

1) There was a request at the March 5 meeting for additional costs anticipated due to newly identified SPED students or students who have moved into the district with costs associated with SPED.

The outplacements resulting from newly identified SPED students and those who were new to our District following the BOE budget adoption total \$290,000 for the 2020-21 budget year.

2) Last year during the budget process there we discussion collaboration and anticipating savings with the then new purchasing agent. Does the Board have examples of savings found through alternative vendors, renegotiation and/or shared services with the Town reflected in this budget?

All 2019-20 budget savings and alternative vendors that were selected were used to project costs for the 20-21 budget. This is most evident in the Plant Operations & Maintenance section of the budget which reflects a 3.56% budget reduction. All approved projects for next year will continue to be vetted through the purchasing department. Below is a chart that outlines the savings that were realized in the 2019-20 school year through the contributions of the purchasing director.

NEWTOWN PUBLIC SCHOOL MAJOR PROJECTS/PURCHASES			
Project	Budget	Actual Cost	Savings
Ductless Split A/C Hawley School/Middle School	\$100,000	\$78,800	\$21,200
HVAC Full Service Maintenance NHS/Reed	\$173,000	\$131,000	\$42,000
Sidewalk Concrete Repair, NMS, NHS, Warehouse	\$110,000	\$99,000	\$11,000
Carpet/Flooring, Reed/NMS/NHS	\$90,000	\$57,000	\$33,000
Graphic Design printer, High School	\$8,857	\$5,758	\$3,099
Playground Mulch	\$25,000	\$17,718	\$7,282
<b>TOTALS</b>	<b>\$506,857</b>	<b>\$389,276</b>	<b>\$117,581</b>

3) In the responses to the first round of questions it was said that “the average Special Education shortfall has been \$420K” based on an 8-year history. Despite these significant shortfalls, the Board of Education has ended the year with surpluses and made contributions to the non-lapsing account, now over \$500K. What accounts did these funds come from to cover these shortfalls? How did the Board manage such significant shortfalls and still end up with surpluses?

2017-18 is the only year where there was a shortfall in SPED AND a significant amount as a surplus. Our surpluses have not come from one specific place but multiple places in the budget (majority of our surpluses has come from salary accounts, depending on circumstances). In some instances, we had more savings in staffing changes or turnover than we actually anticipated at the time of the budget development. During the year 2017-18 school year, there were significant savings as a consequence of reducing the school year by two days due to the

snow storms and tornado. This is only one example of balances that may be produced in any given year (post budget adoption).

In 2017-18, the year in which there was a shortfall in SPED AND a significant balance, the Town added more than \$313,236 for the move of the ASSO program to the Board of Education. We also put an early “freeze” on the budget due to the anticipated shortfall in SPED and potential cuts to education State aid. The Council added \$1,031,481 later in the year. This is how and why the BOE could end with a surplus while still showing a shortfall in an area such as SPED.

Currently, and with the uncertainty of the given year and the Pandemic, there will be these same examples of unanticipated balances at the end of the fiscal year. Now while there may also be costs incurred, this could potentially end with the BOE requesting any expenditure balances be deposited into the Non-lapsing. However, we are in the process of working on a more detailed plan for use of such funds so that it benefits the District (and taxpayers) by paying for capital and nonrecurring expenses.

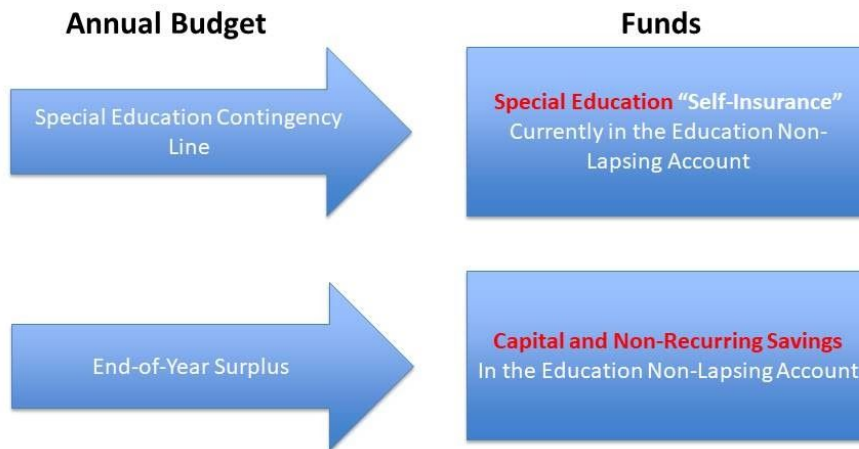
<b>Money Remaining at the End of the Budget Year</b>					
	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
<b>BOE Balance (% of Operating Budget)</b>	\$12,909 (0.01%)	\$2,533 (0.0%)	\$97,942 (0.13%)	\$276,038 (0.38%)	\$328,772 (0.43%)
<b>SPED balance</b>	(\$409,93)	(\$1,096,017)	\$58,727	(\$1,269,529)	*\$60,344

