



**SOUTH BURLINGTON SCHOOL DISTRICT**  
**FY24 Proposed Budget Presentation For Community**

*We inspire all learners to make a difference in the world*



## Agency of Education Requirements: Act 173 and VTmtss



## Multi-Tiered System of Support

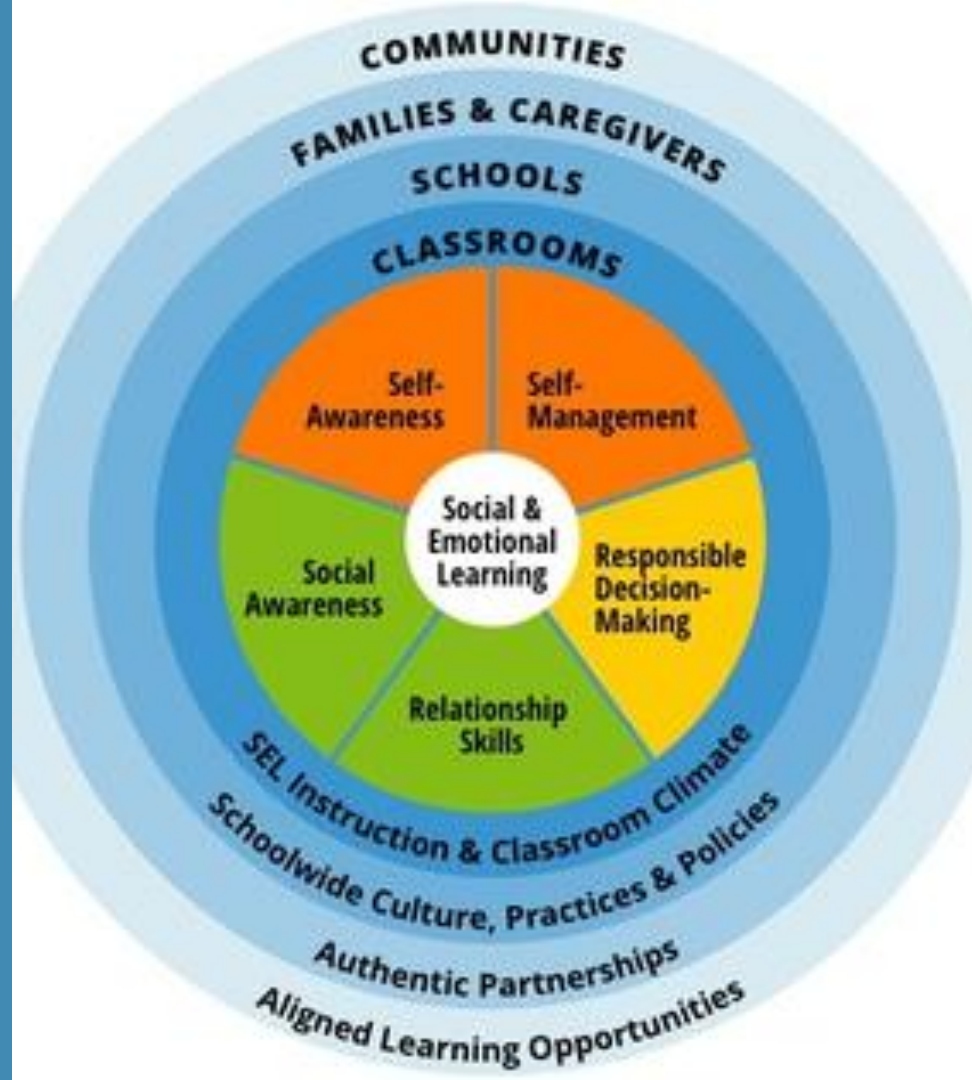
This is a problem solving process for school-wide instruction and intervention system, both behavioral and academic. The goal is for every student to participate fully in universal instruction and to be provided with optimal learning environments.





# Social & Emotional Learning

This is a methodology that aims to foster social and emotional skills alongside school curriculum. It is comprised of 5 building blocks that allow children to thrive both academically and emotionally. It is the foundation for our approach to educating our students.



A photograph of a soccer team huddled together on a green field. The players are wearing grey jerseys with white numbers and light blue socks. A white rectangular box with a black border is superimposed over the middle of the image, containing the text 'FY24 BUDGET PRIORITIES AND APPROACH'. In the background, spectators are visible behind a fence, and trees are in the distance.

## **FY24 BUDGET PRIORITIES AND APPROACH**

## Budget Priorities and Approach

- Develop a fiscally responsible budget in our current economic climate that meets students' academic, social and emotional needs
- Address chronic capacity issues in elementary schools via installation of ZEMs
- Prioritize and protect the Facilities Stewardship Plan to address deferred maintenance
- More closely align staffing to student ratios to pre-ESSER funding levels

## Budget Priorities and Approach (cont.)

- Total staff FTEs reduced by 23.75\*

\*It would be premature to say which positions, we hope to maintain valuable staff through natural attrition

- Proposed ESSER-funded positions for FY24:

- 1.0 Student Engagement Coordinator (SBHS)
- 1.0 Math Interventionist (RMCS)
- 0.4 FTE Art SBHS

- Proposed additions to local budget:

- 0.5 FTE Communications Coordinator (Shifted from ESSER)
- 3.0 FTE Math Interventionist: 1 at Orchard, Chamberlin and FHTMS (shifted from ESSER)
- 1.0 FTE Special Education Coordinator: 0.5 FHTMS, 0.5 elementary (FY22 FHTMS Special Education Building Coordinator/Special Educator)

## Budget Priorities and Approach (cont.)

- 5% reduction in overall operating budgets in each school and central office (\$50,759 savings from current run-rate)
- Reduction of proposed facilities operating budget (\$265K in various projects to be deferred)
- Included cost-neutral and cost-saving positions
- Closed 8 of the 28 open requisitions currently unfilled (\$412,670 savings from current run-rate)



