

MEMORANDUM

To: Burlington Board of School Commissioners
From: Tom Flanagan, Superintendent
CC: Nathan Lavery, Executive Director of Finance and Operations
Date: 11/15/2022
Subject: FY24 Preliminary Budget Assumptions

Summary: This memo is intended to provide an overview of the preliminary assumptions that will drive development of the FY24 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. The Equitable Budgeting model includes baseline staffing allocations that are designed to ensure that staffing remains aligned to our enrollment levels at each school. Last year, schools were allowed to retain some additional staffing to mitigate the impact of our COVID recovery; this year, we will need to begin adjusting staffing levels in accordance with the model. Schools may elect to utilize their RISE allocations to retain certain positions that are no longer part of their baseline staffing.

Assumptions:

- Wages: Varied, pursuant to collective bargaining agreements. Typically in the 5-6% range.
- Health insurance: 13% increase. This assumption will be updated based on VEHI's anticipated rate filing.
- Cash in lieu of health insurance: 13% increase, proportional to premiums.
- HRA: 20% increase. The change to the statewide health insurance agreement shifted first-dollar responsibility to school districts and caused a significant increase in spending in FY22. This increase is a result of the need to realign the budget to estimated costs.
- Other Post-employment Benefits: 13% increase proportional to health insurance premiums.
- City retirement: 5% increase per guidance from City Hall.
- Workers Compensation: 2% increase.
- Property/Liability Insurance: 5% increase.
- Utilities: 2% increase.
- Copier leases: No change.
- Rent: 3% increase.
- Transportation: 6% increase.
- Phones and Internet: 3% increase.