- 4) a) BOE Chair Michelle Ku has made comments on her social media page comparing the non-lapsing account to the Town’s fund balance. Can you confirm the intent of the non-lapsing account to be used as a hedge against future unforeseen expenses?

The framing of what has been said about the Education Non-Lapsing account, the Town Fund Balance and the Non-Lapsing account being used as a hedge is not accurate. Nonetheless, to answer the question, the intent of the use of funds in the Education Non-Lapsing account depends on which part of the fund you are referring to.

The Education Non-Lapsing Account is fairly new, and it has two parts: 1) Capital and Non-Recurring and 2) Special Education “Self-Insurance”.

# The 2 Parts of the Education Non-Lapsing Fund



M. Ku 3/12/2020

The SPED self-insurance part of the fund was intended, as you say, to be used solely as a hedge against unforeseen expenses in the SPED budget. It currently holds \$63,000.

The capital and non-recurring part of the Education Non-Lapsing Fund, however, is not solely for unanticipated expenses:

- It is a continuing fund where year-end expenditure balances enable the BOE to acquire capital assets or invest in capital improvements.
- Additionally, the fund could be used for long-term planning for CIP items, particularly if the BOE was able to budget annual contributions (otherwise, it would be difficult to predict when sufficient funds would be available).
- The Education Non-Lapsing Fund could be used in the event that an unanticipated education capital or non-recurring expense occurred - such as an oil spill, a lightning surge protection system, costs associated with storms and snow removal, the Head O'Meadow generator replacement, or 12/14 expenses - but if the fund is to be used as it was originally intended, "to allow the BOE to save incrementally", the fund should not be exclusively used as a contingency reserve. The balance is completely dependent on the surplus at the end of the year, thus making it difficult to rely on the fund to plan for future projects. Although the fund has existed for 6 years, the BOE has accumulated a total of \$457,629 (0.6% of the current annual budget).

4 b) Given the Board has also stated that it knows the average Special Education shortfall, therefore why does the board need an annual special education contingency fund when it has historical data on rate increases and the surpluses past unused funds have been placed in the non-lapsing account to cover deficiencies?

In 2018, the BOE adopted a resolution to define a SPED contingency line within the BOE budget and to designate that any remaining funds be requested to be deposited into the Education Non-Lapsing Fund and designated for special education. The line is established to

provide for unforeseen costs that may arise during the year. Given the historical volatility in the special education budget, the \$100K contingency is not adequately funded.

The first year that the SPED contingency line was implemented was 2018-19. There was \$60,344 surplus in the SPED budget at the end of 2019 (the contingency contributed to this surplus), and \$328,772 (0.43% of the budget) was deposited in the education non-lapsing account. In the fiscal year ending 2019, the SPED actual spend exceeded the budget. Some of the excess was paid for through the contingency line and the remainder was paid for by transfers from other areas that were under budget: Magnet school tuition and secondary (VoAg, ACES, CES and Regional tuition).

As of the last financial report, the 2019-20 SPED costs were anticipated to run in excess of the budget and the contingency line.

The Board of Education plans to address long term fiscal planning and further define the accounts. We will be having conversations (to include BOF) about the Education Non-Lapsing Fund and the Special Education Monies in the near future.

5) Last year during the April 3rd Council meeting, we again discussed the BOE developing a long-term plan, including identifying and realizing opportunities with respect to declining enrollment. Has such a plan been developed?

This is a familiar theme, but it is not clear whether it is a request to reopen the discussion of closing a school or to entertain discussion about filling the space with other programs with educational and/or financial benefits.

