

FY24 Budget Recommendation

January 17, 2023



Agenda

- BTC Budget Update
- BSD Budget Recommendations
- Anticipated RISE Spending
- Tax Estimates (Updated)
- 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.

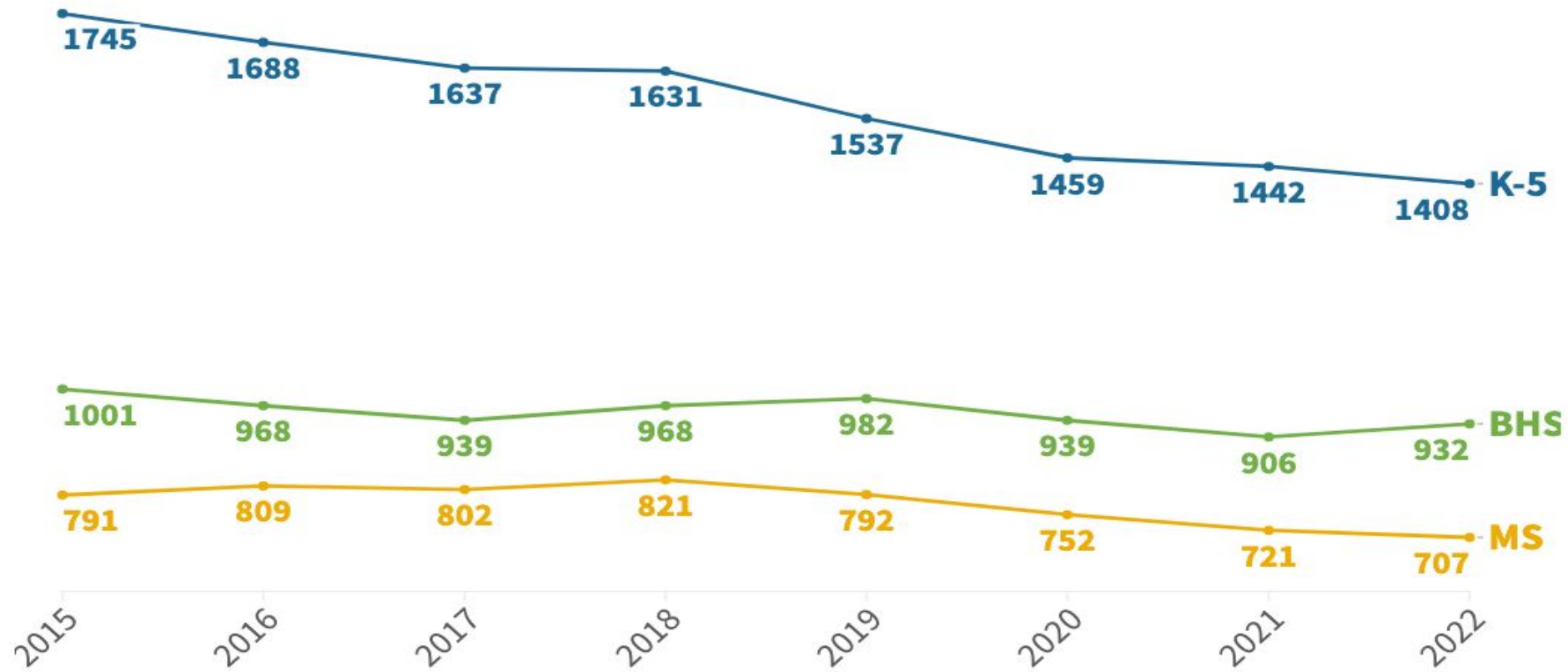
ESSER Funds

- 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...

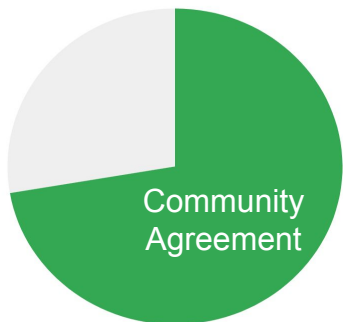
- 450+ students, family members, staff, and community members
- Individuals affiliated with every BSD school and program
- 43.2% of respondents' students receive free or reduced lunch
- 21.7% of respondents' students receive special education services
- 20.9% of our respondents self identified as BIPOC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



Community Survey: What did they say?