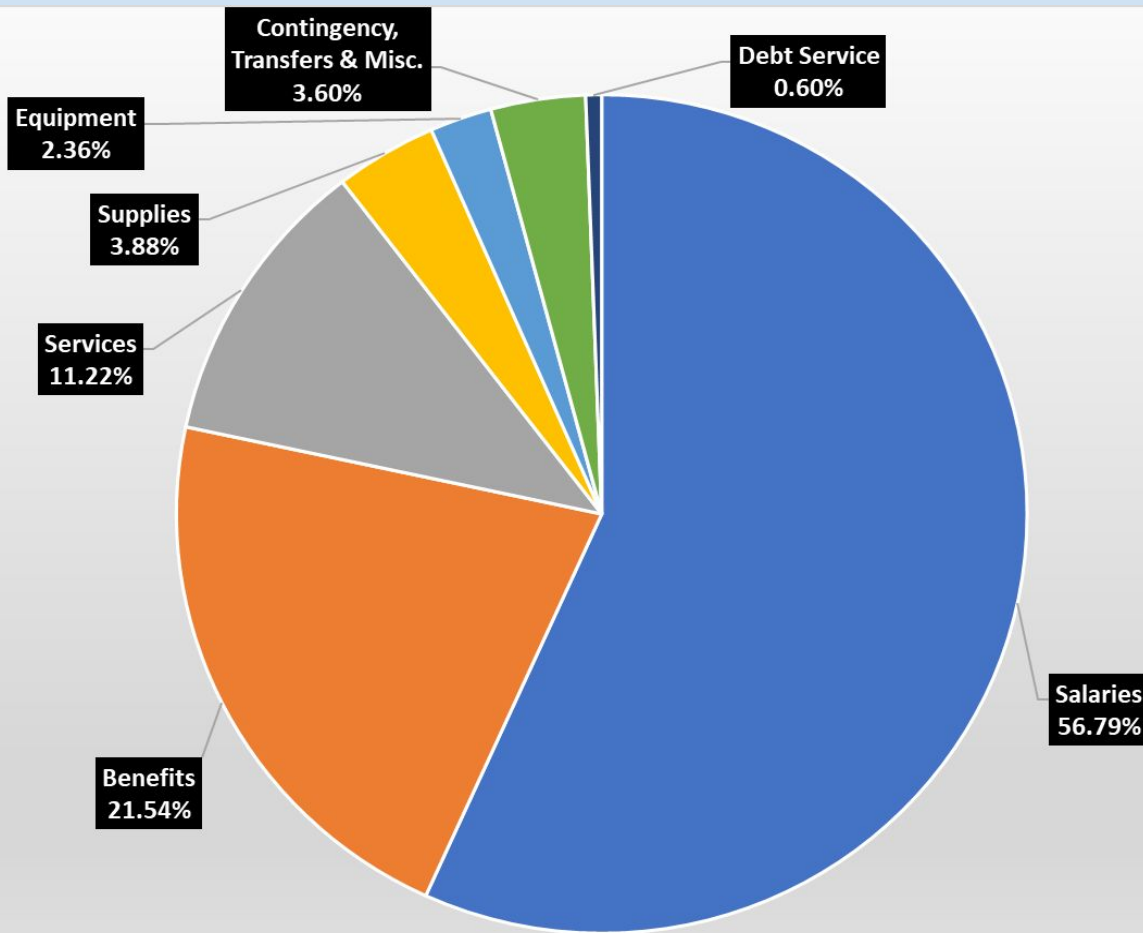
# PROPOSED FY24 BUDGET SPENDING SUMMARY

**+ 7.17%** Proposed increase for SBSD Expense Budget from FY23 approved budget to FY24 proposed budget

**+3.93%** Impact on Homestead (Residential) School Tax Rate for FY24 (assuming no property tax credit)



## FY2024 Proposed SBSD Expense Budget





## **FACTORS IMPACTING THE FY24 BUDGET APPROACH AND PROPOSAL**



# Projected Changes in Expenditures, Revenues, State-Imposed Factors

## Expenditures

- Significant increase (6.5% over 12 months as of December 2022) in consumer price index, causing upward pressure on all supplies, professional services, and equipment.
- All unions are negotiating, with contingency funds reflective of a different economic climate
- 12+% Increase in Health Insurance Costs
- 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\*

\*If bond is approved by voters

## Revenues

- Surplus likely not available to offset the FY24 budget (versus \$2 million surplus leveraged to help fund the FY23 budget)
- ESSER funding to offset pandemic related expenditures will be largely utilized and funding significantly reduced in FY24

## State Factors

- Statewide average Education Spending is anticipated to rise by over 8.5%
- The announced Yield increased by an additional 16.2% for FY24
- Equalized Pupil count is 2,561.11
- Common Level of Appraisal announced at 92.97 down from 100.99 in FY23



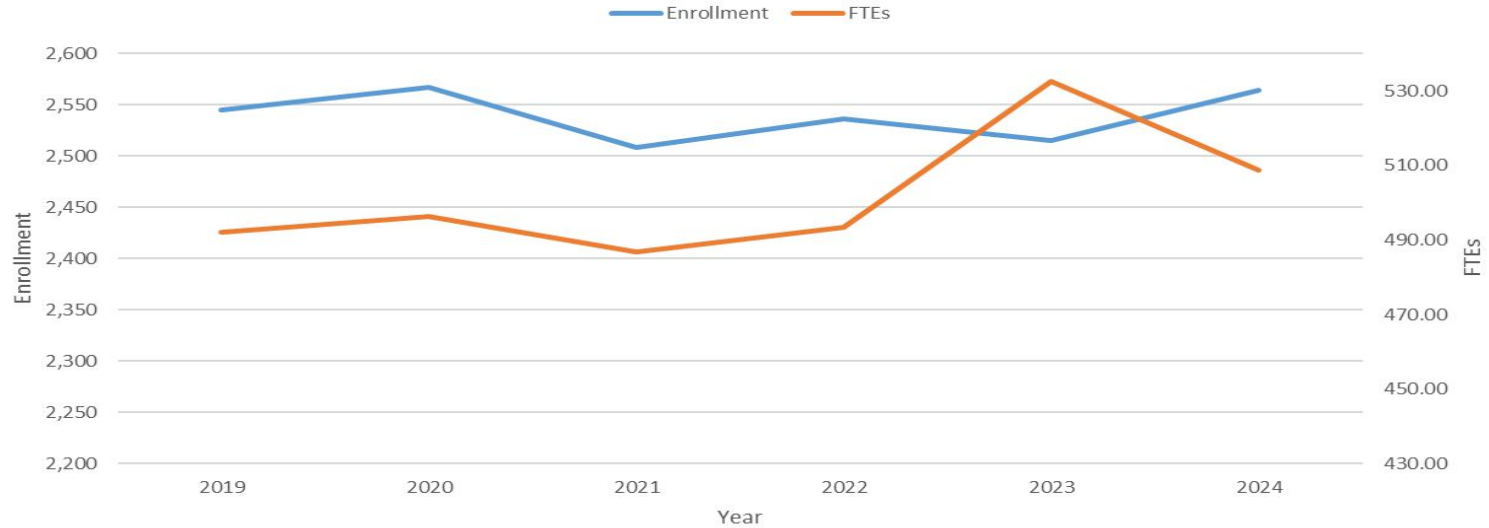
## Student Enrollment History/Projections (Includes tuition students)

