

# Dighton Funding Impact: Proposed Bristol-Plymouth Regional Technical School Building Project

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A FINANCIAL ANALYSIS ASSESSING THE PROJECT'S FINANCIAL  
IMPACT ON THE TOWN'S CURRENT AND FUTURE FISCAL POSITION



**UFASI**

FEBRUARY 23, 2022

# Special Election Overview

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- Special Election for Bristol-Plymouth Regional Technical School's proposed \$305 million school building project is scheduled for Saturday, March 5, 2022 between the hours of 9:00 a.m. and 3:00 p.m.
- Dighton residents vote at Dighton Elementary School, located at 1250 Somerset Ave
- Special Election is being held in accordance with the provisions of Section 16(n) of Chapter 71 of the Massachusetts General Laws; provides that *"such debt is approved by a majority of the registered voters in the member towns voting on the question"*
- Election results depend on the total number of voters in B-P member communities who vote in the March 5, 2022 Special Election
- **This presentation seeks to help residents make an informed decision on the ballot question. If approved, the project will impact Dighton's budgetary position, for which town officials have already begun planning**

# Project Overview

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- Of the proposed \$305 million project, the Massachusetts School Building Authority (MSBA) has committed \$125.5 million to the project through a project funding agreement contingent on B-P receiving local approval at March 5<sup>th</sup> election
- This leaves \$180 million in remaining costs to be funded by B-P's member communities
- Dighton's estimated share is between \$21.5 million to \$22.7 million dollars based on Dighton student enrollment (currently 103 students or 7.76%), and based on debt structure including interest
- \$800,000 per year cost to Dighton operating budget for 30 years

# Tax and Budgetary Impact

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	Estimated Tax Impact Data [30 Year Level Debt, 3.526%]					
	FY 2021 Avg Single Family	FY 2021 Tax Rate (Residential)	Estimated Rate Impact	Impact per \$100k assessed	Estimated Annual Impact for Avg Single Family	Estimated Quarterly Impact for Avg Single Family
<b>Berkley</b>	\$ 391,573.00	\$ 14.28	\$ 0.73	\$ 72.73	\$ 284.79	\$ <b>71.20</b>
<b>Bridgewater</b>	\$ 413,161.00	\$ 14.48	\$ 0.32	\$ 31.60	\$ 130.56	\$ <b>32.64</b>
<b>Dighton</b>	\$ 351,469.00	\$ 14.83	\$ 0.69	\$ 68.61	\$ 241.14	\$ <b>60.29</b>
<b>Middleboro</b>	\$ 341,000.00	\$ 16.27	\$ 0.52	\$ 52.14	\$ 177.80	\$ <b>44.45</b>
<b>Raynham</b>	\$ 413,181.00	\$ 14.69	\$ 0.53	\$ 52.57	\$ 217.21	\$ <b>54.30</b>
<b>Rehoboth</b>	\$ 423,042.00	\$ 13.24	\$ 0.26	\$ 25.96	\$ 109.82	\$ <b>27.46</b>
<b>Taunton</b>	\$ 298,670.00	\$ 14.20	\$ 0.65	\$ 64.91	\$ 193.87	\$ <b>48.47</b>

- B-P representatives presented tax impact information estimated for an average single family home during the town's February 7, 2022 project information session
- Project funding would be assessed to the town, raised through property taxes, and paid through the town's budget and appropriations process. \$800K per year.

# Budgetary Impact

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- Town has a priority of conservative-based budgeting aimed at limiting burden on Dighton residents and taxpayers
  - Example: Funding \$379K Police Station debt service using free cash (i.e. higher than projected revenues, unspent budget funding) increases excess levy capacity and prevents cost from being included in tax rate
- Financial planning and sustainable revenue forecasting a top priority in the FY23 budget, especially as it relates to education assessments (+\$677K from FY22) and the rising costs of delivering core town-wide services

# Budgetary Impact – Would Cause Need for Debt Exclusion

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**DLS**  
DIVISION OF LOCAL SERVICES  
MA DEPARTMENT OF REVENUE

An exclusion increases the amount of property tax revenue a community may raise for a limited or temporary period of time in order to fund specific projects. The amount of an exclusion may be raised in addition to the community's levy limit. It does not increase the community's levy limit nor become part of the base for calculating future years' levy limits.

