



March 29, 2018

BOE Budget Information – Summary

Joint BOS/BOF March 29 Budget Hearing

The current approved 18-19 BOE Budget is **\$173,704,991** which is **2.95%** over the 17-18 budget. BOE alerted the First Selectman of two budget adjustments:

1. \$ 62,000 reduction due to updated pension costs in 18-19.
2. \$190,000 savings in transportation costs in 18-19 due to updated information.

Q 1 – What efficiencies of operations has the BOE implemented in the last several years?

Answer: The FPS has made a series of decisions this year, and in past years to create operating efficiencies, including:

- \$ 2.5M in cost avoidance by adopting the Partnership 2.0 insurance instead of remaining self- insured.
- Other efforts to reduce health care costs in the budget include:
 - In 15-16, there was a reduction of \$800,000 in projected claims as the result of negotiated plan design changes (self-insured plan).
 - The 16-17 budget was reduced by \$800,000 in anticipated savings with the CT Partnership 2.0 Plan.
 - In 17-18, there is an anticipated savings of \$1,000,000 in health insurance costs due to the adoption of the CT Partnership 2.0 SEBAC changes in October, 2017.
 - During the first 18 months (Jul 2016 - Dec 2017), FPS paid \$2.5M less in premiums than actual claims plus projected administration and stop-loss fees.
- \$244,500 - \$292,000 in additional revenue by changing the billing practice for SPED services.
- New Science Standards implementation was deferred for a year, deferring curriculum writing and materials costs.
- In 17-18, FPS added legal services to reduce outside legal costs.

Q 2 – Were ideas in the 2010 Operational Audit implemented?

Answer: Yes. In 2010 an Operational Audit was conducted by the BOE resulting in a variety of suggestions to accomplish organizational efficiencies. FPS reviewed the report and made a good faith effort to implement many of the recommendations. In the 2012 – 2015 period, as reported to the BOF, the following are examples:

- Implemented tuition for Pre-K on a sliding scale which yielded \$100,000 annually and \$164,000 in 2018–19.
- Prismatic recommended re-committing to use of technology, which has been a focus these past years.
- Implemented a reconfiguration of the elementary media positions to improve service on IT issues.
- Implemented an electronic requisition system for tracking work orders for IT and building repairs.
- Purchased a new integrated student management data collection and reporting system.
- Eliminated five positions in IT repair using a formula driven technician staffing model.
- Charged more utility and maintenance costs to the stand alone Food Service fund.
- Increased student lunch prices.
- Moved the high school starting time which saved \$500,000 in transportation costs.
- Reviewed the Kindergarten program and moved to full day which saved transportation costs.

Q 3 – In 2017/18, FPS sequestered \$2.3M to ensure the BOE balanced its budget. Why, and please update on its current status.

Answer – In 2017 a late approval of the state budget, together with changes requiring school districts to pay for the residential costs of outplacement students, the FPS sequestered \$2.3M in costs from a variety of line items. To ensure those funds were not spent, line items were reduced and transferred to a single line. Except for maintenance and repair expenditures authorized this spring, all funds remain sequestered to ensure a balanced budget.

Q 4 – Have you had to sequester line items before?

Answer – Every year, FPS manages its expenses to ensure a balanced budget. In 2013-2014, when special education costs exceeded our budget by \$1.4M, FPS instituted a hiring freeze with projected savings of \$ 900,000, by only filling vacancies with health, safety and instructional implications. Substitutes were also restricted to covering essential personnel in unavoidable situations. Staff continued to work on savings throughout the year and found all \$1.4M within our existing budget.

Annually, the FPS transfers approximately \$1,000,000 (3/10th of 1%) in savings identified in various line items to balance costs that have increased. We accurately budget expenses to less than 1% of actual on an annual basis.

Q 5 – Salaries are 63% of the BOE budget. What has the trend been over the years?

Answer – The FPS has settled staff contract in the “middle” range based on area school district settlements. That, combined with HR management, which includes staff additions due to SPED, has resulted in a total six year salary increase of 11.4%, or an average 1.9% increase per year from 2012 – 13 to 2018 – 19.

