



NEW BUILD TAX IMPACT REDUCTION POLICY

I. Purpose of Policy

As the Mountain Views Supervisory Union, the Mountain Views School District, and their member towns (the “School District”) prepare to replace our existing Middle School and High School buildings, we recognize the potential for unsustainable tax impacts to our residents resulting from the repayment of associated Capital Debt. This policy (“Policy”) is established to ameliorate these impacts by:

1. Setting limits on Taxpayer Contribution to Capital Debt repayments to govern annual School District budgeting;
2. Identifying Alternative Funding Sources and implementing Alternative Funding Strategies; and
3. Requiring regular planning, tracking, and reporting of the means and manner of Capital Debt repayments.

II. Policy Scope and Duration

This Policy applies:

1. Specifically, to annual Fiscal Year budgeting processes; and
2. More generally, to all actions and decisions of the School District which impact education taxes paid by School District residents for the duration of any Capital Debt incurred for the planned replacement of the Woodstock Union Middle School and High School buildings.

III. Policy Statement

It is the policy of the School District to:

1. Limit Taxpayer Contribution to Capital Debt repayment in any School District Fiscal Year to an amount resulting in a Representative Tax Impact not to exceed sixteen percent (16%) as compared to the applicable tax rate excluding such Taxpayer Contribution (the “Tax Impact Cap”);
2. Implement strategies to continuously identify, pursue, receive, and allocate sufficient amounts from Alternative Funding Sources to give effect to the Tax Impact Cap each Fiscal Year.
 - a. Alternate Funding Sources may include, but are not limited to proceeds of the following:
 - i. Private Funds
 - ii. Increased Enrollment, as compared to Baseline Enrollment at equal tax rates
 - iii. Available State Funding
 - iv. Capital Debt restructuring or investment
 - v. Budget surplus from a past Fiscal Year as verified by audit
 - vi. Endowment allocations
 - vii. Permissible Budgetary Offsets
 - viii. Other budgetary cost savings
 - b. Alternate Funding Strategies include, but are not limited to:
 - i. Efforts to raise Private Funds, such as:
 1. Executing capital campaigns
 2. Establishing annual or planned giving programs
 3. Completing applications for public, corporate or institutional grant programs
 - ii. Marketing or promotion of School District offerings or programs to increase enrollment
 - iii. Hiring employees or consultants to advance Alternate Funding Strategies
 - iv. Organizing volunteer efforts to advance Alternate Funding Strategies
 - v. Structuring or investment of Capital Debt to avoid tax impacts to School District

- residents
- vi. Coordination with State of Vermont officials to qualify for or optimize funding amounts from the State
- vii. Coordination with officials from District member towns to qualify for municipal funding or to avoid education taxes; and
- viii. Reducing, consolidating or eliminating budget items to achieve cost savings
- 3. Establish and maintain an annual Capital Debt Repayment Plan, track progress against such plan, and publish Progress Reports on a semi-annual basis.
 - a. The annual Capital Debt Repayment Plan will include:
 - i. The outstanding balance of Capital Debt and the amount to be paid in a Fiscal Year;
 - ii. Numerically quantified Annual Goals expressed as both a dollar amount and percentage of Capital Debt to be repaid in a Fiscal Year detailing:
 - 1. Alternative Funding Sources by category and target amounts to be raised and/or allocated from such sources;
 - 2. Description of actions planned to raise and/or allocate to achieve target amounts; and
 - 3. Identification of resources and amounts recommended to achieve Annual Goals (e.g. staffing, information technology, transportation, expenses etc.)
 - iii. The amount of Capital Debt allocated to taxpayer funding and the corresponding planned Representative Tax Impact
 - b. Semi-Annual Progress Reports will include:
 - i. Projected status of achievement or non-achievement of Annual Goals;
 - ii. Any projected surplus or shortfall amounts compared to Annual Goals; and
 - iii. In the event of a projected shortfall with the potential to result in a Taxpayer Contribution exceeding the Tax Impact Cap for any Fiscal Year, description of actions to be taken by the School District to avoid exceeding the Tax Impact Cap.