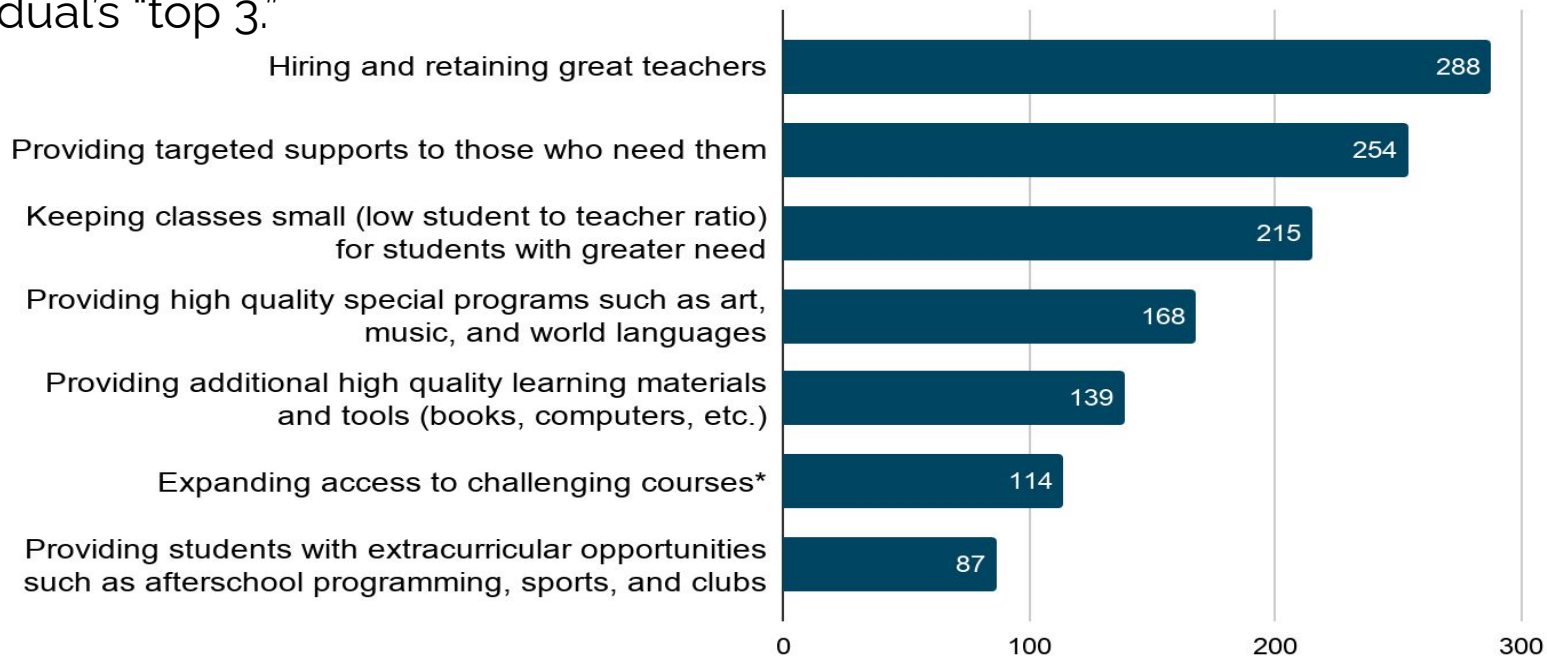
*72% of all respondents, including 79% of BSD staff,
strongly agree or agree that*

***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?

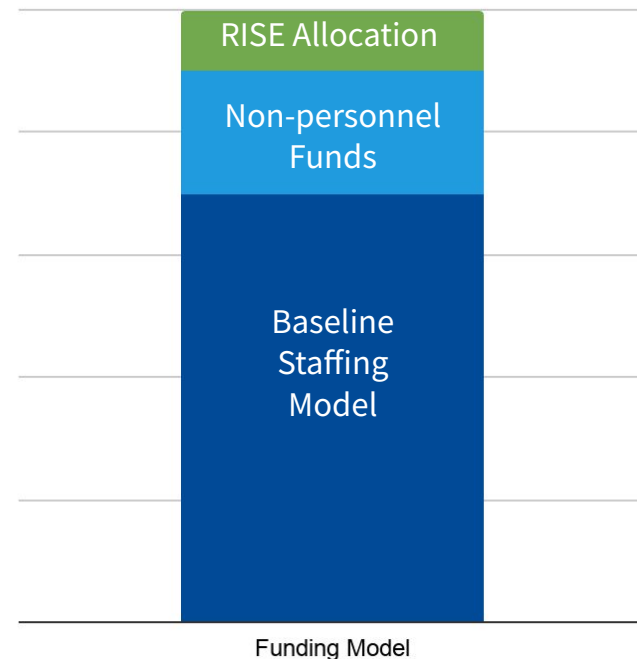
When asked to prioritize what is most critical to serve *students with the greatest need*, this chart shows how many times each option was ranked in an individual's "top 3."



