

# Budget Development Update

December 19, 2023



# Agenda

- Budgetary assumptions
- Enrollment review
- Equitable Budgeting review
- Board Guidance
- RISE funding
- Fund balance
- Tax variables
- Timeline



# Budgetary Assumptions

*Full list of assumptions posted on budget website*

## Wages & Benefits

- Most bargaining agreements are settled in the range of 5% increase. Health insurance premiums are estimated to increase by 16.4%.

## BHS/BTC Bonding

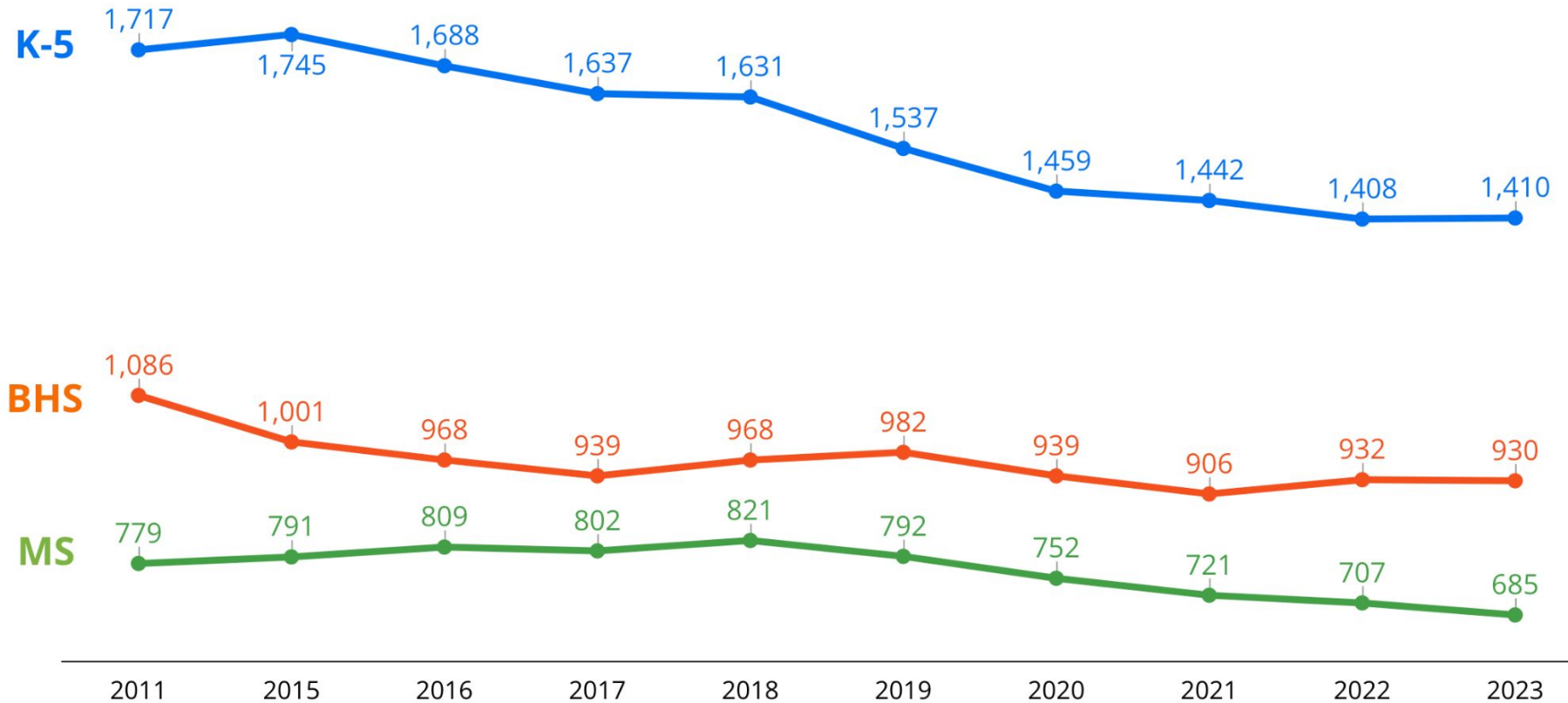
- \$9.5 million increase in debt service due to bonding.

## ESSER Funds:

- End of ESSER funding means that programs and positions funded by federal dollars can only be retained if budget is increased to support them.



