
Regional Technical Academy: Fiscal Impact Model Description and Estimates for Selected Scenarios

Prepared for
The Regional Technical Academy
Planning and Development Group

Deborah Brighton by Thomas E. Kavet
and

Ad Hoc Associates Economic & Information Systems Consulting
98 Shard Villa Road Grandview Road
Salisbury, Vermont 05769 Williamstown, Vermont 05679
802-352-9074 802-433-1360
brighton@sover.net kavet@aol.com

December 30, 2002

Fiscal Analysis Associated With the Proposed Regional Technical Academy

The fiscal analysis associated with this report was prepared by Thomas E. Kavet of Economic & Information Systems Consulting and Deborah Brighton of Ad Hoc Associates.

The purpose of this analysis is twofold: First, it is designed to quantify likely fiscal impacts associated with the development of a regional technical academy in Chittenden County to the State and affected towns and schools under a variety of assumptions and funding options. Second, it is designed to create a set of working models that will allow those planning and analyzing the development of this institution to test and quantify the fiscal impacts of other assumptions and funding options that may yet be explored.

The models have been designed and specified consistent with the standards used for other State fiscal and educational planning activities by the Legislature and Administration and are consistent with current State economic and demographic forecasts. They are designed to be tools for further analysis by those planning the Regional Technical Academy and other public officials controlling, and affected by, this initiative.

There are many issues and options that could affect the ultimate fiscal impacts associated with this project. Among others, these include:

- Downsizing options and costs at other area schools
- Capital savings at other area schools
- Various funding mechanisms
- Other supporting tax sources
- State aid issues
- Attendance at the school, by town
- Construction and operating costs
- Uses of the Academy and related income from private sector firms

The analysis herein focuses on two primary sets of options. The first is based on “current law” conditions, and the second is a “Zero-Tax-Base” (ZTB) scenario developed as a proposed option for legislative consideration. Further variations on these and other options may be run at legislative or other State or local government request.

Economic, Demographic and Enrollment Projections

Central to all fiscal projections presented herein are forecasts of the larger economic and demographic currents that will affect basic demand for public educational services in the region over the next five to ten years. The relevant region analyzed consists of 25 towns, mostly in Chittenden County, but also including several towns in Grand Isle and Franklin Counties (see Table 1). This is the current service region for the two existing technical centers in Chittenden County.

The underlying demographics affecting this project are a function of the age structure of the existing population, local births and net in-migration to the area. All of these broad factors, which affect growth in the school-age population, are likely to be less robust in the coming decade than during the past ten years.

All demographic projections herein are based on an age cohort model with net in-migration related to economic variables. These projections are consistent with official State economic and demographic projections used in the State budgeting process.

The dominant demographic event affecting both this region and the State (as well as the U.S.) is the general aging of the population. As the huge post-WWII "baby-boom" population cohort ages, the median age of the regional and state population has risen steadily. As illustrated in Chart 1, the largest single age cohort in 1980 was about 20 years old. As depicted in Chart 2, in 2000, it was about 40 years old and will soon pass beyond the maximum age normally associated with child-bearing potential (age 44).

Also of note, the Vermont population age 85 and over in 1980 was just over 6,000 persons. By 2000, it had risen nearly 65%, to more than 10,000 persons.

CHART 1

Vermont Population by Age - July 1980

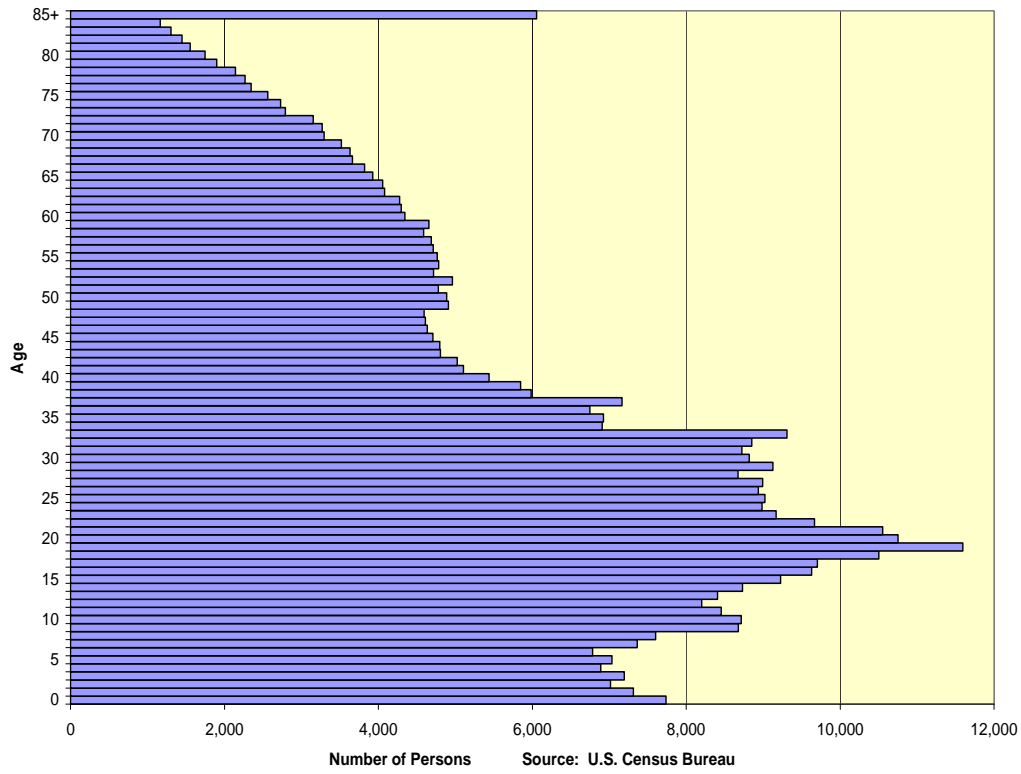
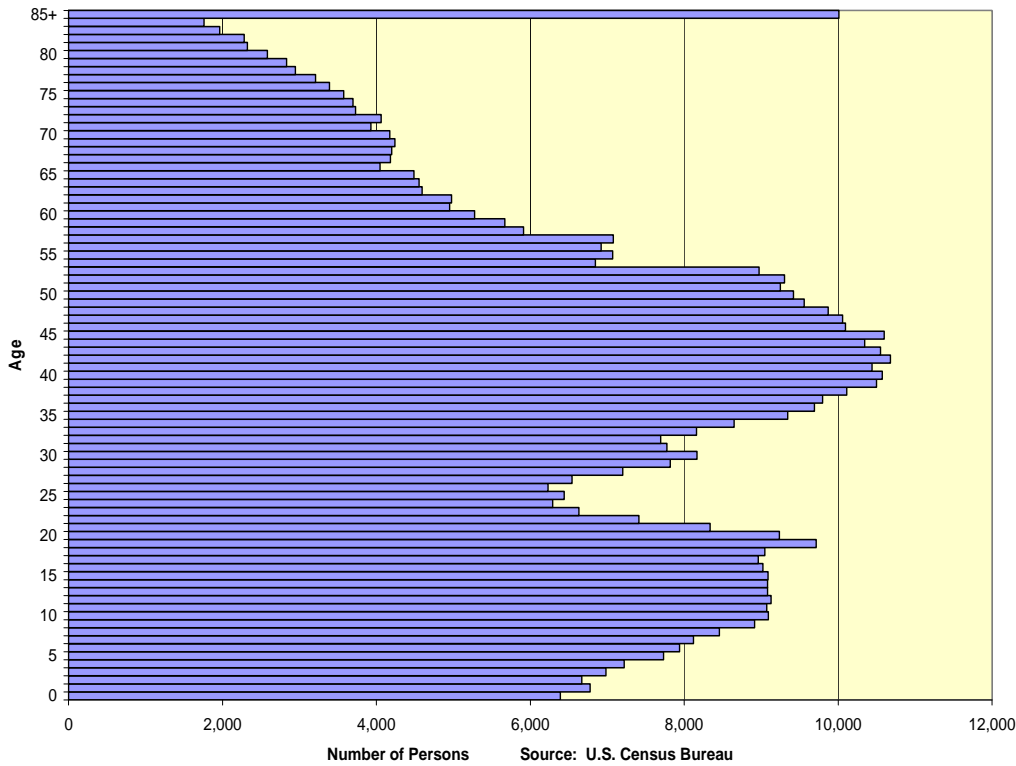


CHART 2

Vermont Population by Age - July 2000



Although there is a population “echo,” consisting primarily of the children of “baby-boomers,” that swelled public school enrollments in the early part of the last decade, the fertility rate associated with “baby-boomers” has been the lowest ever experienced in the State. After peaking at more than 120 live births per 1000 women ages 15-44 in the 1950’s and early 1960’s, the fertility rate in Vermont plunged to about half this level in the 1980’s and 1990’s and now stands at about 50 live births per 1000 women (see Chart 3).

These extremely low fertility rates have translated into declining total State births throughout the 1990’s (see Chart 4), which, in turn, have caused aggregate public school enrollments to decline during the past few years. These declines are likely to continue, until there is a second “echo,” this time consisting of the grandchildren of “baby-boomers.” This is likely to occur towards the end of the current decade, as the age composition of the population in 2010 will support a slight increase in the fertility rate.

Although enrollment declines have been registered throughout the State, areas with especially high net in-migration, such as Chittenden County have experienced less severe declines, and in some more local areas, continued increases.

CHART 3

Vermont Fertility Rate, 1880-2010

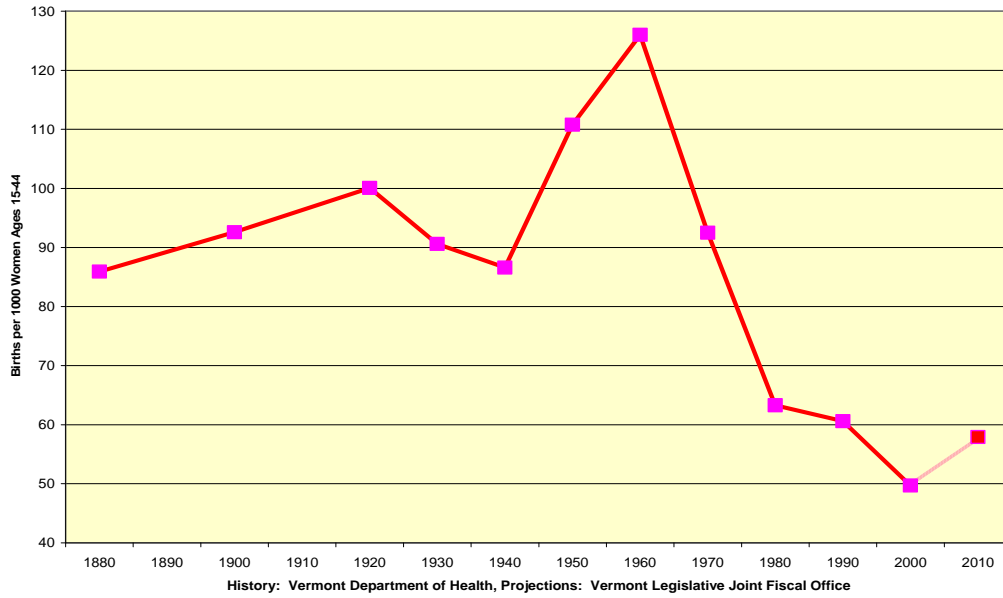
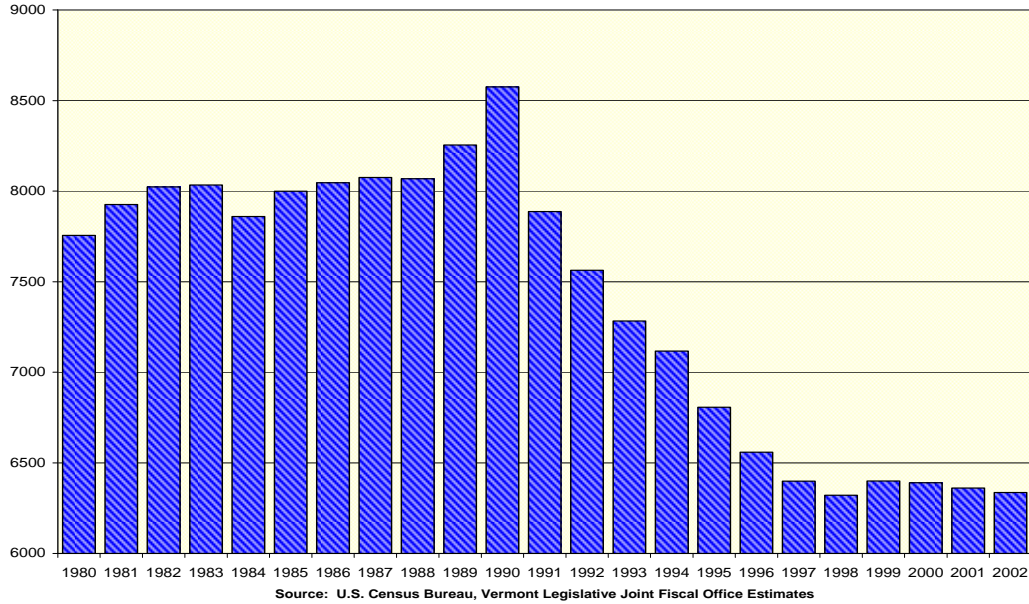


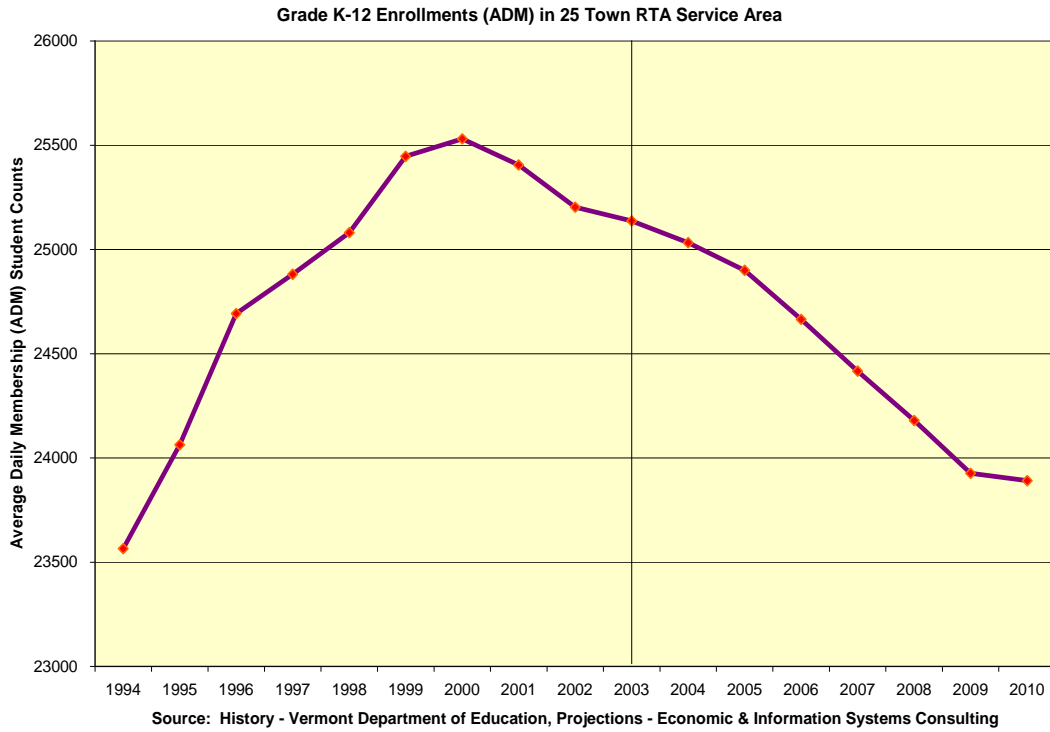
CHART 4

Vermont Population - Age 0



After growing rapidly in the early part of the decade, total public school enrollments in the 25 town area served by the proposed Regional Technical Academy leveled off at about 25,500 students (on an Average Daily Membership, or "ADM," basis) in FY1999 and FY2000 and have experienced declines in each of the past three years (see Chart 5).

CHART 5



Total K-12 public school enrollments in the region are expected to continue to decline over the next 7 years, as lower near-term net-migration is affected by weakening economic conditions and the low number of recent births feeds into the school system with a 4 to 5 year lag. After a gradual 10-year decline, enrollments will once again register growth in the decade beginning in FY2010.

Enrollment patterns for higher grades only, such as the high school age groups that will drive demand for the Regional Technical Academy, are illustrated in Charts 6 and 7. Chart 6 shows historical and projected area enrollments for Grades 9-12, and Chart 7, enrollments for grades 11-12.

Enrollments in grades 11-12 are projected to crest considerably later than total K-12 enrollments, at just over 4,000 students in FY2007.