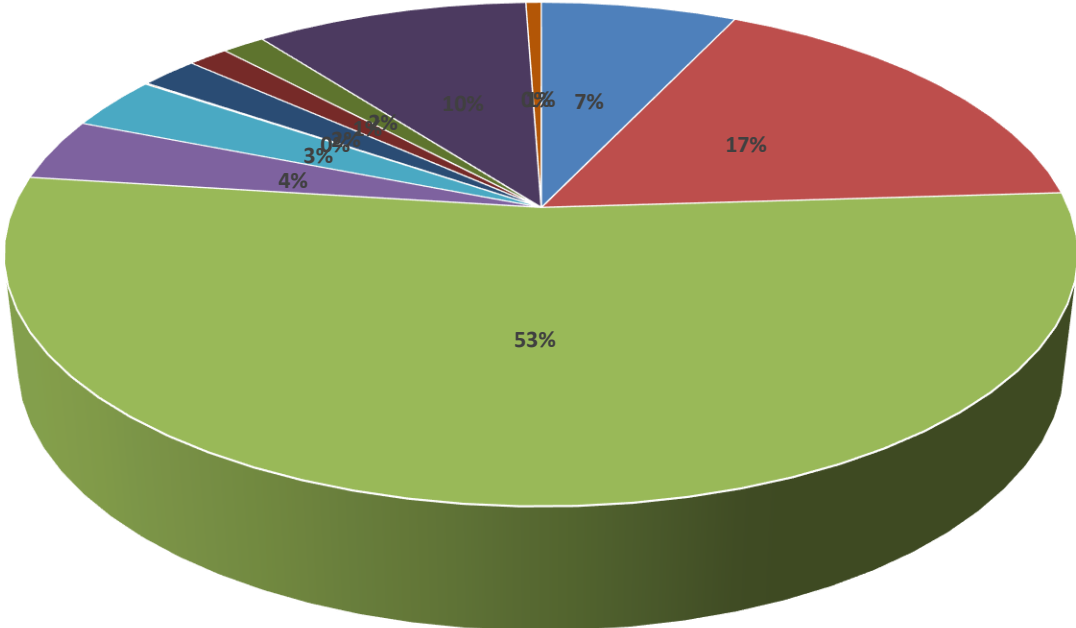
The exclusion may be used to raise additional funds only for a capital purpose, which is any purpose for which a city or town is authorized to borrow. See generally [G.L. c. 44, §§ 7 and 8](#). This includes most public building and public works projects, as well as land and equipment acquisitions.

An exclusion may be used by a community to fund its own capital spending, or its assessed share of capital spending by a regional school district or other regional governmental unit of which it is a member, whether the spending is financed by borrowing (debt exclusion) or within the annual budget (capital expenditure exclusion).

There is no limitation on the number or dollar amount of exclusions.

# Budgetary Impact

Current FY23 Planning without B-P Project Costs



- GENERAL GOVERNMENT
- PUBLIC SAFETY
- EDUCATION
- HIGHWAYS
- SANITATION
- OTHER ENVIRONMENTAL
- HUMAN SERVICES
- CULTURE AND RECREATION
- DEBT SERVICE
- EMPLOYEE BENEFITS
- SETTLEMENTS & COURT JUDGMENTS
- LIABILITY INSURANCE

# Budgetary Impact

## BUDGET OVERVIEW

	FY 2019 ACTUAL	FY 2020 ACTUAL	FY 2021 ACTUAL	FY 2022 BUDGETED	FY 2023 BUDGETED	FY 2023 BUDGETED With Debt Exclusion	FY 2023 BUDGETED Without Debt Exclusion
<b>PROPERTY TAX</b>							
BASE-PRIOR YEAR LEVY LIMIT	\$16,682,131	\$17,533,123	\$18,525,532	\$19,221,820	\$19,995,203	\$19,995,203	\$19,995,203
AMENDED GROWTH-PRIOR YEAR	176						
2.5% INCREASE	417,058	438,328	463,138	480,546	499,880	499,880	499,880
NEW GROWTH	433,758	554,081	233,150	292,837	125,000	125,000	125,000
<b>SUBTOTAL</b>	<b>17,533,123</b>	<b>18,525,532</b>	<b>19,221,820</b>	<b>19,995,203</b>	<b>20,620,083</b>	<b>20,620,083</b>	<b>20,620,083</b>
<b>DEBT EXCLUSION:</b>							
DR HS REMODEL BONDS	140,366	134,481	137,170	128,287	121,283	121,283	121,283
MDS DES ROOFS	159,850	156,250	152,650	149,050	145,450	145,450	145,450
DR HIGH SCHOOL ROOF							
POLICE HEADQUARTERS/COMM CENTER	414,925	403,175	391,425	379,675	367,925	367,925	367,925
BRISTOL PLYMOUTH DEBT EXCLUSION						800,000	0
<b>TOTAL TAX LEVY AVAILABLE</b>	<b>18,248,264</b>	<b>19,219,438</b>	<b>19,903,065</b>	<b>20,652,215</b>	<b>21,254,741</b>	<b>22,054,741</b>	<b>21,254,741</b>
<b>TOTAL RAISE &amp; APPROPRIATE</b>	<b>\$ 17,654,792.88</b>	<b>\$ 18,569,438.13</b>	<b>\$ 18,717,290.45</b>	<b>\$ 19,634,106.59</b>	<b>\$ 21,125,462.03</b>	<b>\$ 21,925,462.03</b>	<b>\$ 21,925,462.03</b>
<b>EXCESS LEVY CAPACITY</b>	<b>593,471</b>	<b>650,000</b>	<b>1,185,775</b>	<b>1,018,108</b>	<b>129,279</b>	<b>129,279</b>	<b>(670,721)</b>
			Pre-PD Debt -	\$639,108.00	\$497,204.01	*Paying PD Debt w/ Free Cash	

