

**Addendum**  
**BUUSD Special Board Meeting**  
**December 20, 2023**

# **DRAFT**

## **ATTACHMENT A**

**Is this proposed budget a responsible budget?** I say no and here are my reasons:

Tax Commissioner's letter of November 30, 2023 –

- Statewide education spending projected increase of **12%** for **FY25**
- Would require **18.5 %** average property tax increase
- Non-residential rate increase of **26 cents**

BUUSD proposed budget is directly contributing to this fiscal crisis -

- General fund budget increase of **11.7%** is just below **12%** statewide increase making **this district part of the problem**
- Spending plan would require a tax rate that exceeds 5% cap
- The gap is real money that will have to be raised through taxes
- How?
  - o Increased education taxes in other municipalities
  - o Non-residential rates – includes businesses, rental properties and which provides 39% of the Education Fund revenue
- State income sensitivity tax payments will not negate the local property tax increases (average homestead income rate increase from 2.33% to 2.67%)(example \$50,000 income at 2.33% = \$1165, at 2.67%= \$1335)

BUUSD budget growth is not sustainable –

- Budget in **FY21 \$48.5 million**, proposed **FY25 \$59 million**
- Total spending in the district in **FY23 - \$67 million**
- FY23 to FY25 local tax education spending increase **\$6.2 mil** or **16.6%**
- FY25 local tax education spending increase is nearly double FY24 (**10.3% vs 5.7%**)
- Historically, spending budgets **never decrease**
- This rate of spending is **unsustainable** and **unaffordable**

Right now, we're a so-called "winning district" due to the new student weighting formula. This is reminiscent of Act 60 with the "gold towns" that were supporting the receiving towns – until that imploded. There's no guarantee that won't happen again, especially when the 5% cap on the tax rate expires in a few years.

Paul Malone