

Budget Development Update

January 8, 2019





The mission of the Burlington School District is to graduate students who:

- Value different cultures
- Engage with the community
- Communicate effectively
- Think creatively
- Skillfully solve problems
- Achieve at their highest academic, intellectual and personal potential

Budget Landscape

- Structural budget challenge
- Rising wage and benefits costs
- Labor negotiations
- Uncertain legislative environment
- Inflation rate increase
- Instructional supports
- Capital investments



The Budget Process

- Public and staff input
- Analysis and prioritization
- Review of revenue and expenditure projections
- Board review and feedback
- Tax impact analysis
- Board support
- Community education
- Town Meeting Day vote



Consultation Phase

- 4 Community forums were held
- Online input tool is available
- Principals met with staff to discuss ideas and needs
- Principals and department leaders reviewed and prioritized ideas, including a scoring for consistency with strategic priorities



Community Consultation Themes

New Investment Ideas

Classroom teachers
Special education teachers
EL teachers
Special education paras
Kindergarten paras
Multilingual liaisons
Community partnerships
Professional development
Programs for high academic achievers
Capital improvements
Inclusion initiatives

Reduction Ideas

Teachers
Coaches
Administration
Consultants
Sports
Preschool
Programs for high academic achievers
School consolidation
Supplies & materials

District Collective Budgeting Process

- **Goal:** Create united budget request that furthers the District's Mission.
- **Objectives:**
 - To identify current activities we would curtail or eliminate in order to fund other priorities.
 - To identify what efficiencies in our operation are possible without sacrificing quality
- **Method:** Whole faculty, small group and 1-1 discussions at each BSD school led by the Principal.
- **Outcomes:** Articulation of the budgeting needs from a variety of different perspectives.

Clarifying our Vision and alignment to the districts strategic plan

Systems Leader Meeting on November 1, 2018

- **Objective:** Build alignment across buildings and programs
- **Method:** Unpack **The Mission of the Burlington School District is to graduate students who:**
 - Value different cultures
 - Engage with the community
 - Communicate Effectively
 - Think Creatively
 - Skillfully solve problems
 - Achieve at their highest academic, intellectual, and personal potential
- **Outcomes:** Common beliefs among Principals and Senior directors

Collective budgeting process

Prioritization by Senior directors and Principals

Systems Leader Meeting on November 6, 2018

Objective: Collectively narrowed budget ideas to be presented to the board

Method:

1. Get on the balcony and consider what is needed across BSD K-12
2. Connect each budgetary request to a designated area of the Strategic Plan each budgetary request is connected. “People are willing to make sacrifices if they see the reason why.” Ronald Heifetz
3. Applied a budget rubric specifically considering purpose and student achievement in order to prioritize the budgetary requests
4. Share out and synthesis

Budgetary Assumptions

CPI-U Inflation: 2.5%

Surplus from FY18: \$700k as operating revenue, \$700k as contingency

Wages: Increased at the rate identified by the Board during executive session

Health insurance: 12% increase in premium rates based on VEHI projection

Dental & Life insurance: No change in estimated rate

Workers Compensation: No change in estimated rate

Utilities: 3% annual increase from FY18 actuals, or less when warranted

Supplies: 2.5% increase based on inflation

Special Education: 10% increase in tuition and inclusion service costs

K-12 Enrollment

	FY18	FY19	FY20
BHS	937	959	1002
Middle	800	815	835
Elementary	1,693	1,642	1,648

NOTE: Elementary count excludes preschool classrooms located at elementary schools, BTC, and alternative programs.

