

Budget Development Update

January 20, 2026



Agenda

- Budgetary assumptions
- Enrollment review
- Superintendent's Recommendation
- Tax Implications
- Timeline
- Appendix

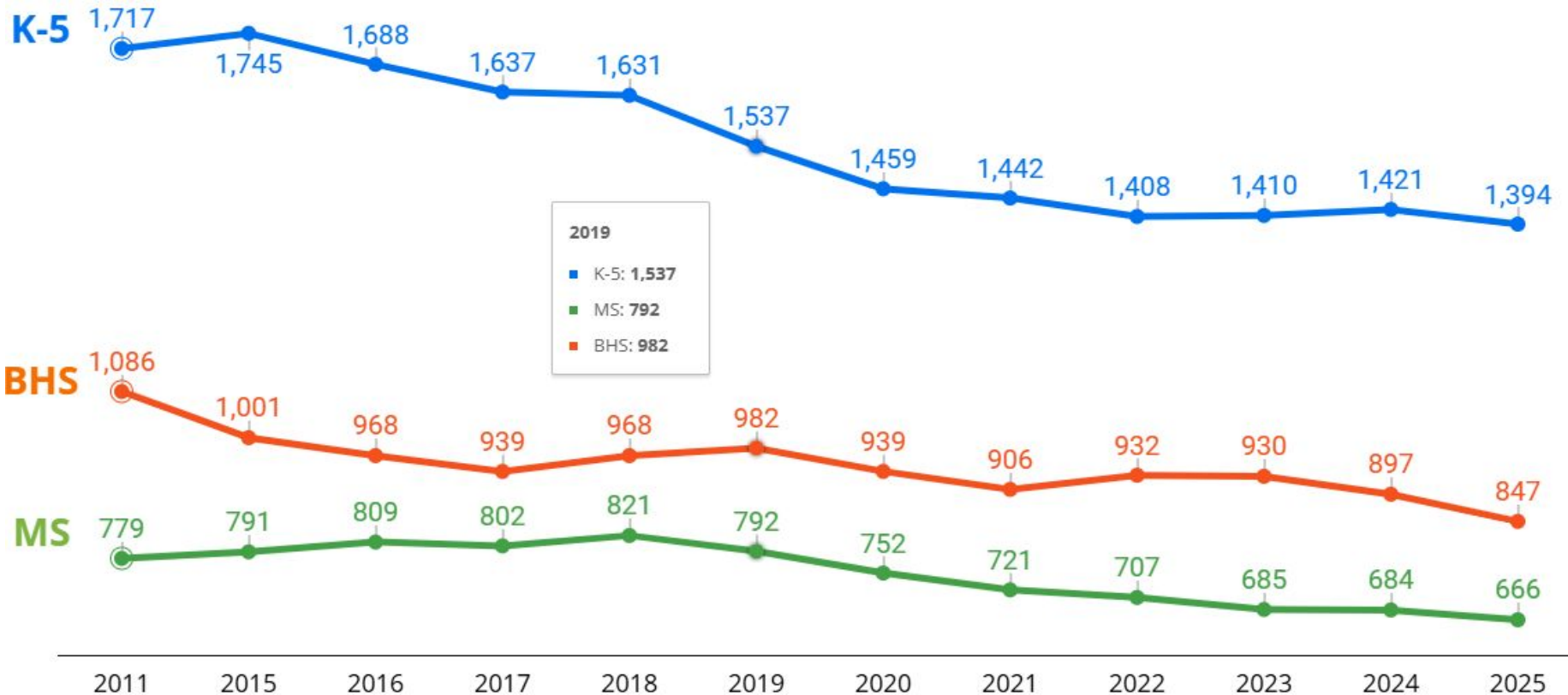


Budgetary Assumptions

Full list of assumptions posted on budget website

- **Wages:** 5% increase based on pattern of settled bargaining agreements.
- **Benefits:** 8% increase in health insurance premiums.
- **Debt Service:** 6.6% the last major increase associated with BHS/BTC.
- **Federal Funding:** \$2m of program costs in excess of federal revenue.
- **Rent Savings:** \$2m of savings associated with end of DtBHS lease.
- **Surplus:** Approximately \$2,400,000 surplus available to support the FY27 budget.

