



Town of Berlin
Select Board
Finance Committee
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November 3, 2023

Superintendent Carol Costello
Berlin-Boylston Regional School Committee
215 Main Street
Boylston, MA 01505

Dear Superintendent Costello and Berlin-Boylston Regional School District Committee:

We respectfully request that the **Berlin-Boylston Regional School District & School Committee adhere to the Proposition 2.5% increase limit** as the Fiscal Year 2025 municipal budget is developed, particularly in light of the following increases given in the past three fiscal years:

Operating Budget

- FY21-FY22 – 4.2% BMS increase (\$138,872), 6.4% Tahanto increase (\$169,036)
- FY22-FY23 – 4.5% BMS increase (\$154,713), 5.4% Tahanto increase (\$150,185)
- **FY23-FY24 – 19.7% BMS increase (\$708,823), 8.9% Tahanto increase (\$263,384) in addition to a \$400,410 increase in capital for BMS and a \$201,061 increase for Tahanto.**

FY24 was a very challenging year after two years of lean budgeting during the COVID-19 pandemic. The town increased its tax levy by 4.0% after targeting a 2.5% increase. Even with this 4.0% increase, the Town still needed to utilize just under \$383K in Free Cash to fund the BBRSD budget. This additional one-time funding was given to cover the gap in special education funding until reimbursement arrived in FY25. These funds are *not* added to the base of the school's budget and they significantly depleted the Town's resources available for capital.

The FY24 BBRSD operating budget increased by \$972K of which \$589K was funded by tax levy (61%) while \$383K was funded by one-time funds from free cash (39%) as noted above. The Town's overall FY24 budget only increased by \$2M. **Therefore, the District received 50% of the Town's overall budget increase.**

After the Town paid out mandated increases to Worcester Regional Retirement, insurance and benefits, among others, very little funding was left for our departments. This had a significant and detrimental impact on our Town departments which are severely understaffed and underfunded, especially public safety.

As requested above, staying within the limits of proposition 2.5% is out of necessity as the Town simply does not have sufficient funding to provide remotely similar increases to BBRSD in FY25. With the exception of FY24, the average funding increase year over year since FY19 has been 4%. As such, FY23 was an unprecedented and unsustainable year.

The Finance Committee would like to meet with representatives from the District and the School Committee at their budget meeting on **December 13, 2023 at 7:30pm at the Berlin Town Offices, 23 Linden Street.** Please confirm if you are able to attend by emailing townadmin@townofberlin.com.

We are asking the District to **submit the following information by the December 13th meeting preliminary budget estimates and FY23 actuals** to allow the Town sufficient time to plan for its overall budget needs in the coming fiscal year:

- FY23 budget actuals
- An update on FY24 special education reimbursement, number of students served, and updated expense projection for FY24 broken out by school and town for Tahanto.
- Preliminary FY25 budget estimates including full revenue projections
- A five-year revenue and expense look back from FY20-FY24 by category including special education revenues and transportation.
- School Committee budget calendar so members can attend District budget meetings

Thank you in advance for your willingness to work with the Town during the FY25 budget process.

Sincerely,

Christine Keefe

Scott Schultz

Christine Keefe
Select Board Chair

Scott Schultz
Finance Committee Chair

Cc: Boylston Town Administrator
Boylston Select Board
Boylston Finance Committee