* 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

- We are proposing a limited number of position reductions to align staffing with enrollment and ensure a sustainable budget.
- We expect to have positions available to impacted staff that want to continue working at BSD because vacancies occur every year as a result of teachers choosing to retire or leave the district.

We believe natural attrition will create sufficient vacancies to allow our educators in eliminated positions to remain with BSD.

Summary of Anticipated Staffing Changes

- Total additions to base allocation: 3.2 FTE
- Total reductions to base allocation: 10.0 FTE
- Net Reductions to base allocation: 6.8 FTE

We anticipate that natural attrition will create sufficient vacancies to allow people in eliminated positions to remain with BSD. Schools may use RISE funds to retain positions not in the base.

Reinvestment of Savings:

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

Baseline Budget Recommendations

Simple Enrollment Based Changes

- Champlain: Reduce 1.0 FTE homeroom teacher. ***With one classroom teacher having left mid-year, this change will reduce a homeroom without affecting current Champlain teachers.***
- Smith: Reduce 1.0 FTE homeroom teacher. Rising 5th grade class requires only two homeroom teachers. ***Expecting one District-wide retirement to offset this.***

Baseline Budget Recommendations

Reallocations Based on Enrollment and Unmet Needs

- BHS: Reduce 2.0 FTE teacher positions based on enrollment.
 - Fund existing 1.0 FTE Instructional Coach position currently on School Improvement Grant.
- Edmunds Elementary: Reduce 1.0 FTE teacher position that is not needed for homeroom instruction and is being used to provide other services. ***One teacher at EES is retiring.***
 - Add 1.0 FTE special educator to formally launch a dedicated services classroom.

Baseline Budget Recommendations

Changes Based on Unique Situations

- IAA: Reduce 1.0 FTE unified arts position from baseline. IAA has 1.5 FTE more positions than the model allocates. One role (Drama) has never been part of the standard array of unified arts positions and is an addition to the base UA allocation. ***IAA plans to retain the position through RISE funds.***
- Flynn: Reduce 1.0 FTE unified arts position. Flynn has 1.5 FTE more positions than model allocates. One role (STEAM) has never been a part of standard array of unified arts positions and is an addition to the base UA allocation.

Baseline Budget Recommendations

Changes Based on Unique Situations

- EMS: Reduce 1.0 FTE band para position. ***Each Middle School will utilize a Paraeducator from the current allocation to provide support to classes that need additional support. EMS will use this position primarily to support its performance music program.***
- SA: Add 1.0 FTE homeroom position and 0.2 FTE unified arts position (as necessary). Goal is to create two class sections per grade to support long term enrollment. ***This opens a possible position for a current employee impacted by reductions.***

Baseline Budget Recommendations

Changes Based on Unique Situations

- HMS: Reduce 1.0 FTE Dean of Students position and 1.0 Academic Interventionist position.
 - Dean of Students position was a temporary reassignment intended to support the transition in school leadership. ***The original position was held for this employee to return to.***
 - HMS has two more interventionist positions than the baseline model supports. One position is supported by RISE.

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.
- RISE is designed to give flexibility to schools to make strategic investments unique to their school community.
- Principals are finalizing their RISE proposals. Proposals may include maintaining positions that are not funded through baseline allocations.

RISE Allocation Themes

School-based, equity-oriented investments

- Elementary: Interventionists, special educators, professional learning, counseling services, unified arts, coaching.
- Middle School: Interventionists, parent/family engagement, student leadership, guidance.
- High School: Mental health counselor, reading & STEAM interventionists, co-teaching training, Year End Studies

FY22 Audit and Fund Balance

FY22 Audit is in final phase of review

FY22 Audited Fund Balance

- \$2,350,000 available to support FY24 budget.
- This surplus is in line with prior year results.
- Represents about 2% of the total budget and occurs primarily due to vacancies.

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.).

BTC Budget

Tuition increasing to reflect facility rental costs

\$3.8m FY24 budget.

