

March 20, 2014, Bill Talbott, VT Agency of Education

Rough Estimate of Transition Costs for District Realignment

	Unit		Lower Range	Upper Range
Total staff	18,363			
Staff employed by SDs and interstate districts	4,102			
Staff employed by SUs	14,261			
Assume half of SUs have pay aligned	7,131			
assume 30% of those staff are at high end of range	2,139			
Staff that would have salary adjusted to upper level	4,991			
Upper range adjustment assumes \$2,000 per staff to alignment	2,000	\$	9,982,700	
Lower range adjustment assumes \$1,000 per staff to alignment	1,000	\$	4,991,350	
Assume a 3 year transition				
Year 1 costs at upper range				\$ 3,327,567
Year 1 costs at lower range			\$ 1,663,783	
Operational transition costs				
Legal fees, audits, It system changes				
Per SU	50,000			
Assume 45 SUs become 40 SDs		\$	2,000,000	\$ 2,000,000
Total Personnel and operational transition costs year 1			\$ 3,663,783	\$ 5,327,567
Total over three year transition			\$ 6,991,350	11,982,700
Does not include potential savings that could be realized by reducing staff size.				
From FY 2013 Summary of the Annual Statistical Report of the Schools				
FY 13 salaries and wages	855,252,171			
FY 13 Benefits	271,891,523			
Total	1,127,143,694			
One percent reduction	11,271,437			