CHART 6

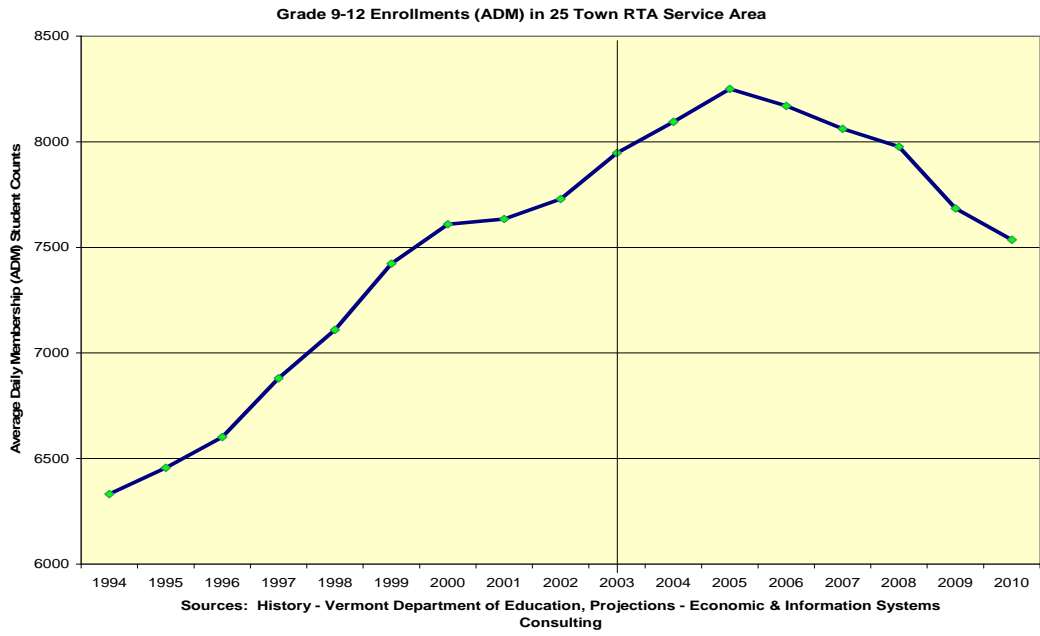
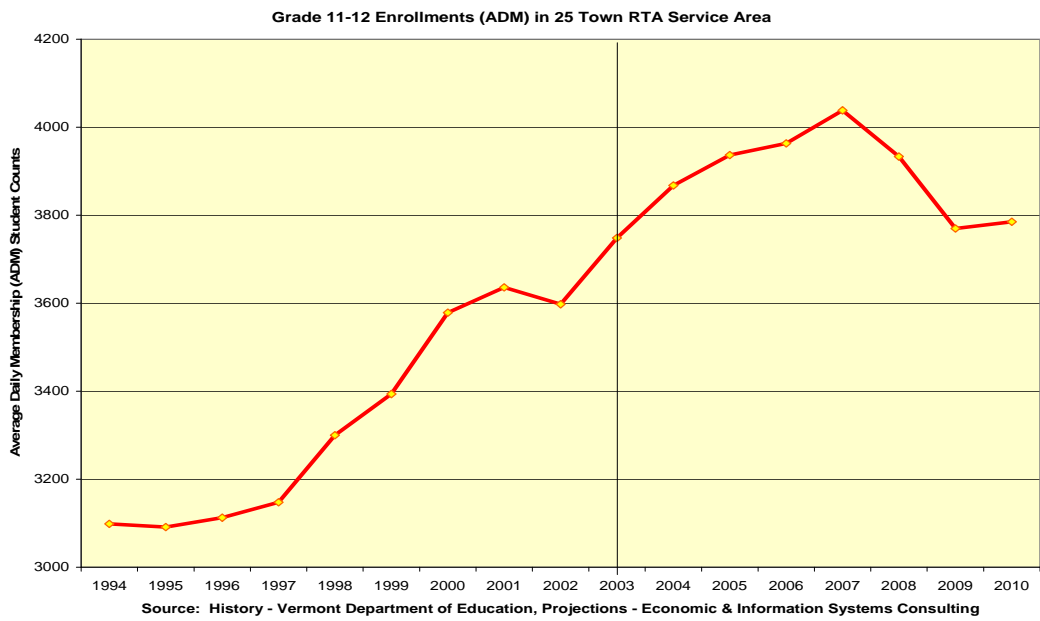


CHART 7



In order to quantify fiscal impacts by each affected town, enrollment projections were developed by town and by grade for grades K-12 in each of the affected 25 area towns. Enrollment projections by school and by grade were also developed for affected area high schools. These were used to estimate overall demand for the Regional Technical Academy, as well as financial impacts associated with funding formulas that consider total enrollments by grade, maximum loss provisions and potential capital offsets from deferred or reduced capacity expansions. All enrollment estimates are all expressed on an Average Daily Membership (ADM) basis, as defined by the Vermont Department of Education.

TABLE 1

**ENROLLMENT PROJECTIONS
REGIONAL TECHNICAL ACADEMY AREA TOWNS**

Town	Grades 11-12					Grades K-12				
	Number of Students (ADM)					Number of Students (ADM)				
	FY03	FY04	FY05	FY06	FY07	FY03	FY04	FY05	FY06	FY07
Bolton	25	25	23	27	28	184	187	188	191	193
Burlington	480	534	526	510	531	3493	3443	3392	3303	3247
Charlotte	89	85	92	100	107	681	669	668	658	649
Colchester	367	338	365	376	372	2428	2404	2392	2380	2339
Essex Jct	278	285	276	286	291	1588	1603	1583	1569	1555
Essex Town	366	335	348	349	354	2134	2110	2119	2131	2123
Fairfax	115	123	108	106	136	776	773	767	754	758
Fletcher	20	29	35	28	30	212	214	218	210	208
Georgia	127	133	143	141	142	921	929	929	930	920
Grand Isle	63	50	42	56	55	307	297	281	283	274
Hinesburg	130	139	135	131	138	822	805	797	781	777
Huntington	50	46	54	51	43	331	319	317	309	300
Jericho	141	136	139	144	123	780	771	758	753	735
Milton	248	258	253	256	267	1835	1849	1849	1846	1847
N. Hero	29	20	14	12	11	114	103	100	99	101
Richmond	108	131	145	132	137	829	814	799	761	733
St. George	17	22	23	20	17	139	136	135	132	130
Shelburne	147	164	187	189	182	1189	1192	1180	1152	1114
S. Burlington	365	412	430	435	466	2530	2564	2595	2595	2598
S. Hero	55	58	54	52	58	310	308	306	299	302
Underhill ID	65	62	55	54	52	363	359	348	346	342
Underhill Town	101	91	94	105	90	505	492	473	470	447
Westford	63	70	60	57	57	395	395	376	363	353
Williston	197	192	200	217	213	1442	1468	1510	1554	1586
Winooski City	104	131	134	129	135	830	830	821	795	783
TOTAL	3748	3868	3937	3963	4038	25137	25033	24900	24665	24416

Student/Parent Survey and RTA Enrollment Projections

In order to assess the relative demand for the Regional Technical Center by town and school location, a large-scale survey was developed to gather relevant information from grade 9-12 students and their parents. The survey was designed to: 1) Explain differences between the new Technical Academy and existing area technical center education (such as the full-time basis of the new Academy), 2) Assess levels of interest in the proposed Academy by location and grade level offerings, and 3) Solicit input on course composition and other school characteristics.

The survey was conducted with the cooperation of area superintendents, principals and teachers in October of 2002 and was distributed during school hours to more than 7,500 area students in grades 9-12. Participating high schools included: Burlington, Colchester, Mt. Mansfield Union, Milton, South Burlington, Essex, Champlain Valley Union, Winooski, the two existing technical centers (Center for Technology in Essex and the Burlington Technical Center), and the Bellows Free Academy in Fairfax.

The survey was designed to be completed by students during class time, immediately after receiving the survey, with written instructions provided to each teacher distributing the survey. Students were given a three page handout consisting of a cover sheet explaining the proposed Academy and survey purpose, followed by two attached survey forms, one for the student and the other for their parents. The last page was the student survey, to be completed during class time, detached and returned to the teacher. The remaining two pages were to be taken home, discussed with parents and returned within a week. The student/parent survey forms were coded by number so as to identify matched responses.

The purpose of the joint student parent forms was to insure a maximum response via the student surveys completed during class time and collected by the distributing teacher, and to maximize survey quality by supplementing these with what was hoped would be more thorough discussion and parental involvement in completing the parental form.

Different survey forms were distributed to existing technical center students and coded separately so as to avoid duplication and allow additional response detail. Copies of each of the survey forms distributed may be found in Appendix A of this report.

More than 6,000 valid survey responses were received. As expected, student response rates were exceptionally high, with more than two-thirds of all area high school students responding. Parental survey response rates were much lower, as expected, but still totaled nearly 1,000, and provided valuable information in the analysis.

The survey responses were reviewed for completeness and screened to avoid duplication from parental or technical center responses. Only one survey response was counted in the final response set for each student. Generally, the parental response form was used in place of that completed by the student during school, except in cases where the student form was substantially more complete. Nearly 5,000 students were represented in the final survey data set, about two-thirds of the total 9-12 grade enrollment in the region.

As outlined in Table 2, about one-third of the survey respondents had no interest in attending the proposed Regional Technical Academy in either proposed location, and about another 20% were “uncertain.” About one-quarter of those responding were “somewhat interested” in the new school, and about 20% were either “very interested” or stated that they would “definitely attend.” Two possible locations for the Academy were proposed: South Burlington and Essex.

TABLE 2 – All Towns, Survey Totals, General RTA Interest

	School Location		Grades 9-12
	South Burlington	Essex	Instead of 11-12
Not Interested	34%	30%	35%
Uncertain	23%	22%	25%
Somewhat Interested	26%	26%	21%
Very Interested	10%	12%	12%
Would Definitely Attend	7%	9%	8%

The Essex location yielded a slightly more favorable locational response than South Burlington from both parents and students, with comparable “uncertain” and “somewhat interested” response rates, but lower negative and correspondingly higher positive responses. This analysis assumes an Essex development location for the Academy.

There was wide divergence by town in the level of interest in the proposed Technical Academy. For example, students residing in Charlotte expressed among the lowest levels of general interest in technical education, regardless of location (see Table 3). Alternatively, Milton (like Winooski, Fairfax, Georgia and others) had relatively high levels of interest in technical education, although there were significant differences in levels of interest by location (see Table 4).

TABLE 3 – Charlotte Survey Totals, General RTA Interest

	School Location		Grades 9-12
	South Burlington	Essex	Instead of 11-12
Not Interested	38%	50%	47%
Uncertain	23%	24%	27%
Somewhat Interested	23%	18%	16%
Very Interested	14%	8%	9%
Would Definitely Attend	1%	1%	1%

TABLE 4 – Milton Survey Totals, General RTA Interest

	School Location		Grades 9-12
	South Burlington	Essex	Instead of 11-12
Not Interested	17%	16%	18%
Uncertain	21%	17%	22%

Somewhat Interested	33%	32%	23%
Very Interested	17%	23%	21%
Would Definitely Attend	12%	13%	16%

By assigning probability weights to each response category, aggregate and relative demand levels for the Academy were generated. The weights assigned to each category were as follows: “not interested,” 0%; “uncertain,” 5%; “somewhat interested,” 15%; “very interested,” 85%; and “would definitely attend,” 100%. Although the primary purpose of the survey was to generate *relative* interest levels by town, school and proposed Academy location, this analysis suggests aggregate Academy enrollments are likely to be in the 700 to 1,000 student range.

For purposes of this analysis, RTA enrollments were capped at 800 in “year one” (FY03) and thereafter allowed to move in accordance with overall enrollment and demographic changes in the region. This initial enrollment level represents a draw of about 21% of the total potential grade 11-12 student base in the region. It should be noted that this is somewhat lower than the share of students attending similar institutions in other states and that enrollments could exceed this level. Massachusetts (Minuteman High School in Lexington) and Florida (William H. Turner Technical High School in Miami) host technical high schools that attract approximately 25% of the potential student base.

Town level enrollments in the proposed Technical Academy were derived by using the weighted survey data for the Essex location and existing technical center enrollment patterns. These relative levels of attraction were then applied to the grade 11-12 enrollment projections presented in Table 1. Table 5 depicts projected enrollments by town for the proposed Academy. These data were then input to the financial model for all subsequent town and school level fiscal calculations.

TABLE 5

**ENROLLMENT PROJECTIONS FOR
REGIONAL TECHNICAL ACADEMY
BY TOWN**

Town	RTA at Essex Number of Students (ADM)				
	FY2003	FY2004	FY2005	FY2006	FY2007
Bolton	8	8	7	9	9
Burlington	113	126	124	120	125
Charlotte	11	10	11	12	13
Colchester	80	74	80	82	82
Essex Jct	60	62	60	62	63
Essex Town	66	60	62	63	64
Fairfax	44	47	41	41	52
Fletcher	9	13	16	13	14
Georgia	27	29	31	30	31
Grand Isle	15	12	10	13	13
Hinesburg	34	36	35	34	36
Huntington	14	12	15	14	12
Jericho	19	18	19	19	16
Milton	76	79	78	78	82
N. Hero	3	2	2	1	1
Richmond	25	30	33	31	31
St. George	3	4	5	4	3
Shelburne	18	21	23	24	23
S. Burlington	53	60	63	63	68
S. Hero	9	9	9	9	10
Underhill ID	8	8	7	7	7
Underhill Town	15	13	14	15	13
Westford	18	19	17	16	16
Williston	33	32	33	36	35
Winooski City	33	41	42	41	43
Other	7	7	7	7	7
TOTAL	800	833	843	843	867

Regional High School Capacity Issues and Potential Capital Offsets

Despite projected declines in high school enrollments likely to begin in about FY2006, there are pressing capacity issues associated with at least two area high schools that could be alleviated in part or whole through construction of the proposed Technical Academy. Given current enrollment projections, most other area high schools are unlikely to experience capacity issues that would require significant capital outlays for new construction.

Although none of these potential savings are considered in the current analysis, it will be important to explore these issues in greater detail to ascertain and quantify potential capital offsets from Technical Academy substitution for these area expansion needs.

The two area high schools that appear to have the most significant capacity issues are the Champlain Valley Union (CVU) and Essex high schools. Both schools are currently operating above stated student capacities and have been planning or considering various options to address space constraints. Despite enrollment declines expected to begin later in this decade, both of these schools are likely to experience capacity issues through much of the next 10 years.

TABLE 6 – Regional High School Capacity Issues

	Student Capacity	Enrollment FY2002	Projected Enrollment		Capacity Minus Enrollments		
			FY2005	FY2010	FY2002	FY2005	FY2010
Burlington – including BTC	1700	1226	1330	1152	+474	+370	+548
Colchester*	800*	746	764	745	+54	+36	+55
Mt. Mansfield	1000	1000	1003	849	+0	-3	+151
Milton	500	523	554	495	-23	-54	+5
South Burlington	950	902	1040	921	+48	-90	+29
Essex - including CTE	1650	1809	1839	1674	-159	-189	-24
CVU	950	1206	1323	1309	-256	-373	-359
Winooski (H.S. only)	325	214	272	236	+111	+53	+89
BFA - Fairfax (K-12)**	1200**	939	963	909	+261	+237	+291

* Preliminary estimate, pending verification

** BFA-Fairfax capacity and enrollment estimates include grades K-12, since facility space may be used by any grade

Based on the preceding enrollment analysis, it is likely the proposed regional Technical Academy could alleviate virtually all of the need for capacity expansion at Essex and about one-third of the expansion needed at CVU. This could represent millions of dollars in capital expenditure offsets if expansion plans can be coordinated with development of the proposed Technical Academy.

Smaller periodic savings related to temporary facilities could also be achieved at Milton and South Burlington high schools, where temporary capacity issues would be nonexistent if the Technical Academy was operative.

Potential capacity offsets at Essex High School also raise the issue of valuing the existing buildings occupied by the Burlington and Essex technical centers that will no longer be needed if or when the new technical Academy is built. These facilities have considerable market value, in Essex to offset expansion that might otherwise be needed, and in Burlington for other possible public uses. A method for valuing these properties and applying this valuation to the proposed Technical Academy has not been included in this fiscal analysis, but should be considered as a part of the ultimate fiscal analysis for the Academy.

How the Regional Technical Academy Would Be Funded

The Regional Technical School District would be a separate "Zero-Tax-Base" district. Geographically, it would be an overlay district, covering the primary service region. There would be no tax base associated with the region, as the tax base associated with the geographic area is already sending both the state tax and the local share to the Education Fund. The students attending the Regional Technical Academy would belong to the RTA district; they would no longer be counted as students of the local sending district.

Each local school district within the region would pay into the Education Fund an amount equal to \$1.10 X the Equalized Education Grand List (state school tax) plus the local share tax rate X the Equalized Education Grand List (local share school tax). The local share tax rate would be based on the average above-block spending per equalized pupil in the district, just as it is currently.

Each local school district would receive from the Education Fund the General State Support Grant (\$5,566 in FY 03) per equalized pupil plus the district's average above-block spending per equalized pupil, just as it does currently.

The Regional Technical School District would receive from the Education Fund the General State Support Grant (GSSG) per RTA equalized pupil, plus the region's average above-block spending per equalized pupil.

The amount of money going *into* the Education Fund would be the same under the Zero-Tax-Base model as it would be if the RTA charged an assessment to each district equal to the average spending per pupil and the pupils continued to belong to the local district.

The amount of money going *out of* the Education Fund would be the same under the Zero-Tax-Base model as if the RTA charged an assessment to each district equal to the average spending per pupil and the pupils continued to belong to the local district, as shown in the following table.

