

Public Comment – Ted Plemenos, Business Manager and CFO, Rutland City Public Schools

House of Representatives, Ways and Means Committee

January 20, 2026

Good afternoon. Thank you for the opportunity to testify before your Committee.

I'm Ted Plemenos, Business Manager and Chief Financial Officer of Rutland City Public Schools (RCPS). I have served the School District as Business Manager for five years.

At the Committee's request, I am glad to share observations about:

- the District's budget process;
- how the homestead property dollar equivalent yield affects our budget process and the District;
- the impact of the annual December 1 letter from the Department of Taxes, which conveys a preliminary yield estimate;
- how the Legislature's yield bill each spring impacts budgeting and voting at the District level.

Last week, the RCPS Board of School Commissioners approved a District budget of \$69.8 million for Fiscal Year (FY) 2027. If approved by voters in March, this budget would result in Per Pupil Education Spending of \$12,666 in FY 2027 for RCPS. That Per Pupil Education Spending would be about 10% below one projection of the median for Vermont public schools next year.

In regard to the homestead property dollar equivalent yield, that yield has a substantial impact on homestead property tax rates at the local level as you know. Let me share an example:

- The Tax letter issued last month estimated a preliminary yield for Fiscal Year (FY) 2027 that is 3% higher than this year's yield, increasing to a projected \$8,849.
- If that preliminary yield was applied for this current year, then the homestead property tax rate for RCPS would have been 5 cents lower at \$1.55 versus the actual rate of about \$1.60.

My colleagues and I pay attention to the preliminary yield when it is issued each December, and to its possible implications for the coming year's homestead property tax rate. That is part of a process to prepare a budget that reflects a cost structure which is responsible for the current year, and which is sustainable for the long term.

However, our school district does not develop its annual budget based on an estimated or projected property tax rate. We spend several months each fall and winter working with school principals, with other administrative leaders, and meeting with the Finance Committee of our School Board, to develop a budget from the ground up. Each budget reflects staffing levels and other resources that will be needed to operate our educational programs for the coming year. Each year's educational programs are designed to achieve goals that have been detailed in the District's 5-year strategic plan.

When reflecting upon that latter aspect of budgeting, being based on a multi-year strategic plan, it's easier to appreciate how important it is for school districts to anticipate continuity and consistency in local, state, and federal funding.

We know that the preliminary yield estimate issued each December is subject to change, and that it will not become final until enacted by the Legislature the following spring.

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For these and other reasons, RCPS typically refrains from offering projections of a homestead property tax rate during our budget reviews. At most, we might refer to a range of possible property tax rates, depending upon possible outcomes of the yield legislation. All that we know about such early projections is that they are likely to be inaccurate, until the yield bill is enacted.

It might be fair to suggest that, if there could be a way to provide more certainty about the eventual, official property dollar equivalent yield sooner in the budget process and voting process, then some anticipatory concerns might be reduced.

Perhaps, with more clarity earlier in the process, then budgeting and communications could be more efficient and to the point?

An option to consider might be for the Department of Taxes to offer an early assurance that the forthcoming year's homestead property dollar equivalent yield will be set at least at a *minimum level* that is determined or selected each December? And which could possibly increase later in the spring, before being enacted, if State finances allow? As the State's overall budget progresses during the year, then the Legislature could deal with any ensuing budgetary impacts at the State level?

Before concluding my remarks, I'd also like to comment on an earlier point about the importance for district budgeting of being able to anticipate continuity and consistency in funding; and how that relates to conversations about implementing a new foundation formula, which might replace current funding mechanics based upon Act 127 pupil weighting and cost factors.

RCPS is of course open to a foundation formula conversation. Our Administration believes, however, that any new plan for a foundation formula should only move forward with full district-level modeling also being provided. A school district cannot evaluate a new proposal, and its potential results, without first seeing the numbers.

In that regard, RCPS and I greatly appreciate the leadership that Representative Kornheiser and the Legislature provided a few years ago when implementing Act 127. Legislators who participated on the former Task Force on the Implementation of the Pupil Weighting Factors were particularly effective in advancing a data-driven policy that created a more accurate and sustainable way of funding school districts. These legislators proved once again that sound, data-driven policy can be achieved.

That concludes my remarks. Thank you again for the opportunity to speak with you today. I would be glad to address any questions.

Respectfully submitted,

Ted Plemenos

Business Manager and Chief Financial Officer

Rutland City Public Schools