

Budget Development Update

December 20, 2022



Agenda

- Budgetary assumptions
- Enrollment review
- Equitable Budgeting review
- Baseline staff allocations
- RISE funding
- Fund balance
- Tax variables
- Timeline



Budgetary Assumptions

Full list of assumptions posted on budget website

Wages

- Most bargaining agreements are settled in the range of 6% increase.

Benefits

- Health insurance premiums are estimated to increase by 12%. HRA benefit is more costly due to district paying first dollar.

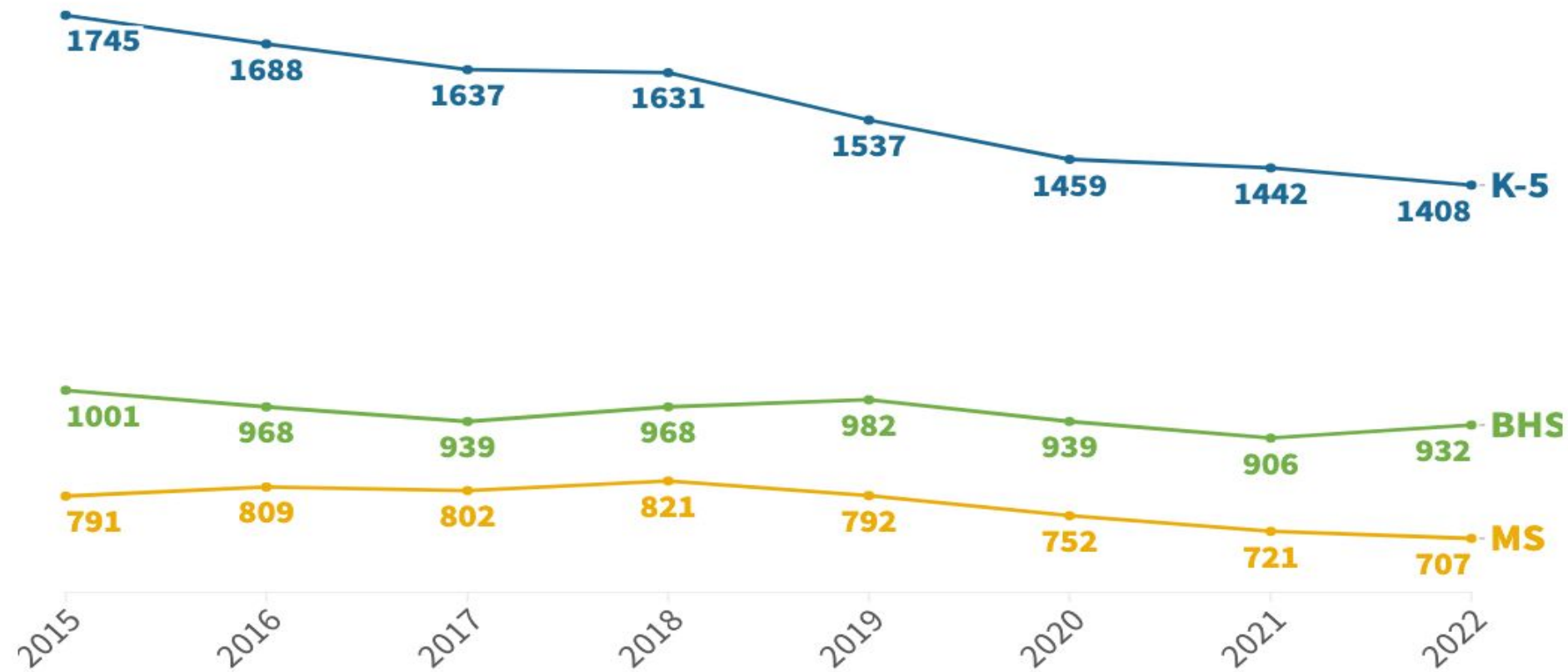
ESSER Funds:

- Federal expenses not included in total budget estimate. FY24 is final year of these funds.



Enrollment History

■ K-5 ■ MS ■ BHS



Equitable Budgeting

A Brief History

- Research-based model created with input from the community.
- Overwhelming support for allocating resources to the students who need them most.
- Provides a foundational level of support plus RISE funds for investments unique to each school community.
- Recognize that our staffing level must be responsive to enrollment changes.

Community Survey: Who did we hear from?