TABLE 7 - Comparison of ZTB and Assessment Models, Assuming \$8,000 cost per pupil.

		Assessment Model	Zero-Tax-Base Model		
		Local District	Town	ZTB-RTA	Combined
1	Local school budget	720,000	720,000	80,000	800,000
2	Plus Assessment for 10 Technical Students	80,000			-
3	Total local education spending (1 + 2)	800,000	720,000	80,000	800,000
4	Students	100	90	10	100
5	General State Support Grant (5566 per student)	556,600	500,940	55,660	556,600
6	Total above-block spending (3 - 5)	243,400	219,060	24,340	243,400
7	Above-block spending per pupil (6 / 4)	2,434	2,434	2,434	2,434
8	Equalized local share tax rate	0.64	0.64	0.64	0.64
9	Equalized education Grand List	300,000	300,000	-	300,000
10	Above-block payment to Education Fund (9 X 8)	191,243	191,243	-	191,243
11	Above-block payment from Ed Fund (7 X 4)	243,400	219,060	24,340	243,400

As the table indicates, the total amount of taxes paid in the region, the amount coming from the Education Fund, and the amount reaching the Regional Technical Academy would be the same if the RTA charged an assessment or if the Zero-Tax-Base Model were used for funding—as long as the assessment equaled the average spending per equalized pupil. The column headed “Assessment Model” and the column headed “Combined” in Table 7 are exactly the same.

Because technical education is more expensive, it is anticipated that the average cost of an RTA student would be higher than the region’s average cost per pupil. The difference between the region’s average cost per equalized pupil and the cost per equalized RTA student would be made up with the state’s tuition reduction assistance grant. That assistance is currently 40% of the General State Support Grant per Full-Time Equivalent (FTE). The proposal is to increase the assistance to 70% of the General State Support Grant per Full-Time Equivalent, or, in the case of a technical high school that is a separate district, to 70% of the General State Support Grant per Equalized Pupil.

Unlike the current situation, the Regional Technical Academy would not be able to set a budget and then charge an assessment or tuition to each sending district. Under the proposal, the Regional Technical Academy’s revenue would be determined by state funding and the school tax rates in the underlying local school districts. The RTA would then need to budget within that amount.

TABLE 8 - Proposed Funding per Equalized Pupil for RTA

General State Support Grant	\$5,566
Region Average Above Block Spending	\$2,360
Tuition Reduction Assistance	\$3,896
Total per Equalized Pupil ¹	\$11,822

¹ Based on assumptions of the average poverty and LEP waiting of the sending district, it is estimated that an RTA student would equal approximately 1.1 equalized pupils. The total spending per student is estimated to be \$13,000. (\$11,822 x 1.1).

Effect on the School Tax Bills in the Region's Towns

Although there would be no assessment from the Regional Technical Academy to the region's local school districts, the RTA would affect the local school tax rate because the per-pupil spending in the local districts is likely to change.

Since the passage of Act 60, local school tax rates depend on the average spending per (equalized) pupil. The Regional Technical Academy will affect the school tax rate if it results in a change in the average spending per pupil. This may happen for any or all of the following reasons:

- There would be no more assessments for technical students. Eliminating this cost would bring the average spending down.
- Enrollment will drop at existing high schools. The cost per pupil in existing high schools may increase because the cost of the high school is spread over a smaller number of students.
- K-8 students tend to be less expensive than high school students. Losing high school students would mean there would be a smaller proportion of the more expensive students in the average.

The tax implications of the RTA are estimated in the following steps:

1. The current technical centers are eliminated. The amount currently paid by a town district in tech school assessment is returned to the town, as well as the General State Support Grant (GSSG) for the current tech full-time equivalents.
2. Students expected to attend the RTA (Table 5) are subtracted from the appropriate high school. The high school budget is recalculated, based on the change in enrollment. If it is a union high school, the change in the per-pupil assessment is calculated
3. The town local share school tax is recalculated to reflect the following changes:
 - a. Change in Local Education Spending (LES). This could be from a change in the assessment from a union high school in towns that do not have their own school.
 - b. Change in Equalized Pupils (resulting from enrollment changes)

The analysis compares the "RTA scenario" against the "No RTA scenario" using two sets of budget assumptions:

1. When the high school enrollment drops by 20 students, the budget is cut by \$45,000. Similarly, when the high school enrollment increases by 20 students, the budget is increased by \$45,000.
2. The high school budget is held constant. It does not decrease (at least over the time period presented) in response to a loss of students. Similarly, it does not increase in response to and increase in enrollment.

In most cases, the annual tax bill increases slightly as a result of the RTA. This is mainly because the high schools are unable to “downsize” completely. If the per-pupil spending at a high school is, for example, \$10,000 and the budget were to decrease by \$10,000 for each pupil lost, there would be no increase in local taxes. However, this analysis is based on the assumption that high school budgets could not respond this way and the per-pupil spending is likely to increase if enrollment decreases.

There are several districts in which a tax savings is predicted. There may be several contributing factors:

- The district is affected by the “maximum loss” provisions of Act 60 during the 5-year period shown. With the loss of students to the RTA, the equalized pupil count would have decreased more than 3.5% and the formula caps the decrease at 3.5%. This means that the towns would see a lower school rate with the RTA than without it—at least until the town is “off maximum loss” and the tax rate is calculated using the actual number of equalized pupils. The following towns are affected by maximum loss: Fletcher, Grand Isle, Hinesburg, Huntington, North Hero, Richmond, St. George, Underhill Town, and Westford.
- A large percentage of students are attending The Center for Technology at Essex now, and the local district would no longer have to pay an assessment for these students. This budget reduction may offset an increase in the per-pupil spending for other high school students.
- Although the per-pupil assessment from the union high school may increase, the local district’s share of the union high school budget may decrease because a higher-than-average percentage of the district’s students attend the RTA.

Because these estimates are dependent on projections of the number of students who would attend the RTA, as well as on budget assumptions, it is important to use them as an illustration of the range of potential tax impacts—rather than as precise predictions. The median increase amounts to about one percent of the school taxes paid in the region.

TABLE 9

CHANGE IN SCHOOL TAXES ON \$100,000 PROPERTY RESULTING FROM REGIONAL TECHNICAL ACADEMY IN AREA TOWNS, Year 5

The table shows the tax change on a \$100,000 property resulting from the RTA with 2 budget assumptions, as compared to the "No RTA" scenario. For explanation of the assumptions, please see the text.

Town	ASSUMING DOWNSIZING	NO DOWNSIZING	Average
	<i>\$45,000 high school budget change per enrollment change of 20 students</i>	<i>High School budget does not change as enrollment changes</i>	
Bolton	-\$17	-\$3	-\$10
Burlington	\$6	\$23	\$14
Charlotte	\$40	\$52	\$46
Colchester	\$13	\$28	\$20
Essex Jct	\$9	\$29	\$19
Essex Town	\$31	\$51	\$41
Fairfax	\$51	\$74	\$63
Fletcher	\$44	\$61	\$52
Georgia	-\$2	\$3	\$1
Grand Isle	-\$81	-\$69	-\$75
Hinesburg	-\$33	-\$21	-\$27
Huntington	-\$113	-\$93	-\$103
Jericho	\$21	\$45	\$33
Milton	\$29	\$35	\$32
N. Hero	\$0	\$0	\$0
Richmond	-\$5	\$17	\$6
St. George	-\$41	-\$35	-\$38
Shelburne	\$28	\$40	\$34
S. Burlington	\$25	\$33	\$29
S. Hero	\$46	\$60	\$53
Underhill ID	\$23	\$45	\$34
Underhill Town	-\$32	-\$8	-\$20
Westford	-\$63	-\$46	-\$55
Williston	\$15	\$26	\$21
Winooski City	\$50	\$65	\$58
Median	\$13	\$28	\$20

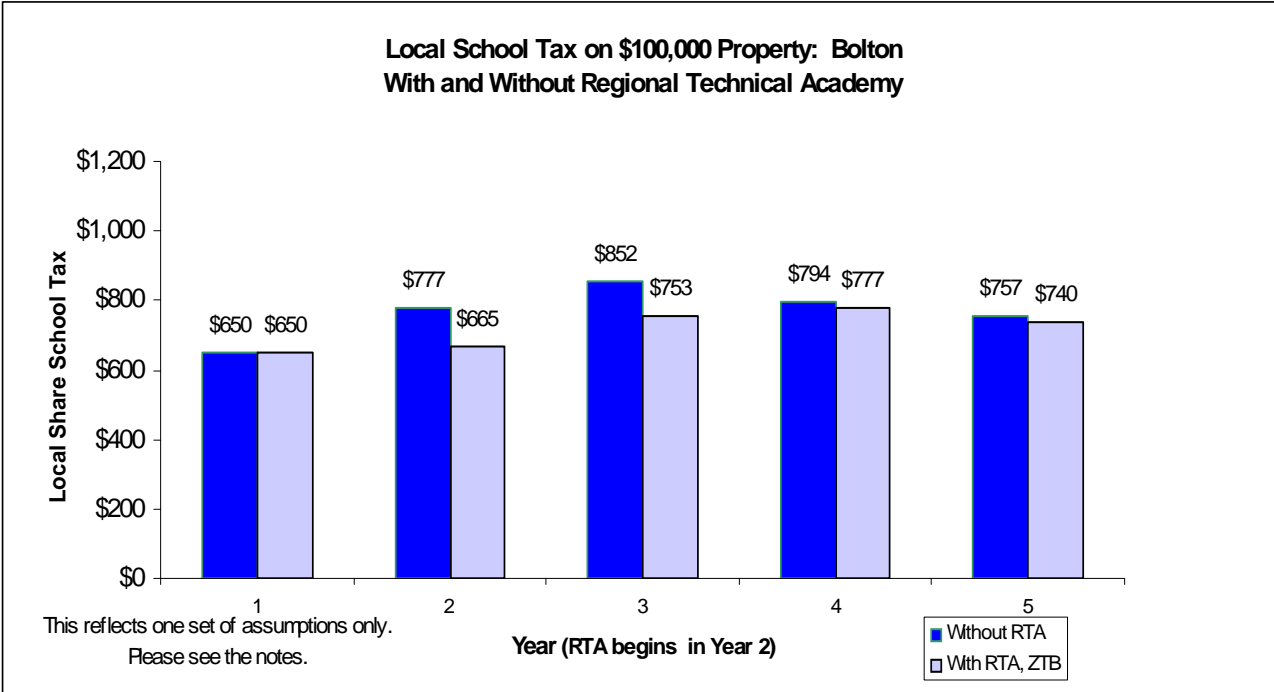
Chittenden County Town Data

The following pages show the likely tax implications of the proposed Regional Technical Academy in each of the county towns.

Key assumptions include:

- FY2003 dollars are used for all five years.
- The General State Support Grant and the Yield are frozen at FY 03 levels
- Creation of the Zero-Tax-Base district as proposed.
- Enrollment projections for the districts are outlined in this report
- Enrollment in the RTA fluctuates with the number of 11th and 12th grade students expected in the region
- Budgets change only in response to enrollment changes. If enrollment decreases by 20 students, the budget decreases by \$45,000. If enrollment increases by 20 students, the budget increases by \$45,000.
- Capital expenditures or capital savings resulting from reuse of the existing buildings are not included in the analysis

- Preliminary Estimate of Change in Local Share Tax with RTA at Essex Site

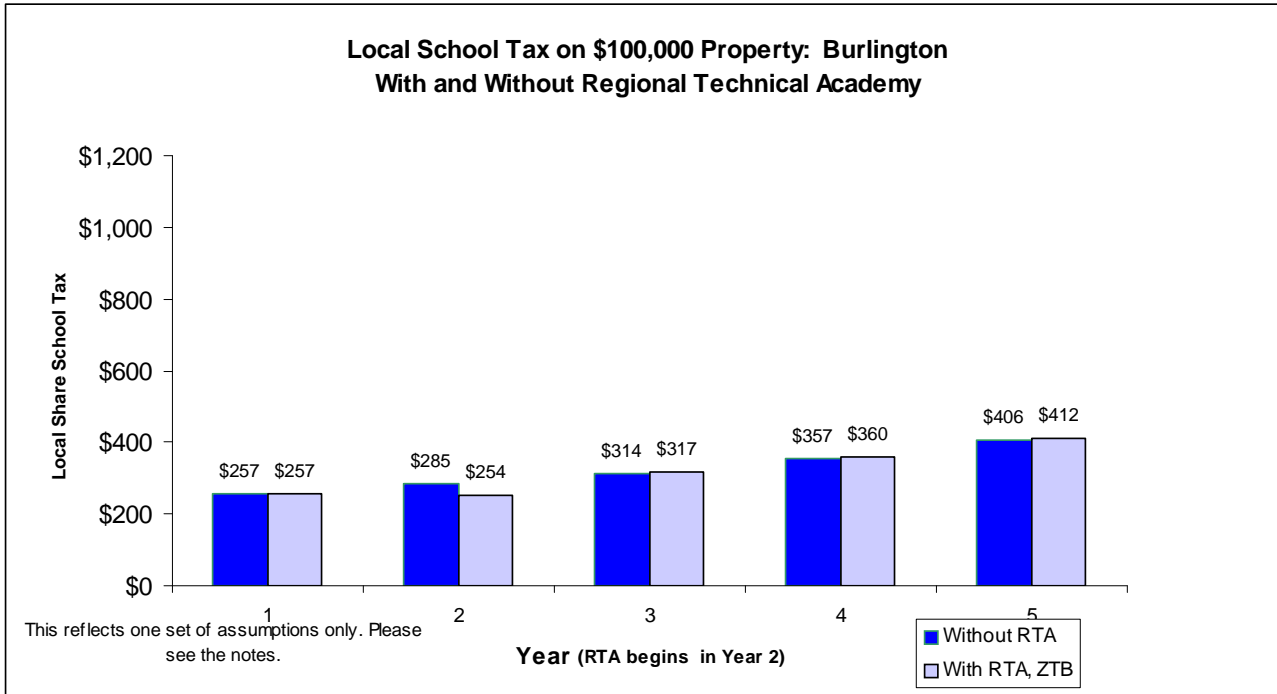


Worksheet to Calculate Local Share Tax Rate in Year 5.

Line	Bolton	No RTA	RTA (Blended Sites)
1	FY 03 Tech Assessment	21,481	
2	FY 03 Local Ed Expenditures	1,512,532	1,512,532
3	Additions to LES (Resulting from enrollment changes only)	13,922	-37,394
4	Total LES (lines 1+ 2+ 3)	1,547,935	1,475,138
5	Equalized Pupils	185.62	175.79
6	Tech FTE's	3.95	0
7	Pupils for which district receives GSSG (line 5 - line 6)	181.67	175.79
8	GSSG (\$5,566 X line 7)	1,011,179	978,462
9	Above-block spending (line 4 - line 8)	536,756	496,676
10	ABS per pupil (line 9 / line 5)	2,892	2,825
11	local share rate (line 10 X .000262)	0.76	0.74

Please note the chart and table are based preliminary assumptions explained in the report, including the assumption that existing high school budgets change in increments of \$45,000 as enrollment changes by 20 students.

Preliminary Estimate of Change in Local Share Tax with RTA at Essex Site

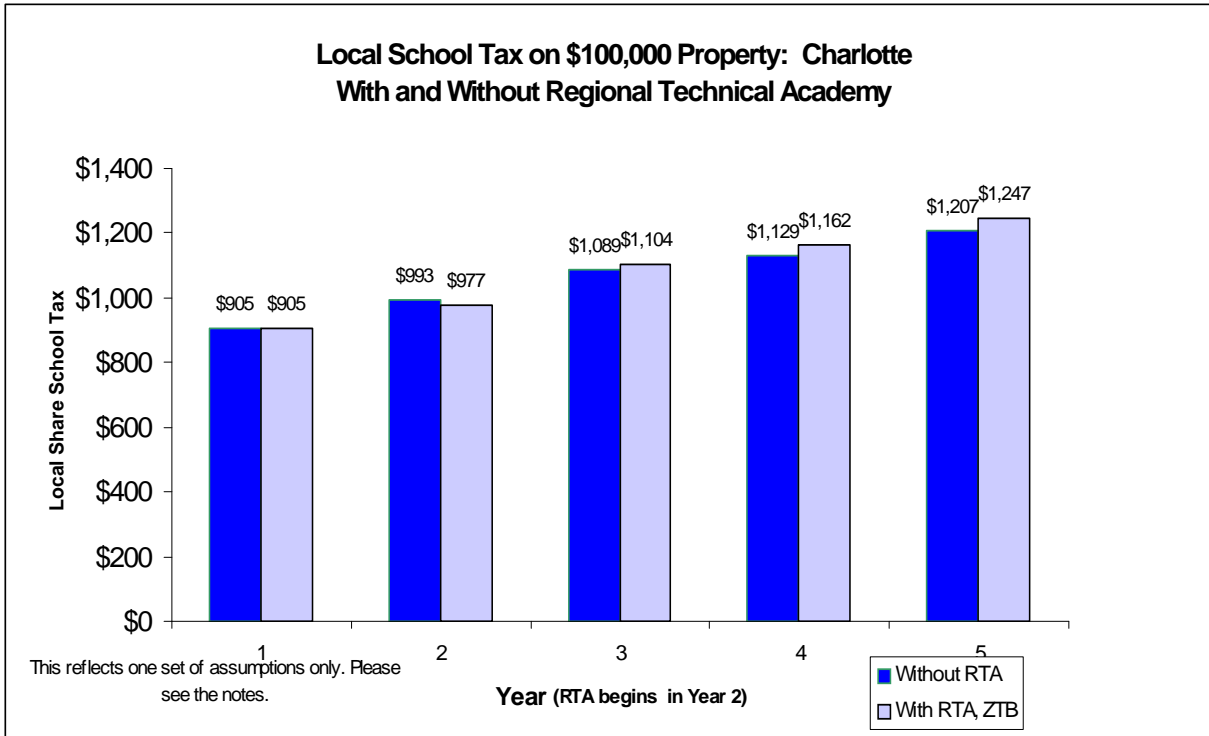


Worksheet to Calculate Local Share Tax Rate in Year 5.