| School                                | FY19         | FY20         | FY21         | FY22         | FY23<br>(current) | FY24 (Projected) | FY25<br>(Projected0 | FY26<br>(Projected) | FY27<br>(Projected) |
|---------------------------------------|--------------|--------------|--------------|--------------|-------------------|------------------|---------------------|---------------------|---------------------|
| GCS (PK - 5)                          | 285          | 275          | 282          | 269          | 262               | 270              | 273                 | 285                 | 294                 |
| RMCS (PK - 5)                         | 358          | 376          | 398          | 415          | 437               | 449              | 457                 | 465                 | 456                 |
| ORCH (PK - 5)                         | 406          | 433          | 415          | 441          | 451               | 475              | 488                 | 491                 | 485                 |
| <b>Elementary (PK - 5)</b>            | <b>1,049</b> | <b>1,084</b> | <b>1,095</b> | <b>1,125</b> | <b>1,150</b>      | 1,194            | 1,218               | 1,241               | 1,235               |
| FHTMS                                 | 575          | 564          | 506          | 492          | 516               | 556              | 593                 | 587                 | 617                 |
| SBHS                                  | 921          | 919          | 907          | 919          | 849               | 814              | 759                 | 774                 | 812                 |
| <b>Total Enrollment<br/>(PK - 12)</b> | <b>2,545</b> | <b>2,567</b> | <b>2,508</b> | <b>2,536</b> | <b>2,515</b>      | <b>2,564</b>     | <b>2,570</b>        | <b>2,602</b>        | <b>2,664</b>        |

*Projected enrollment from McKibben Demographic Research, Inc Population and Enrollment Forecasts,  
November 2022*

# Staff Level Trends

Enrollment / Staff FTE 6 Year Trend



*\*FY24 enrollment is forecast from McKibben study  
Enrollment includes PreK and tuition students  
FTEs include unfilled and ESSER positions*

| Year                | 2019   | 2020   | 2021   | 2022   | 2023   | 2024   |
|---------------------|--------|--------|--------|--------|--------|--------|
| Enrollment          | 2,545  | 2,567  | 2,508  | 2,536  | 2,515  | 2,564  |
| FTEs                | 492.00 | 496.20 | 486.86 | 493.35 | 532.54 | 508.79 |
| Student / FTE Ratio | 5.17   | 5.17   | 5.15   | 5.14   | 4.72   | 5.04   |

# Comparative Tax Rate Information for 2023

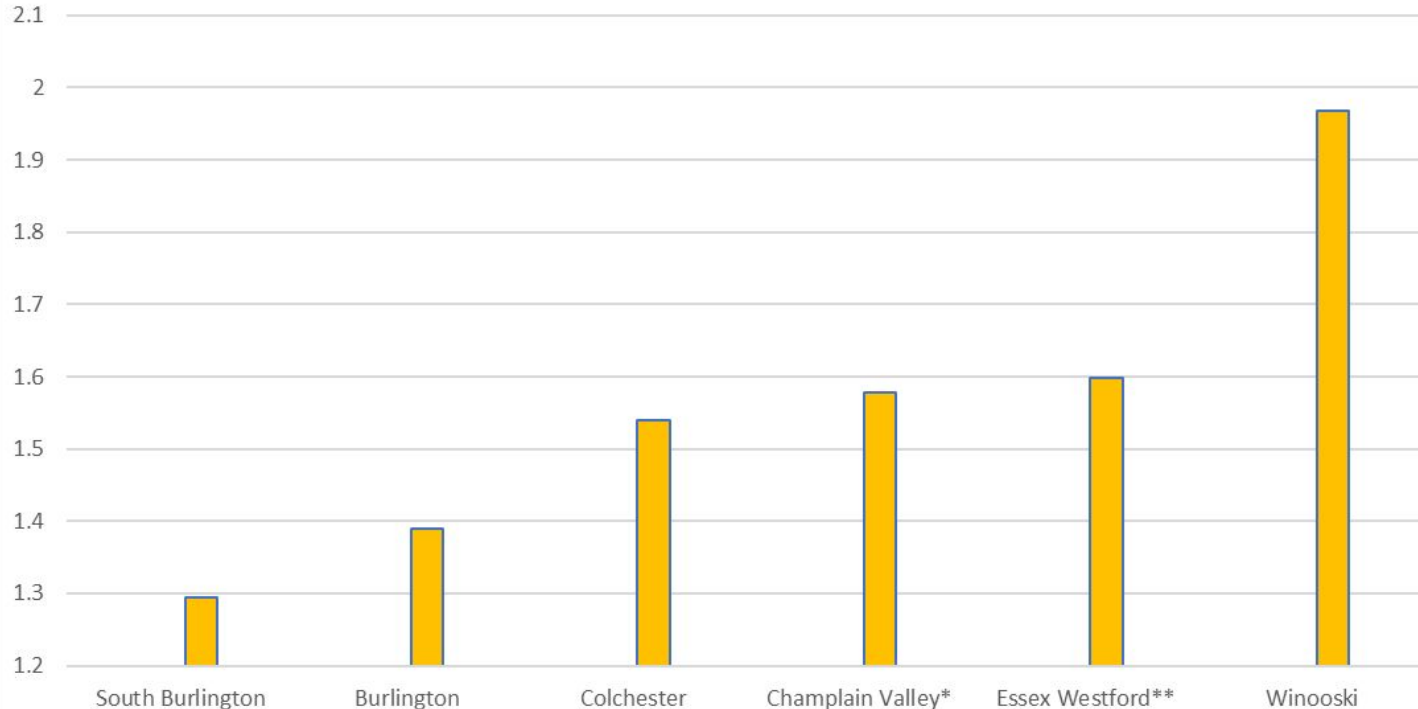
| District                         | Cost Per Pupil  | FY23 Homestead Education Tax Rate | State Rank (of 259) (1= Highest Tax Rate, 259 = Lowest Tax Rate)       |
|----------------------------------|-----------------|-----------------------------------|--|
| Winooski                         | \$19,829        | \$1.969                           | 4th highest  |
| Burlington                       | \$19,311        | \$1.389                           | 185th highest  |
| Champlain Valley School District | \$18,454        | \$1.6359                          | 59th highest   |
| Essex/<br>Westford               | \$18,146        | \$1.602/\$1.593                   | 74th highest/78th highest  |
| <b>South Burlington</b>          | <b>\$17,419</b> | <b>\$1.2953</b>                   | <b>216th highest or<br/>44th lowest in state<br/>(17th percentile)</b> |
| Colchester                       | \$16,456        | \$1.539                           | 110th highest  |

