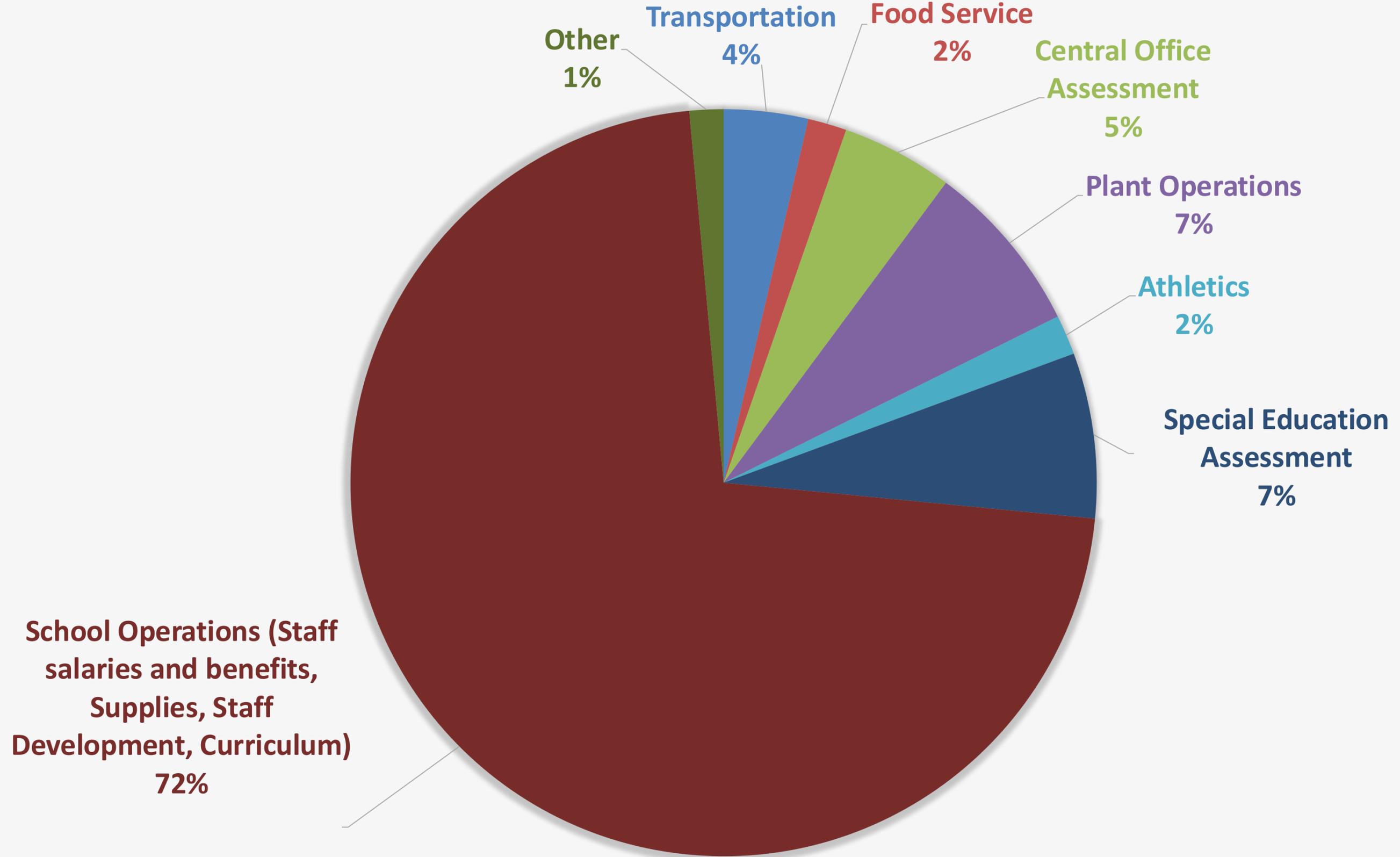
\$379,764.29

Level Service Operating Decreases

Working diligently with school leaders, we elected to decrease services from our current year for a total of **\$379,764.29** in reduced expenditures. These reduced expenditures are to be determined by school administrators. We also elected to delay the proposed New Net Expenses listed here.