Line	Burlington	No RTA	RTA (Blended Sites)
1	FY 03 Tech Assessment	263,280	
2	FY 03 Local Ed Expenditures	24,238,836	24,238,836
3	Additions to LES (Resulting from enrollment changes only)	45,000	-180,000
4	Total LES (lines 1+ 2+ 3)	24,547,116	24,058,836
5	Equalized Pupils	3515.20	3370.06
6	Tech FTE's	85.07	0
7	Pupils for which district receives GSSG (line 5 - line 6)	3430.13	3370.06
8	GSSG (\$5,566 X line 7)	19,092,116	18,757,737
9	Above-block spending (line 4 - line 8)	5,455,000	5,301,099
10	ABS per pupil (line 9 / line 5)	1,552	1,573
11	local share rate (line 10 X .000262)	0.41	0.41

Please note the chart and table are based preliminary assumptions explained in the report, including the assumption that existing high school budgets change in increments of \$45,000 as enrollment changes by 20 students.

Preliminary Estimate of Change in Local Share Tax with RTA at Essex Site



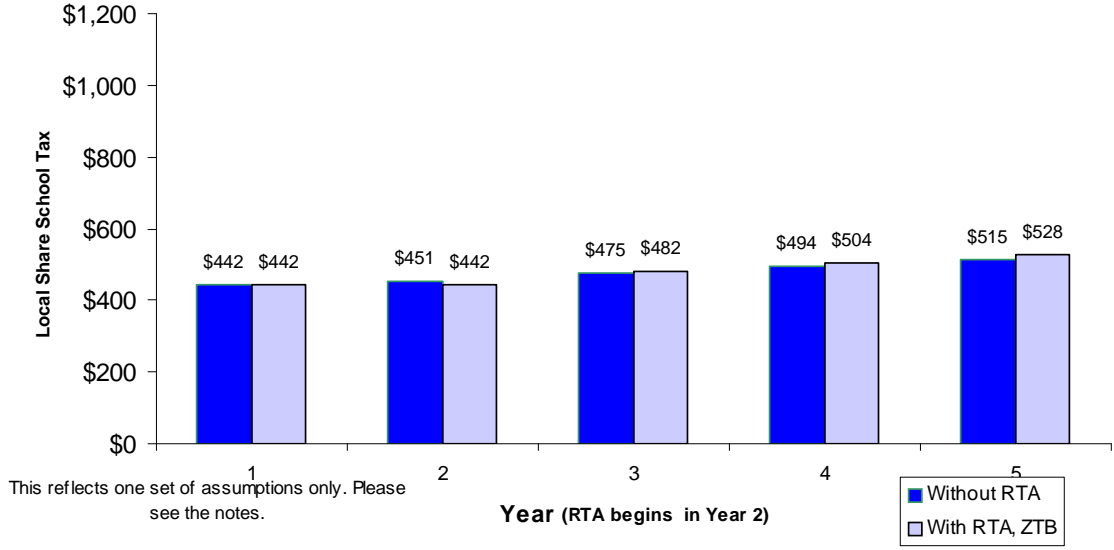
Worksheet to Calculate Local Share Tax Rate in Year 5.

Line	Charlotte	No RTA	RTA (Blended Sites)
1	FY 03 Tech Assessment	33,377	
2	FY 03 Local Ed Expenditures	6,217,090	6,217,090
3	Additions to LES (Resulting from enrollment changes only)	263,318	292,251
4	Total LES (lines 1+ 2+ 3)	6,513,785	6,509,340
5	Equalized Pupils	643.81	630.38
6	Tech FTE's	6.66	0
7	Pupils for which district receives GSSG (line 5 - line 6)	637.15	630.38
8	GSSG (\$5,566 X line 7)	3,546,384	3,508,715
9	Above-block spending (line 4 - line 8)	2,967,400	3,000,626
10	ABS per pupil (line 9 / line 5)	4,609	4,760
11	local share rate (line 10 X .000262)	1.21	1.25

Please note the chart and table are based preliminary assumptions explained in the report, including the assumption that existing high school budgets change in increments of \$45,000 as enrollment changes by 20 students.

Preliminary Estimate of Change in Local Share Tax with RTA at Essex Site

**Local School Tax on \$100,000 Property: Colchester
With and Without Regional Technical Academy**



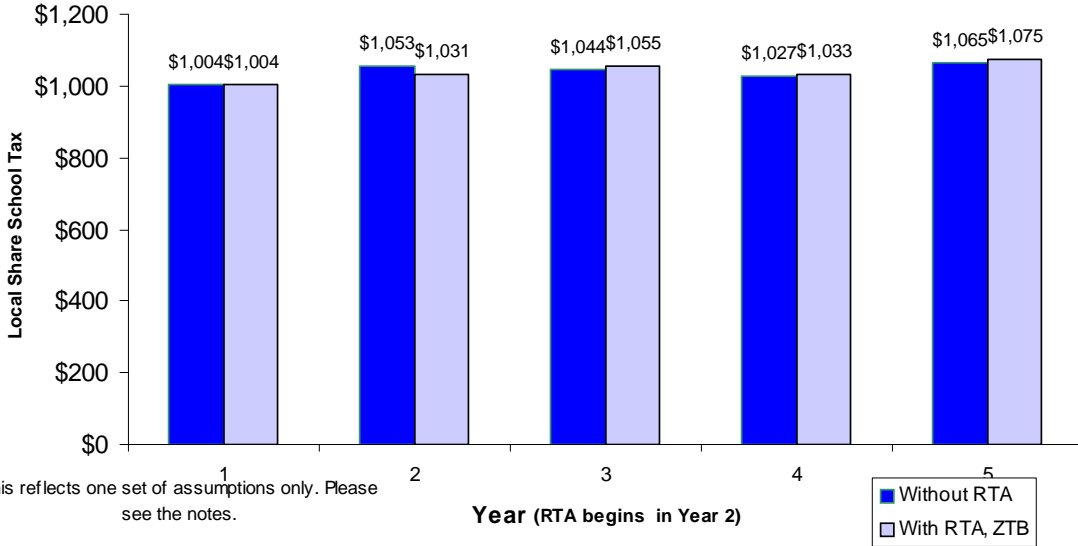
Worksheet to Calculate Local Share Tax Rate in Year 5.

Line	Colchester	No RTA	RTA (Blended Sites)
1	FY 03 Tech Assessment	197,303	
2	FY 03 Local Ed Expenditures	17,191,753	17,191,753
3	Additions to LES (Resulting from enrollment changes only)	45,000	-90,000
4	Total LES (lines 1+ 2+ 3)	17,434,056	17,101,753
5	Equalized Pupils	2346.03	2255.67
6	Tech FTE's	43.12	0
7	Pupils for which district receives GSSG (line 5 - line 6)	2302.91	2255.67
8	GSSG (\$5,566 X line 7)	12,817,971	12,555,037
9	Above-block spending (line 4 - line 8)	4,616,085	4,546,715
10	ABS per pupil (line 9 / line 5)	1,968	2,016
11	local share rate (line 10 X .000262)	0.52	0.53

Please note the chart and table are based preliminary assumptions explained in the report, including the assumption that existing high school budgets change in increments of \$45,000 as enrollment changes by 20 students.

Preliminary Estimate of Change in Local Share Tax with RTA at Essex Site

**Local School Tax on \$100,000 Property: Essex Junction ID
With and Without Regional Technical Academy**



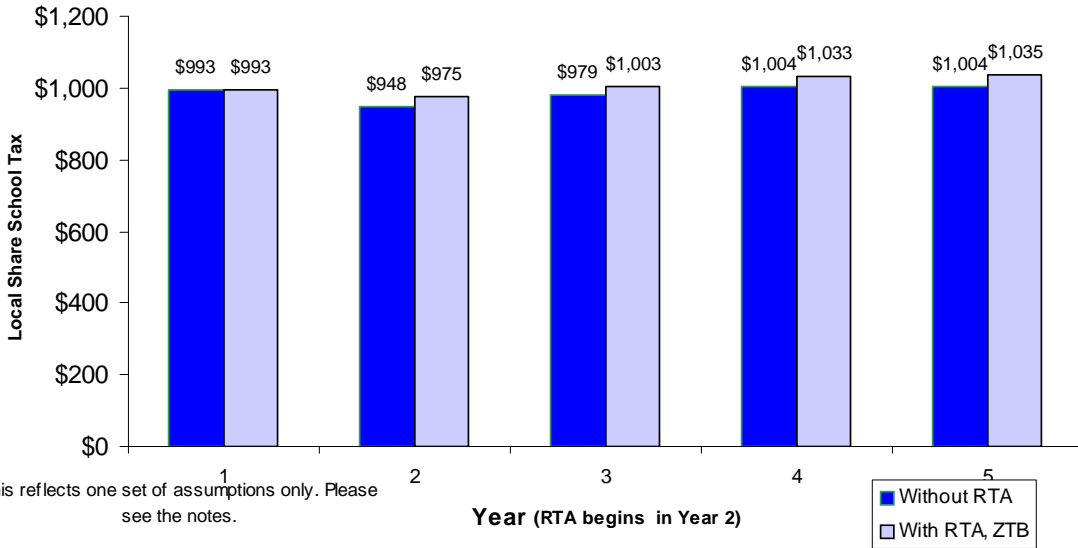
Worksheet to Calculate Local Share Tax Rate in Year 5.

Line	Essex Junction ID	No RTA	RTA (Blended Sites)
1	FY 03 Tech Assessment	191,421	
2	FY 03 Local Ed Expenditures	14,563,544	14,563,544
3	Additions to LES (Resulting from enrollment changes only)	-70,245	-290,965
4	Total LES (lines 1+ 2+ 3)	14,684,720	14,272,579
5	Equalized Pupils	1544.94	1476.13
6	Tech FTE's	35.53	0
7	Pupils for which district receives GSSG (line 5 - line 6)	1509.41	1476.13
8	GSSG (\$5,566 X line 7)	8,401,365	8,216,129
9	Above-block spending (line 4 - line 8)	6,283,355	6,056,450
10	ABS per pupil (line 9 / line 5)	4,067	4,103
11	local share rate (line 10 X .000262)	1.07	1.07

Please note the chart and table are based preliminary assumptions explained in the report, including the assumption that existing high school budgets change in increments of \$45,000 as enrollment changes by 20 students.

Preliminary Estimate of Change in Local Share Tax with RTA at Essex Site

**Local School Tax on \$100,000 Property: Essex Town
With and Without Regional Technical Academy**



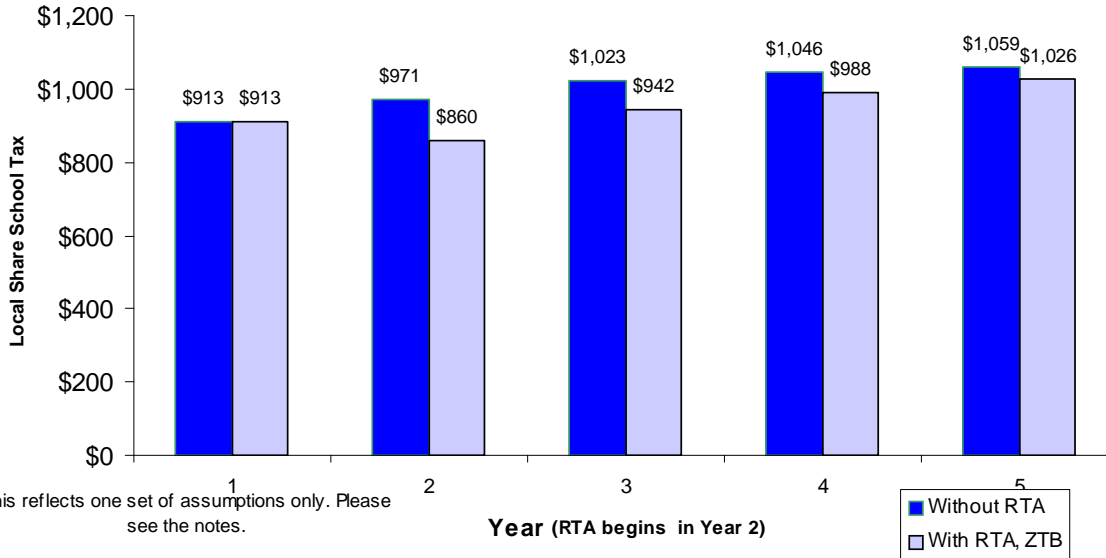
Worksheet to Calculate Local Share Tax Rate in Year 5.

Line	Essex Town	No RTA	RTA (Blended Sites)
1	FY 03 Tech Assessment	174,907	
2	FY 03 Local Ed Expenditures	19,216,079	19,216,079
3	Additions to LES (Resulting from enrollment changes only)	81,586	20,738
4	Total LES (lines 1+ 2+ 3)	19,472,572	19,236,817
5	Equalized Pupils	2090.56	2021.31
6	Tech FTE's	31.34	0
7	Pupils for which district receives GSSG (line 5 - line 6)	2059.22	2021.31
8	GSSG (\$5,566 X line 7)	11,461,594	11,250,639
9	Above-block spending (line 4 - line 8)	8,010,978	7,986,179
10	ABS per pupil (line 9 / line 5)	3,832	3,951
11	local share rate (line 10 X .000262)	1.00	1.03

Please note the chart and table are based preliminary assumptions explained in the report, including the assumption that existing high school budgets change in increments of \$45,000 as enrollment changes by 20 students.

Preliminary Estimate of Change in Local Share Tax with RTA at Essex Site

**Local School Tax on \$100,000 Property: Hinesburg
With and Without Regional Technical Academy**



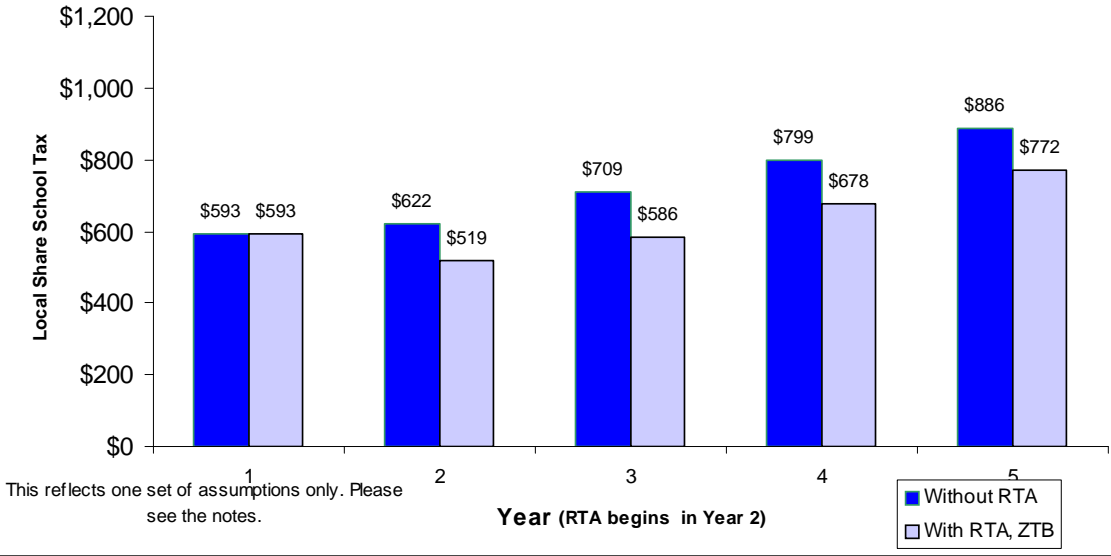
Worksheet to Calculate Local Share Tax Rate in Year 5.

Line	Hinesburg	No RTA	RTA (Blended Sites)
1	FY 03 Tech Assessment	108,080	
2	FY 03 Local Ed Expenditures	7,505,293	7,505,293
3	Additions to LES (Resulting from enrollment changes only)	-298,396	-483,690
4	Total LES (lines 1+ 2+ 3)	7,314,977	7,021,603
5	Equalized Pupils	773.03	740.36
6	Tech FTE's	20.42	0
7	Pupils for which district receives GSSG (line 5 - line 6)	752.61	740.36
8	GSSG (\$5,566 X line 7)	4,189,036	4,120,848
9	Above-block spending (line 4 - line 8)	3,125,942	2,900,755
10	ABS per pupil (line 9 / line 5)	4,044	3,918
11	local share rate (line 10 X .000262)	1.06	1.03

Please note the chart and table are based preliminary assumptions explained in the report, including the assumption that existing high school budgets change in increments of \$45,000 as enrollment changes by 20 students.

