

Budget Development Update

January 28, 2019





The mission of the Burlington School District is to graduate students who:

- Value different cultures
- Engage with the community
- Communicate effectively
- Think creatively
- Skillfully solve problems
- Achieve at their highest academic, intellectual and personal potential

Budget Development Timeline

- 10/18 Community budget forum
- 10/19 Online form for budget input, staff budget input
- 10/19 Student budget input
- 11/13 School Board meeting
- 11/27 Special School Board meeting
- 12/11 School Board meeting
- 12/18 School Board meeting
- 1/8 School Board meeting
- 1/14 School Board meeting
- 3/5 Town Meeting Day budget vote



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

Budget Landscape

- Structural budget challenge
- Rising wage and benefits costs
- Labor negotiations
- Uncertain legislative environment
- Inflation rate increase
- Instructional supports
- Capital investments



The Budget Process

- Public and staff input
- Analysis and prioritization
- Review of revenue and expenditure projections
- Board review and feedback
- Tax impact analysis
- Board support
- Community education
- Town Meeting Day vote



Consultation Phase

- 4 Community forums were held
- Online input tool is available
- Principals met with staff to discuss ideas and needs
- Principals and department leaders reviewed and prioritized ideas, including a scoring for consistency with strategic priorities



Community Consultation Themes

New Investment Ideas

Classroom teachers
Special education teachers
EL teachers
Special education paras
Kindergarten paras
Multilingual liaisons
Community partnerships
Professional development
Programs for high academic achievers
Capital improvements
Inclusion initiatives

Reduction Ideas

Teachers
Coaches
Administration
Consultants
Sports
Preschool
Programs for high academic achievers
School consolidation
Supplies & materials

District Collective Budgeting Process

- **Goal:** Create united budget request that furthers the District's Mission.
- **Objectives:**
 - To identify current activities we would curtail or eliminate in order to fund other priorities.
 - To identify what efficiencies in our operation are possible without sacrificing quality
- **Method:** Whole faculty, small group and 1-1 discussions at each BSD school led by the Principal.
- **Outcomes:** Articulation of the budgeting needs from a variety of different perspectives.

Clarifying our Vision and alignment to the districts strategic plan

Systems Leader Meeting on November 1, 2018

- **Objective:** Build alignment across buildings and programs
- **Method:** Unpack **The Mission of the Burlington School District is to graduate students who:**
 - Value different cultures
 - Engage with the community
 - Communicate Effectively
 - Think Creatively
 - Skillfully solve problems
 - Achieve at their highest academic, intellectual, and personal potential
- **Outcomes:** Common beliefs among Principals and Senior directors

Collective budgeting process

Prioritization by Senior directors and Principals

Systems Leader Meeting on November 6, 2018

Objective: Collectively narrowed budget ideas to be presented to the board

Method:

1. Get on the balcony and consider what is needed across BSD K-12
2. Connect each budgetary request to a designated area of the Strategic Plan each budgetary request is connected. “People are willing to make sacrifices if they see the reason why.” Ronald Heifetz
3. Applied a budget rubric specifically considering purpose and student achievement in order to prioritize the budgetary requests
4. Share out and synthesis

Budgetary Assumptions

CPI-U Inflation: 2.5%

Surplus from FY18: \$700k as operating revenue, \$700k as contingency

Wages: Increased at the rate identified by the Board during executive session

Health insurance: 12% increase in premium rates based on VEHI projection

Dental & Life insurance: No change in estimated rate

Workers Compensation: No change in estimated rate

Utilities: 3% annual increase from FY18 actuals, or less when warranted

Supplies: 2.5% increase based on inflation

Special Education: 10% increase in tuition and inclusion service costs

K-12 Enrollment

	FY18	FY19	FY20
BHS	937	959	1002
Middle	800	815	835
Elementary	1,693	1,642	1,648

NOTE: Elementary count excludes preschool classrooms located at elementary schools, BTC, and alternative programs.

Development of Board Budget Proposal

\$5.37 million could be added to baseline growth

- **\$5.37 million of new investment ideas generated from the budget development process served as a starting point for detailed discussions.**
- **Board and District staff developed criteria for evaluating each proposal**
- **Some new investment ideas can be meaningfully pursued with partial funding, others require the full estimated investment about to produce meaningful results.**
 - **Ex: we can hire part time positions, but we can't buy half of a tractor.**

Board Budget Criteria

Highlights from board budget criteria workshop

- Early Learning
- Opportunities for High Achievers
- Restorative Practices
- Achievement Gap
- Social Emotional Learning
- Student Centered

System Leaders Budget Development Criteria

Principals and directors identified the following priorities

- Focuses on early learning and interventions
- Supports current strategies to reduce the achievement gap
- Supports social emotional learning
- Supports current Restorative Practices strategies
- Aligns with strategic goals
- Necessary to comply with federal or state mandates

FY20 Budget Proposal Highlights

- \$3.7 million increase in total budget, inclusive of
 - \$2.2 million of baseline growth (see Budgetary Assumptions slide)
 - \$2.3 million of new investments (see following slides)
 - \$820,000 of reductions (see Reductions slide)
 - \$1.4 million surplus used to support the new investments
- 4.36% increase in total budget
- 4.86% increase in education property tax rate*
- 0.43% increase in education income tax cap*

*Note: Tax rate changes were estimated using data available on 01/28/2019

Inclusive Teaching & Learning

Achievement Gap Priority	Amount
1.6 FTE Proficiency coach, PLP & advisory coordination	\$250,000
1.0 FTE EL teacher	\$90,000
2.4 FTE BHS teachers for additional core and elective course offerings	\$216,000
2.0 FTE elementary interventionists	\$161,805

