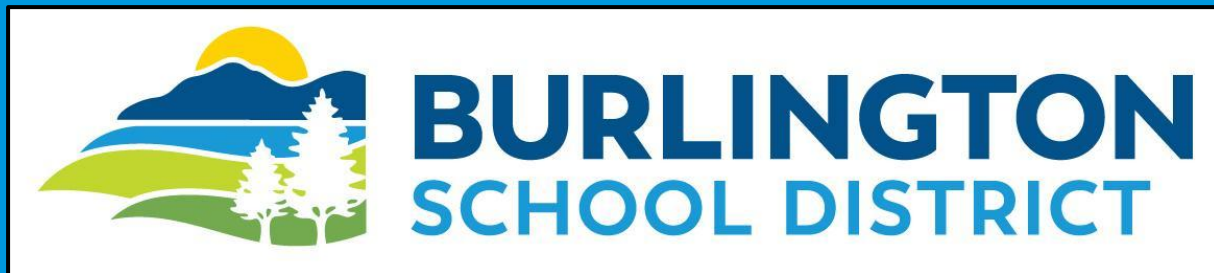


Budget Workshop

January 7, 2020



Workshop Agenda

1. New Information - Changes to Budget Request List
2. Tax Estimate Review
3. Budget Benchmarks and Contextual Information
4. Board Tax Impact Decision
5. Board discussion of new investments (small group work)
6. Executive Session
7. Board discussion of reductions (small group work)

Changes to Budget Request List

Items Supported without Added Budget Pressure

- \$25,000 for Substance Abuse Prevention staff
 - Propose using Medicaid Reimbursement revenue to sustain this service for FY21.
- \$1,000 IT audit
 - Propose using existing funds. Preliminary IT audit cost small enough to be managed without additional funding. May occur in FY20 or FY21.



Budget Benchmarks

Data to Guide Budget Discussion

Benchmark Amounts

1% of Total Budget = \$890,000

1% of Ed. Spending = \$650,000

FY20 Ed. Spending Increase = \$3,424,000

FY19 Ed. Spending Increase = \$ 470,000

New Investments

Recent Budget and Tax Changes

Year	New Investment Amount
FY18	\$1,760,000
FY19	\$ 852,000
FY20	\$2,300,000

Surplus Reduces Tax Impact

Baseline Scenario Tax Impact of Using Surplus

	Before Use of Surplus	After User of Surplus
Total Budget	\$92.2 million	\$92.2 million
Surplus Used as Revenue	\$ 0	\$ 1.3 million
Education Spending Change	\$ 4.8 million	\$ 3.5 million
Tax Impact	10.50%	8.52%

Tax Estimates

Utilizing the most current information

Scenario	Baseline	Low	Medium	High
New Investments	\$0	\$499k	\$1.236m	\$1.996m
Ed. Spending Increase	\$3.5m	\$4.0m	\$4.8m	\$5.5m
Property Tax Increase	8.52%	9.31%	10.47%	11.66%
Income Yield Increase	4.29%	5.05%	6.16%	7.31%

Tax Estimates



Awaiting Data
Bad to tax rate

Key Variables

Status

Education spending (**baseline**)

\$68,908,778 (5.40% increase)

Equalized pupil count

4,069.68 (1.31% decrease)*



Homestead dollar yield

\$10,883 (2.21% increase)**

Common level of appraisal

74.77% (3.71% decrease)*



*A decrease in these variables increases the tax rate

**An increase in the dollar yield decreases the tax rate

Tax Scenarios

Putting potential new investment amounts in context

Homestead Tax Increase	Ed. Spending Growth	Difference from Baseline
Baseline 8.5%	\$3.5 million	\$ 0
7%	\$2.6 million	\$950,000
6%	\$1.9 million	\$1.6 million
5%	\$1.3 million	\$2.3 million

Every 1% reduction to the tax growth rate requires \$650,000 in spending reductions.

Small Group Discussion Topics

Board members: please divide into groups

Group Assignment #1: Identify the most important New Investments (\$500k max?)

-Executive Session Break-

Group Assignment #2: Discuss areas for reductions

- BSD ideas
- Board ideas

Budget Development Timeline

- 1/7 School Board meeting
- 1/14 School Board meeting
- 1/21 City Council budget update
- 1/23 Possible School Board meeting
- 3/5 Town Meeting Day budget vote



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

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