FY2027 PROPOSED BUDGET EXPENDITURES





 **Mark your calendar!**

Annual Meeting
Monday, March 2 • 6 pm

Voting Day
Tuesday, March 3 • 10 am - 7 pm

So how does this affect our Local Homestead Tax Rate?

BLUE MOUNTAIN UNION SCHOOL



TOTAL ESTIMATED SPENDING

Total Expenditures – Anticipated Receipts = Total Estimated Spending

\$12,856,291 - \$858,918 = \$11,997,373

Anticipated receipts include: Grant Revenues, State and Local Revenues for the General Fund, Prior year–end fund balances

We do not have a budget surplus from FY2025. In previous years we have used a surplus to buy down the total estimated spending.

Total Estimated Spending

Number of Equalized Pupils

=

**Estimated
Education
Spending per
Equalized Pupil**



ESTIMATED EDUCATION SPENDING PER EQUALIZED PUPIL

$$\text{\$11,997,373} \div 749.67 = \text{\$16,003.54}$$

\\$ 16,003.54

Increase from FY'26: 20.05%
This value is warned on the ballot

There is a significant decrease in equalized pupils compared to last year.

FY 2026 Equalized Pupils = 811.84
FY 2026 Spending per Eq Pupil = \\$13,330.23

Equalized Pupils = 749.67

*This is not a physical count of students

The goal of the equalized pupil calculation is to create an “average” student in terms of assumed costs for a given district. Specific categories of students are presumed to have different costs than other categories. To create an average student in terms of cost, weights are added to student counts in specific categories with the end goal of creating consistency in cost for comparison across districts. Categories include grade level, economic status, English–language learners, geographic factors and more.



EQUALIZED TAX RATE

$$\frac{\text{Estimated Education Spending per Eq Pupil}}{\text{Homestead Property Yield}} = \text{Equalized Tax Rate}$$

\$16,003.54

\$8,849.00

= 1.8085

*VT Legislature is proposing a property tax buy-down that would increase the Homestead Property Yield and therefore decrease the Equalized Tax Rate.

This is not currently finalized.



APPLICATION OF THE COMMON LEVEL OF APPRAISAL (CLA)

A method for equalizing the grand list across the state and equitably distributing state education funds.

CLA  **Local Homestead Tax Rate** 

The FY 2026 CLA ranged from 88.63% - 102% in our towns

Estimated Increase in local homestead tax rate



	<u>Ryegate</u>	<u>Groton</u>	<u>Wells River</u>
EQ tax Rate	\$1.8085	\$1.8085	\$1.8085
	\div	\div	\div
CLA	92.51%	84.96%	82.00%
	\circledast	\circledast	\circledast
Est Tax Rate	\$1.9549	\$2.1287	\$2.2055
			
	\$0.4346	\$0.3790	\$0.5666

VERMONT PROPERTY TAX CREDIT

Assists many Vermont homeowners with paying their property taxes

Eligibility Requirements (must meet ALL):

- Your property qualifies as a homestead and you have filed a Homestead Declaration (Form HS-122) for the current year's grand list
- You were domiciled in Vermont for the entire taxable year
- You are not claimed as a dependent for another taxpayer
- You owned and occupied the property as your homestead as of April 1 (see website for lease details)
- You meet the household income criteria

Maximum Credit:

- \$5,600 –State Education Property Tax
- \$2,400 –Municipal Property Tax

Percent of Homesteads Eligible:

- Groton: 55.9%
- Wells River: 52.5%
- Ryegate: 53.8%

Maximum Household Income \$115,400

<https://tax.vermont.gov/property/property-tax-credit>



VERMONT PROPERTY TAX CREDIT

How school taxes are calculated on housesites

Household income	School taxes on:	
\$0 - \$47,000	Capped at .5 to 2% of income	+ Property value over \$400,000
\$47,001-\$89,999	HH income (FY25 rates 2.0%-3.3%)	+ Property value over \$400,000
\$90,000+	The lower of:	
	HH income + property value over \$225,000	OR Entire property value

©2024 Public Assets Institute



TAX PROJECTIONS BY TOWN INCLUDING THE VERMONT PROPERTY TAX CREDIT

These charts are for illustrative purposes only. For a customized tax projection, please consult the property tax calculator on the VT Department of Taxes website.