Preliminary Estimate of Change in Local Share Tax with RTA at Essex Site

**Local School Tax on \$100,000 Property: Huntington
With and Without Regional Technical Academy**



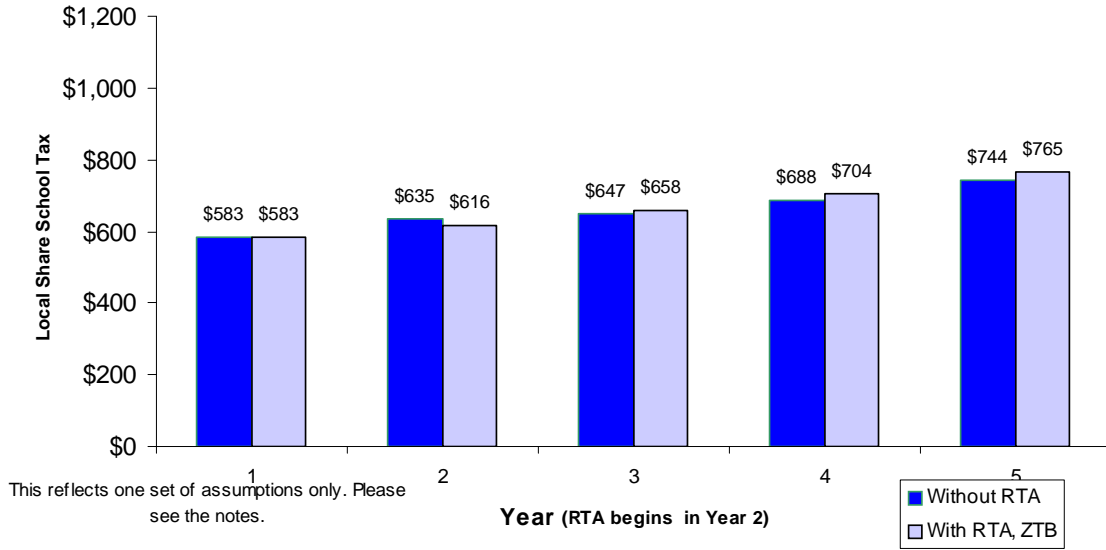
Worksheet to Calculate Local Share Tax Rate in Year 5.

Line	Huntington	No RTA	RTA (Blended Sites)
1	FY 03 Tech Assessment	42,273	
2	FY 03 Local Ed Expenditures	2,636,886	2,636,886
3	Additions to LES (Resulting from enrollment changes only)	-25,141	-68,832
4	Total LES (lines 1+ 2+ 3)	2,654,018	2,568,054
5	Equalized Pupils	301.61	301.61
6	Tech FTE's	8.00	0
7	Pupils for which district receives GSSG (line 5 - line 6)	293.61	301.61
8	GSSG (\$5,566 X line 7)	1,634,213	1,678,741
9	Above-block spending (line 4 - line 8)	1,019,806	889,313
10	ABS per pupil (line 9 / line 5)	3,381	2,949
11	local share rate (line 10 X .000262)	0.89	0.77

Please note the chart and table are based preliminary assumptions explained in the report, including the assumption that existing high school budgets change in increments of \$45,000 as enrollment changes by 20 students.

Preliminary Estimate of Change in Local Share Tax with RTA at Essex Site

**Local School Tax on \$100,000 Property: Jericho
With and Without Regional Technical Academy**



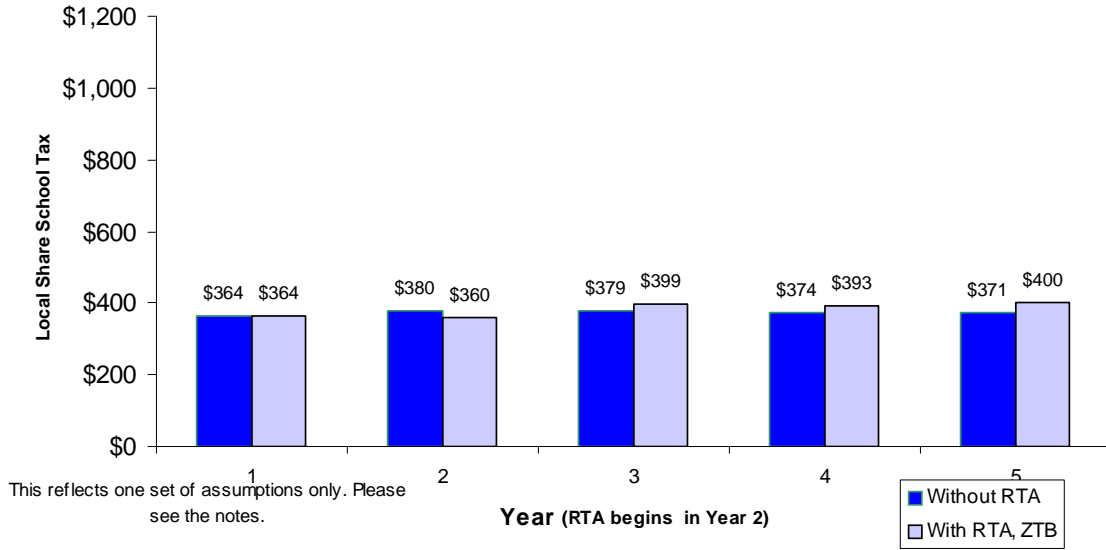
Worksheet to Calculate Local Share Tax Rate in Year 5.

Line	Jericho	No RTA	RTA (Blended Sites)
1	FY 03 Tech Assessment	53,160	
2	FY 03 Local Ed Expenditures	6,089,098	6,089,098
3	Additions to LES (Resulting from enrollment changes only)	-90,615	-86,947
4	Total LES (lines 1+ 2+ 3)	6,051,643	6,002,151
5	Equalized Pupils	726.77	707.36
6	Tech FTE's	10.43	0
7	Pupils for which district receives GSSG (line 5 - line 6)	716.34	707.36
8	GSSG (\$5,566 X line 7)	3,987,175	3,937,139
9	Above-block spending (line 4 - line 8)	2,064,468	2,065,012
10	ABS per pupil (line 9 / line 5)	2,841	2,919
11	local share rate (line 10 X .000262)	0.74	0.76

Please note the chart and table are based preliminary assumptions explained in the report, including the assumption that existing high school budgets change in increments of \$45,000 as enrollment changes by 20 students.

Preliminary Estimate of Change in Local Share Tax with RTA at Essex Site

**Local School Tax on \$100,000 Property: Milton ID
With and Without Regional Technical Academy**

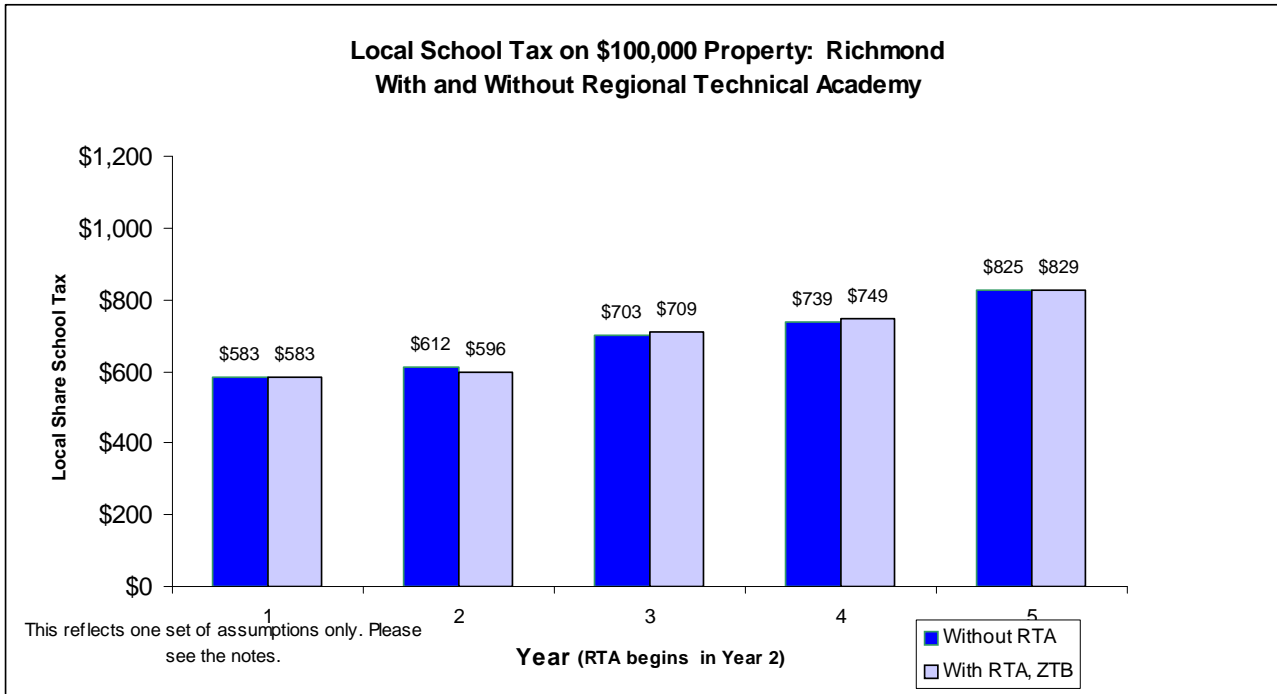


Worksheet to Calculate Local Share Tax Rate in Year 5.

Line	Milton ID	No RTA	RTA (Blended Sites)
1	FY 03 Tech Assessment	173,736	
2	FY 03 Local Ed Expenditures	12,323,538	12,323,538
3	Additions to LES (Resulting from enrollment changes only)	0	-45,000
4	Total LES (lines 1+ 2+ 3)	12,497,274	12,278,538
5	Equalized Pupils	1819.22	1731.11
6	Tech FTE's	37.21	0
7	Pupils for which district receives GSSG (line 5 - line 6)	1782.01	1731.11
8	GSSG (\$5,566 X line 7)	9,918,664	9,635,335
9	Above-block spending (line 4 - line 8)	2,578,610	2,643,203
10	ABS per pupil (line 9 / line 5)	1,417	1,527
11	local share rate (line 10 X .000262)	0.37	0.40

Please note the chart and table are based preliminary assumptions explained in the report, including the assumption that existing high school budgets change in increments of \$45,000 as enrollment changes by 20 students.

Preliminary Estimate of Change in Local Share Tax with RTA at Essex Site

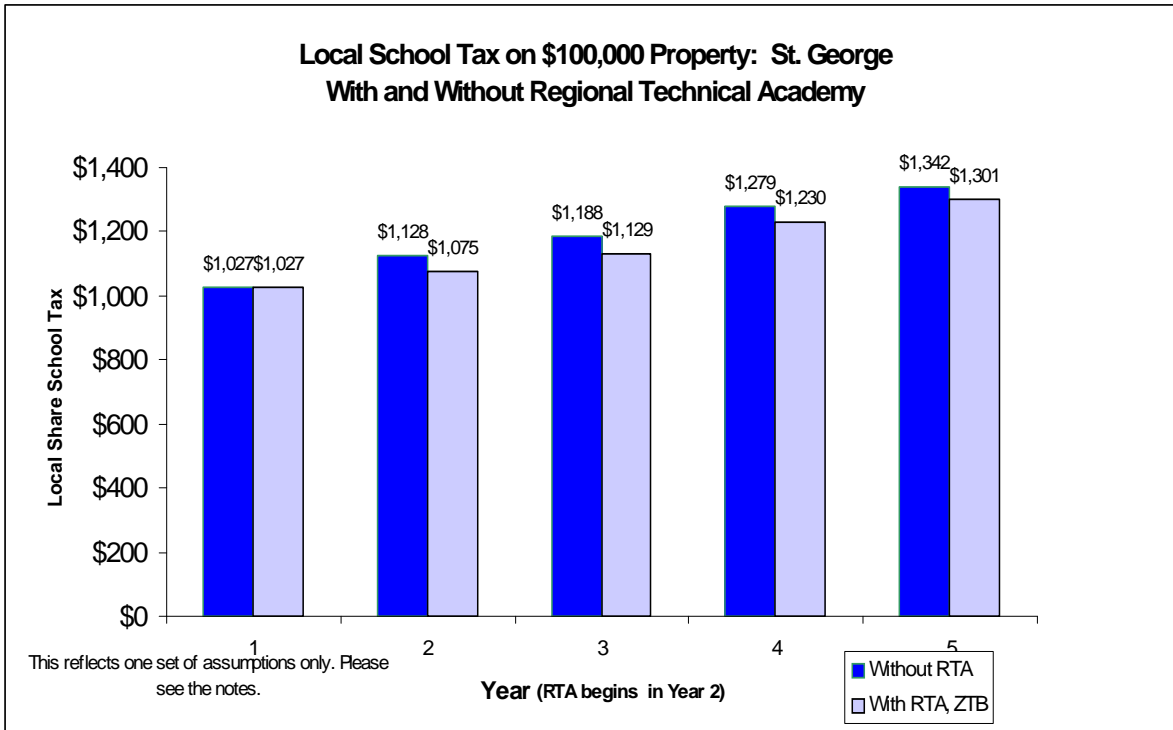


Worksheet to Calculate Local Share Tax Rate in Year 5.

Line	Richmond	No RTA	RTA (Blended Sites)
1	FY 03 Tech Assessment	75,083	
2	FY 03 Local Ed Expenditures	6,303,257	6,303,257
3	Additions to LES (Resulting from enrollment changes only)	138,789	18,785
4	Total LES (lines 1+ 2+ 3)	6,517,129	6,322,042
5	Equalized Pupils	756.69	724.17
6	Tech FTE's	14.10	0
7	Pupils for which district receives GSSG (line 5 - line 6)	742.59	724.17
8	GSSG (\$5,566 X line 7)	4,133,254	4,030,708
9	Above-block spending (line 4 - line 8)	2,383,875	2,291,334
10	ABS per pupil (line 9 / line 5)	3,150	3,164
11	local share rate (line 10 X .000262)	0.83	0.83

Please note the chart and table are based preliminary assumptions explained in the report, including the assumption that existing high school budgets change in increments of \$45,000 as enrollment changes by 20 students.

Preliminary Estimate of Change in Local Share Tax with RTA at Essex Site

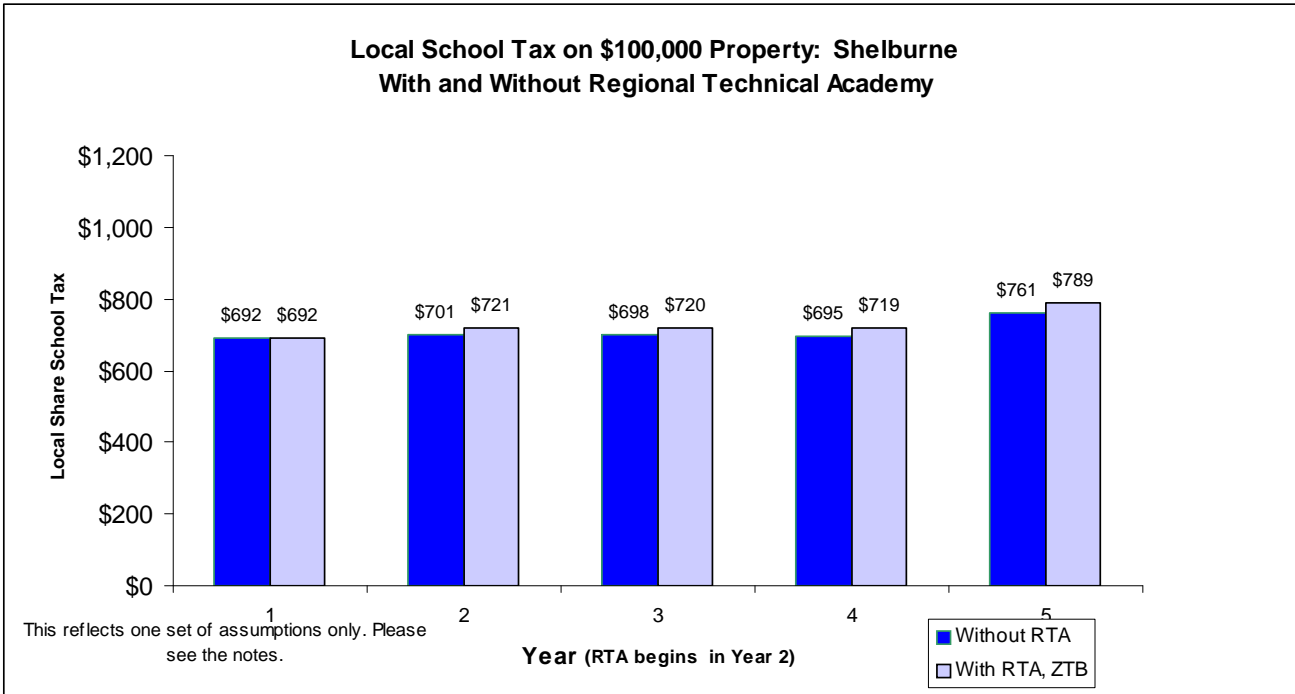


Worksheet to Calculate Local Share Tax Rate in Year 5.