Board Budget Criteria

Highlights from board budget criteria workshop

- Early Learning
- Opportunities for High Achievers
- Restorative Practices
- Achievement Gap
- Social Emotional Learning
- Student Centered

System Leaders Budget Development Criteria

Principals and directors identified the following priorities

- Focuses on early learning and interventions
- Supports current strategies to reduce the achievement gap
- Supports social emotional learning
- Supports current Restorative Practices strategies
- Aligns with strategic goals
- Necessary to comply with federal or state mandates

Total of Possible New Investments

\$5.37 million could be added to baseline growth

- New investment ideas are a starting point, not a final proposal.
- In addition to the cost of any new investments, the budget baseline will grow due to a variety of factors (see Budget Assumptions slide).
- Some new investment ideas can be meaningfully pursued with partial funding, others require the full estimated investment about to produce meaningful results.
 - Ex: we can hire part time positions, but we can't buy half of a tractor.

Inclusive Teaching & Learning

Achievement Gap Priority	Amount
1.6 FTE Proficiency coach, PLP & advisory coordination	\$250,000
2.0 FTE EL teachers	\$180,000
2.4 FTE BHS teachers for additional core and elective course offerings	\$216,000
0.75 FTE at Horizons to increase English & Math teachers to full time	\$72,000
2.0 FTE Speech Language Pathology Assistant	\$93,000
Scheduling program for assigning students to tutoring and support	\$7,000
Data Team systems technical support, training, software	\$80,000
1.0 FTE EL Academic Language Specialist (currently 0.5 FTE grant funded)	\$90,000

Inclusive Teaching & Learning

Early Learning Priority	Amount
16.0 FTE kindergarten paraprofessionals	\$480,000
Retain two all-day preschool classrooms (grant support is ending)	\$148,000
IT investments (replacement of elementary iPads, student device security)	\$72,000
Fountas & Pinnell classroom libraries	\$87,000
PD for K-5 phonics, grammar, reading curriculum	\$90,000
0.8 FTE Preschool SLP services	\$60,000
0.5 FTE Preschool Coordinator for ISN program	\$40,000

Inclusive Teaching & Learning

Social Emotional Learning Priority	Amount
1.0 FTE shared middle school guidance counselor (emphasis on EL students)	\$90,000
2.0 FTE middle school health & sex ed teachers	\$180,000

Inclusive Teaching & Learning

Other	Amount
Special Education contingency	\$250,000
Reserve to hire staff for emerging needs	\$400,000
1.0 IAA Drama Coach (make permanent)	\$90,000
1.0 FTE EMS band paraprofessional	\$30,000
0.5 FTE BHS Music Accompanist	\$20,000
Middle school athletics budget increase for uniforms, supplies	\$10,000
BHS athletics budget increase for Ultimate Frisbee and Bowling teams	\$19,000

Equitable Climate & Culture

Achievement Gap Priority	Amount
Parent University staff and operational supplies	\$21,000

Equitable Climate & Culture

Early Learning Priority	Amount
1.0 FTE elementary EL teacher	\$90,000
North-South bus driver	\$65,000
1.0 FTE multilingual liaison (half of cost would be grant-funded)	\$15,000

Equitable Climate & Culture

Restorative Practices Priority	Amount
Staff training, RP consultants, materials and operating expenses	\$108,000
Alternatives to Suspension & Displacement Program	\$245,000
Middle school RP practitioner	\$65,000

Equitable Climate & Culture

Social & Emotional Learning Priority	Amount
11.0 FTE Special Education teachers with behavior management expertise	\$990,000
Elementary Social Workers and supports	\$300,000
Special Education supports (training for paras, unified sports)	\$35,000

Equitable Climate & Culture

Other	Amount
Compensation study	\$10,000
Sustain Tooth Tutor service level (grant funds declining)	\$15,000
Temporary staff to manage InfoSnap annual updates centrally	\$25,000
1.0 EL administrative assistant	\$45,000

Sustainable Finance & Facilities

	Amount
Plow truck replacement	\$100,000
Security system design cost	\$168,000
Tractor for Edmunds campus	\$16,000

Bonding & Debt Service

- \$6.2 million of new debt is assumed for FY20
 - \$4 million BHS ReEnvisioning
 - \$2.2 million Capital Plan
- New debt payments associated with FY19 borrowing will begin in FY20.

