

Budget Development Update

January 7, 2025

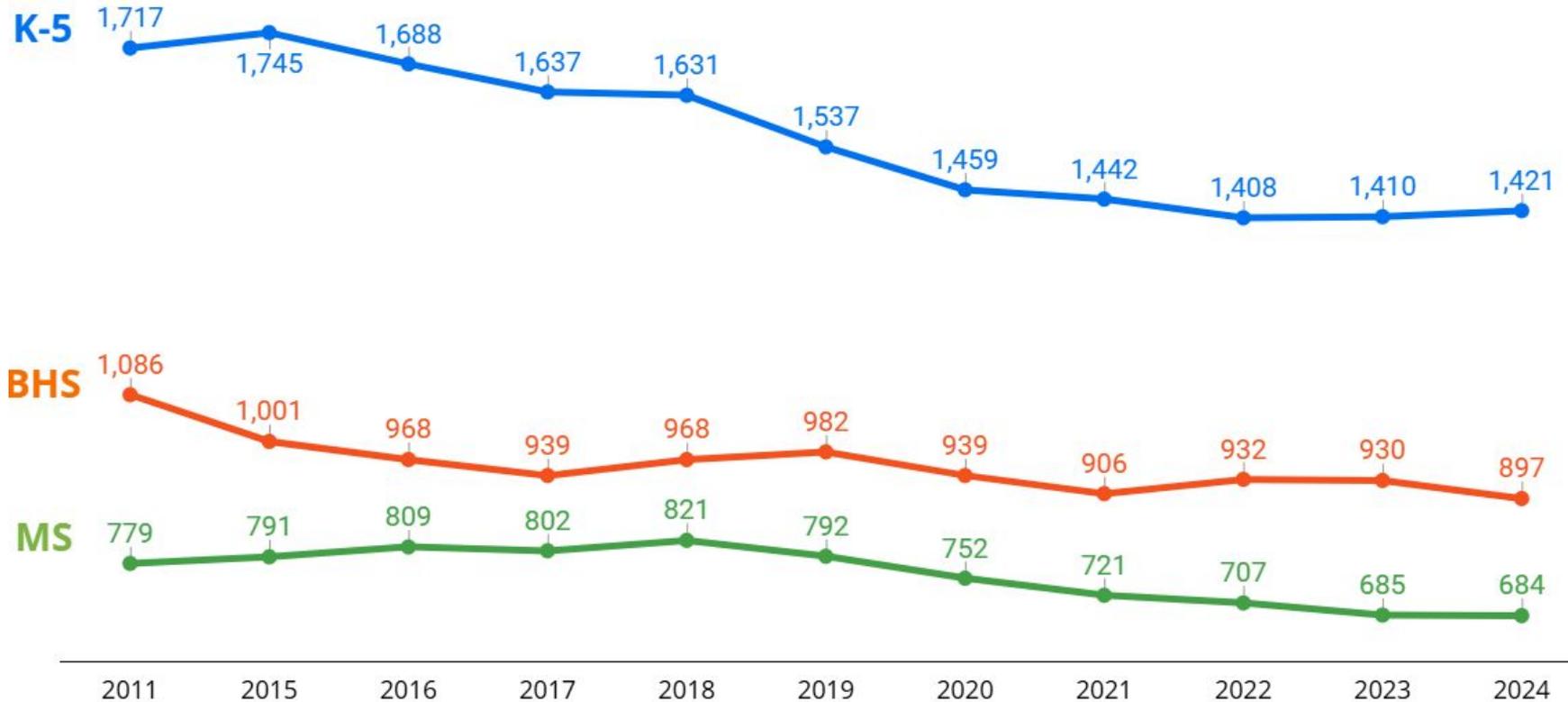


Budgetary Assumptions

Full list of assumptions posted on budget website

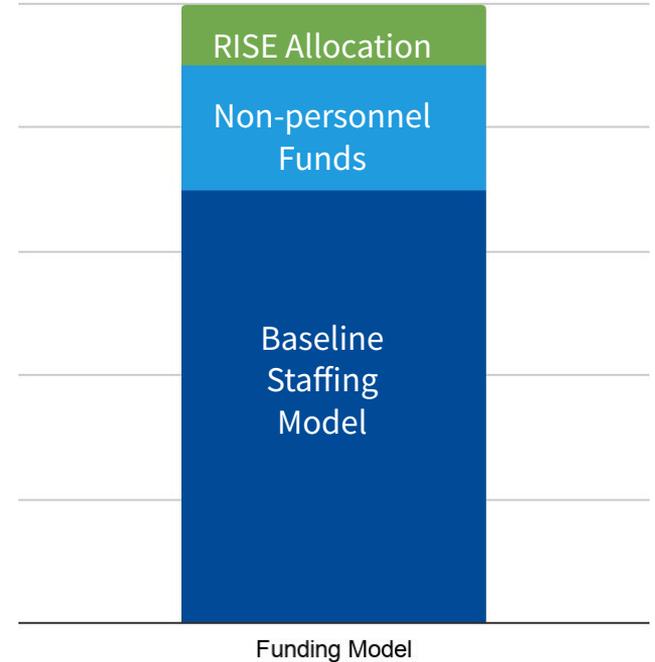
- Wages: Bargaining agreements are being renegotiated. Budget for wage settlements range from 2.4% (inflation) to 4%.
- Benefits: Health insurance premiums are estimated to increase by 11.9%.
- Debt Service: 3.8%
- Grants: Personnel costs are increasing faster than grant revenues, requiring the General Fund to absorb these costs to maintain the current service level.

