

Act 46 Cost Containment

Page 1 & 2 - **An explanation prepared by the AOE and WWSU FY2017 Per Pupil Threshold Amounts**

Page #3 - **Graph - Historical Change in Cost per Pupil by Member District and Allowable % per Act 46**

Page #4 - **Summary of Cost per Equalized Pupil and Act 46 Threshold and Allowable % for FY2017 – A Perspective and information about cost containment for each WWSU member district as laid out in secs . 37 & 38 of Act 46.**

For the explanation

Act 46 of 2015, Section 37, places constraints on the increase in spending per equalized pupil for every school district in both FY2017 and FY2018. Each district will have its own threshold, based on its spending per equalized pupil. While a district may choose to spend as much as it wishes per pupil, any amount over the calculated per pupil threshold will be added to the actual spending per pupil for the purposes of calculating the homestead tax rate. This will in effect double tax every dollar in excess of the allowable amount.

In the following example, if a district spends an extra \$200 per pupil over its threshold in FY2017, the district’s homestead tax rate will be based on a spending amount of \$16,200 rather than the actual amount of \$16,000:

FY2017 spending per equalized pupil	FY2017 per pupil threshold (calculated using the allowable growth rate as stipulated in Act 46.)	Per pupil amount over the threshold	Amount used to calculate the homestead tax rate
\$16,000	\$15,800	\$200	\$16,200

Spreadsheet description

Column 1 is the allowable percentage for FY2017.

Column 2 is the per pupil spending threshold amount. It is the result of the allowable growth per pupil for FY2017 (based on the allowable percentage, column 1) and the FY2016 education spending per equalized pupils, less eligible exclusions.

Column 3 is the per pupil spending threshold amount for FY2017.

Any FY2017 per pupil spending in excess of column 3 will be added to the actual FY2017 spending per pupil for purposes of calculating the homestead tax rate

FY2017 Cost Containment
secs. 37 and 38, No. 46, 2015

Cost containment as laid out in secs. 37 & 38
of Act 46 (H. 361)

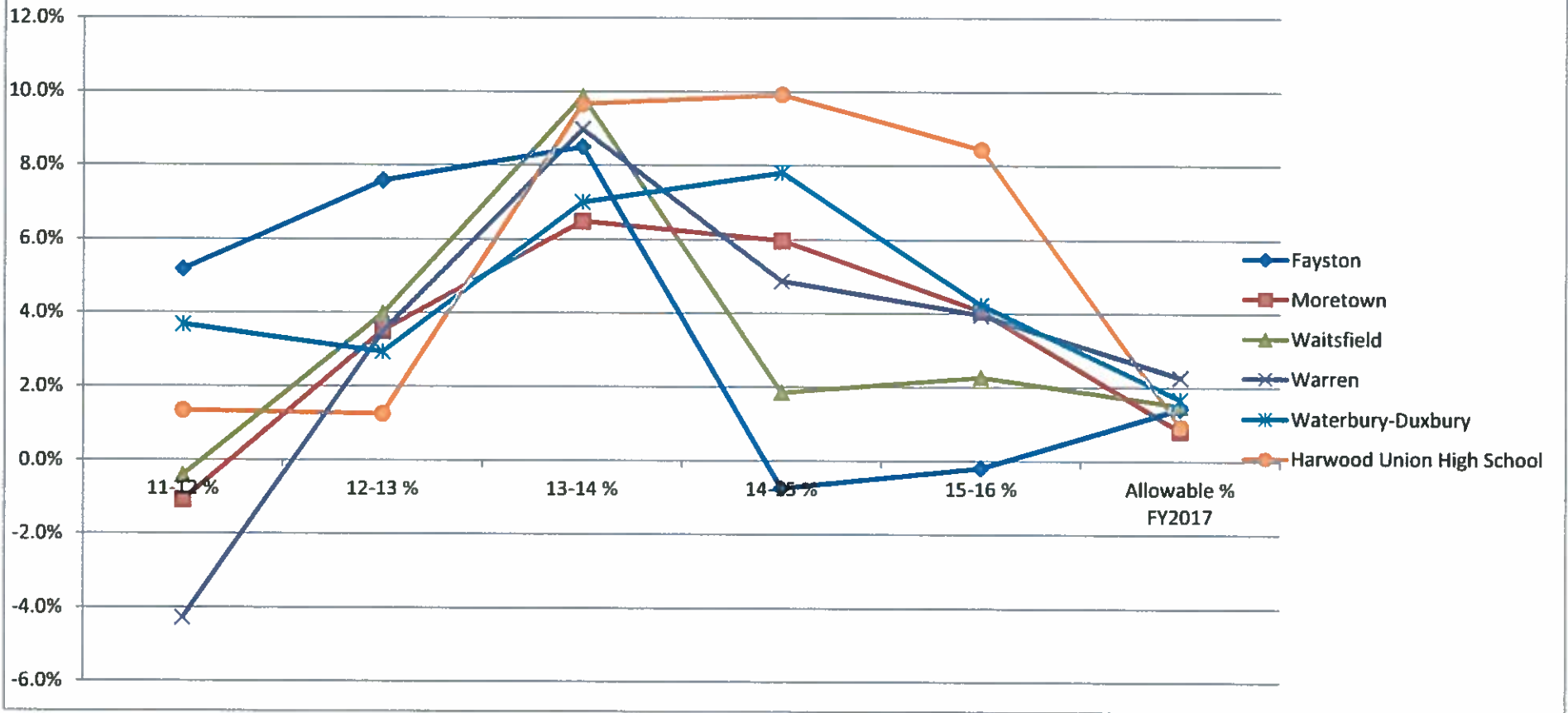
Education spending per equalized pupil less
eligible exclusions.