Budget Benchmarks

Data to put budget increases in context

Benchmark Amounts

1% of total budget = \$850,000

1% of Ed. Spending = \$620,000

FY19 Ed. Spending Increase = \$470,000

NEW INFORMATION

Updates to December Presentation

- Revised baseline growth amount to \$2.2 million.
 - Change reflected in updated tax calculations.
- Received FY20 Common Level of Appraisal (CLA).
 - Change reflected in updated tax calculations.
- 4% Tax Impact scenario
 - \$1.92 million new investments.
 - Certain investments postponed or curtailed.
 - \$500,000 of non-instructional reductions.
 - Impact of surplus demonstrated.



Budget Benchmarks

Putting potential new investment amounts in context

New Investment	New \$ + Baseline Growth	% growth in Total Budget (\$85m)	% Growth in Ed. Spending (\$61.95m)
\$0.0	\$2.2 million	2.59%	3.55%
\$1.0 million	\$3.2 million	3.76%	5.17%
\$1.8 million	\$4.0 million	4.71%	6.46%
\$2.7 million	\$4.9 million	5.76%	7.91%
\$5.37 million	\$7.57 million	8.90%	12.22%

Assumptions for Tax Rate Estimation

Equalized Pupil Count: No Change.

This figure can increase or decrease based on grade-level enrollment, FRL and EL status. Also adjusted by state equalization rate. Could increase or decrease, so assuming no change is a reasonable starting point.

Revenue: Increased by \$300,000.

Use of \$1.4 million in surplus is an increase from \$1.1 million in FY19.

Tax Estimates



Awaiting Data

Key Variables

Status

Education spending

Under development by Board

Equalized pupil count

Awaiting data from AOE

Homestead dollar yield

\$10,666 (4.36% increase)*

Common level of appraisal

77.65% (2.29% decrease)**

*An increase in the dollar yield decreases the tax rate

**A decrease in the CLA increases the tax rate

Hypothetical Tax Impacts

Based on the “Assumptions” slide

New Investment	New \$ + Baseline Growth	Actual Tax Change
\$0.0	\$2.2 million	1.76%
\$1.0 million	\$3.2 million	3.36%
\$1.8 million	\$4.0 million	4.63%
\$2.7 million	\$4.9 million	6.06%
\$5.37 million	\$7.57 million	10.32%

4.0% Tax Increase Scenario

Inclusive Teaching & Learning

Achievement Gap Priority	Amount
1.6 FTE Proficiency coach, PLP & advisory coordination	\$250,000
2.4 FTE BHS teachers for additional core and elective course offerings	\$216,000

4.0% Tax Increase Scenario

Inclusive Teaching & Learning

Early Learning Priority	Amount
9.0 FTE kindergarten paraprofessionals	\$270,000
Retain two all-day preschool classrooms (grant support is ending)	\$148,000
PD for K-5 phonics, grammar, reading curriculum	\$40,000

4.0% Tax Increase Scenario

Inclusive Teaching & Learning

Social Emotional Learning Priority	Amount
1.0 FTE shared middle school guidance counselor (emphasis on EL students)	\$90,000
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4.0% Tax Increase Scenario

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4.0% Tax Increase Scenario

Equitable Climate & Culture

Restorative Practices Priority	Amount
Staff training, RP consultants, materials and operating expenses	\$80,000

4.0% Tax Increase Scenario

Equitable Climate & Culture

Social & Emotional Learning Priority	Amount
3.0 FTE Special Education teachers with behavior management expertise	\$270,000
Elementary Social Workers and supports (full time at all elementary schools)	\$118,000
Special Education supports (training for paras, unified sports)	\$2,000

4.0% Tax Increase Scenario

Sustainable Finance & Facilities

	Amount
Security system design cost	\$168,000

Bonding & Debt Service

- \$6.2 million of new debt is assumed for FY20
 - \$4 million BHS ReEnvisioning
 - \$2.2 million Capital Plan
- New debt payments associated with FY19 borrowing will begin in FY20.

