

**Responses to LC Education Subcommittee
(part 2)**

3/23/2020

1. I'd like to understand what cost savings All Star is passing along to the school district if it is not paying their drivers. I've heard (not confirmed) that other transportation companies are paying their drivers. If they are not, in fact, paying drivers, there must be savings they will pass along to Newtown. So beginning with the All Star question, could you address the driver salary question, and associated savings to the district.

We have been in contact with All Star at the onset of this crisis. As a result, and similar to other districts, the bus company will put their drivers on unemployment (as occurs each summer) and during school breaks. While this was not necessarily something desired from the District's perspective, it is fairly common in practice when school is closed for emergencies and unanticipated reasons, as well as the months of summer.

The Director of Business addressed these questions with All Star in response to the COVID-19 Pandemic. The current contract requires a minimum of 180 days for transportation. There is no specific allowance for the drivers under the contract; this has to be negotiated with transportation.

As a result, All Star (now part of STA) will be passing along the savings to Newtown Public Schools at an equivalent value for the cost of labor they are saving (part of total daily rate). The credit will be approximately \$150.00 per day x number of days we are closed, and this also considers the bus configuration (# of 47 vs. 77 passenger and SPED buses).

This is the first of a broader question to the BOE and the Town, regarding potential savings from a budget perspective, given the closing of schools, town buildings/facilities, and services. I understand this may be a bit of an unknown still, but we'd like to discuss and understand the potential for such savings.

There will be both negative and favorable financial impacts as a result of the COVID-19 effects on our community, some immediately known and some unknown over the longer term.

Immediately known negative impacts include medical-related costs; we have waived all copays and onsite fees for COVID-19 testing and treatments. This is anticipated to increase costs to the self-insurance fund by 0.1%. Services billed to other districts such as the pre-school program will be refunded. Also, the free school lunches being provided will be the district's cost.

Offsetting these, we anticipate a number of positive balances due to the lack of activities in the schools. They include custodial/maintenance overtime, security overtime, substitutes, tutors, springtime activities, FICA and Medicare contributions. There will be no staff training, savings in the water account, and no classroom repairs of instructional equipment (though, building repairs that otherwise can't be done when students are in the buildings may be initiated). Staff travel, class travel for field trips, all supplies, electricity (with the schools being set on night mode), bus fuel and overall bus contract adjustments will provide positive balances. The specific balances in these accounts will depend on how long the schools remain closed.

While the immediate costs and savings can be estimated to leave a positive balance of anywhere between \$600,000 to \$1M, there are many long-term impacts that are unknown. Legal services, medical costs, technology replacement, special education tuition, increased services to make up for learning gaps, and many other unknowns that come with an emergency such as this are anticipated. These do not currently have an associated cost estimate.

In the context of the discussion about the 2020-21 budget, the many unknowns create increased risk and increased need for the BOE to have flexibility within next year's operating plan.

2. Also can you please share a copy of the BOE's contract with All Star.

(see attached PDF)