Line	St. George	No RTA	RTA (Blended Sites)
1	FY 03 Tech Assessment	6,599	
2	FY 03 Local Ed Expenditures	1,451,307	1,451,307
3	Additions to LES (Resulting from enrollment changes only)	-33,315	-41,072
4	Total LES (lines 1+ 2+ 3)	1,424,591	1,410,235
5	Equalized Pupils	133.88	133.88
6	Tech FTE's	1.17	0
7	Pupils for which district receives GSSG (line 5 - line 6)	132.71	133.88
8	GSSG (\$5,566 X line 7)	738,641	745,153
9	Above-block spending (line 4 - line 8)	685,950	665,082
10	ABS per pupil (line 9 / line 5)	5,124	4,968
11	local share rate (line 10 X .000262)	1.34	1.30

Please note the chart and table are based preliminary assumptions explained in the report, including the assumption that existing high school budgets change in increments of \$45,000 as enrollment changes by 20 students.

Preliminary Estimate of Change in Local Share Tax with RTA at Essex Site



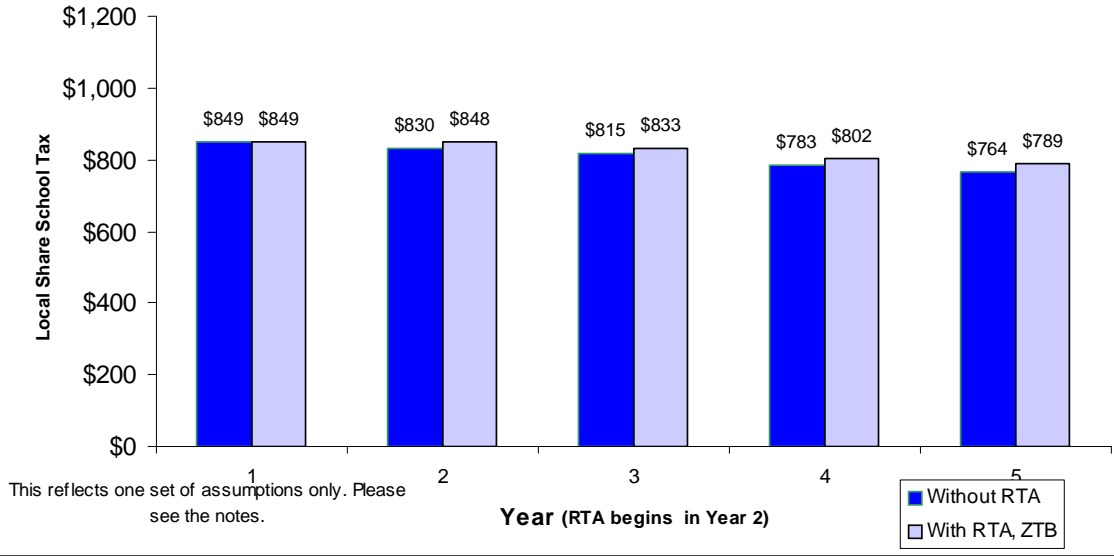
Worksheet to Calculate Local Share Tax Rate in Year 5.

Line	Shelburne	No RTA	RTA (Blended Sites)
	1	FY 03 Tech Assessment	59,219
2	FY 03 Local Ed Expenditures	9,278,572	9,278,572
3	Additions to LES (Resulting from enrollment changes only)	46,275	75,192
4	Total LES (lines 1+ 2+ 3)	9,384,066	9,353,763
5	Equalized Pupils	1115.82	1090.57
6	Tech FTE's	12.10	0
7	Pupils for which district receives GSSG (line 5 - line 6)	1103.72	1090.57
8	GSSG (\$5,566 X line 7)	6,143,311	6,070,108
9	Above-block spending (line 4 - line 8)	3,240,755	3,283,655
10	ABS per pupil (line 9 / line 5)	2,904	3,011
11	local share rate (line 10 X .000262)	0.76	0.79

Please note the chart and table are based preliminary assumptions explained in the report, including the assumption that existing high school budgets change in increments of \$45,000 as enrollment changes by 20 students.

Preliminary Estimate of Change in Local Share Tax with RTA at Essex Site

**Local School Tax on \$100,000 Property: South Burlington
With and Without Regional Technical Academy**



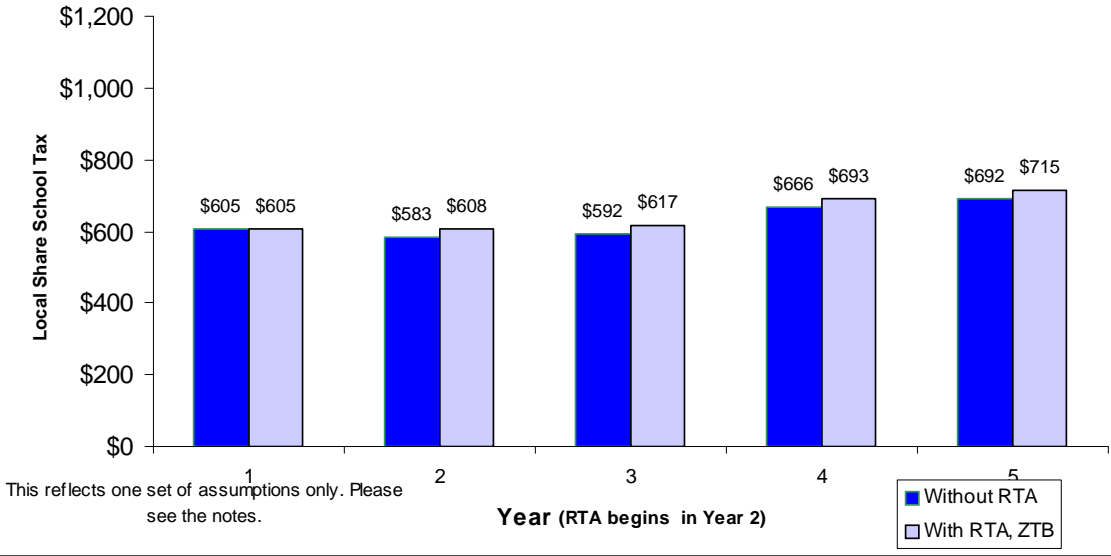
Worksheet to Calculate Local Share Tax Rate in Year 5.

Line	South Burlington	No RTA	RTA (Blended Sites)
1	FY 03 Tech Assessment	125,278	
2	FY 03 Local Ed Expenditures	21,722,406	21,722,406
3	Additions to LES (Resulting from enrollment changes only)	139,983	52,590
4	Total LES (lines 1+ 2+ 3)	21,987,667	21,774,996
5	Equalized Pupils	2611.40	2538.39
6	Tech FTE's	29.87	0
7	Pupils for which district receives GSSG (line 5 - line 6)	2581.53	2538.39
8	GSSG (\$5,566 X line 7)	14,368,798	14,128,670
9	Above-block spending (line 4 - line 8)	7,618,869	7,646,326
10	ABS per pupil (line 9 / line 5)	2,918	3,012
11	local share rate (line 10 X .000262)	0.76	0.79

Please note the chart and table are based preliminary assumptions explained in the report, including the assumption that existing high school budgets change in increments of \$45,000 as enrollment changes by 20 students.

Preliminary Estimate of Change in Local Share Tax with RTA at Essex Site

**Local School Tax on \$100,000 Property: Underhill ID
With and Without Regional Technical Academy**



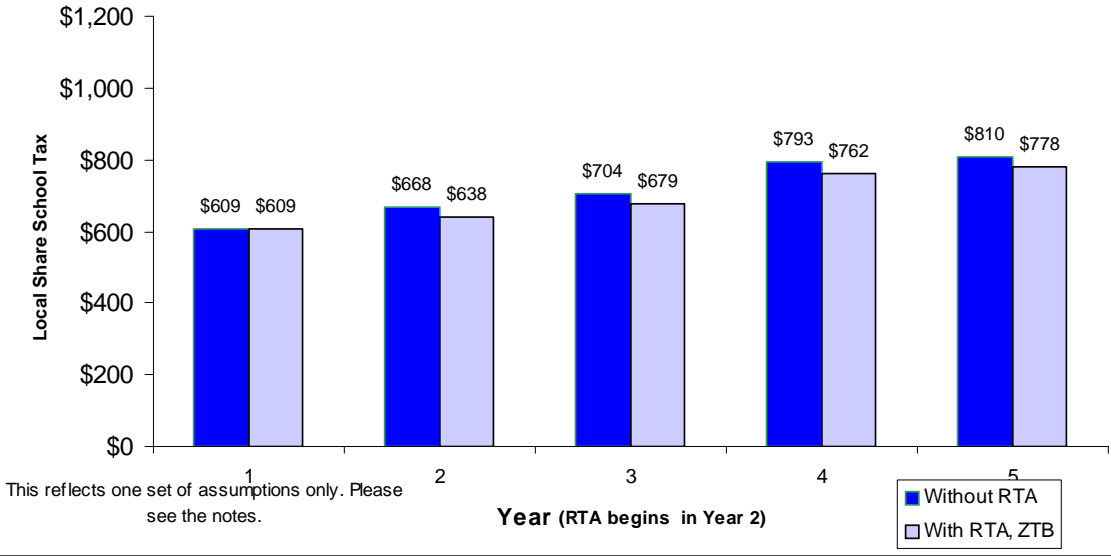
Worksheet to Calculate Local Share Tax Rate in Year 5.

Line	Underhill ID	No RTA	RTA (Blended Sites)
1	FY 03 Tech Assessment	15,367	
2	FY 03 Local Ed Expenditures	2,815,737	2,815,737
3	Additions to LES (Resulting from enrollment changes only)	-103,795	-100,627
4	Total LES (lines 1+ 2+ 3)	2,727,309	2,715,110
5	Equalized Pupils	334.49	327.23
6	Tech FTE's	3.29	0
7	Pupils for which district receives GSSG (line 5 - line 6)	331.20	327.23
8	GSSG (\$5,566 X line 7)	1,843,446	1,821,337
9	Above-block spending (line 4 - line 8)	883,862	893,774
10	ABS per pupil (line 9 / line 5)	2,642	2,731
11	local share rate (line 10 X .000262)	0.69	0.72

Please note the chart and table are based preliminary assumptions explained in the report, including the assumption that existing high school budgets change in increments of \$45,000 as enrollment changes by 20 students.

Preliminary Estimate of Change in Local Share Tax with RTA at Essex Site

**Local School Tax on \$100,000 Property: Underhill Town
With and Without Regional Technical Academy**



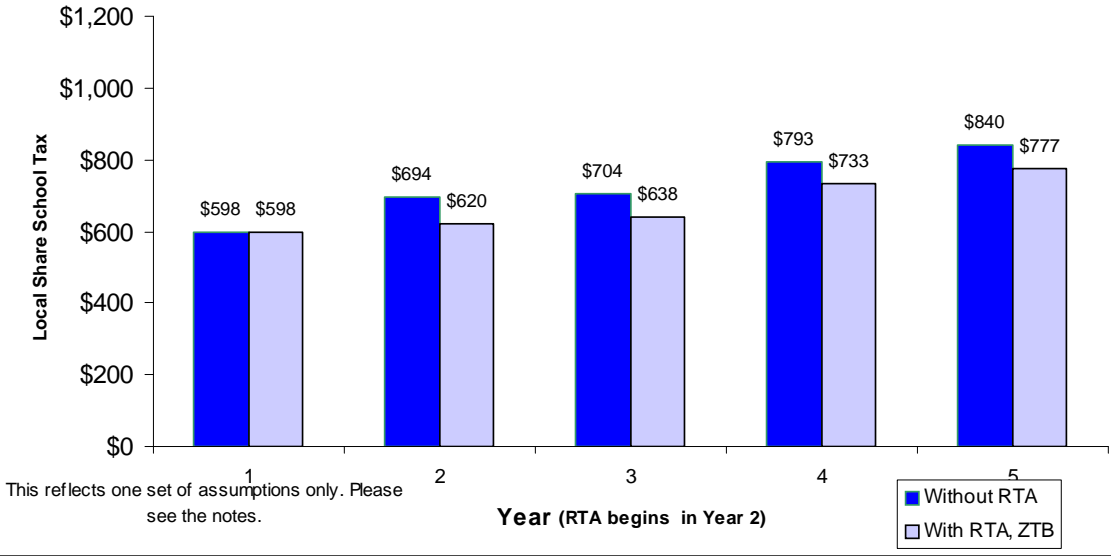
Worksheet to Calculate Local Share Tax Rate in Year 5.

Line	Underhill Town	No RTA	RTA (Blended Sites)
1	FY 03 Tech Assessment	40,514	
2	FY 03 Local Ed Expenditures	4,097,987	4,097,987
3	Additions to LES (Resulting from enrollment changes only)	-157,403	-174,699
4	Total LES (lines 1+ 2+ 3)	3,981,098	3,923,288
5	Equalized Pupils	464.94	459.68
6	Tech FTE's	7.88	0
7	Pupils for which district receives GSSG (line 5 - line 6)	457.06	459.68
8	GSSG (\$5,566 X line 7)	2,544,004	2,558,563
9	Above-block spending (line 4 - line 8)	1,437,094	1,364,725
10	ABS per pupil (line 9 / line 5)	3,091	2,969
11	local share rate (line 10 X .000262)	0.81	0.78

Please note the chart and table are based preliminary assumptions explained in the report, including the assumption that existing high school budgets change in increments of \$45,000 as enrollment changes by 20 students.

Preliminary Estimate of Change in Local Share Tax with RTA at Essex Site

**Local School Tax on \$100,000 Property: Westford
With and Without Regional Technical Academy**



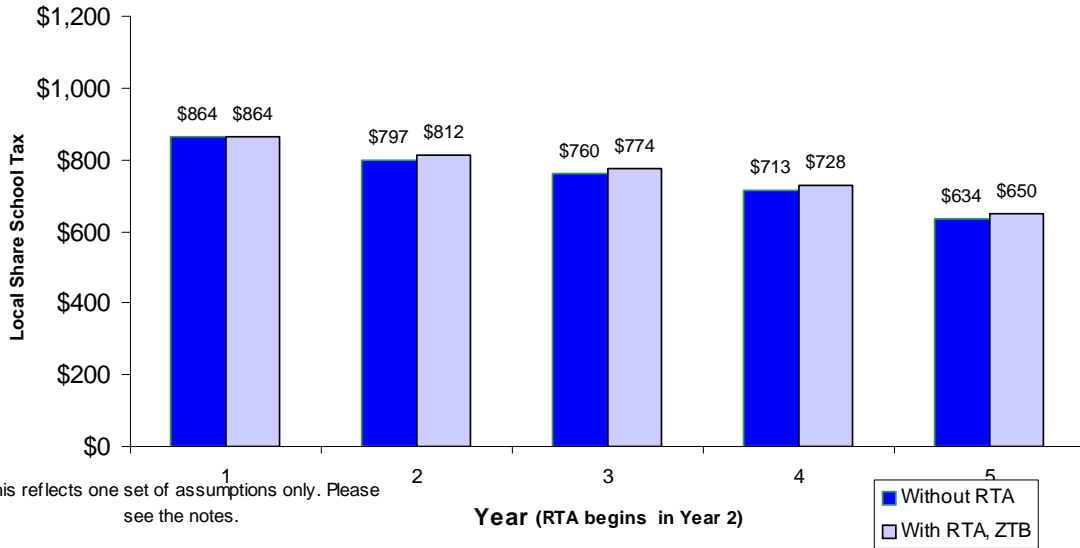
Worksheet to Calculate Local Share Tax Rate in Year 5.

Line	Westford	No RTA	RTA (Blended Sites)
1	FY 03 Tech Assessment	56,760	
2	FY 03 Local Ed Expenditures	3,256,585	3,256,585
3	Additions to LES (Resulting from enrollment changes only)	-103,526	-77,200
4	Total LES (lines 1+ 2+ 3)	3,209,819	3,179,385
5	Equalized Pupils	372.58	372.58
6	Tech FTE's	10.71	0
7	Pupils for which district receives GSSG (line 5 - line 6)	361.87	372.58
8	GSSG (\$5,566 X line 7)	2,014,175	2,073,787
9	Above-block spending (line 4 - line 8)	1,195,643	1,105,598
10	ABS per pupil (line 9 / line 5)	3,209	2,967
11	local share rate (line 10 X .000262)	0.84	0.78

Please note the chart and table are based preliminary assumptions explained in the report, including the assumption that existing high school budgets change in increments of \$45,000 as enrollment changes by 20 students.