# FY23 Homestead Tax Rate Comparisons with Neighboring Districts

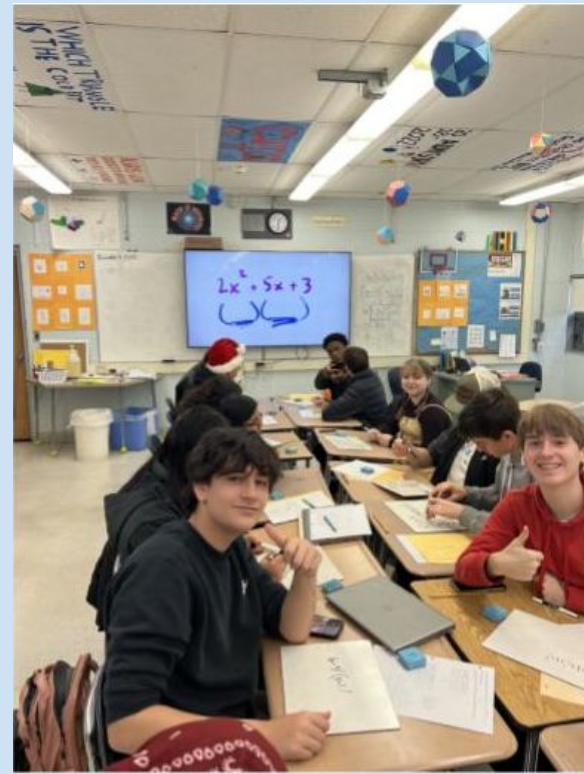
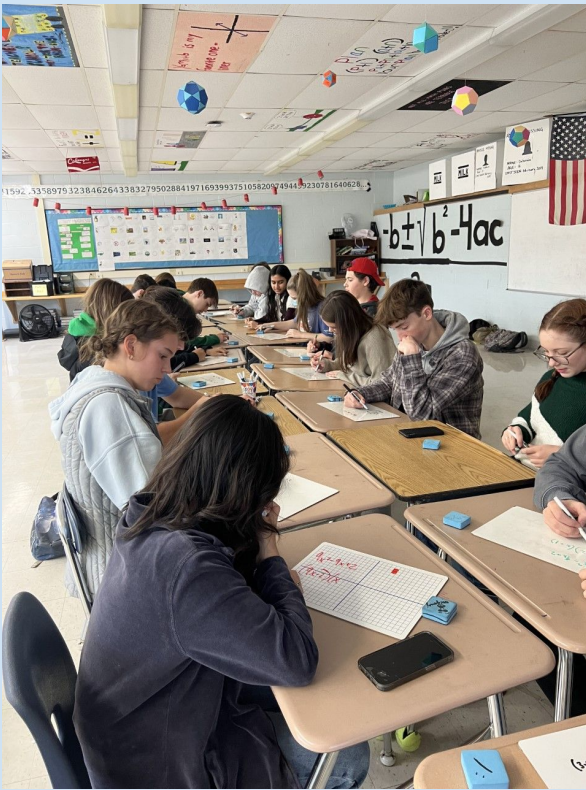
## Education Tax Rates By District FY23