In the first instance, the Board of Education has exhausted the discussion about closing a school for the near future. It has been considered on three different occasions with completely different committee make-ups, and hundreds of people from the community weighing in, with the overwhelming majority asking that a school not be closed. The most financially beneficial and logistically possible window of time for closing a school coincided with the building of a new school (Sandy Hook Elementary) and the recovery of the community from a tragedy.

In the second instance, there have been a couple of programs that have been brought into free space in the buildings which have benefited the students:

- The school-based health clinic was established in the Middle School in 2016
- A day-care program for staff in the district occupies a space in the lower level of Reed school and was established in 2015
- And before the Community Center opened in 2019, the Transition Program (now called Newtown Community Partnership) was centralized at the Newtown Middle School. Students from out-of-district take part in this program and we are provided revenue from these students as a result (currently we have 3 out-of-district students, which account for \$82,500 in tuition revenue and another \$7,500 total for summer school, and then additional costs are charged for students to have 1-1 job coaches (billed at \$21.00 an hour).

In January 2016, the BOE directed the then Superintendent to create a District Facilities Committee and provide a report to the Board “regarding next steps for potential future usage by BOE for existing school facilities/spaces made available due to declining enrollment.” This

District Facilities Committee came up with several options. The programs were considered based on compatibility with an educational setting, parking, safety and security, sustainability, enhancement of the community partnership, and cost- and/or educational-benefit. Ideas from the committee included moving the Central Office, expanding an engineering program, creating maker-spaces, expanding the transitions program and opening it to outside districts, opening a center of excellence for special education, expanding on an XQ proposal. Other ideas brought up have included reinstating the nurtury program at the high school, moving the senior center and moving the Children's Adventure Center. Each of these ideas had one or more aspects that ultimately prevented the pursuit of the concept.

If there are other specific ideas that have not been considered, we welcome the suggestions.

6) Beyond reduction in force, what other steps has the board of education taken to capitalize on the opportunities created by overall enrollment being down so far from the peak and our buildings being more than 30% under capacity with respect to state guidelines? Are any plans in the works? If so what are they?

The reduction in staff is commensurate with the decline in enrollment and provides significant savings. How closely the buildings are filled to capacity varies depending on the school and is dynamic. You are correct that none of the buildings are filled to capacity (we are not sure what you mean by "state guidelines" or where the 30% figure comes from), but given that enrollment moves as waves of peaks and valleys through the schools - being at a peak in the high school at the same time as being at a low in the elementaries - any alternative uses of space would have to be temporary. As noted in the answer to the previous question, discussions have occurred, and ideas explored, some of which have come to fruition.

Despite the decreases in enrollment, we are utilizing space for needed programs at the secondary level. For example, we have the SAIL alternative program at the HS, which utilizes two major classroom spaces including the former nurtury space. This same program will be added to the Middle School next year and will utilize space that is open. By reducing two cluster teachers and adding a 6 person team at the MS, we will still utilize most of the space. At the elementary schools, space has been filled by support rooms, a mindfulness room, and other newer programs, such as the SEAL (SPED) program at Hawley. Sandy Hook includes the pre-school which has grown, and all elementaries are on the uptick regarding enrollment.

Space has been an issue at most schools in earlier years, so there is very little space open or unused. This past year, I had every principal color code schools maps so we could determine the amount of usable space or space that has been repurposed. Even in schools with declining enrollment, other programs (like those mentioned above) have taken up space that was not needed prior. We also have new mindfulness rooms for our SEL (Social/Emotional) programs that are used by ALL students.

7) In past years with respect to state budgeting requirements, we were told Newtown was exempted by the state because we ranked in the top 10% of districts by the metric of Connecticut State Department of Education's (CSDE) Accountability Index. Is Newtown still in the top 10%? If not, where do we rank?

The state modified the Minimum Budget Requirement calculation in 2019 and now provides a worksheet for every district. The 2020-21 worksheet is not available yet. The index is based on many factors including a performance index, growth, chronic absenteeism,

College-and-Career-Readiness course-taking, 4-yr graduation rate, 6-yr graduation rate, postsecondary entrance and physical fitness. Where Newtown ranks relative to other districts varies significantly from one year to the next, and the most recent data is from 2018-19. Newtown fell in the top quartile in the State with respect to the Accountability Index. However, the calculation regarding MBR is multi-faceted. See the Chart Below.

