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MEMORANDUM

To: Burlington Board of School Commissioners
From: Tom Flanagan, Superintendent
CC: Nathan Lavery, Executive Director of Finance and Operations
Date: 12/07/2021
Subject: FY23 Preliminary Budget Assumptions

This memo is intended to provide an overview of the preliminary assumptions that will drive development of the FY23 budget. These estimated increases, combined with anticipated salary negotiation settlements, make it likely that the budget will increase without any additional programs or staff increases. Limited new investments may be proposed, but will be offset wherever possible by reduced spending in other areas.

- Health insurance: 5% increase based on projections from VEHI
- Cash in lieu of health insurance: 5% increase, most plans proportional to premiums
- HRA: No increase
- Other Post-employment Benefits: 5% increase proportional to health insurance premiums
- City retirement: 5% increase per guidance from City Hall
- Workers Compensation: 7% increase in premiums due to experience rating
- Property/Liability Insurance: 5% increase
- Utilities: 2% increase
- Copier leases: No change
- Rent: 3% increase
- Transportation: 6% increase
- Phones and Internet: 3% increase

VEHI considered the impact of COVID-19 in developing the premium increase projection. However, higher hospital budgets and prescription drug prices are the primary drivers of the projected rate increase.

Transportation cost remain a particularly uncertain because COVID-19 has changed the demand for services from both public and private transportation providers, making the availability and cost of these services less predictable than is typically the case.