- a. Includes \$662k of facilities rental costs to share this burden among sending schools.
- b. Reflects 134.35 “average” enrollment over six semesters.
- c. **Announced Tuition is \$23,067.** Since the program is half-day, the actual tuition cost is also halved.
 - i. This represents an 18% increase due to the inclusion of full cost of facilities rental.

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 (updated)	\$78,964,438 (6.57% increase)
Equalized pupil count	3,702.88 (3.5.% decrease)*
Homestead dollar yield	\$15,479 (16.26% increase)*
Common level of appraisal	95.33% (8.7% decrease)*

*A decrease in these variables increases the tax rate

Estimated Tax Implications

Hypothetical Property Payer	Property Tax Impact
Property rate change	4.03%
Tax on \$370,000 homestead	\$ 5,347
Tax Difference from current rate	\$ 207

Hypothetical Income Payer - \$50k income	Income Tax Impact
Income Rate change	0.07%
Tax on \$50,000 household income	\$ 1,212
Tax Difference from current rate	\$ 1

Figures reflect rounding. For education taxpayers who pay based on income, the impact will be reflected on the fiscal year 2025 property tax bill. Existing law provides additional property tax relief for households with incomes below \$47,000. This is known as a “circuit breaker.” Once a taxpayer qualifies for the circuit breaker, additional school district spending does not increase the taxpayer’s tax liability.

Budget Increase Discussion

*Items driving the increase in estimated costs -
BHS/BTC Bond costs begin in this budget cycle*

Wages - 6%

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

Benefits - 12%

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

BHS/BTC 2025 Borrowing

- The cost of borrowing represents about 2.75% of the 4.03% increase in the estimated tax rate or **about 68% of the tax rate increase.**



Budget Summary

Year	Budget	Change
Total Budget	\$104,144,584	6.0%
Offsetting Revenue	\$22,830,146	3.61%
Surplus	\$2,350,000	11.9%
Education Spending	\$78,964,438	6.57%

Offsetting Revenue (federal grants, BTC funding, etc.) and Surplus reduce the needed Education Spending, which helps reduce the pressure on tax rates.

Ballot Language

Shall the voters of the school district approve the school board to expend \$104,144,584 which is the amount the school board has determined to be necessary for the ensuing fiscal year? It is estimated that this proposed budget, if approved, will result in education spending of \$21,325.14 per equalized pupil. This projected spending per equalized pupil is 10.43% higher than spending for the current year.

Spending at this level could produce a property tax rate increase of 4.03% (current estimate).

Budget Q&A

Why is spending per equalized pupil increasing by over 10%?

1. Education spending is increasing by about \$4.87 million (6.57%).
 - a. This is INCLUSIVE of the newly authorized spending on the BHS/BTC project.
2. The number of equalized pupils decreased by 134 (about 3.5%).

Budget Q&A

Since spending per equalized pupil increasing by over 13%, why is our tax rate expected to increase by only 4%?

The impact on taxes is expected to be much lower because the Education Fund has a large surplus that reduces the need to raise taxes to cover the cost of spending.

Looking Ahead

Two major federal funding challenges are on the horizon in the Fy25 budget cycle (next year at this time):

- End of ESSER funds means that activities and positions funded from this source will no longer have funding. (e.g., Restorative Specialists, ED School Leadership, Expanded Summer Programming, ML support positions)
- Title I funding will not be sufficient to continue paying for all Title-funded positions due to regular increases in wages and benefits. (e.g., Interventionists, Tech Integrationists)

New Weighted Pupil begins in FY25 and we will learn what this means for BSD in December 2023.

Emerging Issues

- **Magnet School Review to ensure they continue to thrive**
 - Review best practices for magnet schools in the region and country.
 - How are partnerships supporting programming?
 - How do we best integrate the magnet themes in classroom instruction?
 - How do staffing levels support the magnet mission?
 - How do magnet schools' approaches improve student learning?
- **Instructional Coaching and Mentoring**
 - How do the instructional coaching and mentoring models align to best practice?
 - How do we best ensure job-embedded professional learning, mentoring and support for our educators PreK-12?
 - How does coaching and mentoring impact student learning?

Recommended Motion

I move to approve the annual school budget of \$104,144,584 with an education spending per equalized pupil amount of \$21,325.14.

Budget Development Timeline

- 1/17** School Board meeting
- 3/7** Town Meeting Day budget vote

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