CONNECTICUT STATE DEPARTMENT OF EDUCATION BUREAU OF FISCAL SERVICES 2019-2020 MINIMUM BUDGET REQUIREMENT (MBR) K-12 DISTRICTS	
DISTRICT CODE	97
DISTRICT NAME	NEWTOWN
ITEM #	
1. 2018-19 FINAL BUDGETED APPROPRIATION(ED012)*:	76,054,231
2. MAXIMUM EFFICIENCY CAP (Item 1 x .5%):	380,271
3. RESIDENT STUDENT DEDUCTION** (See Below):	1,548,969
4. DESIGNATED HIGH SCHOOL DEDUCTION:	0
5. 2019-2020 BUDGETED APPROPRIATION(ED012):	78,104,410
6. 2019-2020 NON-ALLIANCE DISTRICT INCREASE/DECREASE:	-49,020
7. SAVINGS REALIZED THROUGH EFFICIENCIES; (Supplied by the district and approved by the commissioner)	0
8. PRELIMINARY EFFICIENCY DEDUCTION (Item 7 x 50%):	0
9. EFFECIENCY DEDUCTION (Lessor of Item 2 or Item 8):	0
10. CLOSED SCHOOL DEDUCTION: (Supplied by the district and approved by the commissioner)	0
11. CATASTROPHIC EVENT LOSS DEDUCTION: (Supplied by the district and approved by the commissioner)	0
12. 2019-2020 MBR (Item 1 - Item 3 - Item 4 + Item 6 - Item 9 - Item 10 - Item 11):	74,456,242
13. 2019-2020 MBR OVERAGE/SHORTAGE (Item 5 - Item 12):	3,648,168
14. 2019-2020 MBR COMPLIANCE: (YES if Item 13 is Greater than or Equal to Zero)	YES
* For districts failing to meet their MBR in the previous year Item 1 equals their previous year's MBR	
** A. DECREASE IN RESIDENT STUDENTS	-184.04
B. 2017-18 NET CURRENT EXPENDITURES	74,996,235
C. 10/2017 RESIDENT STUDENTS	4,455.32
D. RESIDENT STUDENT DEDUCTION	1,548,969
((Item B / Item C) x 50% x Item A)	

8) In the Feb 20, 2020 BOF minutes, the SAT data is given in comparison to the DERG, can we get the same comparative data for the results on page 24 and 25, Smarter Balanced Summative Assessment - Math, and Smarter Balance Summative Assessment - ELA as it relates to our peers in our DERG and not just the state?

We put comparisons for SBAC together on our own as this is discouraged by the State and not provided, since these tests are now used primarily for measuring "internal growth and

achievement” of students, which helps individual districts determine what is needed around instructional shifts and improvements. All data, however, was presented to the BOE (see additional Powerpoint attachment with DRG information).

9) As noted in the questions, the district has added several programs and initiatives over the past few years, which seem to be important and valuable skills for students. However, given the finite instructional hours in a day, what has decreased or been reduced to accommodate the additional initiatives? How have we fit these new programs into the other coursework?

We have added world language at the elementary level which was pushed into the existing instructional program. As a result, this took some instructional time from other areas. Next year world language (Spanish) at the elementary level will have its own space within a newly-developed schedule.

Additionally, with the State requirements for NGSS (Next Generation Science Standards), the integration of science within the programs K-8 are critical, and the newly developed elementary schedule accounts for science instruction within the school day like world language.

We added a Capstone program for high school students (1 credit), which requires juniors and seniors to develop a full research-based project and presentation as a requirement for graduation. These projects are assessed by a panel of staff and leadership. Due to decreases in enrollment, we used this as an opportunity to utilize staff, as we needed teachers to take on advisory roles (in classrooms) for students as they develop these extensive projects.

Project Adventure is now an elective course at the High School, which is only by choice to take as part of their PE. Project Lead the Way was offered as a program in Biomedical Science and Engineering at the HS, and these are credited courses in the sciences. These are taken as additional sciences and fit into students' schedules.

Social/Emotional Learning is integrated into lessons throughout the district, supported by staff and counselors, and worked into other programs (Project Adventure, Health, Second Step, Counselor Workshop, Advisory Programs) K-12. All of this is accounted for and fit into each school's individual schedule at all levels.