



SOUTH BURLINGTON SCHOOL DISTRICT
FY24 INITIAL BUDGET INFORMATION

November 16, 2022

We inspire all learners to make a difference in the world



PART I

**REVIEW OF BUDGET HISTORY
AND
EDUCATION TAX RATES**

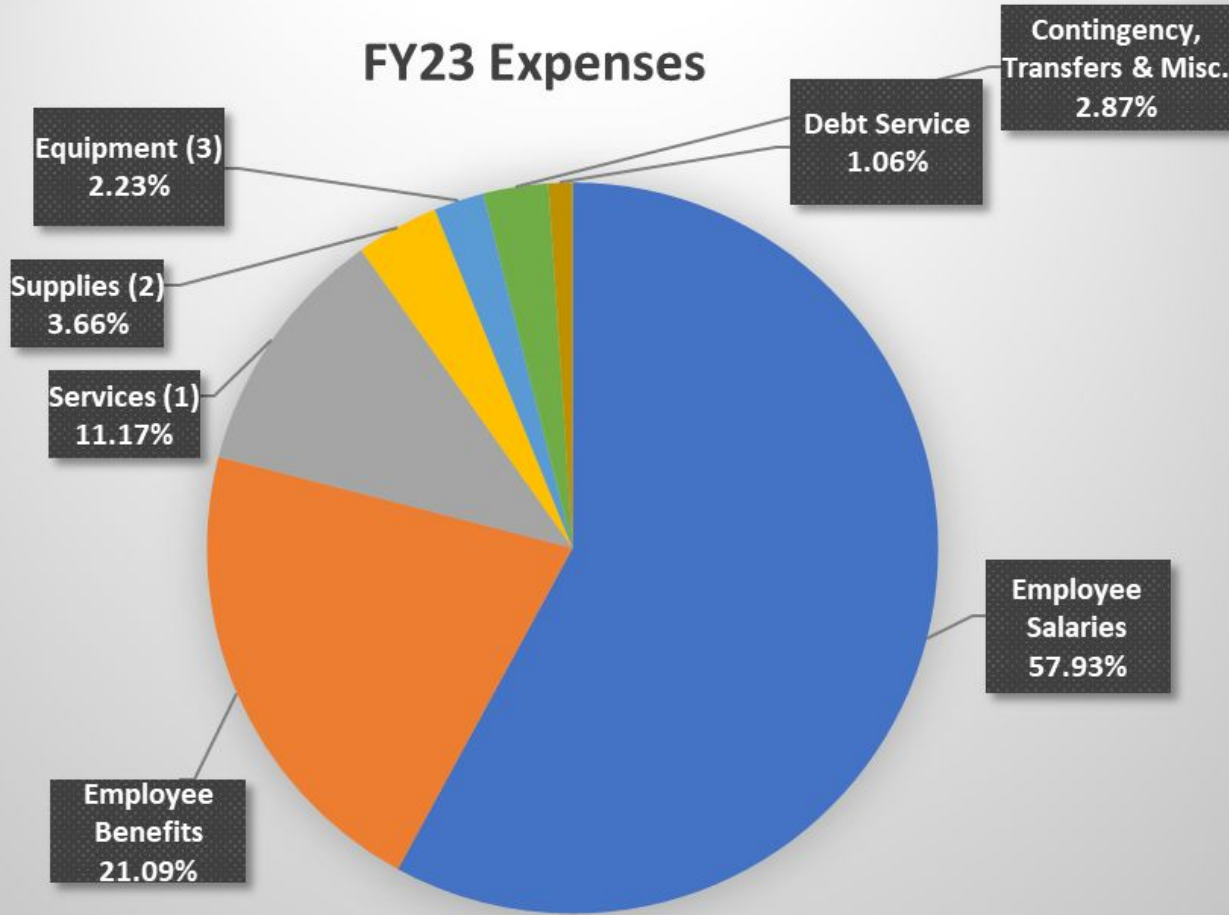


SOUTH BURLINGTON SCHOOL DISTRICT 5 YEAR BUDGET HISTORY

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Voter Approved Expenses	\$49,686,166	\$51,746,533	\$52,969,514*	\$55,623,080	\$58,344,602
% Change (increase)	0.85%	4.15%	2.36%	5.00%	4.89%