\$500,000 of Non-instructional Reductions

Tax impact would increase from 3.9% to 4.8% without reductions

- One time project funding (MakerSpace, TalentEd training, Jolly Phonics)
- Workers Compensation premium savings
- Utilities savings
- Transportation savings due to reduced use of rented vehicles
- Kelly Substitute Services savings due to increased use of in-house substitutes
- Lower private preschool partner program participation than anticipated

4.0% Tax Increase Scenario

FY 2019 Total Budget	\$85.0 million
Increased General Fund Costs	\$1.8 million
Increased Debt Service	\$0.4 million
Subtotal	\$87.2 million
New Investments	\$1.9 million
Non-instructional reductions	(\$0.5 million)
TOTAL	\$88.6 million

Baseline growth reflects the Budget Assumptions plus:

1.0 FTE EL teacher at BHS to comply with OCR agreement

0.4 FTE Science teacher at BHS (currently filled on a temporary basis) to address scheduling need

Baseline does not retain the FY19 additions by Board at Flynn & SA

Surplus Reduced Tax Impact from 6% to 4%

Tax Impact of Using Surplus

	Before Use of Surplus	After User of Surplus
Total Budget	\$88.63 million	\$88.63 million
Surplus Used as Revenue	\$ 0	\$ 1.40 million
Education Spending Change	\$ 4.72 million	\$ 3.32 million
Tax Impact	6.16%	3.93%

4.0% Tax Increase Scenario

Budget History

	FY17	FY18	FY19	FY20
Total Budget	\$83.59m	\$85.54m	\$85.00m	\$88.63m
% change	2.9%	2.3%	-0.6%	4.27%
General Fund	\$69.87m	\$73.76m	\$74.14m	\$77.77m
% change	1.9%	5.6%	0.5%	4.90%
Equalized Tax	0.59%	1.28%	0.21%	0.95%
Actual Tax	4.19%	3.86%	3.32%	3.93%

City Council Feedback

Result of January 7 presentation to City Council

- Councilor Bushor expressed support for alternatives to suspension program and reservations about the district's ability to fully implement some of the more substantial changes in a single year (such as hiring paraeducators for every preschool classroom).
- Councilor Knodell suggested that the Board keep in mind the tax increase associated with future BHS construction while considering this year's tax increase.
- Councilor Dieng noted the need to support substance abuse prevention efforts.

Additional Reduction of \$60,000 Possible

Staff reviewed the reductions proposed by board members

\$60,000 of additional General Fund savings could be achieved as follows:

- \$20,000 from elimination of the contracted principal substitute. Loss of a dedicated “first call” substitute. Will use per diem use of principal substitutes when necessary.
- \$40,000 from elimination of the curriculum coordination role. District would rely on Title II funding, if available and permissible, to support this work in FY20.

\$60,000 could be used to make additional investments or reduce tax impact

Ballot Language

Shall the voters of the school district approve the school board to expend \$8x,xxx,xxx which is the amount the school board has determined to be necessary for the ensuring fiscal year? It is estimated that this proposed budget, if approved, will result in education spending of \$1x,xxx.xx per equalized pupil. This projected spending per equalized pupil is x.xx% higher than spending for the current year.

Next Step for Board

Board makes changes to budget scenario and finalize proposed budget.

Business Office still awaiting equalized pupil counts, and certain state revenue information.



Budget Development Timeline

- 10/18 Community budget forum
- 10/19 Online form for budget input, staff budget input
- 10/19 Student budget input
- 11/13 School Board meeting
- 11/27 Special School Board meeting
- 12/11 School Board meeting
- 12/18 School Board meeting
- 1/8 School Board meeting
- 1/15 *Possible* School Board meeting
- 3/5 Town Meeting Day budget vote



Full budget timeline available at: <http://www.bsdrv.org/district/budget/>

Cultivating caring, creative, and
courageous people. Join the journey!