	<u>Total Salaries</u>
2018/19budget	\$108,127,134
2012/13 actual	\$ 97,061,496

To mitigate the costs associated with staff additions due to program and service requirements, other staff positions have been reduced or eliminated.

Q 6 – The three year teacher contract totaled 7.99% increase. How does this compare to other area districts and did any district achieve a “hard zero” in any year?

Answer: Please see the attached Comparative Settlement Data for 2017-2018.

Q 7 – What is the trend for Per Pupil Expenditures, (PPE) as compared to local districts?

Answer – As described in the 2018–19 budget book, and in past budget books, Fairfield’s PPE, which is calculated by the state of Connecticut, ranks 8th out of the 12 districts in Southern Fairfield County. We now rank 83rd in the state, which is the midpoint of all 166 school districts. While PPE is sometimes used to measure efficiency, the PPE is the consistent metric considered by parents that documents a local town’s commitment to public education.

Q 8 – Have standard test scores remained high, during this reduction in PPE, or is their evidence we may have hit a tipping point?

Answer: FPS is fortunate to have a high quality teaching staff that continues to produce results in the student body. However, while we focus on the achievements of our students, we must also be aware that certain “achievement gaps” exist in Fairfield. By example six of our eleven elementary schools have shown increases in grade three (3) ELA scores and eight (8) of our eleven elementary schools have gone up in grade 3 math. But our budget includes support for those schools and students who require extra help

The State of Connecticut developed a new Accountability Index that measures 12 indicators of student success. We have scored well, with some slight declines; 88% in 2013-14; 84% in 2014-15 and 83% in 2015-16 (the last year before the new report format for 16-17). These are relatively small changes, but every school district looks for improvement.

A closer look at sub-groups shows that our high-needs students, which the state defines as Special Education, English Language Learner (ELL), and those who are on Free and Reduced Lunch (FRL) are not keeping pace with their non-high needs peers in Fairfield. This budget takes measures to implement enhanced programming and services that both acknowledges the improvements that are needed and take steps to close achievement gaps.

Q 9 – What plans have been included in the 2018 – 19 budget to address state mandates and program improvement efforts for efficiency and service?

Answer:

- Creating the Newcomer Academy so intensive services can be delivered in one location to better serve a growing ELL population.
- Building an in-house social/emotional program so that targeted savings could be reached in that area.
- Implement a variety of high quality, intensive support services focused on social, emotional and academic support for students with disabilities.
- Professional development and materials support for both elementary and secondary science.
- Implementation of the required Next Generation Science Standards in keeping with the national focus on STEM education.
- Planning for mandated graduation requirements to be implemented for classes graduating in 2023.
- Required implementation of Elementary Next Generation Science Standards and STEAM focus.
- Complex Learning Cohorts to meet legal requirements.
- Continuing professional development for staff.
- Continued focus on interventions for PK – 12 math and literacy.
- High quality reading instruction to meet legal requirements.

Q 10 – Other than Personnel Expenses, what has the trend line been on those combined costs?

Answer: The FPS has controlled expenses in a variety of ways. For example, the following line items in the 2018 – 19 budget have been proposed at a less than 2% growth, budget to budget: Other Purchased Services, Operations and Maintenance, Capital, Dues and Fees. Each year choices are made based on supporting the priorities of the district.

Some of those choices are made to support the SPED services of those students requiring out placement to meet their education requirements. By example, tuition costs have increased from 2012-13 when it was \$5,049,972 to a budget of \$9,371,880 in the 2018-2019 budget. These costs are offset by an Excess Cost grant from the state estimated at \$3.9M for 2017-2018.

Q 11 – You are implementing an in-house service model to replace the three year contract with ESS to service the needs of selected students with disabilities. Why, and will you save money?

Answer: Yes, \$163,000 annually. We expect to improve quality of service while simultaneously saving money. The cost of ESS for 2017 – 18 was \$ 613,000/year. The five staff positions budgeted for 2018/19 will cost \$ 450,000, producing an annual savings of \$163,000, while improving services.