**reported as \$52,532,248 in the 22-23 Budget Book, p. 32*

FY23 Expenses

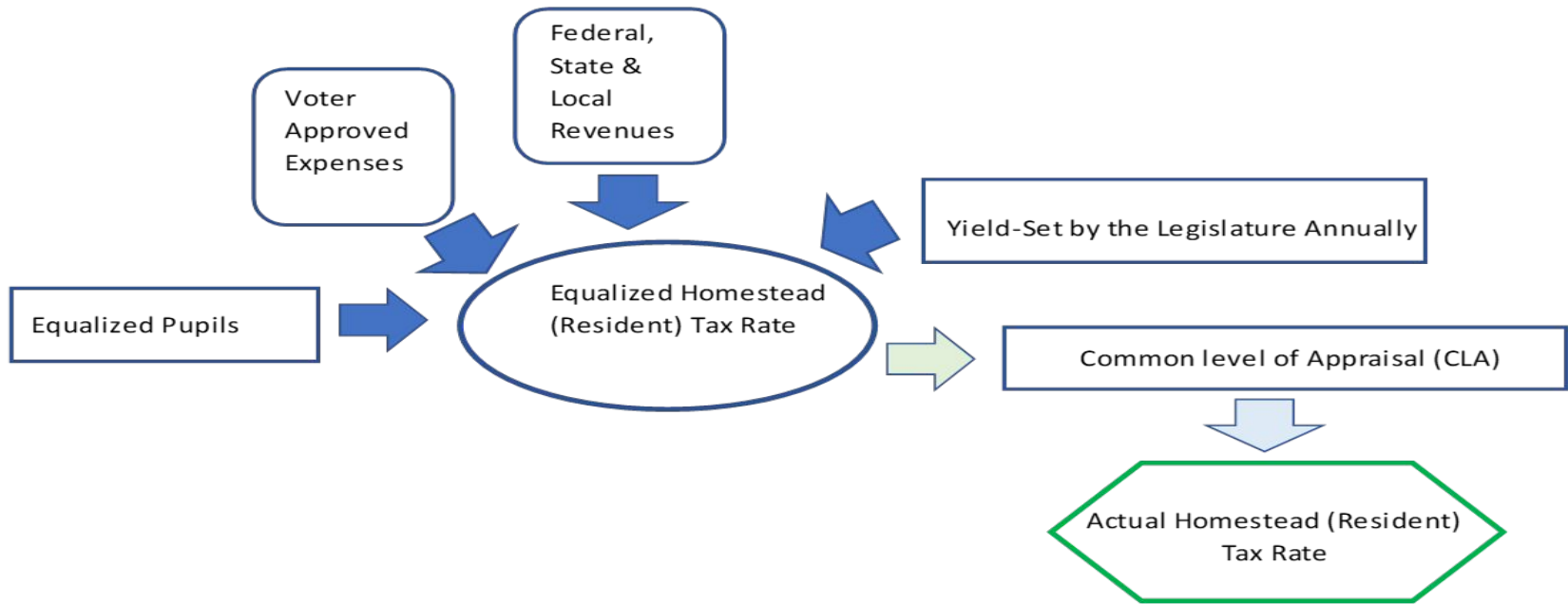


Employee Salary & Benefits - 79% of budget

Purchased professional services such as legal, psychological, telephone, printing and insurance.

All Supplies, utilities and books.

Includes funds for the purchase of computers, copiers, network and custodial equipment.



WHILE VOTERS APPROVE THE OVERALL EXPENDITURE BUDGET THERE ARE MULTIPLE COMPONENTS THAT DETERMINE THE HOMESTEAD TAX RATE PER ACT 60 AND 68

	FY2021	FY2022	FY2023	% Change (FY22 to FY23)
Voter-Approved Budget	\$52,969,514	\$55,623,080	\$58,344,602	+4.89%
Less Offsetting Local, State and Federal Revenues	-\$11,291,856	-\$12,448,803	-\$13,599,887	+9.25%
=Education Spending	\$41,677,658	\$43,174,277	\$44,744,715	3.64%
Equalized Pupils	2,579.74	2,570.31	2,568.67	-0.064%
Cost per Equalized Pupil	\$16,156	\$16,797	\$17,419	+3.70%
Yield (set by the Legislature)	\$10,988	\$11,317	\$13,314	+17.6%
Equalized Tax Rate (Cost Per EP/Yield)	\$1.47	\$1.48	\$1.31	-11.49%
Common Level of Appraisal (CLA)	89.92%	112.03%	100.99%	-9.85%
Actual Homestead Tax Rate (Equalized Tax Rate divided by the CLA)	\$1.634	\$1.325	\$1.295	-2.26%