\*\*\* Assumptions Based Only on Current Operating Position Informed By FY 2023 Projections \*\*\*



# Budgetary Impact

FY 23 CURRENT OPERATING BUDGET			FY 23 With Debt Exclusion		FY 23 With No Debt Exclusion		Decrease
GENERAL GOVERNMENT	\$ 1,718,236.01	7%	\$ 1,718,236.01	\$ 1,613,201.54	6%	\$ (105,034.47)	
PUBLIC SAFETY	\$ 4,144,943.82	17%	\$ 4,144,943.82	\$ 3,891,566.55	15%	\$ (253,377.27)	
EDUCATION	\$ 12,929,491.68	53%	\$ 13,729,491.68	\$ 13,729,491.68	54%	\$ -	
HIGHWAYS	\$ 976,718.48	4%	\$ 976,718.48	\$ 917,012.42	4%	\$ (59,706.06)	
SANITATION	\$ 839,766.66	3%	\$ 839,766.66	\$ 788,432.36	3%	\$ (51,334.30)	
OTHER ENVIRONMENTAL	\$ 19,700.00	0%	\$ 19,700.00	\$ 18,495.75	0%	\$ (1,204.25)	
HUMAN SERVICES	\$ 506,191.22	2%	\$ 506,191.22	\$ 475,248.13	2%	\$ (30,943.09)	
CULTURE AND RECREATION	\$ 355,485.10	1%	\$ 355,485.10	\$ 333,754.57	1%	\$ (21,730.53)	
DEBT SERVICE	\$ 374,593.00	2%	\$ 374,593.00	\$ 374,593.00	1%	\$ -	
EMPLOYEE BENEFITS	\$ 2,399,343.25	10%	\$ 2,399,343.25	\$ 2,252,673.22	9%	\$ (146,670.03)	
SETTLEMENTS & COURT JUDGMENTS	\$ -	0%	\$ -	\$ -	0%	\$ -	
LIABILITY INSURANCE	\$ 135,000.00	1%	\$ 135,000.00	\$ 135,000.00	1%	\$ -	
	<b>\$ 24,399,469.22</b>		<b>\$ 25,199,469.22</b>	<b>\$ 25,199,469.22</b>	<b>100%</b>	<b>\$ (670,000.00)</b>	

\*\*\* Assumptions Based Only on Current Operating Position Informed By FY 2023 Projections \*\*\*

# Budgetary Impact – Assumes No Enrollment Change

BUDGET CHALLENGES WITHOUT DEBT EXCLUSION NECESSARY BUDGET CUTS BASED ON CURRENT OPERATING POSITION (Based on Current Percentage of Budget, Less Education, Debt & Insurances)		
\$	105,034.47	GENERAL GOVERNMENT
\$	253,377.27	PUBLIC SAFETY
\$	-	EDUCATION
\$	59,706.06	HIGHWAYS
\$	51,334.30	SANITATION
\$	1,204.25	OTHER ENVIRONMENTAL
\$	30,943.09	HUMAN SERVICES
\$	21,730.53	CULTURE AND RECREATION
\$	-	DEBT SERVICE
\$	146,670.03	EMPLOYEE BENEFITS
\$	-	SETTLEMENTS & COURT JUDGMENTS
\$	-	LIABILITY INSURANCE
\$	-	
\$	<b>670,000.00</b>	

FY 2023 BUDGETED Without Debt Exclusion	
	\$19,995,203
	499,880
	125,000
	20,620,083
	121,283
	145,450
	367,925
	0
	21,254,741
\$	<b>21,925,462.03</b>
	<b>(670,721)</b>

\*\*\* Assumptions Based Only on Current Operating Position Informed By FY 2023 Projections \*\*\*

# Related Considerations

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- Town residents have long supported debt exclusions for education-related capital projects
- Absorbing costs with no debt exclusion would greatly impact town's credit rating and ability to plan and borrow for future projects
- Paying full project costs under existing levy would threaten town's ability to budget conservatively to limit burden on Dighton residents and taxpayers
- Not excluding debt could put the town on an extremely slippery slope where education budgets would significantly crowd out ability to fund core town government functions and capital projects
- Other B-P member communities planning to propose debt exclusions if school building project is approved. A debt exclusion vote could be held in a future town election.