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To: Members of the VT House Ways and Means Committee

From: Jacob Vezina, Hartford School District Director of Finance

RE: FY27 Budget and Yields

Date: January 20, 2026

Dear Members of the VT House Ways and Means Committee,

I come before you today to share testimony regarding the process of our FY27 budget for the Hartford School District and the impact of the yields. In my seven years of school business administration, this budget has been the most challenging. We're in an interesting position in that we have a Career and Technical Center and two Special Education Collaboratives. When we're talking about the impact of budgeting, we're seeing it from many different perspectives.

We were in a good position with FY26, when we finally got our re-appraisals done, so our CLA with the state adjustment reached an all time high. Last year's yields with the buy down led to a decrease in the FY26 homestead tax rate. We ended up with an enormous homestead tax rate *decrease* of 39%.

There have been a number of challenges that have impacted the budgeting process for FY27. There still remains plenty of uncertainty on the path forward. With the current timeline of Act 73 set to go into effect FY29, it's impossible to know what we should be planning for. Our three negotiated agreements (professional staff, support staff, and administrators) expire at the end of FY26 and are up for renewal. Where we ended up settling on salary increases was a little bit higher than what I had initially budgeted for in October. Health insurance rates continue to be a significant financial burden on our budget in Hartford. Our dental rates are going up by 12% for FY27. Another challenge was getting an accurate long term weighted average number. Our number changed quite a few times and wasn't finalized until January 5th. It's concerning to me that we cannot seem to accurately count Vermont students. That piece of data is crucial in developing our budget. Additionally, Facility needs from deferred maintenance continues to be a growing issue in the budget.

In FY25, we reduced around \$2.5 million from our budget to try and bring tax rates down. That year, while a large number of budgets did not pass, we were able to pass both the budget and our \$21 million facilities bond to address a number of deferred maintenance issues.

Our approach to the budget has been to arrive at a level service. As we navigate Act 73, we've tried to be very careful about not adding new positions. We're working through our staff to student ratios to be compliant with section 6 of Act 73, and to explore innovative ways to strategically use the staff we already have in the district. This is the first year that we've been fully staffed at the administrative level and we are trying to stabilize our levels across the district. We have done our best to shuffle the deck chairs and continue to discuss how best to use the resources we have available. With the exclusion of our debt service, we fall below the excess spending threshold. We have no interest in going over the excess spending threshold as stewards of community resources and on behalf of our taxpayers. We know that there are some surrounding districts to us that are over the excess spending threshold for FY27. As a part of our budget, we are applying \$1.7 million of surplus to buy down taxes and remain within the allowable per pupil spending threshold that the state has set.

Our approach to the budget each year has been to strive to find a balance between moving Hartford forward, realizing our vision and the mission work necessary to get us there, and trying to keep things affordable for our community. As the years have gone on, this has proven to be more of a challenge. Each administrator has their wishlist of human and material resources that they would like to add to the budget, but we've been very cautious and have managed expectations throughout the last several years to avoid having to pivot and significantly reduce the budget without careful and thoughtful planning.

When we receive the December 1 letter with the draft of the yields, it gives us a better idea of what tax rates are looking like. It gives us a chance to make some adjustments if we need to since we also get a draft of the CLA now as well. In developing the budget, I'm basing my numbers on the December 1st letter yields. As I always tell my taxpayers, each version of the budget is a snapshot in time based on the current information we have available. I know going into Town Meeting day that the yields are not going to be final. I want to be as transparent as I can be about what the numbers are looking like, so people can make an informed decision.

The future of budgeting is only going to get more difficult. The cost to educate and care for our students has gone up over the last few years. The needs of our students have increased post Covid-19. It's difficult to see the future of budgeting with so much up in the air as far as the path forward. I think school education funding reform does need to happen, but it should be a measured and calculated approach with collaboration from those in the field.

Thank you for your time,

Jacob Vezina
Director of Finance
Hartford School District