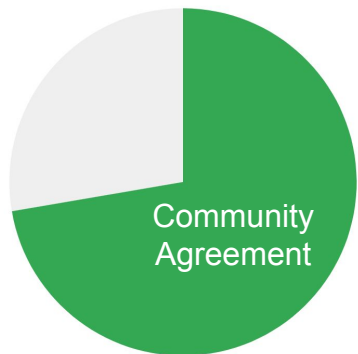
We heard from...

- 450+ students, family members, staff, and community members
- Individuals affiliated with every BSD school and program
- 43.2% of respondents' students receive free or reduced lunch
- 21.7% of respondents' students receive special education services
- 20.9% of our respondents self identified as BIPOC
- 14.4% of respondents speak a language other than English in their home



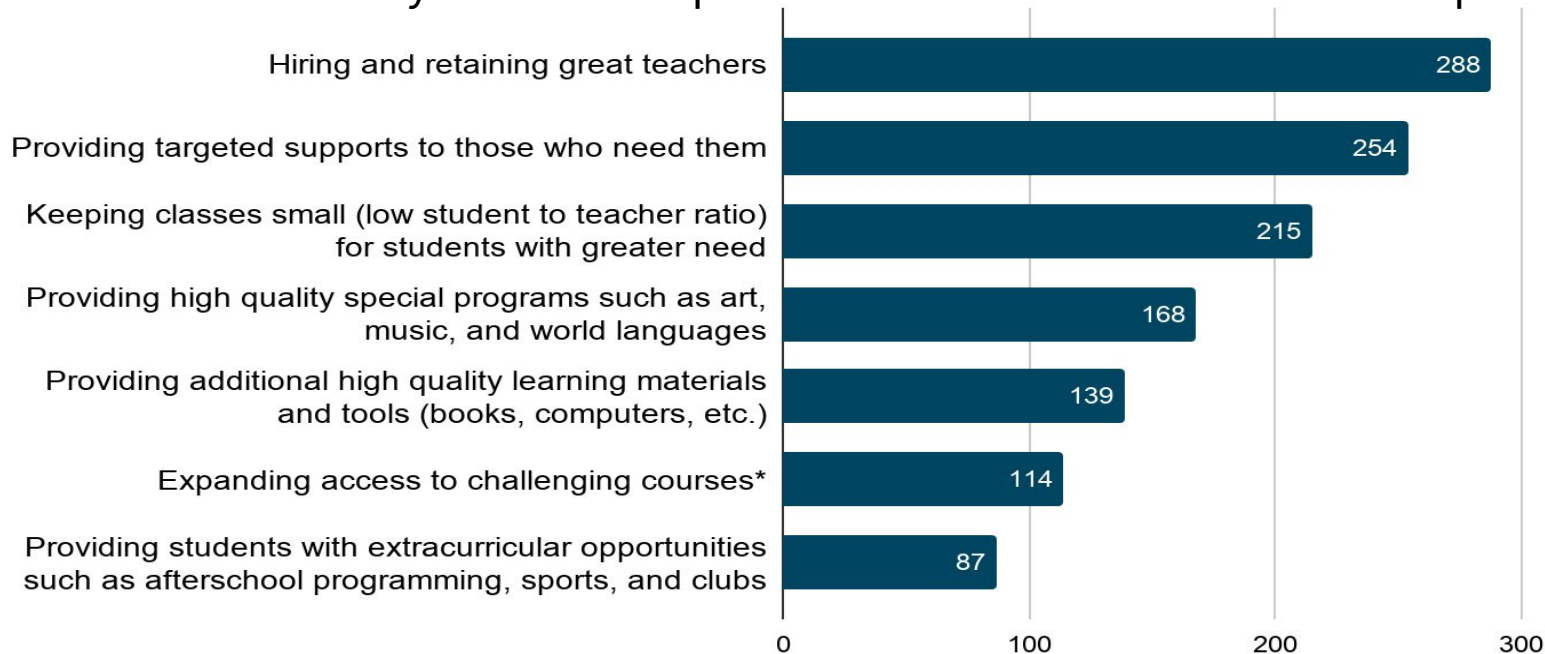
Community Survey: What did they say?

72% of all respondents and 79% of BSD staff strongly agree or agree that
resources should be allocated in a way that supports the students who need them most - even if it means reducing the resources at their school(s).



Community Survey: What did they prioritize?