GROTON	HOMESTEAD INCOME					
	2%		2.63%		\$2.1287	
HOMESTEAD VALUE	\$35,000	\$47,000	\$60,000	\$89,999	\$110,000	\$115,401+
\$200,000	\$700	\$940	\$1,578	\$2,367	\$2,893	\$4,257
\$225,000	\$700	\$940	\$1,578	\$2,367	\$2,893	\$4,790
\$250,000	\$700	\$940	\$1,578	\$2,367	\$3,425	\$5,322
\$300,000	\$700	\$940	\$1,578	\$2,367	\$4,490	\$6,386
\$350,000	\$700	\$940	\$1,578	\$2,367	\$5,554	\$7,450
\$400,000	\$700	\$940	\$1,578	\$2,367	\$6,618	\$8,515
\$450,000	\$1,764	\$2,004	\$2,264	\$2,864	\$7,683	\$9,579
\$500,000	\$2,829	\$3,069	\$3,329	\$3,929	\$8,747	\$10,644

RYEGATE	HOMESTEAD INCOME					
	2%		2.63%		\$1.9549	
HOMESTEAD VALUE	\$35,000	\$47,000	\$60,000	\$89,999	\$110,000	\$115,401+
\$200,000	\$700	\$940	\$1,578	\$2,367	\$2,893	\$3,910
\$225,000	\$700	\$940	\$1,578	\$2,367	\$2,893	\$4,399
\$250,000	\$700	\$940	\$1,578	\$2,367	\$3,382	\$4,887
\$300,000	\$700	\$940	\$1,578	\$2,367	\$4,359	\$5,865
\$350,000	\$700	\$940	\$1,578	\$2,367	\$5,337	\$6,842
\$400,000	\$700	\$940	\$1,578	\$2,367	\$6,314	\$7,820
\$450,000	\$1,677	\$1,917	\$2,177	\$2,777	\$7,292	\$8,797
\$500,000	\$2,655	\$2,895	\$3,155	\$3,755	\$8,269	\$9,775

WELLS RIVER	HOMESTEAD INCOME					
	2%		2.63%		\$2.2055	
HOMESTEAD VALUE	\$35,000	\$47,000	\$60,000	\$89,999	\$110,000	\$115,401+
\$200,000	\$700	\$940	\$1,578	\$2,367	\$2,893	\$4,411
\$225,000	\$700	\$940	\$1,578	\$2,367	\$2,893	\$4,962
\$250,000	\$700	\$940	\$1,578	\$2,367	\$3,444	\$5,514
\$300,000	\$700	\$940	\$1,578	\$2,367	\$4,547	\$6,617
\$350,000	\$700	\$940	\$1,578	\$2,367	\$5,650	\$7,719
\$400,000	\$700	\$940	\$1,578	\$2,367	\$6,753	\$8,822
\$450,000	\$1,803	\$2,043	\$2,303	\$2,903	\$7,855	\$9,925
\$500,000	\$2,906	\$3,146	\$3,406	\$4,005	\$8,958	\$11,028

SUMMARY OF MAJOR POINTS

- **Total FY2027 expenditures:** \$12,856,291, representing a **6.66% increase** over FY2026
- **No FY2025 surplus** was available to offset estimated spending, as in prior years
- **Estimated spending per equalized pupil:** \$16,003.54, a **20.05% increase** reflected on the ballot
- The increase in per-pupil spending is driven primarily by a **significant decline in equalized pupils**
- **Common Level of Appraisal (CLA) decreased in all three towns**, contributing to a higher local homestead tax rate
- **Over 50% of homesteads qualify for the Vermont Property Tax Credit;** most will pay 0.5%–2.63% of household income toward education property taxes instead of the local homestead tax rate



Questions?

BLUE MOUNTAIN UNION SCHOOL

FY 2027 BUDGET

VOTING DAY IS MARCH 3, 2026