BSD Enrollment History



BSD's Equitable Budgeting Model

1. A **staffing model** will provide each school with its core staffing, using staff:student ratios (e.g. 1 counselor staff for every 200 students)
2. Non-personnel funds will be allocated based on a **per-student** basis
3. An Equity Allocation will provide additional funding using a **weighted student formula**.
 - In consultation with the School Advisory Boards, schools decide in how best using these funds.



FY26 School Board Guidance

1. Staffing must be responsive to enrollment changes.
2. Limit budget growth due to BHS/BTC costs.
3. Ensure funding to meet strategic plan objectives.
4. Continue to offer academically rigorous programming for all learners.
5. Budget wage and benefit increases commensurate with the fiscal reality of our community and state.
6. Find ways to reduce the cost per pupil.



BSD's Budget Recommendation to the Board

We are recommending a budget that maintains current services, and;

- Continues to align staffing to enrollment
- Drives funds toward students who need it most with updated RISE allocations
- Reduces central office budgets for a second year

And balances these reductions with funds to maintain buildings.

This proposal will result in an estimated 2% tax decrease

Specific Changes in Budget Proposal

1. End St. Mark's and Sara Holbrook lease (\$200k savings)
2. Align staffing to enrollment - doing this through our model now (\$200k savings)
3. Reduce central office operating budgets by 2% (\$100K savings)
4. Include approximately \$500k to ensure building maintenance obligations

RISE Allocation

Nearly \$1.7m of School-directed, Equity-oriented Investments

RISE allocations are projected to increase by about \$200,000 based on increased student need measures, particularly the poverty measure

- This is likely due more to improved accuracy than significant changes in economic circumstances.
- Improved accuracy of the poverty count may increase BSD's long-term weighted average daily membership, thereby offsetting some of this spending increase.

FY24 Audit and Fund Balance

FY24 Audit is in final phase of review

FY24 Audited Fund Balance

- Approximately \$2,400,000 available to support FY26 budget.
 - This surplus is in line with prior year results.
- Represents roughly 2% of the total budget.

Fund Balance is One Time Revenue

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

Tax Variable Estimates

Key Variables

Status

Education spending (updated)

\$103,953,060 (10% increase)

LTWADM

6,981.75 (2.7% increase)

Homestead dollar yield

\$8,553 (new calculation)*

BSD Common Level of Appraisal

80% (~ 8% decrease)*

Statewide CLA

72%

*A decrease in these variables increases the tax rate

Tax Impact

Total Budget	\$10,394,925 decrease
Education Spending per LTWADM	7.2% increase
Actual Tax Rate (after CLA)	2.0% decrease
Income based tax cap	7.2% increase

The recommended budget is estimated to reduce property tax rates by 2%

Factors driving the tax rate up: increased spending, decreased CLA

Factors pushing the tax rate down: increased dollar yield (driven by growth in statewide grand list, Education fund revenues and carry over)

BSD Budgets

Year	Education Fund Spending	Other Funds (e.g., ESSR)	Overall Budget	Property Tax Impact	Education Spending Per Pupil/LTWADM
FY 23	\$74,097,698	\$31,338,421	\$105,436,119	-3.3%	\$19,310.46
FY 24	\$78,964,438	\$38,795,753	\$117,760,191	4.3%	\$21,325.14
FY 25	\$94,424,438	\$50,515,666	\$144,940,104*	10.4%	\$13,889.62
FY 26	\$103,953,060**	\$30,592,119	\$134,545,179	-2.0%	\$14,922.91

Next year's recommended budget is estimated to reduce property tax rates by 2%

** FY'25's overall budget includes significant funding from the federal government (including federal COVID funds that are expiring) and other sources that do not derive from property tax payers. We had previously reported a lower 'total-budget' amount that excluded these funds. For comparison purposes, this figure has been revised to better align the the Agency of Education' reporting methodology.*

*** The increase in Education Fund Spending from FY'24 to FY'26 is primarily due to the BHS/BTC construction project.*

Ballot Language

Shall the voters of the school district approve the school board to expend \$134,545,179 which is the amount the school board has determined to be necessary for the ensuing fiscal year? The Burlington School District estimates that this proposed budget, if approved, will result in per pupil education spending of \$14,889.26, which is 7.20% higher than spending for the current year.

Spending at this level could produce a property tax rate decrease of 2% (current estimate).

Budget Development Timeline

- 1/7** Finance & Facilities meeting committee meeting
- 1/7** School board meeting
- 1/21** School Board meeting
- 3/4** Town Meeting Day budget vote

Subject to change



Full budget timeline available at:

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

Appendix



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Understanding the New Yield

- The "Dollar Yield" shown in the Tax Letter is a special number that gets adjusted by something called the CLA (Common Level of Appraisal) for the whole state. Because of this, the FY26 Dollar Yield looks smaller compared to the FY25 Dollar Yield.
- If we used the same method as last year to compare, the yield would have been \$11,879. This is a 20% increase, which helps keep tax rates down.

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!
- Long Term Weighted Average Daily Membership: enrollment that weighs factors such as poverty and English Learners.
- Dollar Yield: a state variable reflecting the amount of money in the education fund. Now adjusted by the statewide CLA.
- Common Level of Appraisal (CLA): a measure of property values in each community, adjusted by the statewide CLA.

Understanding the CLA

- Burlington's CLA is now adjusted based on the average CLA for the whole state.
- To figure it out, we divide Burlington's CLA (80%) by the statewide CLA (72%), which gives us an "Adjusted CLA" of 111.11%.
- Even though the adjusted CLA looks like it lowers Burlington's tax rate, it's actually because the new statewide CLA lowers the dollar.
- ***In the end, the change in the way the State uses the CLA doesn't have a big effect. Burlington's CLA dropped from 87% to 80%, which makes tax rates go up.***