IV. Definitions

Alternate Funding Sources: means funding sources which, when allocated to repay Capital Debt, have the effect of avoiding increases to the taxes paid by School District residents, as further described by Section 2(a) of this Policy.

Alternate Funding Strategies: means activities planned by the School District to raise funding for the repayment of Capital Debt from Alternate Funding Sources.

Annual Goals: means numeric values associated with identified Alternate Funding Sources described by Section III(3) of this Policy.

Available State Funding: means taxpayer funding (i.e. funds received by the School District through the State of Vermont Education Fund) which, if allocated to Capital Debt repayment for a Fiscal Year, would not increase local education tax rates from the previous Fiscal Year. As an example, changes to student “weighting” used by the State of Vermont to calculate distributions from the State Education Fund would make additional funding available to the School District without a corresponding increase to local tax rates.

Baseline Enrollment: means, as of the date of the first incurrence of relevant Capital Debt, the then-current number of 1) enrolled Equalized Pupils as verified by the State of Vermont Agency of Education; and 2) enrolled tuition students.

Budgetary Offsets: means the planned payment of School District expenses using non-taxpayer funding, resulting in corresponding availability of amounts allocable to the Taxpayer Contribution at the same tax rate.

Capital Debt: means amounts borrowed by the School District through public bond instruments for capital construction projects undertaken to replace the Woodstock Union Middle School and Woodstock Union High

School buildings located at 100 Amsden Way in Woodstock, Vermont.

Capital Debt includes but is not limited to the following costs as may be included in such bond amounts: design, planning, permitting, demolition, construction, and furnishing. For purposes of this Policy, Capital Debt excludes amounts not included in such bond amounts or amounts included in bond packages but not attributable to the project, such as costs incurred to replace, repair, maintain or operate other School District buildings.

Capital Debt Repayment Plan: shall have the meaning ascribed by Section II(3)(a) of this Policy.

Homestead Education Tax Rate: means, for any Fiscal Year, the School District's equalized Homestead Education Tax Rate calculated in accordance with 32 V.S.A. §5402 based on current enrollment information received from the Vermont Agency of Education, *before* application of adjustments for municipal property values (i.e. Common Level of Appraisal or CLA) in accordance with 32 V.S.A. §5405.

Fiscal Year: means each one-year period used by the School District for financial reporting and budgeting. For example, the current School District Fiscal Year began July 1, 2022 and ends June 30, 2023.

Increased Enrollment: means, for any School District Fiscal Year, the then-current number of 1) enrolled Equalized Pupils as verified by the State of Vermont Agency of Education; and 2) enrolled tuition students, if either is greater than their corresponding Baseline Enrollment numbers.

Private Funds: means amounts received by the School District from sources other than resident taxes. For purposes of this Policy, Private Funds shall include amounts that do not contribute to Education Spending, in accordance with 16 V.S.A. §4001(6).

Representative Taxpayer Impact: means for any School District Fiscal Year, the percentage of the Homestead Education Tax Rate for a homestead with a grand list value of four hundred thousand dollars (\$400,000.00), income of one hundred fifty thousand dollars (\$150,000.00), and excluding all other factors impacting such calculation as of January 1, 2023, and as thereafter adjusted for inflation, attributable solely to the repayment of Capital Debt.

School District: means the Mountain Views Supervisory Union, the Mountain Views School District, and the public education activities of their member towns.

Tax Impact Cap: shall have the meaning ascribed by Section III(1) of this Policy.

Taxpayer Contribution: means, for the total amount of Capital Debt repayment budgeted in a Fiscal Year, the portion remaining after allocation of all Alternate Funding Sources to repay such Capital Debt amounts.

Date Warned: First Reading- November 7, 2022

Second Reading- December 5, 2022

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