SBSD BUDGET WORKSHEET 3 YEAR SUMMARY

MORE ABOUT EDUCATION TAX RATES

Income Sensitivity - Approximately 68% of residential households pay an income sensitized property tax, meaning their total property tax bill is reduced by a property tax credit based on income. A typical income sensitized taxpayer is projected to pay 2.25% of their household income in education property taxes in 2022.

The **non-residential tax rate** is set by the legislature and not determined by an individual town's school budget. The non-residential tax rate in all VT towns is the non-residential tax rate set by the Legislature and divided by the town's CLA.

	FY2021	FY2022	FY2023
Non-resident Rate Set by the Legislature	\$1.628	\$1.612	\$1.466
South Burlington Non-resident Rate	\$1.810	\$1.438	\$1.452

**COMPARATIVE TAX
RATE
INFORMATION FOR
2022-2023**

District	Cost Per Pupil	FY23 Homestead Education Tax Rate	State Rank (of 259) (1= Highest Tax Rate, 259 = Lowest Tax Rate)
Winooski	\$19,829	\$1.969	4th highest
Burlington	\$19,311	\$1.389	185th highest
Champlain Valley School District	\$18,454	\$1.6359	59th highest
Essex/ Westford	\$18,146	\$1.602/\$1.593	74th highest/78th highest
South Burlington	\$17,419	\$1.295	216th highest or 44th lowest in state
Colchester	\$16,456	\$1.539	110th highest



PART 2

**ADMINISTRATIVE INITIAL FY24 BUDGET INFORMATION &
RECOMMENDATIONS**

	Voter Approved Amount	Current Principal Balance	FY23 Annual Principal and Interest Payment
2005 General Obligation Bond	\$2,795,000	\$575,450	\$161,920
2016 General Obligation Bond	\$2,000,000	\$1,750,000	\$174,212
2018 General Obligation Bond	\$950,500	\$599,950	\$73,750
2022 General Obligation Bond	\$2,500,000	\$2,275,000	\$170,745
Total		\$5,200,400	\$580,627

CURRENT CAPITAL DEBT OUTSTANDING

**RESIDENT TAX RATES ARE
THE RESULT OF FOUR MAJOR
INPUTS**

Education Spending - Voter Approved Expenditures less Local, State and Federal Revenues

Equalized Pupils - Two-year weighted resident pupil Average ADM, which considers demographic factors. Note FY24 is the final year before the new legislation regarding pupil weighting goes into effect (Act 173). Equalized pupils are provided by the AOE in December.

Yield is set by the Legislature annually and is equivalent to a \$1 homestead tax rate. The Yield is difficult to estimate prior to the VT Tax Commissioner's recommendation on 12/1/22. It's driven by the state's education fund. Not typically finalized until the end of the Legislative session, after school budgets have been voted on.

The **Common Level of Appraisal** (grand list to market value), or CLA, for every Vermont town is the primary result of the equalization study performed by the VT Tax Department every year. The equalization study compares the ratio of the grand list value to the sale price for all the arms-length sales in the town over the prior three-year period.