\* Avg of Williston/Shelburne/Hinesburg/Charlotte

\*\* Avg of Essex and Westford





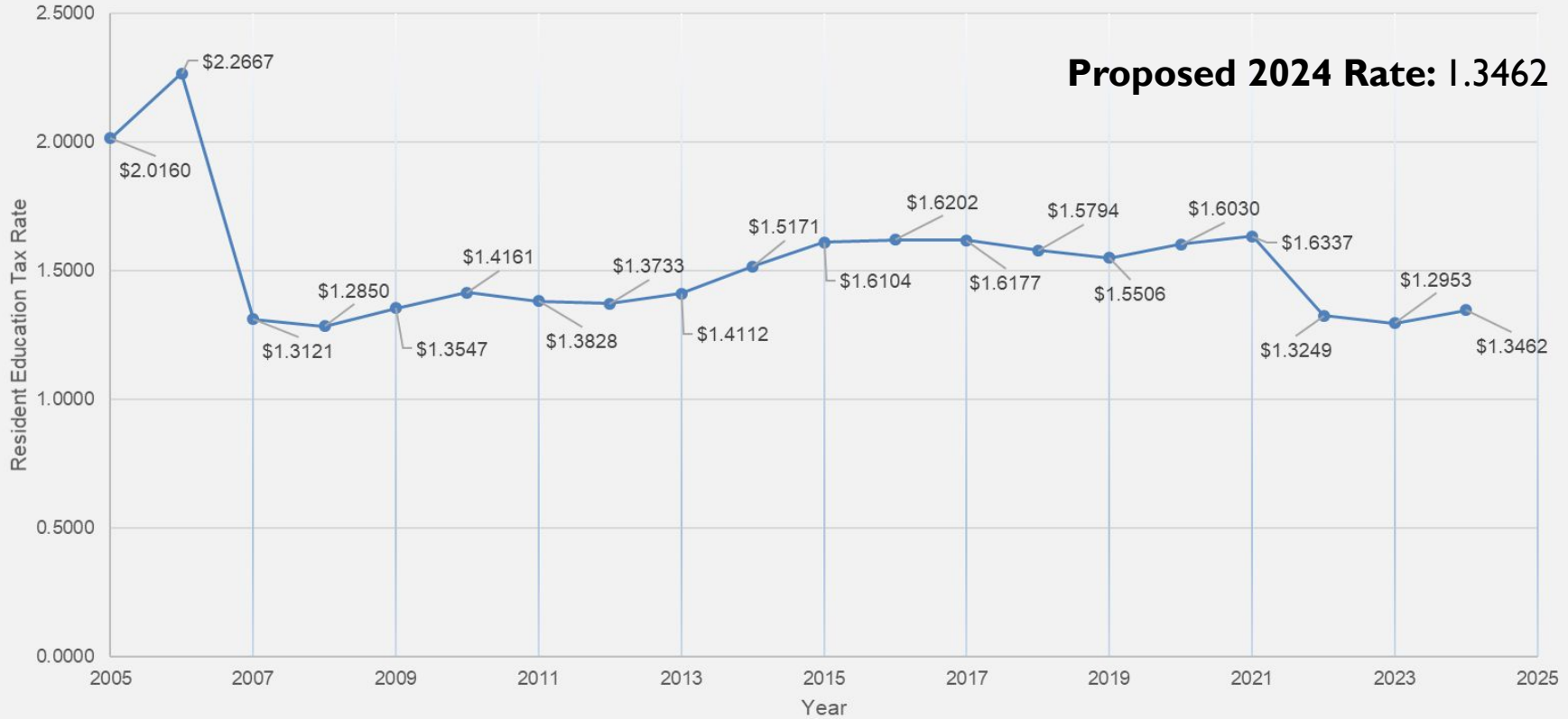


## Budget Details

# SBSD Budget Worksheet for Proposed FY24 Budget

|   |              |
|---|--------------|
| FY24 Proposed Budget  | \$62,528,029 |
| Less Offsetting Local, State and Federal Revenues                               | \$12,911,955 |
| =Education Spending   | \$49,616,074 |
| Equalized Pupils  | 2,561.11     |
| Cost per Equalized Pupil<br>(Ed Spending/Equalized Pupil)                       | \$19,372.88  |
| Yield (set by the Legislature)  | \$15,479     |
| Equalized Tax Rate (Cost Per EP/Yield)  | \$1.2516     |
| Common Level of Appraisal (CLA)   | 92.97%       |
| <b>= Actual Residential Tax Rate</b><br>(Equalized Tax Rate divided by the CLA) | \$1.3462     |

# Residential Education Tax Rate 19 Year Trend



**5Yr Avg FY 2019-2023: 1.4815**

**10Yr Avg FY 2014-2023: 1.5352**

**15Yr Avg FY 2009-2023: 1.4860**

# FY24 Budget Impact on School Property Taxes

| YEAR                          | Value <sup>(1)</sup><br>\$100,000 | Value <sup>(2)</sup><br>\$293,152 | Value <sup>(3)</sup><br>\$437,384 |
|-------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| 2023-24 Annualized School Tax | \$1,346                           | \$3,946                           | \$5,888                           |
| 2022-23 Annualized School Tax | \$1,295                           | \$3,797                           | \$5,665                           |
| Annual Change (rounded)       | \$51                              | \$149                             | \$223                             |
| Monthly Change (rounded)      | \$4                               | \$12                              | \$19                              |

(1) Per \$100,000 of assessed value

(2) Average Condo value in South Burlington

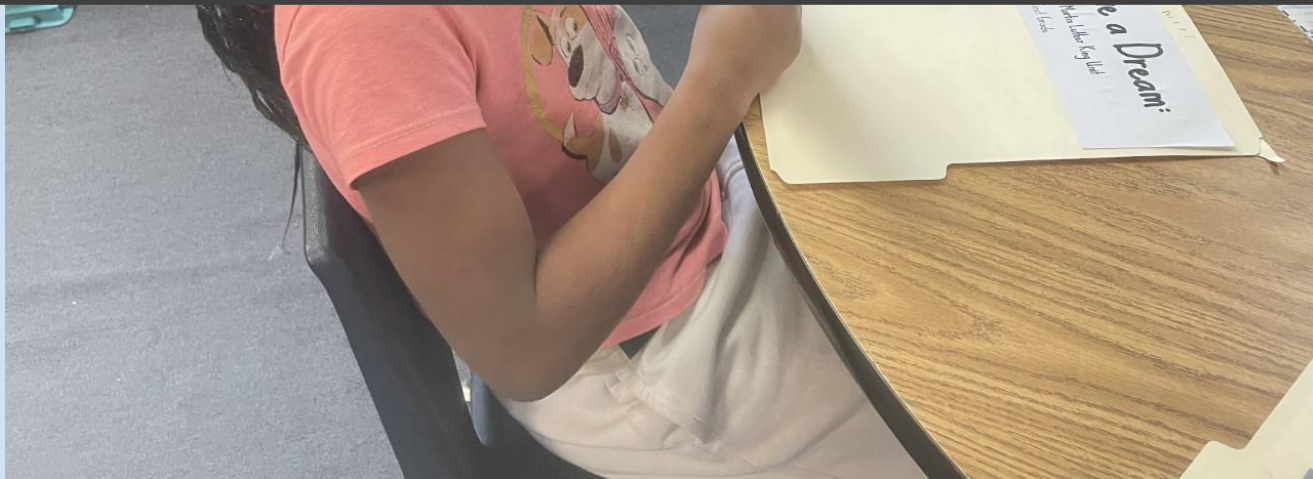
(3) Average Primary Home value in South Burlington