BSD Enrollment History



3.2% Decline in Enrollment from Last Year

- Declining school-aged population in Burlington (as well as the county and state).
 - Housing appears to be the most significant obstacle.
- Substantial decrease in the number of refugees being resettled in Burlington (and across the country).
- Neither private school enrollment nor school choice are having a meaningful impact on enrollment.

Board Guidance

- Realign staffing to reflect lower projected enrollment and ensure Act 73 class size minimums are met.
- Limit budget growth due to the impact of BHS/BTC debt service.
- Identify funding needed to support specific strategic plan activities.
- Continue to offer academically rigorous programming for all learners that leads to improved student outcomes.
- Present the Board with at least three budget scenarios reflecting different tax impacts due to uncertainty in federal and state funding.



Superintendent's Recommendation

Includes spending and position reductions to manage costs

Total Budget	\$140,807,830
Total Budget Increase	4.47% increase
Actual Tax Rate after tax buydown*	4.70% increase

The current year's budget produced a tax rate that was 4.5% lower than FY25.

*In the absence of the \$75 million tax buydown, the tax rate increase would be 8.99%

Budget and Tax History

Year	Education Fund Spending	Other Funds (ESSR, Title Funds, Grants, etc.)	Overall Budget	Property Tax Impact	Education Spending Per Pupil/LTWADM
FY 25	\$94,424,438	\$50,515,666	\$144,940,104*	10.4%	\$13,889.62
FY 26	\$103,360,823	\$31,419,008	\$134,779,831	-4.5%	\$14,825.77
FY 27	\$109,078,822	\$31,729,008	\$140,807,830	4.7%**	\$15,774.58

The overall budget is projected to increase by 4.47%.

FY'26 Education Fund Spending increase is inflated due to the BHS/BTC construction project.

** 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.*

*****FY'27 Property Tax Rate increase assumes a \$75 million tax buydown from the State of Vermont. Without this, the tax rate increase would be 8.99%.***

Proposed Reductions

10.0 full time equivalent (FTE) position reductions.

- Teacher position reductions are enrollment and model-based reductions.

4.5 FTE enrollment based teacher positions (1 FTE Flynn, 1 FTE Champlain, 2.5 FTE BHS)	1.0 FTE Central Office position
2.0 FTE EL teacher positions	\$1.5m Rent & Borrowing savings
1.5 FTE Food Services admin positions	\$100k IT/data/operating savings
1.0 FTE Property Services position	\$50k District operating savings
	\$100k hiring guidelines savings

Prioritizing Instruction

In direct response to recent achievement data, in this budget, we prioritize the following instructional activities:

- Updating the academic coaching model to include increased time spent on direct student support (e.g., intervention)
- Revising the evaluation framework to align with the learning framework.
- Prioritizing early literacy through the use of universal screeners and training in the science of reading.
- Expanding support for elementary mathematics.
- Expanding in-district special education programing for students with the most significant needs.

RISE Allocation

RISE Allocation Amounts by School

Eagle Bay	\$57,684
Smith	\$101,171
SA	\$103,220
IAA	\$127,107
Champlain	\$131,531

Edmunds El	\$140,105
Flynn	\$150,762
Hunt	\$171,072
Edmunds M	\$201,832
BHS	\$454,814

RISE Allocation Themes

Nearly \$1.6m of School-directed, Equity-oriented Investments

- Elementary: Interventionists, Special Education positions, Drama teacher, professional development in math and literacy.
- Middle School: Literacy, guidance positions, deeper learning PD and curriculum, social-emotional supports.
- High School: Reading specialist, mental health counselor, YES funding, deeper learning opportunities.

Property Tax Estimates

Hypothetical Property Payer - \$370k example (avg value)	Property Tax Impact
Property rate change	4.7%
Tax on \$370,000 homestead	\$5,913
Tax Difference from current rate	\$ 266

Hypothetical Property Payer - \$500k example	Income Tax Impact
Property rate change	4.7%
Tax on \$500,000 homestead	\$7,991
Tax Difference from current rate	\$ 359

Figures reflect rounding. 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.

Ballot Language

Shall the voters of the School District approve the School Board to expend \$140,807,830 which is the amount the school board has determined to be necessary for the ensuing fiscal year? Burlington School District estimates that this proposed budget, if approved, will result in per pupil education spending of \$15,774.58, which is 6.40% higher than per pupil education spending for the current year.

