



## SLATE VALLEY UNIFIED UNION SCHOOL DISTRICT

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To: Members of the House Ways and Means Committee

From: Cheryl Scarzello, Slate Valley Unified Union School District Director of Finance

Re: FY27 Budget and Yields

Date: January 20, 2026

Good afternoon. My name is Cheryl Scarzello, and I am the Director of Finance for the Slate Valley Unified Union School District, located in Fair Haven. This is my 18th year as a School Business Official. I have served on many VASBO committees, and I am currently one of three Vermont School Boards Association appointees to the VEHI Board of Directors.

Slate Valley, which is on the border of New York State, is made up of six towns. Five towns are in Rutland County—Fair Haven, Castleton, Hubbardton, West Haven, and Benson—and one town, Orwell, is in Addison County. In 2019, what was formerly the Addison Rutland Supervisory Union merged to become Slate Valley Unified Union School District. At that time, the district was made up of four elementary schools serving grades pre-kindergarten through grade 8, one middle school serving grades 6 through 8, and one high school serving grades 9 through 12.

The merger of the Addison Rutland Supervisory Union provided the district with a great opportunity to evaluate how we could operate in the most efficient manner possible. When we merged in 2019, we centralized as many district operations as possible, creating a more efficient organization and reducing redundant positions.

In July of 2022, in an effort to further consolidate, the middle school in Castleton was closed and sold back to the Town of Castleton. The elementary schools in Orwell, Benson, Castleton, and Fair Haven were reorganized and became pre-kindergarten through sixth-grade schools. The district chose to use the majority of the ESSER funds received to reconfigure the existing high school in Fair Haven to house all seventh- and eighth-grade students throughout the district, thus creating the Fair Haven Union Middle High School, serving students in grades 7 through 12.

In 2019, the district's enrollment was approximately 1,300 students. This year, enrollment has declined to about 1,170 students, representing a 10% decrease over eight years. Currently, 44 students are accessing vocational education programs in Rutland at the Stafford Technical Center, and four students are enrolled at the Hannaford Career Center in Middlebury. With Vermont State University's Castleton campus located within the district, 15 students are taking advantage of the early college program and 3 the dual enrollment program.

Over the last eight years, the district has reduced staffing by 45 positions, including three administrative roles. For the FY27 budget, we are making reductions of nearly 13 positions across the district.

In FY26, Slate Valley's education spending per long-term weighted average daily membership was \$11,565, which is more than \$2,300 below the state average. This placed Slate Valley as the 12th lowest-spending district in the state. Many of our neighboring districts in Rutland County also spend below the state average. Conversely, our neighbors in Addison County spend nearly \$3,500 more per student than Slate Valley. Slate Valley is consistently one of the lowest spending districts in the state.

Despite being a low-spending district, Slate Valley demonstrates a strong return on investment when viewed alongside regional spending and achievement data. Slate Valley's student performance on the Spring 2025 VTCAP shows competitive—and in several cases, above-average—outcomes across grades and content areas. Notably, the district ranks first or second regionally in multiple grade-level English and math comparisons. This indicates that Slate Valley is converting fewer financial resources into strong academic results, outperforming or matching districts with significantly higher spending levels.

Overall, the data suggest that Slate Valley's instructional systems, staffing models, and targeted supports are yielding high academic returns per dollar invested, reflecting efficient use of funds and effective educational practices relative to regional peers.

Given this low spending and above-average student outcomes, one might expect taxpayers to readily approve the district's budgets each March. In fact, our budget has been voted on 16 times over the last eight years. In only four of those eight years did the budget pass in March, and it took five votes to pass the FY25 budget, with final approval occurring in June 2024. Typically the higher spending districts to our north pass their budgets on their first vote.

Notably, the FY25 budget reflected the first year of new student weighting under Act 127, from which Slate Valley significantly benefited. Despite the district's efforts to communicate this benefit, voters continued to reject the budget, which we believe was largely influenced by messaging at the state level regarding school district spending.

In early January, we worked with our Finance Committee to make final decisions regarding the FY27 budget so that the ballot warning could be signed at the board meeting on January 26<sup>th</sup>. The FY27 expenditure budget reflects an increase of 2.80%, resulting in a 3.48% increase in education spending per LTW ADM.

What we are unable to provide taxpayers with is their actual school tax rate, which is ultimately what they most want to know. While we share extensive information each year about increases and decreases in the budget, we are only able to provide tax rate estimates at the time the budget is first voted on in March because the yield has not yet been set. Without the final yield being passed by the Legislature and signed by the Governor, we can only provide estimates.

This uncertainty is understandably frustrating for voters, and we believe it contributes to the repeated rejection of our budget. Taxpayers are being asked to approve a budget without knowing the ultimate impact on their tax bills, and it is easy to understand why that creates frustration. We are very careful in all of our budget communications to emphasize that tax rates are estimates because the yield has not yet been set. However, I would say that most taxpayers have no idea what this actually means.

In order to develop tax rate estimates, I use the yield provided in the December 1<sup>st</sup> letter from the State Tax Commissioner. At the time the warning must be signed, this is usually the only yield available. In four of the last five years, the final yield as enacted has been higher than the yield included in the December 1<sup>st</sup> letter.

There have been years when, based on information presented to the Legislature by the Joint Fiscal Office (JFO), I have adjusted the yield assumption; however, this typically only occurs in years when we have multiple budget votes. In only two years has the yield been set by the time of our final vote, and only in those instances have I been able to provide tax rates with certainty.

I believe it is reasonable for taxpayers to know what their tax rate will be at the time they are asked to vote on their school budget. Education funding in the State of Vermont is complicated, and trying to understand it is enough to make your head spin—even after dealing with it for 18 years. I fully understand the frustration our taxpayers feel when, at the end of a lengthy budget presentation, we have to say that we can only estimate the change in their school tax rate because the yield has not been set.