(4) The School District Tax Rate is subject to change based on legislative actions taken after the budget vote. Also, these calculations do not take into account any property tax credits that the taxpayer may be eligible for based on homestead income





## PROPOSED BOND



## Proposed Bond

- **Total Bond Request: \$14,550,000**
- **\$6 Million for Classroom ZEMs (Zero Energy Modular Classrooms)\***  
**\*Now implemented, impact fees will cover an estimated 91% of cost of ZEMs, excluding financing**
- **\$8.55 Million for various capital improvement items in the Stewardship Plan:**
  - Roofing (\$2.35 million)
  - HVAC/Plumbing/AHU (\$422.9 thousand)
  - Window Replacement (\$1 million)
  - Bathrooms (\$1.425 million)
  - Parking Lot/Sidewalk (\$1.85 million)
  - Kitchens (\$1.5 million)

# ORCHARD SCHOOL

## SITE PLAN

- Each classroom averages 918.5 square feet
- Each Project Room averages 257 square feet

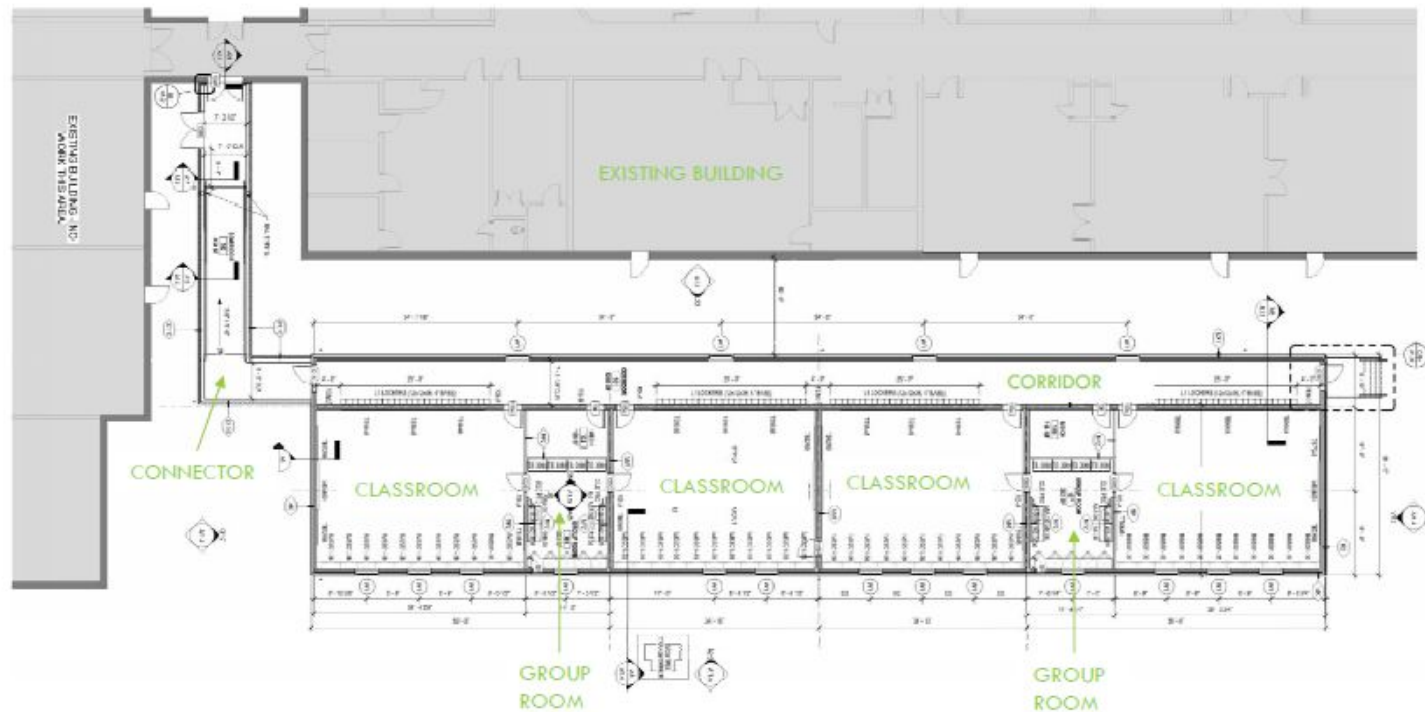


1 PLANTING ENHANCEMENT



# ORCHARD SCHOOL

## FLOOR PLAN



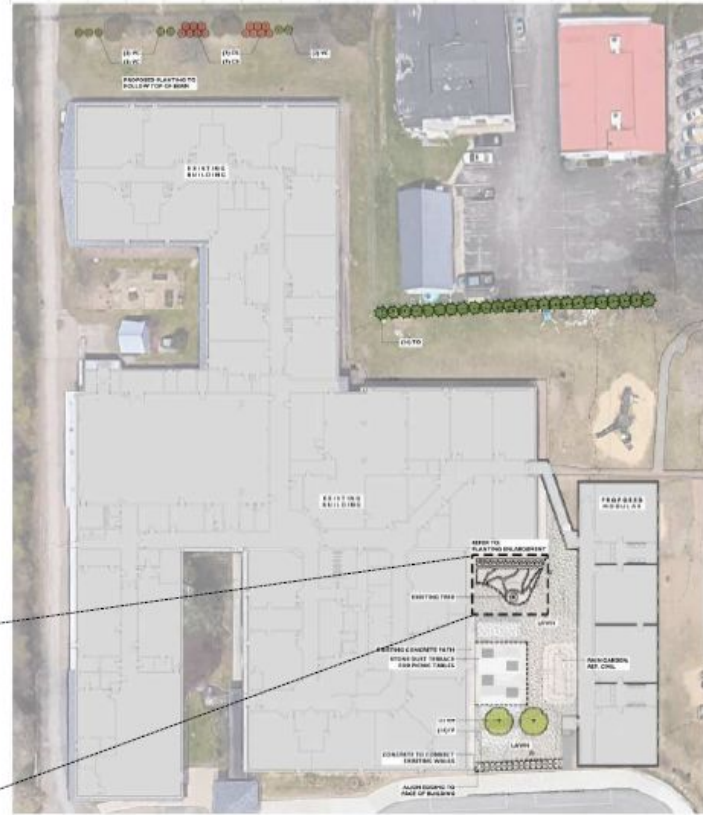
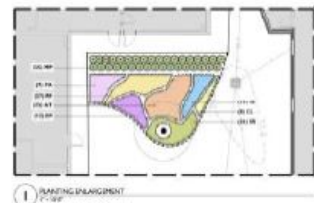


