



Assessing the Financial Impact of Ripton Withdrawal for ACSD

2.12.21

There are many factors to consider when assessing the financial impact of a potential Ripton withdrawal for ACSD. Since unification in FY18, it is difficult to fully separate costs by school, but we are able to make some reasonable estimates about expenditures and revenues at the school level.

There are two scenarios to consider. The first is comparing ACSD's FY22 estimated cost per equalized pupil based on the proposed FY22 budget to what the cost per equalized pupil could be if Ripton withdrew. In this scenario, we reduce the costs we can specifically attribute to Ripton, such as staffing, facilities, and transportation, and make a reasonable attempt to prorate additional expenditures such as professional development, technology, curriculum and special education. In this analysis, we reduce any revenue associated with Ripton Elementary School, such as Ripton's portion of the small schools grant, elementary tuition revenue, and any special education reimbursements. We also add revenue for middle and high school students from Ripton tuitioning to MUMS and MUHS. Finally, we reduce ACSD's equalized pupil count by Ripton's estimated equalized pupil count.

ACSD FY22 General Fund Budgeted Expenditures	\$37,949,167
Less: Ripton elementary school expenditures (estimated)	<u>(\$875,761)</u>
Net ACSD FY22 General Fund Budgeted Expenditures	\$37,073,406
ACSD FY22 General Fund Budgeted Revenue	\$5,179,060
Less: Ripton elementary school revenues (estimated)	(\$107,866)
Plus: Secondary tuition revenue (estimated)	<u>\$516,796</u>
Net ACSD FY22 General Fund Budgeted Revenue	\$5,587,990
Net ACSD FY22 Education Spending	\$31,485,416
ACSD FY22 Equalized Pupils (less Ripton)	1,666.76
Estimated ACSD FY22 Ed Spending per EQP	\$18,890
Current estimated FY22 Ed Spending per EQP	\$18,936
Difference	-\$46

In this scenario, a potential Ripton withdrawal could result in a small savings in education spending per equalized pupil for the remaining towns in ACSD. Factors that could affect this

figure include middle and high school costs and tuition revenue, among other things. Additionally, this scenario would recognize virtually zero discernable tax impact.

The second scenario to analyze is comparing ACSD's FY22 estimated cost per equalized pupil based on the proposed FY22 to budget to what the cost per equalized pupil could be if Ripton did not withdraw and Ripton Elementary School was closed, with students attending other schools in ACSD. In this scenario, some of the expenditures associated with Ripton Elementary School are reduced, but much of the revenue is retained, including Ripton's equalized pupil count. Expenditures that are not reduced in this scenario include the cost of transportation, special education, and other prorated expenditures such as professional development and technology. Staffing and facilities costs are reduced.

ACSD FY22 General Fund Budgeted Expenditures	\$37,949,167
Less: Ripton elementary school expenditures (estimated)	<u>(\$795,661)</u>
Net ACSD FY22 General Fund Budgeted Expenditures	\$37,073,406
ACSD FY22 General Fund Budgeted Revenue	\$5,179,060
Less: Ripton elementary school revenues (estimated)	<u>(\$68,071)</u>
Net ACSD FY22 General Fund Budgeted Revenue	\$5,110,989
Net ACSD FY22 Education Spending	\$32,042,517
ACSD FY22 Equalized Pupils	1,730.52
Estimated ACSD FY22 Ed Spending per EQP	\$18,516
Current estimated FY22 Ed Spending per EQP	\$18,936
Difference	-\$420

In this scenario, the savings achieved is greater than the first scenario. Both scenarios estimate potential savings. As discussed, both estimates have limitations as there are many factors to consider, both financial and beyond. In this scenario, the tax rate is projected to be about .03 lower than in the first scenario.

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