

**Presentation of BOE Budget
Board of Finance
February 19, 2015**

(Page numbers from the BOE's Requested Operational Plan budget book are in parentheses.)

Follow Up Questions

1) **What is the actual enrollment?** *The actual enrollment as of October 1st, 2014 is 4,738 which is represented on pg. 11 & 12 of the budget book. The BOE has historically used October 1st enrollment numbers for budgeting purposes; these figures are also reported to the State. As of January 30, 2015 our enrollment was 4,782 which was shown on our "2015/16 Changes in Enrollment, DRG-B" hand out. Monthly enrollment reports can be found on the District's web-site. Additional out-of-district tuition students are captured at the bottom page 12 in the budget book. Newtown students attending Henry Abbott Technical School in Danbury are not captured here; there are 31 students that take the bus to this school.*

2) **What new unfunded mandates are in this budget?**

Unfunded mandates in this budget include the following:

- new legislation requiring additional training of special education teachers working with students with dyslexia, Cost: \$31,400 (pg. 176 & 201)
- ongoing calibration and revision of educator evaluation plans, Cost: \$5,000 (pg. 201)
- district-wide climate surveys of parents, staff and students for educator evaluation, Cost: \$10,000 (pg. 201)
- stipends for mentors for TEAM teachers and teachers new to their positions, Cost: \$10,000 (pg. 200)
- stipends for TEAM reflection paper reviewers, Cost: \$2,000 (pg. 200)
- replacement of world language lab for world language graduation requirement (P.A. 13-207), Cost: \$99,000 (p. 211)
- training for coaches, etc. (PA 14-66) concerning youth athletics and concussions, Cost: \$2,500 (pg. 151)

Total for above is \$164,900.

3) **How many early retirements are represented in this budget?** *The budget was originally built based on approximately 20 early retirees. However, that number has been revised as a result of the early retirement incentive plan. We have since revised that estimated number to a range of ten to twelve retirees with a budgeted amount of \$322,972. (pg. 224)*

- 4) **Are the technology expenses for enhancing computer labs?** \$241,965 pertains to enhancements to computers for testing purposes. Testing is a state-mandated requirement. Although direct reimbursement for technology is not available, the state has made available competitive grants. The remaining amount pertains to VoIP upgrade for security purposes, language lab computer replacements/upgrades and the replacement of other classroom and administrative equipment that have reached obsolescence.
- 5) **Please define a “non-educational expense.”** Non-educational expense can include a variety of items such as: fuel oil, gasoline, diesel fuel, propane and natural gas, communications, property and liability insurance, utility services, water, sewer, equipment rental, building maintenance projects, printing, plant supplies, materials and hardware, legal and accounting services, etc. There is still no exact definition outlined in the Connecticut General Statutes as it references the legal requirements of the local boards of education.
- 6) **What was the total amount of savings over last year’s budget? Did fuel, energy, insurance, etc. offer a reduction for the proposed plan, and if yes, total savings?**

See table below

<u>2012-13</u>		<u>2013-14</u>		<u>2014-15</u>		<u>2015-16</u>	
BOE Reductions		BOE Reductions		BOE Reductions		BOE Reductions	
Salaries - Security	-\$20,816	Building Improvements	-\$250,000	Contracted Svc - BOE	-\$17,500	Diesel Fuel	-\$54,989
Security Equipment	-\$3,126			B&G Improvements	-\$207,500	Medical Self-funded	-\$67,120
Building Improvements	-\$538,000			Info Tech - Equip	-\$67,856	Dental Insurance	-\$4,000
Custodial Equipment	-\$2,300			Maint Equip	-\$40,000	Buses	-\$37,515
Transportation	-\$177,990			Capital Improvements	-\$15,393		
Fuel for Transportation	-\$20,298			Prof. Svc. - Super	-\$25,000		
Transportation Equipment	-\$900			Tuition - OOD	-\$18,000		
				Transportation - OOD	-\$4,000		
				Salaries - Super	-\$6,303		
				Pension Plan	-\$18,000		
				Contracted Svc - Super	-\$3,300		
				Salaries - Security	-\$110,830		
Total Reduction	-\$763,430	Total Reduction	-\$250,000	Total Reduction	-\$533,682	Total Reduction	-\$163,624

7) **How do we do business as a town and a district (re: combining services; where are we in phases 2 and 3)?** Significant strides have been made combining the financial platform of both the Town and school district. It was far more cost effective for the Town to adopt the same software as the District therefore, the Town systematically migrated their payroll, accounts payable and human resources to the District’s system. Most recently the server was upgraded and isolated for further effectiveness and security. Continuing data services and collaborations are ongoing as well as other maintenance and business

functions. Joint medical and insurance coverage procurement including pension administration and operations lead to effectiveness as well.

8) Bussing - (linked to enrollment): Why do we have what we have (transportation)?

There have been ongoing discussions with All-Star pertaining to the needs within the 2015-2016 fleet. The two issues which continue to be discussed include how the enrollment decline interplays with the number of buses needed for each tier within the system. The 2015/2016 cost of each bus is \$62,220. In addition, each bus uses approximately \$5,830 in fuel per year. Administration will have a further update for the BOE and Finance Board on or before the March 2nd meeting.