# CENTRAL SCHOOL

## SITE PLAN

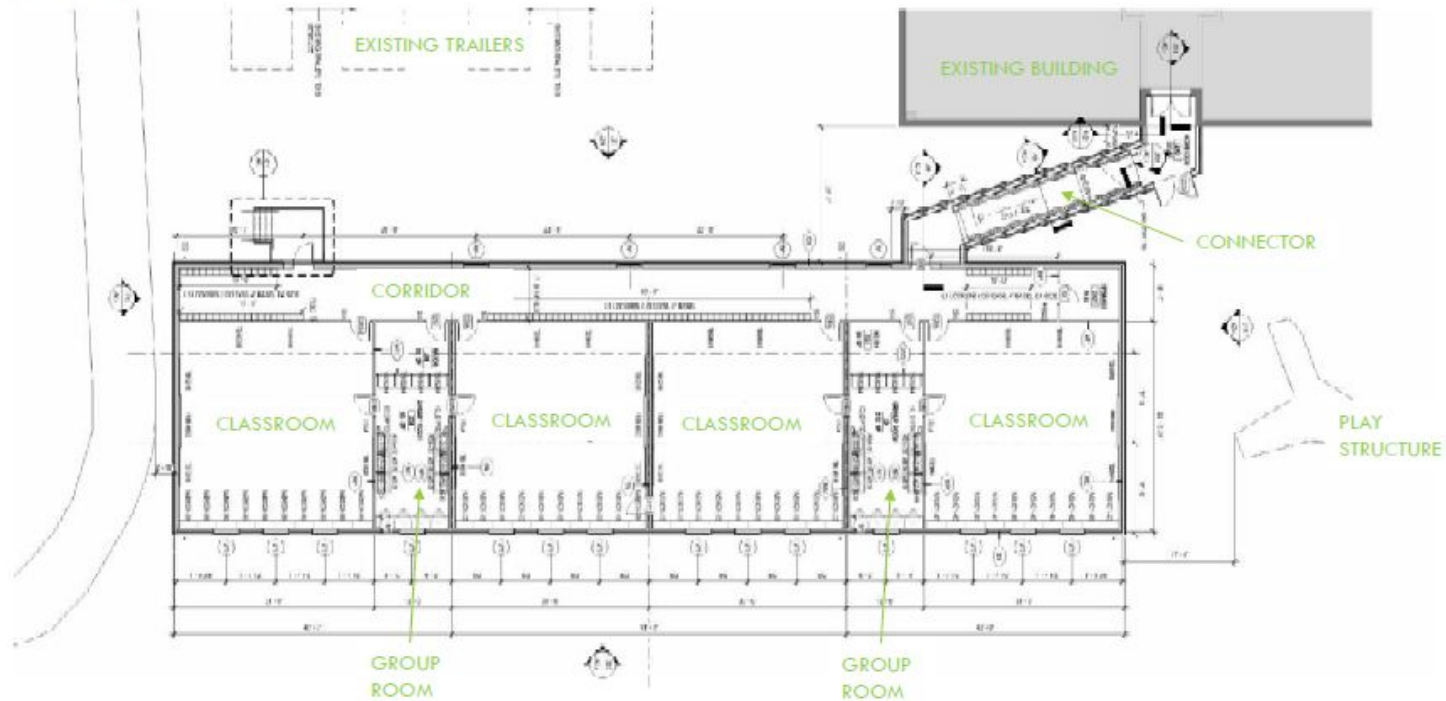
\*This plan is still under review by the City of South Burlington.

- Each classroom averages 959 square feet
- Each Project Room averages 262 square feet



