

# RECENT TAX IMPACTS OF NAUSET SCHOOLS ON BREWSTER TAXPAYERS


# BREWSTER BUDGETING APPROACH

Town Finance Team annually develops 5-year financial forecast that projects anticipated revenues and expenses

Financial forecast is presented to Select Board and Finance Committee at start of each budget cycle, and it informs policy guidance regarding Town's approach to budget development for the upcoming fiscal year

Based on FY24-28 forecast, Town advised Schools that we would likely be able to accommodate 3% operating expense increases for FY24

After developing FY24 Town budget, we notified the Schools that we could absorb a 4% operating increase



# OVERVIEW OF FY24 SCHOOL BUDGETS: NAUSET

## **7.69% increase (\$1,981,905) in Nauset Regional School operating expenses**

- Brewster could accommodate 4% operating increase within levy limit
- \$647,720 override approved at Town Meeting and local election in May 2023
- \$.11/1000 estimated impact on FY24 tax rate (approximately \$71 permanent increase on the average home tax bill)
- 1.5% increase in Brewster students as a percentage of total Nauset enrollment from FY23 to FY24 (to 48.1%)

OVERVIEW  
OF  
FY24  
SCHOOL  
BUDGETS:  
BREWSTER  
ELEMENTARY

**7.89% increase (\$642,837) in Brewster Elementary School operating expenses (excluding health insurance and pension benefits)**

- Brewster could accommodate 4% operating increase within levy limit
- \$316,878 override approved at Town Meeting and local election in May 2023
- \$.06/1,000 estimated impact on FY24 tax rate - approximately \$35 permanent increase for the average home tax bill

# NAUSET HIGH SCHOOL DEBT

Original project budget was \$131.8M (\$36.7M MSBA subsidy)

Voters approved 1<sup>st</sup> debt exclusion in March 2021 (simple majority vote for school debt)

Final project budget updated to \$169.9M (+\$38.1M) as of January 2023

Voters approved 2<sup>nd</sup> debt exclusion in January 2023

\$7.2M in supplemental MSBA funding approved in 2023

Total expected long-term debt is \$120.5M (+\$3.8M already applied)

# NAUSET HIGH SCHOOL DEBT: BREWSTER IMPACTS

Brewster's debt assessment for Nauset increased by \$2,055,729 from FY23 to FY24

FY24 increase represents 1<sup>st</sup> half of high school debt - \$91M in short-term debt (BAN) issued (3.5% interest rate)

Brewster's debt assessment for Nauset expected to increase by \$1,297,951 from FY24 to FY25 – includes one-time \$234,867 credit from FY24 high school BAN

FY25 increase represents 2<sup>nd</sup> half of high school debt once long-term debt is issued in May 2024

Brewster's annual debt assessment payments are projected to be \$3.6M for next 25 years (+\$.56/1000 tax rate impact or \$394/year for median single-family home, assuming conservative 4.08% interest rate and 25-year level-debt term)

# OVERVIEW OF FY24 BUDGET (TAX RATE IMPACTS)

Median Single Family Home Value increased by 11.7% to \$710,900

FY24 Tax Rate decreased by 2.6% to \$6.81/1000

Median Single Family Tax Bill increased by 8.8% (\$390) to \$4,841

- ~50% of increase from first half of Nauset Regional High School project debt exclusion (second half to impact FY25 budget once long-term debt is issued)
- ~25% of increase from Nauset School overrides (District & Elementary)
- ~25% of increase from standard annual Proposition 2½ increase to support all Town increases and 4% school increases

# NAUSET & BREWSTER SCHOOL CAPITAL FUNDING

Town Finance Team annually develops 5-year Capital Improvement Plan that includes all anticipated projects, costs, and funding sources

Capital plan is primarily financed through Free Cash – approved by Town Meeting

FY24 Brewster Elementary Schools capital requests total \$280k

Upcoming major Elementary School capital projects includes \$13+M in HVAC and Roof Repairs at Stony Brook

Member towns approved operating override to fund annual capital expenditures for Nauset Region

- Covers costs for small capital projects at high school, middle school, and central office
- Includes automatic 2.5% annual escalator

Brewster's FY24 capital assessment is \$282,748 (\$588k total)