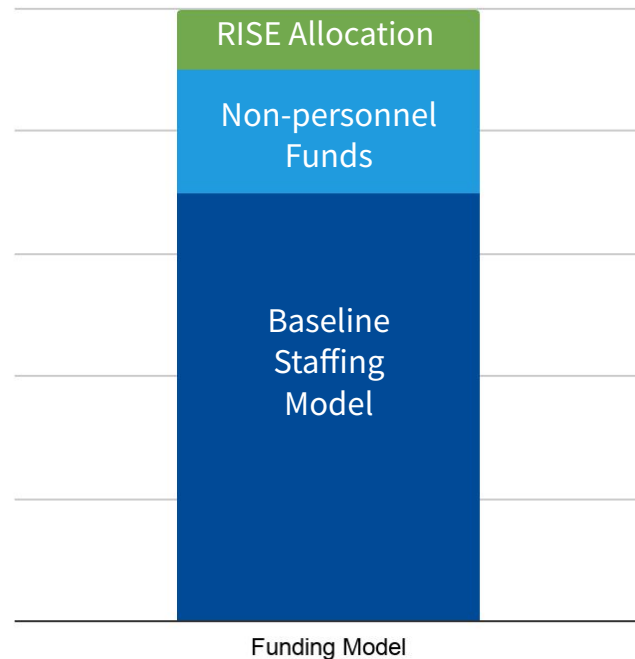
When asked to prioritize what is most critical to serve *students with the greatest need*, this chart shows how many times each option was ranked in an individual's "top 3."



* Expanding access to challenging courses was most frequently ranked **last** (128 times).

Our proposed model has three components

- A **staffing model** will provide each school with its core staffing, using staff:student ratios (e.g. 1 counselor staff for every 200 students)
- Non-personnel funds will be allocated based on a **per-student** basis
- An Equity Allocation will provide additional funding using a **weighted student formula**, meaning more funds in schools with greater need
 - Schools will have discretion in how best to serve their students using these funds
 - Intent and desired outcomes will be documented for future evaluation



Board Guidance

1. Recognize that our staffing level must be responsive to enrollment changes.
2. Limit budget growth due to increases in wages, benefits and pending BHS/BTC costs.
3. Ensure funding to meet strategic plan objectives.
4. Continue to offer robust programmatic offerings.
5. Consider multi-year impact of changes and minimize annual disruptions.

Staffing Allocations

1. The Equitable Budget model identified several schools with staffing levels in excess of the foundational level.
2. For the current year, extra staff positions were allowed to remain to facilitate the recovery from pandemic operations.
3. This year, we are recommending limited reductions in positions, but allowing overall levels to remain somewhat above the foundational model to smooth the transition and minimize disruption.
4. Schools may choose to devote RISE funds to preserving some positions that are not funded in the foundational allocation.

Summary of Anticipated Staffing Changes

- Total additions: 3.2 FTE
- Total reductions: 10.0 FTE
- Net Reductions: 6.8 FTE

We anticipate that natural attrition will create sufficient vacancies to allow people in eliminated positions to remain with BSD.

Reinvestment of Savings:

- Savings from FTE reductions will support maintaining school RISE allocations (since original RISE funding from ESSER is expiring).

RISE Allocation

Nearly \$1.5m of School-directed, Equity-oriented Investments

- Growth in student need factors call for increase in total RISE allocations of about \$40,000.
- RISE funds were previously supported by ESSER, which is expiring. Maintaining these funds is accomplished by directing savings from staff reductions to this need.
- Principals are leading conversations about RISE spending. Those conversations are not expected to conclude until next month.

FY22 Audit and Fund Balance

FY22 Audit is in final phase of review

FY22 Audited Fund Balance

- \$2,100,000 available to support FY24 budget.
- This surplus is in line with prior year results.
- Represents slightly less than 2% of the total budget.

Fund Balance is One Time Money

- Careful budget management should result in annual surpluses.
- Currently supports significant costs associated with rent for temporary spaces (DtBHS, BTC, etc.).

Tax Rates

Tax rates are the result of four major inputs

- Education Spending: amount of Education Fund support a district's budget requires - something a district controls!
- Equalize Pupils: a weighted number of pupils that considers factors such as poverty and English Learners.
- Dollar Yield: a state variable reflecting the amount of money in the education fund.
- Common Level of Appraisal: a measure of property values in each community.

Tax Variable Estimates

Key Variables

Status

Education spending	TBD
Equalized pupil count (preliminary)	3,702.88 (3.5.% decrease)*
Homestead dollar yield (Tax dept)	\$15,479 (16.26% increase)*
Common level of appraisal (pending)	TBD*

*A decrease in these variables increases the tax rate

Budget Development Timeline

- 1/3** Finance Committee meeting
- 1/3** School board meeting
- 1/9** City Council presentation
- 1/17** School Board meeting
- 3/7** Town Meeting Day budget vote



Full budget timeline available at:

<http://www.bsdvt.org/district/budget/>