Based on final FY2016 budget data as of 14-Jul-15.

			A	B	C	D	E	F	G	H	I
			Informational Data				$D_{max} + D_{dist}$	$E \times 5.5\%$	$D \times F$		$G + H$
GovID	LEAID	S.U.	FY2016 EqPup (HH calc)	FY2016 Phantoms	FY2016 Percent Phantoms	FY2016 ES/EP less EXC max red ES/EP	ES/EP _{max} vs District ES/EP	Allowable Growth Percentage based on	FY2017 Allowable Growth per EqPup based on FY2016	FY2016 Actual ES/EP	FY2017 Max ES/EP prior to Excess
			89,163.23	640.07	100.70%	14,095.56	36.14%	1.99%	280.50	14,422.12	14,702.62
T063	Duxbury	42	-	-	-	203.05	-	-	-	203.05	na
T075	Fayston	42	97.22	(0.01)	100.00%	15,236.92	25.94%	1.43%	217.89	15,259.52	15,477.41
T130	Moretown	42	101.50	0.24	100.20%	16,540.95	16.01%	0.88%	145.56	17,604.68	17,750.24
T217	Waitsfield	42	135.99	-	100.00%	15,075.02	27.29%	1.50%	226.13	15,075.02	15,301.15
T222	Warren	42	145.16	0.05	100.00%	13,591.42	41.19%	2.27%	308.53	13,607.13	13,915.66
T224	Waterbury	42	-	-	-	-	-	-	-	-	-
U019	Harwood UHSD	42	706.61	5.77	100.80%	16,292.04	17.78%	0.98%	159.66	16,721.24	16,880.90
U045	Duxbury-Waterbury UESD	42	653.70	9.26	101.40%	14,468.36	32.63%	1.79%	258.98	15,473.15	15,732.13

Cost Per Pupil and Allowable FY17%	11-12 %	12-13 %	13-14 %	14-15 %	15-16 %	Allowable % FY2017
Fayston	5.2%	7.6%	8.5%	-0.8%	-0.2%	1.4%
Moretown	-1.1%	3.5%	6.5%	6.0%	4.1%	0.8%
Waitsfield	-0.4%	4.0%	9.9%	1.9%	2.3%	1.5%
Warren	-4.3%	3.5%	9.0%	4.9%	4.0%	2.3%
Waterbury-Duxbury	3.7%	2.9%	7.0%	7.8%	4.2%	1.7%
Harwood Union High School	1.3%	1.3%	9.7%	9.9%	8.4%	1.0%

Change in Cost Per Equalized Pupil



Washington West SU

Summary of Cost Per Equalized Pupil and Act 46 Threshold and Allowable % for FY2017

Town of:	FY 11	FY 12	11-12	FY 13	12-13	FY14	13-14	FY15	14-15	FY16	15-16	FY17 Per Pupil Threshold Amount	Allowable %
	Actual	Actual	%	Actual	%	Actual	%	Actual	%	Actual	%		
Fayston	\$ 12,549	\$ 13,199	5.2%	\$ 14,199	7.6%	\$ 15,405	8.5%	\$ 15,289	-0.8%	\$ 15,260	-0.2%	\$ 15,477	1.4%
Moretown	\$ 14,643	\$ 14,484	-1.1%	\$ 14,992	3.5%	\$ 15,965	6.5%	\$ 16,919	6.0%	\$ 17,605	4.1%	\$ 17,750	0.8%
Waitsfield	\$ 12,721	\$ 12,669	-0.4%	\$ 13,172	4.0%	\$ 14,472	9.9%	\$ 14,741	1.9%	\$ 15,075	2.3%	\$ 15,301	1.5%
Warren	\$ 11,563	\$ 11,069	-4.3%	\$ 11,454	3.5%	\$ 12,482	9.0%	\$ 13,090	4.9%	\$ 13,607	4.0%	\$ 13,916	2.3%
Waterbury-Duxbury	\$ 12,060	\$ 12,503	3.7%	\$ 12,870	2.9%	\$ 13,772	7.0%	\$ 14,846	7.8%	\$ 15,473	4.2%	\$ 15,732	1.7%
Harwood Union High School	\$ 12,466	\$ 12,634	1.3%	\$ 12,793	1.3%	\$ 14,029	9.7%	\$ 15,421	9.9%	\$ 16,721	8.4%	\$ 16,881	1.0%
SU Average	\$ 12,667	\$ 12,760	0.7%	\$ 13,247	3.8%	\$ 14,354	8.4%	\$ 15,051	4.9%	\$ 15,623	3.8%	\$ 15,843	1.4%
State Average	\$ 12,230	\$ 12,288	0.5%	\$ 12,789	4.1%	\$ 13,565	6.1%	\$ 14,008	3.3%			\$ 14,703	

Contributors to Cost Per Pupil

Revenue (i.e. Income, any fund Balance)-Revenue up, cost per pupil goes down. Revenue down, cost per pupil goes up.
Expenditures
Equalized Pupils

8/31/2015 Revised, Prepared by M. Baker, WWSU Director of Finance