Budget Development Timeline

- 1/20** School Board meeting
- 1/20** City Council presentation
- 3/3** Town Meeting Day budget vote

Subject to change

Full budget timeline available at:

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



Appendix

The following slides are provided for reference.

FY25 Audit and Fund Balance

FY25 Audit is in final phase of review

FY25 Audited Fund Balance

- Approximately \$2,400,000 surplus available to support the FY27 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.).

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?

In 2021, we heard from...

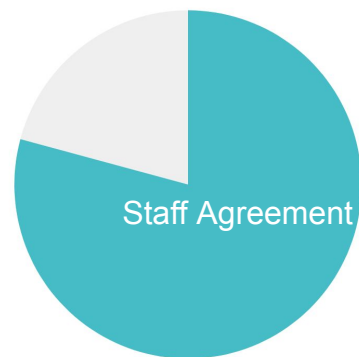
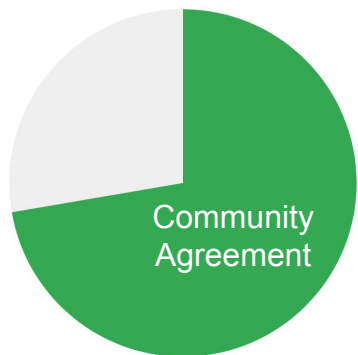
- 450+ students, family members, staff, and community members
- Individuals affiliated with every BSD school and program
- 43.2% of respondents' students receive free or reduced lunch
- 21.7% of respondents' students receive special education services
- 20.9% of our respondents self identified as BIPOC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



2020 Community Survey: What did we say?

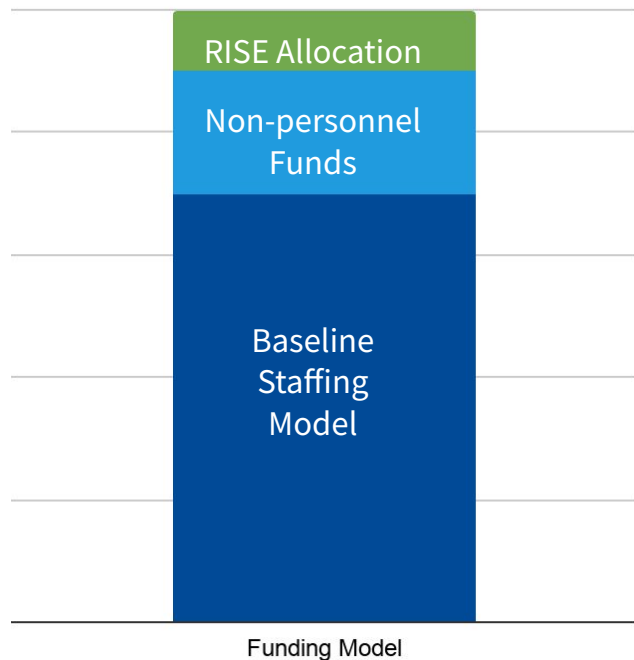
*72% of all respondents and 79% of BSD staff
strongly agree or agree that*

***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).***



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



RISE Allocation

Nearly \$1.6m of School-directed, Equity-oriented Investments

- RISE allocations decrease by about \$50,000 district-wide based on reduced enrollment.
- Closer alignment to attendance procedures also contributed to the reduction.

What would a Level Services budget have cost?

A 5.6% tax rate increase would have been required to maintain level services and staffing. This includes:

- The probable 5% state buydown of tax rates (without which, the tax impact would be 10.6%)
- Maintaining current services would have resulted in fewer reductions
 - 4.5 FTE teacher reductions
 - \$1m DTBHS Rent Savings
 - \$450K savings from reduced bond borrowing

BTC Budget

Tuition decrease applies to BSD and sending schools

FY27 Budget = \$3.53m

- Reduced leasing cost after moving to new BHS/BTC
- 2.0 FTE teacher reductions (one enrollment based, one due to insufficient grant funding).
- 126.88 “average” enrollment over six semesters, a 5% increase from the prior year.
- **Announced Tuition of \$21,944.**
 - i. This represents a **12% decrease**.