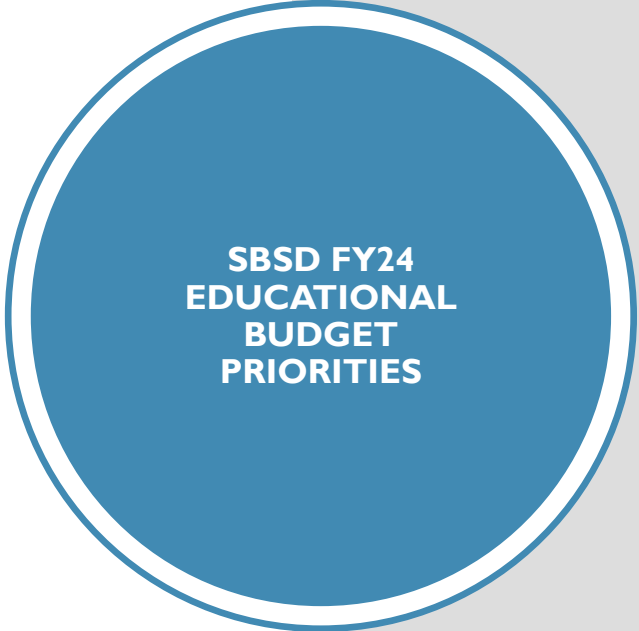
**CURRENT
FINANCIAL
CONDITIONS**

- Inflation
- Unbudgeted facilities needs
 - Necessitating a bond in addition to ZEMs
- Deferred maintenance
- Labor negotiations settling statewide higher than budgeted as budgeted last year when inflation was under 3%
- In FY23 we benefited from \$2 million fund balance carryover, ESSER funds, and a yield that positively impacted tax rate. Won't go up 17% (federal funds used by State -non ESSER)
- 12.7% health insurance increase

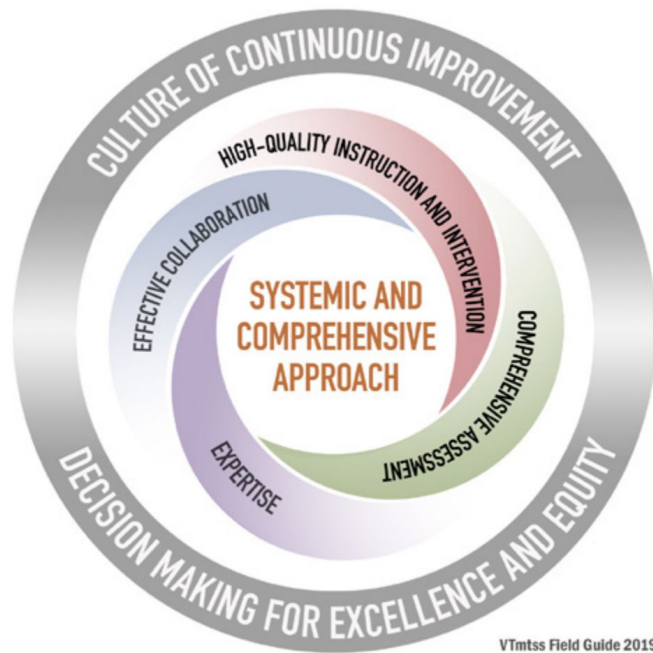
2014 Education Quality Standards (EQS) articulate a **strong vision** for improving **educational opportunities and urgently advancing equity** for ALL students in every school district.

Educational equity means that every student has access to the educational resources and rigor they need at the right moment in their education across race, gender, ethnicity, language, disability, sexual orientation, family background and/or family income.

Every Vermont educational professional is being asked to ensure that each student has **access** to appropriate instruction and instructional support so that they can acquire the knowledge and skills necessary to meet challenging high school graduation proficiencies.



**SBSD FY24
EDUCATIONAL
BUDGET
PRIORITIES**



VTmtss Field Guide 2019



- Systematic and Comprehensive Approach
- Effective Collaboration
- High-Quality Instruction & Intervention
- Comprehensive & Balanced Assessment
- Expertise

**VTmtss
FRAMEWORK
COMPONENTS:
DECISION-MAKING
FOR EXCELLENCE
AND EQUITY**

FACTORS IMPACTING THE FY24 BUDGET

Expenditures

Significant increase (8.2% over 12 months as of September 2022) in consumer price index, causing upward pressure on all supplies, professional services and equipment

Negotiations are ongoing for Teachers and Union Support Staff

12.7% Estimated Health Insurance Increase

Ongoing labor shortage requiring significant market adjustments to attract and retain employees

Deferred maintenance of facilities, furniture replacements, no maintenance reserve fund

First year debt associated with bond for capital facility improvements and bonding for ZEMs

FTE as of October 21, 2022

Adopted FY23 = 501.18

Filled FY23 = 483.42

Open FY23 = 28.12

Revenues

Surplus likely not available to offset the FY24 budget. \$2 million from FY21 was used to offset the FY23 Budget

ESSER funding to offset pandemic related expenditures and support education recovery efforts will be utilized and funding significantly reduced in FY24

State Factors

The property yield increased 17.6% in FY23 lowering the homestead tax rate which was unprecedented and unlikely for FY24.