9) Document the municipal and educational space study. *In January 2015 (after the completion of the enrollment study and space study) a facility committee was launched with the task of bringing all findings to the BOE on June 2, 2015. Multiple meetings per month are underway and the committee will meet its target date. Concurrently, two board members and the superintendent and board chair (ex officio) represent the board-at-large on the Selectmens' designated Facility Study. In addition, the superintendent will work in partnership with Mr. Godin and the Board of Finance to ensure consistency in all financial aspects of a potential school closing. Administration is confident that all elected officials involved with this initiative will be fully informed at all times.*

10) Where are we with the new non-lapsing account? *At the September 8, 2014 BOF meeting, the request for use of a non-lapsing account was approved. To date, the \$47,185 balance in the account has been secured as part of several other funding sources that will be used to help fund the State of Connecticut Security Grant.*

11) How does excess cost work? (Where are we? What are we getting? What can we plan for?) *Excess cost reimbursement percentages are set yearly by the State of Connecticut. This percentage represents the amount reimbursed by the state to school districts for special education costs incurred over and above the base line cost of 4.5x per pupil expenditure per year (known as the "threshold"). The state education budget is responsible for the amount over the threshold. The dollars vary year to year and any changes in the reimbursements amount directly impact the total BOE budget bottom line. The reimbursement is computed based on the entire State's special education population and covers all costs paid for by the district including tuition and transportation for all out-of-district and in-district special education services. In theory, the Excess Cost Grant is designed to reimburse districts for 100% of these funds; however, the actual amount reimbursed above the threshold to the district has historically fallen below 100%. For the 2013-14 school-year, the BOE budget was 75% but actual was 76.59% with each percentage point representing approximately \$20,000 of the total budget. Since the Special Education Excess Cost Grant comes directly to the schools as a reimbursement*

and varies year to year, the district is unable to accurately plan for a consistent amount annually. Changes in the state reimbursement level impacts the BOE budget because it means less or more money (depending on if the percentage change is an increase or decrease) will be reimbursed The BOE is then responsible to make up or benefit from that difference with non-special education dollars.

The state determines the reimbursement percentages in January and June of each fiscal year. Percentages allocated in January vs. June can vary, although the trend has been relatively consistent. If the reimbursement percentage allocated in January is different from the budget, dollars may have to be shifted or “frozen” to account for the change.

For the 2014-15 year, the BOE excess cost reimbursement is budgeted at 75% or \$1,278,035. However, based on the January state report, the estimated reimbursement will be more in the 78%-plus range. At 78% we can anticipate a reimbursement of \$1,240,963. The percentage is slightly higher than budgeted however, the dollar amount is \$37,072 lower due to changes in student distribution.

The 2015-16 budget was built on a 75% reimbursement rate or \$1,446,507. The increase in excess costs correlates with the increased number of out-of-district placements along with grant funding that took place in 2014-15. A large portion of excess cost revenue can be found on page 178 under out-of-district tuition. The remainder is allocated to various accounts such as teachers’, specialists’ and nurses’ salaries, professional services and transportation.

12) The difference on how Newtown shows up on the enrollment chart and on the budget chart? Some clarity needed on this.

The 2015-16 changes in enrollment, DRG-B slide illustrates the proposed spending plan and the +/- % delta of enrollment (correlation) for towns that resemble Newtown and towns within the Fairfield County.

See table below on following page

2015/16 District Comparison Requested Budget Increase

DRG- B Districts			Fairfield County Districts		
School District	Requested Budget Increase 2015-2016	% change enrollment	School District	Requested Budget Increase 2015-2016	% change enrollment
Cheshire	5.19%	-2.81%	Danbury	4.89%	TBD
South Windsor	4.71%	-1.24%	Seymour	3.10%	-0.96%
Farmington	4.27%	-1.56%	Bethel	2.97%	-0.14%
Brookfield	4.07%	TBD	Weston	2.94%	-1.13%
Fairfield	3.29%	0.17%	Ridgefield	2.68%	-1.15%
Gleasonbury	3.03%	-3.28%	Westport	2.08%	-0.02%
Trumbull	2.94%	-2.63%	Wilton	1.98%	-1.43%
Guilford	2.64%	-4.06%	Newtown	1.27%	-4.12%
Medison	2.49%	-5.83%	Redding (PK-B)	0.81%	-6.64%
New Fairfield	2.48%	-3.65%			
Monroe	2.25%	-6.02%			
Amity	2.12%	TBD			
Greenwich	2.00%	0.24%			
Avon	1.30%	TBD			
Newtown	1.27%	-4.12%			
Simsbury	1.17%	-3.07%			

Newtown:
1.27% requested budget increase

13) What is the insurance number?

The medical insurance board has not met due to weather issues. Their upcoming meeting is scheduled for March 2nd where they should make a recommendation. Finance Director, Bob Tait, has been stating that the self-insurance fund is looking good and neither has or is suggesting any supplemental contribution.