# BSD Enrollment History



# 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...

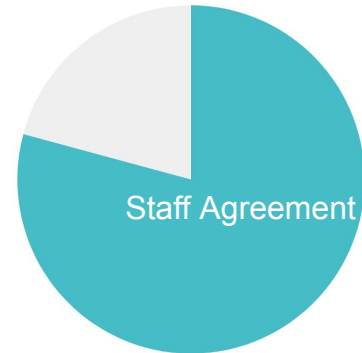
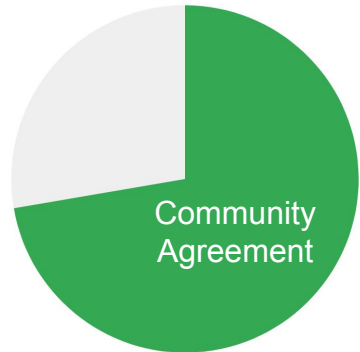
- 450+ students, family members, staff, and community members
- Individuals affiliated with every BSD school and program
- 43.2% of respondents' students receive free or reduced lunch
- 21.7% of respondents' students receive special education services
- 20.9% of our respondents self identified as BIPOC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



# 2020 Community Survey: What did we say?

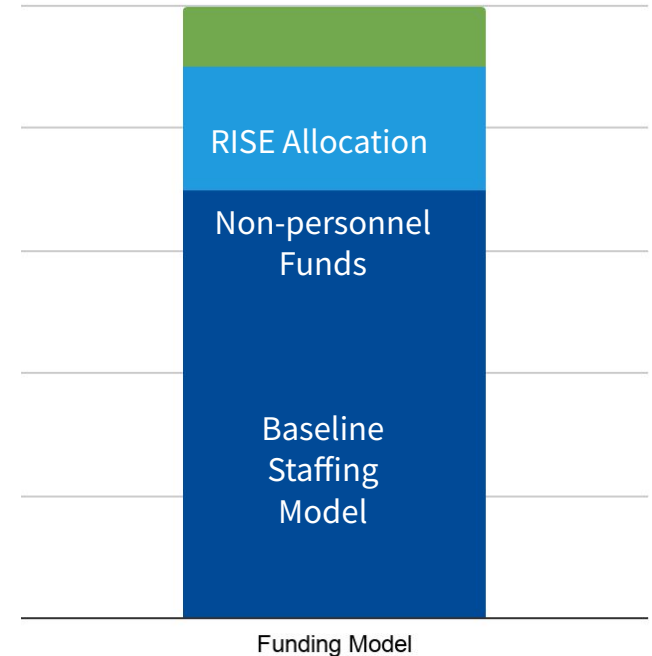
*72% of all respondents and 79% of BSD staff  
strongly agree or agree that*

***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





# Board Guidance

- Recognize that our staffing level must be responsive to enrollment changes.
- Limit budget growth due to increases in wages, benefits and pending BHS/BTC costs.
- Ensure funding to meet strategic plan objectives.
- Continue to offer robust programmatic offerings.
- Consider multi-year impact of changes and minimize annual disruptions.
- Identify investments that serve our most vulnerable students and are being made in response to the financial capacity gained from the new approach to pupil weighting.

# Areas of Increased Spending (\$17.5m)

Wages & Benefits	\$4,000,000	Sara Holbrook rental	\$50,000
Operating	\$660,000	YMCA rental	\$50,000
BHS/BTC bonding	\$9,500,000	Magnet Task Force	\$320,000
DtBHS lease	\$250,000	HHB/Title IX Investigations	\$100,000
Rock Point lease	\$475,000	BHS Safety Staff	\$91,000
School Leadership	\$166,000	Mental Health Supports	\$100,000
		Strategic Plan Investments	\$1,770,000

# Areas of Potential Reductions

- Cabinet is in the process of evaluating potential reductions in a variety of areas.
- These recommendations will be part of the next presentation.
- Elementary Art allocations are being considered carefully.

# RISE Allocation

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

- RISE proposals have just been submitted by principals and are under review.
- RISE was launched using federal dollars but, beginning in FY24, funding is via district General Funds. This provides maximum flexibility.

# FY23 Audit and Fund Balance

*FY23 Audit is in final phase of review*

## FY23 Audited Fund Balance

- \$2,400,000 available to support FY25 budget.
- This surplus is in line with prior year results.
- Represents roughly 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!
- 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.
- Common Level of Appraisal: a measure of property values in each community.

# Tax Variable Estimates

## Key Variables

## Status

Education spending (preliminary)	\$96,534,438 (22% increase)
LTWADM (preliminary)	6,753.5 (new variable)*
Homestead dollar yield (Tax dept)	\$9,452 (new calculation)*
Common level of appraisal (pending)	TBD*

\*A decrease in these variables increases the tax rate

# Very Preliminary Tax Impact Estimates

*Use this for an order of magnitude, not an actual tax impact*

Assuming new spending of \$17.5 million, BSD would likely be facing a tax rate increase of 9.5%.

- Like the Tax Department's general estimates, this figure does not consider impact of CLA, which could make this number higher or lower.
- BSD may qualify for the tax cap (5%) but would also be subject to a review that could remove this protection.



# Budget Development Timeline

- 12/19** School board meeting
- 1/9** School board meeting
- 1/16** School Board meeting (vote)
- 3/5** Town Meeting Day budget vote



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