Preliminary Estimate of Change in Local Share Tax with RTA at Essex Site

**Local School Tax on \$100,000 Property: Williston
With and Without Regional Technical Academy**



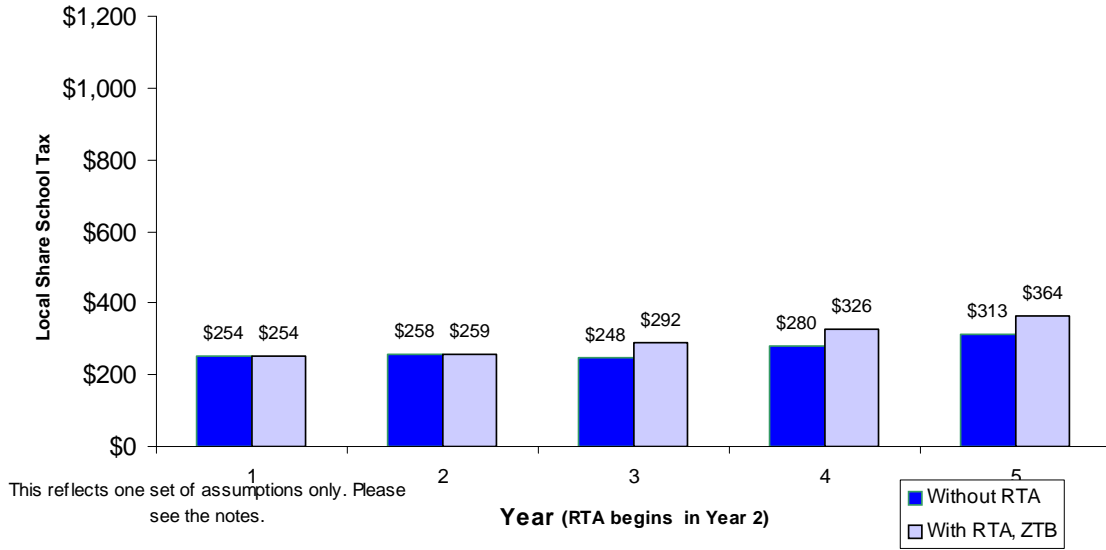
Worksheet to Calculate Local Share Tax Rate in Year 5.

Line	Williston	No RTA	RTA (Blended Sites)
1	FY 03 Tech Assessment	82,581	
2	FY 03 Local Ed Expenditures	11,835,744	11,835,744
3	Additions to LES (Resulting from enrollment changes only)	202,118	157,320
4	Total LES (lines 1+ 2+ 3)	12,120,443	11,993,064
5	Equalized Pupils	1529.40	1490.51
6	Tech FTE's	17.07	0
7	Pupils for which district receives GSSG (line 5 - line 6)	1512.33	1490.51
8	GSSG (\$5,566 X line 7)	8,417,611	8,296,176
9	Above-block spending (line 4 - line 8)	3,702,832	3,696,888
10	ABS per pupil (line 9 / line 5)	2,421	2,480
11	local share rate (line 10 X .000262)	0.63	0.65

Please note the chart and table are based preliminary assumptions explained in the report, including the assumption that existing high school budgets change in increments of \$45,000 as enrollment changes by 20 students.

Preliminary Estimate of Change in Local Share Tax with RTA at Essex Site

**Local School Tax on \$100,000 Property: Winooski ID
With and Without Regional Technical Academy**



Worksheet to Calculate Local Share Tax Rate in Year 5.

Line	Winooski ID	No RTA	RTA (Blended Sites)
1	FY 03 Tech Assessment	58,874	
2	FY 03 Local Ed Expenditures	5,576,500	5,576,500
3	Additions to LES (Resulting from enrollment changes only)	0	-45,000
4	Total LES (lines 1+ 2+ 3)	5,635,374	5,531,500
5	Equalized Pupils	845.03	795.37
6	Tech FTE's	14.27	0
7	Pupils for which district receives GSSG (line 5 - line 6)	830.76	795.37
8	GSSG (\$5,566 X line 7)	4,623,999	4,427,049
9	Above-block spending (line 4 - line 8)	1,011,375	1,104,451
10	ABS per pupil (line 9 / line 5)	1,197	1,389
11	local share rate (line 10 X .000262)	0.31	0.36

Please note the chart and table are based preliminary assumptions explained in the report, including the assumption that existing high school budgets change in increments of \$45,000 as enrollment changes by 20 students.

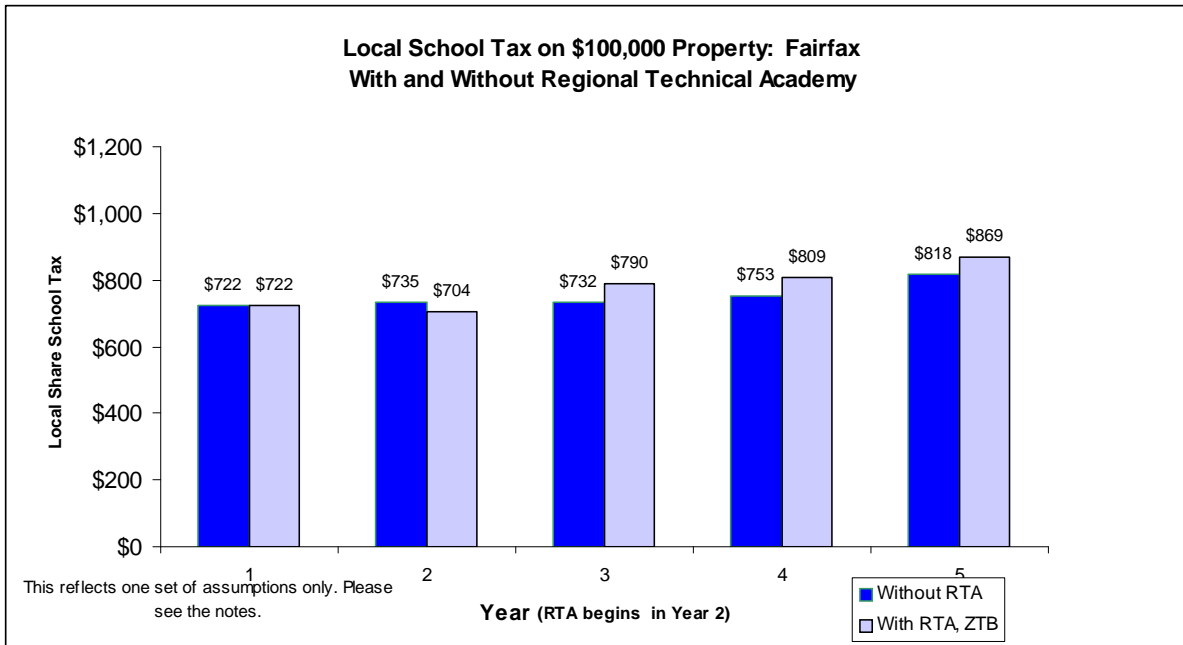
Grand Isle County & BFA Fairfax Town Data

The following pages show the likely tax implications of the proposed Regional Technical Academy in each of the towns within the primary service region but outside of Chittenden County.

Key assumptions include:

- FY 03 dollars are used for all five years.
- The General State Support Grant and the Yield are frozen at FY 03 levels
- Creation of the Zero-Tax-Base district as proposed.
- Enrollment projections for the districts are outlined in this report
- Enrollment in the RTA fluctuates with the number of 11th and 12th grade students expected in the region
- Budgets change only in response to enrollment changes. If enrollment decreases by 20 students, the budget decreases by \$45,000. If enrollment increases by 20 students, the budget increases by \$45,000.
- Capital expenditures or capital savings resulting from reuse of the existing buildings are not included in the analysis

Preliminary Estimate of Change in Local Share Tax with RTA at Essex Site



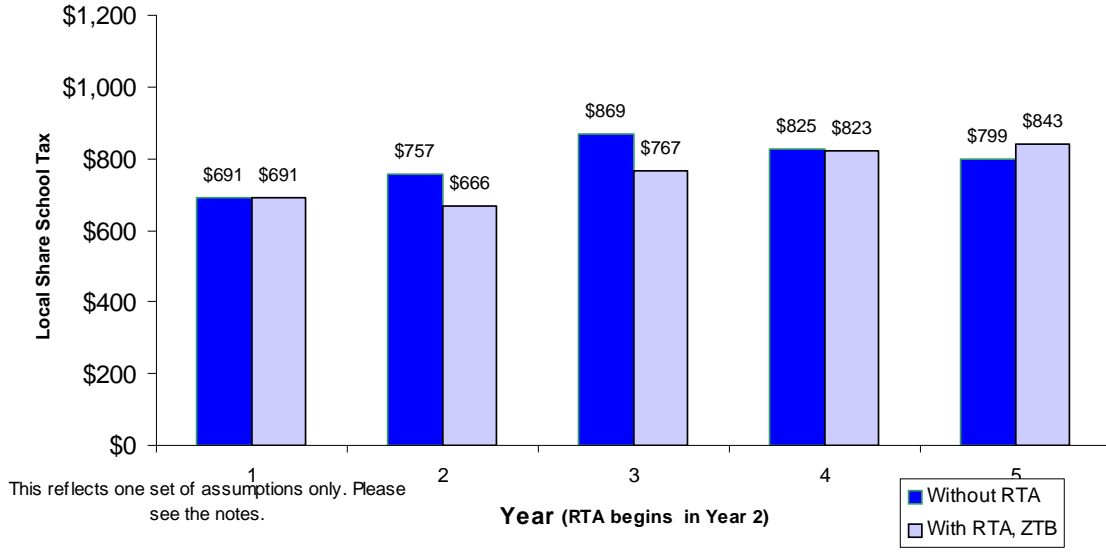
Worksheet to Calculate Local Share Tax Rate in Year 5.

Line	Fairfax	No RTA	RTA (Blended Sites)
1	FY 03 Tech Assessment	119,189	
2	FY 03 Local Ed Expenditures	6,137,392	6,137,392
3	Additions to LES (Resulting from enrollment changes only)	160,811	100,645
4	Total LES (lines 1+ 2+ 3)	6,417,392	6,238,037
5	Equalized Pupils	753.28	702.18
6	Tech FTE's	22.95	0
7	Pupils for which district receives GSSG (line 5 - line 6)	730.33	702.18
8	GSSG (\$5,566 X line 7)	4,065,018	3,908,334
9	Above-block spending (line 4 - line 8)	2,352,374	2,329,703
10	ABS per pupil (line 9 / line 5)	3,123	3,318
11	local share rate (line 10 X .000262)	0.82	0.87

Please note the chart and table are based preliminary assumptions explained in the report, including the assumption that existing high school budgets change in increments of \$45,000 as enrollment changes by 20 students.

Preliminary Estimate of Change in Local Share Tax with RTA at Essex Site

**Local School Tax on \$100,000 Property: Fletcher
With and Without Regional Technical Academy**



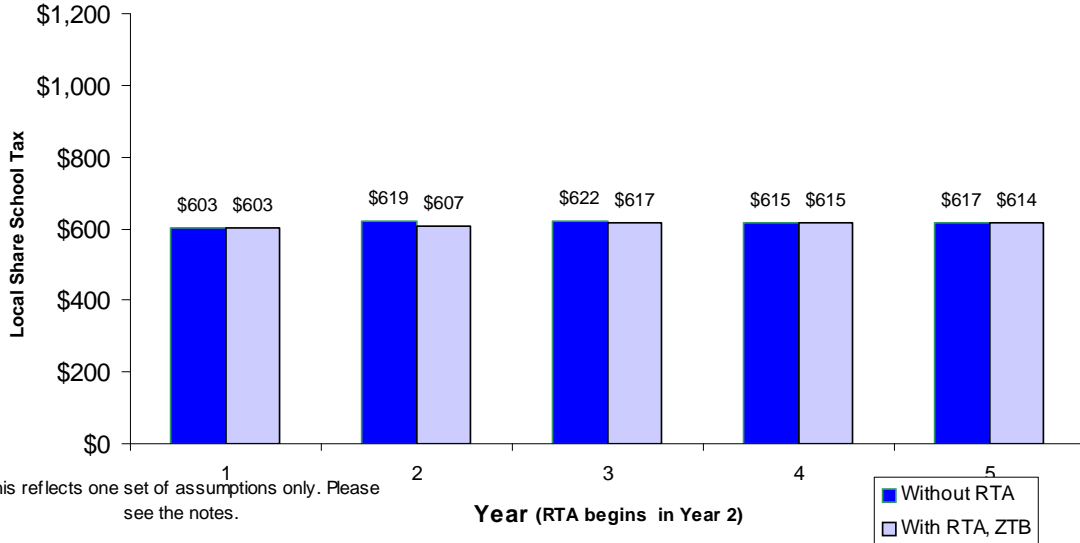
Worksheet to Calculate Local Share Tax Rate in Year 5.

Line	Fletcher	No RTA	RTA (Blended Sites)
1	FY 03 Tech Assessment	35,889	
2	FY 03 Local Ed Expenditures	1,721,461	1,721,461
3	Additions to LES (Resulting from enrollment changes only)	-34,849	-52,991
4	Total LES (lines 1+ 2+ 3)	1,722,501	1,668,470
5	Equalized Pupils	204.17	189.97
6	Tech FTE's	6.55	0
7	Pupils for which district receives GSSG (line 5 - line 6)	197.62	189.97
8	GSSG (\$5,566 X line 7)	1,099,940	1,057,354
9	Above-block spending (line 4 - line 8)	622,561	611,116
10	ABS per pupil (line 9 / line 5)	3,049	3,217
11	local share rate (line 10 X .000262)	0.80	0.84

Please note the chart and table are based preliminary assumptions explained in the report, including the assumption that existing high school budgets change in increments of \$45,000 as enrollment changes by 20 students.

Preliminary Estimate of Change in Local Share Tax with RTA at Essex Site

**Local School Tax on \$100,000 Property: Georgia
With and Without Regional Technical Academy**

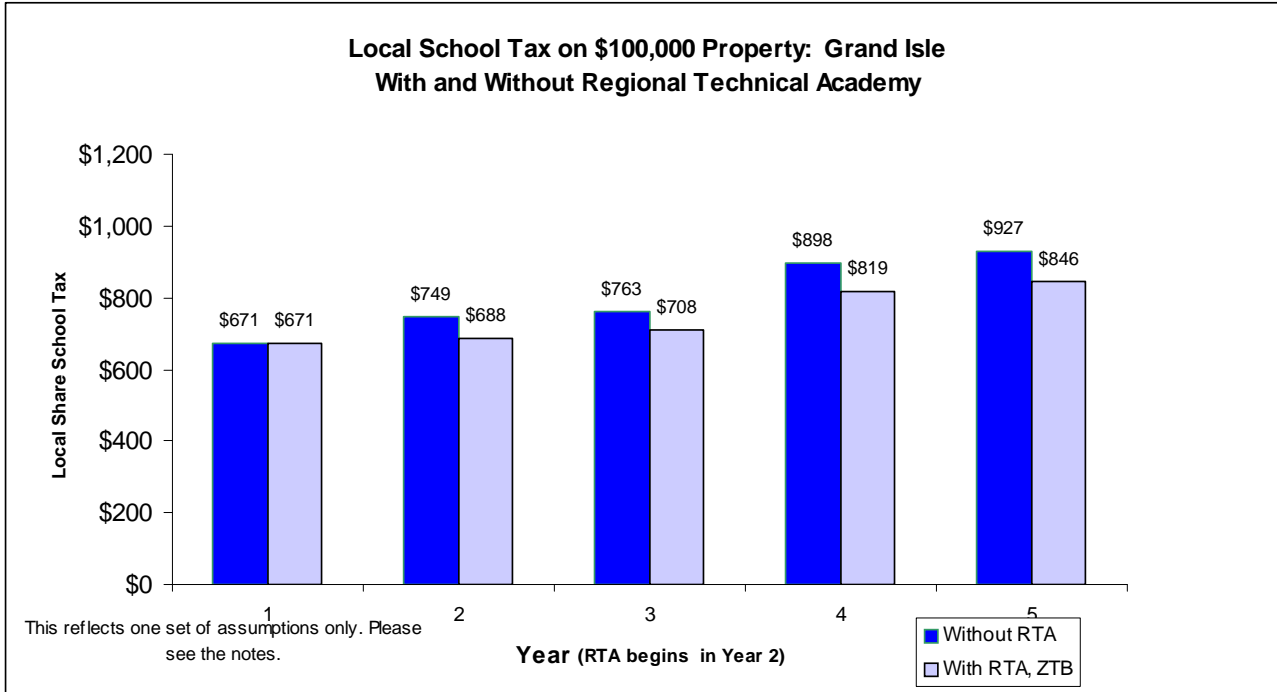


Worksheet to Calculate Local Share Tax Rate in Year 5.

Line	Georgia	No RTA	RTA (Blended Sites)
1	FY 03 Tech Assessment	89,587	
2	FY 03 Local Ed Expenditures	6,965,753	6,965,753
3	Additions to LES (Resulting from enrollment changes only)	21,910	-63,939
4	Total LES (lines 1+ 2+ 3)	7,077,250	6,901,814
5	Equalized Pupils	905.56	872.32
6	Tech FTE's	17.02	0
7	Pupils for which district receives GSSG (line 5 - line 6)	888.54	872.32
8	GSSG (\$5,566 X line 7)	4,945,632	4,855,355
9	Above-block spending (line 4 - line 8)	2,131,618	2,046,459
10	ABS per pupil (line 9 / line 5)	2,354	2,346
11	local share rate (line 10 X .000262)	0.62	0.61

Please note the chart and table are based preliminary assumptions explained in the report, including the assumption that existing high school budgets change in increments of \$45,000 as enrollment changes by 20 students.