ELEMENTARY & SECONDARY SCHOOL EMERGENCY RELIEF FUNDS (ESSER) FEDERAL FUNDING CURRENT STATUS

Grant	Award	Spent/Committed	Grant Term
ESSER I	\$352,101	\$352,101	3/13/20-9/30/22
ESSER II	\$1,382,340	\$1,382,340	3/13/20-9/30/23
ARP ESSER III	\$3,104,131	\$3,104,131 (based on 11/1/22 plan)	3/13/20-9/30/24

Most, if not all, ESSER funding is anticipated to be spent by the end of FY23.



FY23 CURRENT POSITIONS FUNDED WITH ESSER FUNDS

Total ESSER FTE Count	21.025
Estimated FY23 Cost of ESSER funded positions(salaries & benefits)	\$1,409,900
Estimated Percentage of FY23 Budget	2.42%

FY23 CURRENT POSITIONS FUNDED WITH ESSER FUNDS

Location	Position Description	FTE	Category
District	Communications Coordinator	0.5	Support Staff
District	Nurse	1.0	Teacher
FHTMS	Guidance	1.0	Teacher
FHTMS	L/M Support - Math Interventionist	1.0	Teacher
GECS	Art - Health & Wellness	0.2	Teacher
GECS	Behavior Facilitator	0.5	Support Staff
GECS/ RMCS	Info Tech - unfilled	1.0	Teacher
GECS	L/M Support - Math Interventionist	1.0	Teacher
GECS	Library - Health & Wellness	0.2	Teacher
GECS	Music - Health & Wellness	0.2	Teacher
GECS	Paraeducator - non SPED	1.0	Support Staff
GECS	Physical Education - Health & Wellness	0.2	Teacher
Orchard	BCBA	1.0	Support Staff
Orchard	Behavior Facilitator	1.0	Support Staff

Location	Position Description	FTE	Category
Orchard	Health & Wellness	1.0	Teacher
Orchard	L/M Support - Math Interventionist	1.0	Teacher
Orchard	Nurse	0.2	Teacher
Orchard	Paraeducator - non SPED	1.0	Support Staff
RMCS	Behavior Facilitator	2.0	Support Staff
RMCS	Health & Wellness	1.0	Teacher
RMCS	Kindergarten Para	1.0	Support Staff
RMCS	L/M Support - Math Interventionist	1.0	Teacher
SBHS	Art	0.4	Teacher
SBHS	Learning Lab	1.0	Support Staff
SBHS	Student Engagement	1.0	Support Staff
SBHS	Social Studies	0.5	Teacher
SBHS	PLP/Personalized Learning	0.125	Teacher
	Total ESSER FTE's	21.025	



Annual increase associated with labor negotiations, health insurance increase and inflation **+4.14%**

Increase in operating expenses due to deferred maintenance - **+1.00%**

New debt service expense for ZEMS and the Stewardship Plan **+1.62%**

Cost of retaining 21.025 FTE positions currently funded by ESSER **+2.60%**

Cost of proposed additions including a DEI Coordinator, Assistant Director of Special Education and accounting software implementation **+0.41%**

Reductions will be necessary for proposed budget to be within inflation based on the CPI or +/- 8.00%

**EARLY FY2024
BUDGET
EXPENDITURE
ESTIMATES**



Estimated Total Year-on-Year Percent Increase if:

- 1.) Maintain baseline local budget (without ESSER funding), plus assumed/fixed increases for inflation, health care, labor negotiations, deferred maintenance, new debt service, etc: **7.17%**
- 2.) Adding FTEs previously funded by ESSER to baseline local budget with assumed/fixed increases above: **9.77%**

This is an early estimate. The budget development process will continue to evolve based on Board, community, administrator, and staff feedback.

UPCOMING EVENTS: FY24 BUDGET

Community Budget Forum 6:00 - 7:30 PM

Community Budget Forum 6:00 - 7:30 PM

30 Nov.

7 Dec.

12 Dec.

14 Dec.

Board Meeting - Review Tax Commissioner's Recommended State Tax Rates and possible impacts. Details of Administrative Budget Proposal to be presented.

Board Meeting - Budget Refinement during public meeting-focus on variance, program changes, comparative staffing levels, and current and projected enrollment as well as any additional information received from the state



DISCUSSION & QUESTIONS