# CENTRAL SCHOOL

## FLOOR PLAN



# Bond Amortization Schedule & Impact Fee Revenues (Illustrative)

| FY    | ZEM Principal | ZEM Interest | Projected Offset from Impact Fees   | ZEM Total   | Stewardship Principal | Stewardship Interest | Stewardship Total | Grand Total in Local Budget |
|-------|---------------|--------------|---|-------------|-----------------------|----------------------|-------------------|-----------------------------|
| 2024  | \$0           | \$150,891    | <b><i>The collection of Impact Fees is projected to cover an estimated 91% of the principal cost of the ZEMs, excluding financing</i></b> | \$150,891   | \$0                   | \$285,871            | \$285,871         | \$436,762                   |
| 2025  | \$750,000     | \$172,630    |   | \$922,630   | \$427,500             | \$340,139            | \$767,639         | \$1,690,269                 |
| 2026  | \$750,000     | \$149,613    |   | \$899,613   | \$427,500             | \$322,696            | \$750,196         | \$1,649,809                 |
| 2027  | \$750,000     | \$126,595    |   | \$876,595   | \$427,500             | \$305,253            | \$732,753         | \$1,609,348                 |
| 2028  | \$750,000     | \$103,578    |   | \$853,578   | \$427,500             | \$287,810            | \$715,310         | \$1,568,888                 |
| 2029  | \$750,000     | \$80,561     |   | \$830,561   | \$427,500             | \$270,367            | \$697,867         | \$1,528,428                 |
| 2030  | \$750,000     | \$57,543     |   | \$807,543   | \$427,500             | \$252,924            | \$680,424         | \$1,487,967                 |
| 2031  | \$750,000     | \$34,526     |   | \$784,526   | \$427,500             | \$235,481            | \$662,981         | \$1,447,507                 |
| 2032  | \$750,000     | \$11,509     |   | \$761,509   | \$427,500             | \$218,038            | \$645,538         | \$1,407,047                 |
| 2033  | \$0           | \$0          |   | \$0         | \$427,500             | \$200,595            | \$628,095         | \$628,095                   |
| 2034  |               |              |   |             | \$427,500             | \$183,152            | \$610,652         | \$610,652                   |
| 2035  |               |              |   |             | \$427,500             | \$165,709            | \$593,209         | \$593,209                   |
| 2036  |               |              |   |             | \$427,500             | \$148,266            | \$575,766         | \$575,766                   |
| 2037  |               |              |   |             | \$427,500             | \$130,823            | \$558,323         | \$558,323                   |
| 2038  |               |              |   |             | \$427,500             | \$113,380            | \$540,880         | \$540,880                   |
| 2039  |               |              |   |             | \$427,500             | \$95,937             | \$523,437         | \$523,437                   |
| 2040  |               |              |   |             | \$427,500             | \$78,494             | \$505,994         | \$505,994                   |
| 2041  |               |              |   |             | \$427,500             | \$61,051             | \$488,551         | \$488,551                   |
| 2042  |               |              |   |             | \$427,500             | \$43,608             | \$471,108         | \$471,108                   |
| 2043  |               |              |   |             | \$427,500             | \$26,165             | \$453,665         | \$453,665                   |
| 2044  |               |              |   |             | \$427,500             | \$8,722              | \$436,222         | \$436,222                   |
| 2045  |               |              |   |             | \$0                   | \$0                  | \$0               | \$0                         |
| TOTAL | \$6,000,000   | \$887,446    | -\$5,460,000  | \$1,427,446 | \$8,550,000           | \$3,774,481          | \$12,324,481      | \$13,751,927                |

## UNDERSTANDING THE BALLOT

Shall the issuance of general obligation bonds or notes of the South Burlington School District be authorized in an amount not to exceed **Fourteen Million Five Hundred and Fifty Thousand (\$14,550,000) Dollars** for the purposes of financing the final design, permitting, site work and the construction of renovations, **capital improvements and additions to several District school buildings and facilities**, together with related eligible project expenses, such improvements to include the addition of zero energy modules (ZEMS) as well as capital improvements pursuant to the **District's Facilities Stewardship Plan?**

State funds are not available at this time, or this project is not eligible to receive state school construction aid. The South Burlington School District will be responsible for all costs and any borrowing and the costs of the planned improvements and additions.

maintenance that includes roofing, HVAC and plumbing, updating kitchen, bathrooms, windows, parking lots and sidewalks

- ☐ Yes to authorize the funds
- ☐ No to decline the authorization of funds

The total amount of the bond including 8 ZEMs at 2 elementary schools and deferred maintenance across all 5 schools in the district

# UPCOMING EVENTS: FY24 BUDGET

- February 6, 2023 - South Burlington Business Association Presentation
- February 6, 2023 - Channel 17 Presentation
- February 13, 2023 - The Pines Presentation

**March 7, 2023** - City vote on budget and bond





# DISCUSSION & QUESTIONS



# Glossary:

**Average Daily Membership (ADM):** is a count of resident and state-placed students who receive an elementary or secondary education at public expense. This census data is collected between the 11th and 30th days of the new school year and is used in calculating the number of equalized pupils.

**Common Level of Appraisal (CLA):** is the ratio of a town's grand list property values to actual homestead market values. This is based on an equalization study performed by the VT Tax Department every year that reviews home sales prices for all the arms-length sales in a town over the prior three year period. The study considers recent sales price (and not the assessed value on the grand list) as the best measure of current market value. For a given level of budgeted Expenditures, changes in the CLA alone can have a significant impact on residential property taxes, especially if home values are generally rising and the town's assessed grand list values are stale (eg no recent reappraisal). Typically, if a CLA decreases then property taxes will increase, and vice versa.

**Education Spending:** is the amount that needs to be raised by education property taxes, augmented by the Education Fund. This is a calculation of a town's voted and approved budgeted expenditures minus local revenues.

**Equalized Pupil:** is a calculation that leverages the Average Daily Membership along with other demographic weighted factors in each district (such as distribution of students by grade, poverty levels, students for whom English is not their primary language, etc). A two-year average is used to smooth out annual student population fluctuations in school districts. The objective of calculating equalized pupils is to create an "average" student in terms of assumed costs for a given district. The current formula will be significantly updated for FY25.

# Glossary (Continued):

**Equalized Homestead Tax Rate:** is a calculation of Education Spending per equalized pupil divided by the Property Tax Yield.

**Expenditures:** are the total dollars a school district intends to spend in a given Fiscal Year (July 1 - June 30).

**Income Sensitivity:** refers to a test in the tax code that allows certain homestead owners who meet designated criteria to have their total property tax bill reduced by a property tax credit based on income.

**Local Revenues:** are money the district has or is owed (e.g. grants, federal dollars, state aid for special education, tuitions, surplus, etc.).

**Residential Tax Rate (or Homestead Actual Residential Tax Rate):** is a calculation that divides the Equalized Homestead Tax Rate by the Common Level of Appraisal (CLA). This rate is then multiplied by the assessed value of your homestead and divided by 100. The resulting education tax is added to the municipal tax to calculate your total property tax due (before any tax credits from the Income Sensitivity test).

# Glossary (Continued):

**Yield (or Property Tax Yield):** is set by the Legislature annually and is the amount equivalent to a \$1 homestead tax rate. The Yield is difficult to estimate prior to the VT Tax Commissioners recommendation on December 1st as it is driven by the financial status of the state's education fund and other political factors. The final Yield is not typically finalized by the Legislature until the end of the session (i.e. after school budgets have been voted on).

**For more detailed information, please visit Vermont Agency of Education Tax Rate Calculations/Frequently Asked Questions:**  
**<https://tax.vermont.gov/property/education-property-tax-rates/faqs>**