Inclusive Teaching & Learning

Early Learning Priority	Amount
9.0 FTE kindergarten paraprofessionals	\$270,000
Retain two all-day preschool classrooms (grant support is ending)	\$148,000
PD for K-5 phonics, grammar, reading curriculum	\$40,000

Inclusive Teaching & Learning

Social Emotional Learning Priority	Amount
1.0 FTE shared middle school guidance counselor (emphasis on EL students)	\$90,000
1.0 FTE middle school health & sex ed teacher	\$90,000

Inclusive Teaching & Learning

Other	Amount
1.0 FTE EMS band paraprofessional	\$30,000
BHS athletics budget increase for Ultimate Frisbee and Bowling teams	\$19,000

Equitable Climate & Culture

Achievement Gap Priority	Amount
Parent University staff and operational supplies	\$15,000

Equitable Climate & Culture

Early Learning Priority	Amount
1.0 FTE elementary EL teacher	\$90,000
North-South bus driver	\$65,000
1.0 FTE multilingual liaison (half of cost would be grant-funded)	\$15,000

Equitable Climate & Culture

Restorative Practices Priority	Amount
Staff training, RP consultants, materials and operating expenses	\$80,000
1.0 FTE PBIS/RP coach	\$100,000

Equitable Climate & Culture

Social & Emotional Learning Priority	Amount
3.0 FTE Special Education teachers with behavior management expertise	\$270,000
Elementary Social Workers (full time at each elementary school)	\$118,000
Unified Sports support	\$2,000

Sustainable Finance & Facilities

	Amount
Security system design cost	\$168,000

Bonding & Debt Service

- \$6.2 million of new debt is assumed for FY20
 - \$4 million BHS ReEnvisioning
 - \$2.2 million Capital Plan
- New debt payments associated with FY19 borrowing will begin in FY20.

Reductions: \$819,805

Tax impact would increase from 4.86% to 6.2% without reductions

- 3.0 FTE behavior coach positions eliminated
- Principal substitute contracted position eliminated
- Administrative projects coordinator position eliminated
- One time project funding (MakerSpace, TalentEd training, Jolly Phonics) not necessary in FY20
- Utilities, transportation, and other operational reductions
- Kelly Substitute Services savings due to increased use of in-house substitutes
- Lower private preschool partner program participation than anticipated

Tax Estimates

FY 2019 Total Budget	\$85.0 million
Increased General Fund Costs	\$1.8 million
Increased Debt Service	\$0.4 million
Subtotal	\$87.2 million
New Investments	\$2.3 million
Non-instructional reductions	(\$0.8 million)
TOTAL	\$88.7 million

Baseline growth reflects the Budget Assumptions plus:

1.0 FTE EL teacher at BHS to comply with OCR agreement

0.4 FTE Science teacher at BHS (currently filled on a temporary basis) to address scheduling need

Baseline does not retain the FY19 additions by Board at Flynn & SA

Tax Estimates



Awaiting Data

Key Variables

Status

Education spending

65,378,010

Equalized pupil count

4,069.68 (0.73% decrease)**

Homestead dollar yield

\$10,666 (4.36% increase)*

Common level of appraisal

77.65% (2.29% decrease)**

*An increase in the dollar yield decreases the tax rate

**A decrease in these variables increases the tax rate

Surplus Reduced Tax Impact from 7% to 4.86%

Tax Impact of Using Surplus

	Before Use of Surplus	After User of Surplus
Total Budget	\$88.7 million	\$88.7 million
Surplus Used as Revenue	\$ 0	\$ 1.44 million
Education Spending Change	\$ 4.87 million	\$ 3.4 million
Tax Impact	7.18%	4.86%

Tax Increase in Context

Budget History

	FY17	FY18	FY19	FY20
Total Budget	\$83.59m	\$85.54m	\$85.00m	\$88.63m
% change	2.9%	2.3%	-0.6%	4.27%
General Fund	\$69.87m	\$73.76m	\$74.14m	\$77.77m
% change	1.9%	5.6%	0.5%	5.00%
Equalized Tax	0.59%	1.28%	0.21%	1.86%
Actual Tax	4.19%	3.86%	3.32%	4.86%

Estimated Tax Implications

Property Payers	Property Tax Impact
Property rate increase	4.86%
Tax on \$250,000 homestead	\$4,849
Tax Difference from current rate	\$225

Income Payers	Income Tax Impact
Income Cap increase	0.43%
Tax on \$50,000 household income	\$1,226
Tax Difference from current rate	\$5

Figures reflect rounding. For education taxpayers who pay based on income, the impact will be reflected on the fiscal year 2021 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.

City Council Feedback

Result of January 7 presentation to City Council

- Councilor Bushor expressed support for alternatives to suspension program and reservations about the district's ability to fully implement some of the more substantial changes in a single year (such as hiring paraeducators for every kindergarten classroom).
- Councilor Knodell suggested that the Board keep in mind the tax increase associated with future BHS construction while considering this year's tax increase.
- Councilor Dieng noted the need to support substance abuse prevention efforts.

Ballot Language

Shall the voters of the school district approve the school board to expend \$88,706,132 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 \$16,064.66 per equalized pupil. This projected spending per equalized pupil is 6.31% higher than spending for the current year.

Next Step for Board

Board shares budget information with community.

Community votes on March 5th.



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courageous people. Join the journey!