Preliminary Estimate of Change in Local Share Tax with RTA at Essex Site



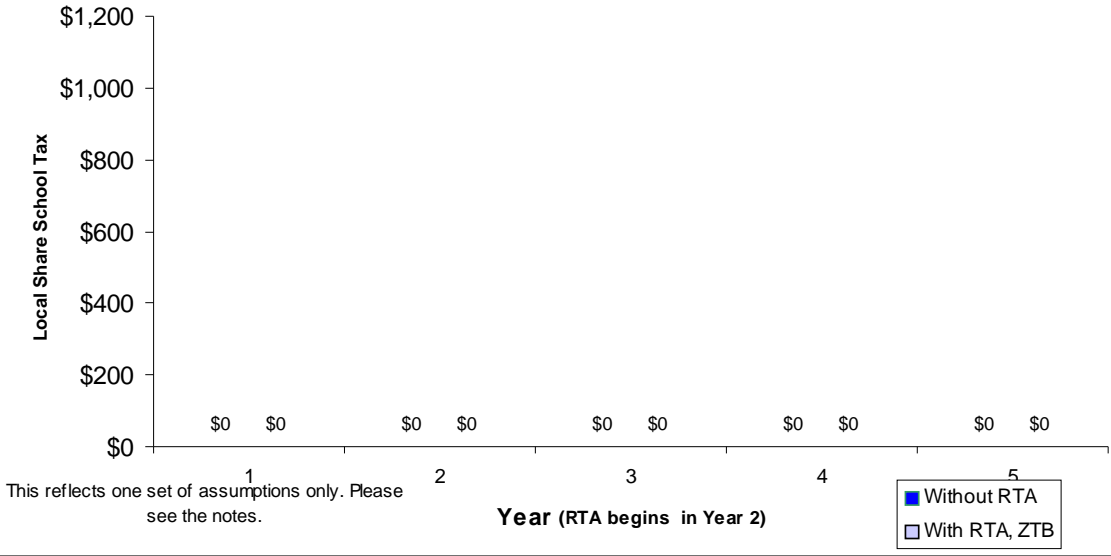
Worksheet to Calculate Local Share Tax Rate in Year 5.

Line	Grand Isle	No RTA	RTA (Blended Sites)
1	FY 03 Tech Assessment	39,360	
2	FY 03 Local Ed Expenditures	2,669,622	2,669,622
3	Additions to LES (Resulting from enrollment changes only)	-78,201	-86,712
4	Total LES (lines 1+ 2+ 3)	2,630,781	2,582,910
5	Equalized Pupils	293.59	293.59
6	Tech FTE's	7.64	0
7	Pupils for which district receives GSSG (line 5 - line 6)	285.95	293.59
8	GSSG (\$5,566 X line 7)	1,591,614	1,634,139
9	Above-block spending (line 4 - line 8)	1,039,167	948,772
10	ABS per pupil (line 9 / line 5)	3,539	3,232
11	local share rate (line 10 X .000262)	0.93	0.85

Please note the chart and table are based preliminary assumptions explained in the report, including the assumption that existing high school budgets change in increments of \$45,000 as enrollment changes by 20 students.

Preliminary Estimate of Change in Local Share Tax with RTA at Essex Site

**Local School Tax on \$100,000 Property: North Hero
With and Without Regional Technical Academy**



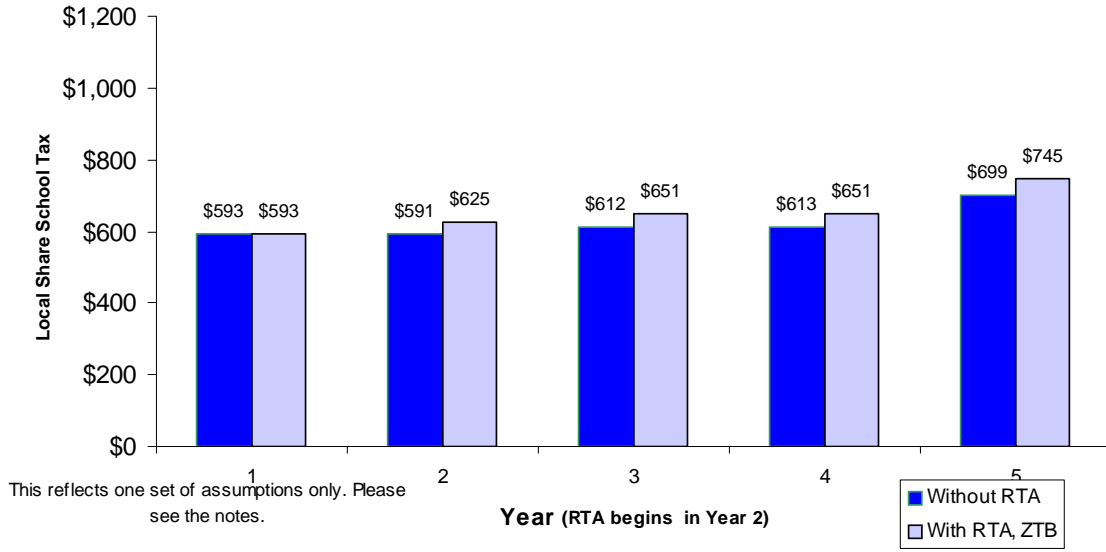
Worksheet to Calculate Local Share Tax Rate in Year 5.

Line	North Hero	No RTA	RTA (Blended Sites)
1	FY 03 Tech Assessment	8,786	
2	FY 03 Local Ed Expenditures	655,415	655,415
3	Additions to LES (Resulting from enrollment changes only)	-115,562	-103,083
4	Total LES (lines 1+ 2+ 3)	548,639	552,332
5	Equalized Pupils	105.32	105.32
6	Tech FTE's	1.79	0
7	Pupils for which district receives GSSG (line 5 - line 6)	103.53	105.32
8	GSSG (\$5,566 X line 7)	576,266	586,229
9	Above-block spending (line 4 - line 8)	-27,627	-33,897
10	ABS per pupil (line 9 / line 5)	-262	-322
11	local share rate (line 10 X .000262)	-0.07	-0.08

Please note the chart and table are based preliminary assumptions explained in the report, including the assumption that existing high school budgets change in increments of \$45,000 as enrollment changes by 20 students.

Preliminary Estimate of Change in Local Share Tax with RTA at Essex Site

**Local School Tax on \$100,000 Property: South Hero
With and Without Regional Technical Academy**



Worksheet to Calculate Local Share Tax Rate in Year 5.

Line	South Hero	No RTA	RTA (Blended Sites)
1	FY 03 Tech Assessment	18,556	
2	FY 03 Local Ed Expenditures	2,370,070	2,370,070
3	Additions to LES (Resulting from enrollment changes only)	42,337	50,631
4	Total LES (lines 1+ 2+ 3)	2,430,963	2,420,701
5	Equalized Pupils	297.72	287.82
6	Tech FTE's	3.81	0
7	Pupils for which district receives GSSG (line 5 - line 6)	293.91	287.82
8	GSSG (\$5,566 X line 7)	1,635,899	1,602,004
9	Above-block spending (line 4 - line 8)	795,065	818,697
10	ABS per pupil (line 9 / line 5)	2,671	2,844
11	local share rate (line 10 X .000262)	0.70	0.74

Please note the chart and table are based preliminary assumptions explained in the report, including the assumption that existing high school budgets change in increments of \$45,000 as enrollment changes by 20 students.

Effect on the State Budget

State funding would be affected in the following ways:

- There would be more technical students than there currently are, requiring more tuition reduction assistance.
- The tuition reduction assistance amount per pupil would be increased.
- The cost of the maximum loss provision would increase, as students leaving the local district to attend the RTA would be lost from the local district's equalized pupil count.
- There would be fewer non-technical high school students. Because the high schools cannot downsize immediately, above-block spending in the region would increase, moving more money into and out of the Education Fund.

The table below shows the magnitude of the changes, using FY2003 dollars. It assumes enrollment changes, as explained in a preceding section of this report.

TABLE 10 - Regional Technical Academy v. Current Situation, Revenue and Spending

	Year 2	Year 3	Year 4	Year 5	% Regional Total, Year 5
Tech Spending Change	5,336,862	5,528,430	5,657,563	5,916,229	105.4%
Non Tech Spending Change	-1,395,000	-1,395,000	-1,350,000	-1,350,000	-0.7%
Total Spending Change	3,941,862	4,133,430	4,307,563	4,566,229	2.2%
State Share Change	4,724,989	3,457,443	3,351,286	3,268,475	2.4%
Local Tax Change	-783,127	675,987	956,277	1,297,754	1.9%
Total Increase in Ed Spending	3,941,862	4,133,430	4,307,563	4,566,229	2.2%

Because there would be roughly twice as many full time technical education students at the RTA as are currently technical center full-time equivalents in the region, technical education spending would increase by \$5-\$6 million dollars.

Because there are fewer non-technical students, high school spending could decrease. In this table, it is assumed that high school budgets would respond in the following way: if there is a decrease (increase) of 20 students, there is a decrease (increase) of \$45,000 in the budget.

Netting the two, there would be an increase in spending of \$4-\$5 million. (If high school budgets were instantly responsive to a loss in students and could cut costs by \$8,000 per lost pupil, their costs would be reduced by about \$3 million instead of the \$1.3 million shown in the table, and the net increase in education spending resulting from the proposal would be about \$2.7 million.)

Roughly 80 percent of the state's share of the increase (about \$2.7 million) is due to tuition reduction assistance for additional technical students.

Roughly 15 percent of the state's increased payment is due to increases in "maximum loss." Because education tax rates are based on spending per equalized pupil, the education tax rate in a district could jump suddenly without an increase in the school budget, just because of a sudden drop in enrollment. To protect local districts, the legislature enacted the maximum loss provision. The equalized pupil count used to calculate the district's contribution to the Education Fund is the greater of: 1) the calculated equalized pupil count, or 2) last year's equalized pupil count less 3.5%.

As shown in the preceding section on enrollment, the student count is dropping in many districts in the state, so the maximum loss provision is, effectively, serving to decrease the amount collected on the local above-block tax while increasing the cost of the GSSG. When more students are removed from the student count at the local district because they become RTA students, the maximum loss provisions can affect the funding in two ways:

- In districts that were on maximum loss without the RTA, any additional loss of students would not make any difference in either the GSSG they receive (because the GSSG is based on the "capped" student count) or in their local share tax rate (because the rate is determined by the above-block spending divided by the "capped" student count).
- Some districts that would not otherwise be affected by the maximum loss provisions may be when the RTA students are subtracted from their student count. This means that they would only be partially affected by the drop in students.

In either case, when the maximum loss provision is in effect, some of the tax increase is borne by the state, at least for a few years until the equalized student count stabilizes. In the table above, the reason that the state share decreases over years 2-5, and the local share increases, is that districts move off of maximum loss.

A small portion of the increased state share results from an increased draw on the Education Fund for above-block spending.

In "steady state," it can be assumed that the total increase in education spending would amount to the difference between technical education spending and high school spending for additional technical high school students, or about \$2.7 million. The additional cost shown in the table above is due to transition problems—mainly dealing with decreasing enrollment and downsizing in high schools.

The proposal calls for increasing tuition reduction assistance in the state as a whole—not just in the region. There would be an additional state cost of \$3.1 million (FY 03) to cover this cost in districts outside of the region.

**Why Changes to Current Law Are Recommended:
Regional Technical Academy and Current Law**

The proposal calls for making many changes to current law, mainly because it became clear that the Regional Technical Academy, as envisioned, would not function well within the current statutory framework due to the following:

- There is no provision in current law for starting a new school and receiving funding for the students in the first year(s). The student count used to receive funding is based on averages of preceding years. A school could not begin without funding for each student.
- The current method of allocating the block grant and the tuition reduction assistance to technical centers is geared toward part-time students. It is not adequate for full-time students.
- Because of the different levels of spending per pupil in the region, a technical center assessment would result in a more significant increase in the tax rate in some local districts than in others. There would be more of a disincentive in some districts than in others to allow students to attend a technical academy. It is often the case that these are the towns in which the highest proportion of students would benefit from a technical education.

Comment [* 1]: Am I confused again? Help You have the right terms. Maybe we should put them in parantheses. But the basic problem is that the way they fund tech centers means it's a good deal if the kids go less than 240 minutes per day, but if they go more than that you don't get any more money. So a full time tech center is a loser because of the way things are set up.

In terms of funding, the main differences between the proposed Zero-Tax-Base method and current law are:

- Increased tuition reduction assistance under the ZTB model
- Maximum loss provisions under the ZTB model ease the transition for the local districts
- No technical center assessment; the local per-pupil cost at the RTA equals the per-pupil cost at the local district.

To estimate the effect on the state as well as on the region's school districts, it was necessary to make an assumption about counting students in the first years of the new school. It was assumed that the full-time equivalents would be the number of students attending the technical school, as opposed to using a six-semester average (current law).

As shown in the table below, the state's share of the cost of education in the region would be \$2-\$3 million greater under the ZTB funding scheme than it would be under current law. The difference would be made up by the local property tax. In the early years, the difference is greater than it would be under "steady state." This is mainly because the student count is decreasing in the region, and when even more students are lost to the Regional Technical Academy, local districts are more likely to be affected by the maximum loss provisions under the Zero-Tax-Base model.

TABLE 11 - State Education Cost in the Region, with Two Funding Options for the RTA

	Year 2	Year 3	Year 4	Year 5
State Share—RTA with ZTB	146,411,769	143,932,755	142,598,197	140,361,022
State Share—RTA with Current Law	143,020,617	141,800,081	140,567,435	138,451,026
Difference	3,391,153	2,132,674	2,030,762	1,909,996

Legislative Changes Proposed for Zero-Tax-Base District

- Creation of an overlay district that has no tax base because the entire underlying area is already paying state and local school taxes.
- In current law, the equalized pupil count in a district is based on an average of the preceding two years. Because the RTA will be a new district, the equalized pupil count must be calculated differently for the first two years.
 - In the first year, the equalized pupil count would be based on preliminary enrollment numbers.
 - In the second year, the equalized pupil count would be based on an average of the first year's actual enrollment and the second year's projected enrollment.
 - In subsequent years, the equalized pupil count would be calculated as it is in other districts.
- To avoid double counting the students in the first two years, the equalized pupil count for the local underlying districts should be similarly adjusted to account for the RTA students. This could be done by subtracting from the 2-year average at the underlying school district the same number of students that are assigned to the RTA.
 - In the first year, the equalized pupil count would be based on the average of the two preceding years minus preliminary enrollment numbers for the RTA.
 - In the second year, the equalized pupil count would be based on an average of the preceding year's actual enrollment and the prior year's enrollment less the RTA enrollment projected for the following year.
 - In subsequent years, the equalized pupil count would be calculated according to current law because the RTA enrollment would have been reflected in the student count of the two preceding years.
- The General State Support Grant and the region's average above-block spending per equalized pupil should be directed to the RTA for each equalized pupil attending from the district.
- The proposal calls for increasing the tuition reduction assistance for technical education students from 40 percent of the General State Support Grant per Full-Time Equivalent to 70 percent. For technical high schools that are their own districts, the tuition reduction assistance would be calculated at 70 percent of the General State Support Grant per equalized pupil.

In most technical centers in Vermont, where students are likely to attend part time, the students are counted and funded on a "Full-Time Equivalent" basis. When a technical

school is a separate district, as is the case with the RTA, the students are likely to attend full time and they would be counted and funded on an “equalized pupil” basis, just as students are counted in other school districts in the state.

Legislative Recommendation with Statewide Impact Maximum Loss Provision and Technical Centers

In the process of analyzing options for financing a regional technical academy, it became clear that there is a problem with the way technical students are counted when determining whether or not the maximum loss provisions apply to a local district.

When one student (Full-Time Equivalent) attends a technical center, the local district loses the General State Support Grant for one equalized pupil, and the GSSG is sent to the technical center. For purposes of the block-grant portion of the school tax, it is as if the local district has lost that student. However, the student count used to determine eligibility for maximum loss protection does not subtract students going to the technical centers.

This is not a problem if the enrollment at a technical center is steady. But, it is often not. It is a serious problem if a new technical center were to start up. If, for example, four percent of a district’s students enrolled in a new technical center, the local district would lose four percent of its GSSG in one year. The maximum loss provision was designed to protect towns in the event of a sudden loss of more than 3.5% of their students, but it is not triggered when students enroll in a technical center.

The problem only exists for the block-grant portion of the school tax. For calculating the above-block spending, the technical students are counted in the school district—and the technical center assessment is added to the local education spending.

Recommendation:

If the state continues to send the GSSG for technical students to the technical centers, there should be two maximum loss calculations: one for the block grant and the other for the above-block spending.

- **Block Grant portion:** For purposes of calculating the GSSG sent to a local district, the equalized pupil count should exclude the same number of FTE’s for which the GSSG is sent to a technical center. This count cannot drop more than 3.5% from the previous year.
- **Above-block portion:** No change needed. For purposes of calculating the local share payment to the Education Fund, the equalized pupil count should include all pupils, as it current does.

This change would affect technical centers that are not separate districts. It would not affect the proposed Regional Technical Academy which would be a separate district.