Q 12 – What efforts have been made to save on the cost of transportation?

Answer: The town and the FPS worked together to secure two proposals that were favorable. The new contract for 18-19 results in a cost increase of 2%, even though double-digit increases were expected by experts in this field. In addition, a savings of nearly \$200K was realized in 17-18 due to the reduction of 3 buses.

Q 13 – What ideas are the BOE continuing to explore?

Answer: The FPS staff and BOE consistently look for ways to operate more efficiently, without reducing program or service quality. The BOE recently re-created a Finance Committee and at its first meeting reviewed the following ideas to be explored:

- Generating revenue from sponsorships and other initiatives.
- Relocation of the WFC school and ECC classrooms to reduce costs.
- Reviewing facility capacity and the guidelines for neighborhood schools.
- Consider grade reconfiguration models.
- Study an International Baccalaureate program to address racial imbalance.
- Discuss alternatives for delivery of professional development training.
- Review less time consuming teacher evaluation system acceptable to the state.

Q 14 – Increasing class size and eliminating neighborhood elementary schools have been mentioned as possible ways to save money, but the FPS has not gone in this direction. Why?

Answer: FPS believes strongly that small class sizes lead to higher quality education and increased achievement. This belief is evidenced and supported in education research. For years, FPS has maintained class size guidelines that support the concept of neighborhood schools. These same class sizes are similar to other districts in Fairfield County, as detailed in the Q & A document for the Mill Hill project. Long held research also supports the concept that schools that are close to home increase community connection, parental involvement and school/district support. This has a positive effect academically, socially and financially.

Q 15 – The BOE used a portion of the insurance savings to pre-purchase technology this year, allowing the school based supplies accounts for 2018 – 19 to be restored. Why did you change the Superintendent’s budget recommendation and have you done this before?

Answer: One of the prime responsibilities of a BOE is to set priorities for the district by adopting an annual budget. The BOE reviewed the Superintendent’s budget over three separate meetings and agreed with 99.7% of her recommendations. The school-based allocations are the only budget items that local principals and headmasters have to meet the unique needs of their school students. After debate, the board firmly believed these funds should be maintained to support nursing supplies, paper needs, graduations, instructional supplies, library books, music, drama, sports, lunch aides at our various schools, after school tutoring at our high schools, printing of the Freshman Orientation booklet and many other items.

In the past, the BOE has pre-purchased textbooks to allow funds in the next budget year to be allocated for other priorities. In another year, we pre-purchased technology in advance, to allow funds to be added to the medical retention fund. The idea to pre-purchase technology this year, allows for critical supplies to be purchased for schools, while preventing an increased request for funding beyond the 3.1% recommendation. This was discussed with the First Selectman in the one day between the suggested change and the board vote. The BOE should have also consulted with the BOF; that is a communications issue that can be corrected in the future.

Q 16 – The FPS suggested the employees deserve recognition for making the change to Partnership 2.0 and accepting the plan changes with only ten days notice. But didn’t they also benefit?

Answer: Yes, teachers are the largest bargaining unit and they pay a 23% premium cost share, which is the highest in the state. While FPS saved approximately \$1,000,000 in the 2017– 8 fiscal year, teachers saved the following amounts in 17-18:

- Single coverage saved \$ 118/year
- Two person coverage saved \$ 253/year
- Family coverage saved \$ 575/year

Q 17 – Budgets are created based on enrollment projections. Over the last three years how has enrollment compared with official projections?

Answer: The FPS commissions enrollment projections on a regular basis. The total student enrollment is reasonably accurate because all firms use the same generally accepted methodologies. By example:

- As of February, 2018 we enrolled 9958 students in PK-12.
 - In 2009 the projection by ADS for 2018 was 10,201 students
 - In 2010 the projection by MGT for 2018 was 10,878 students
 - In 2014 the projection by MGT for 2018 was 9,985 students
 - In 2016 the projection by Milone and MacBroom was 9,759 students
- As of June, 2017 we enrolled 10,221 students.
 - In 2009 the projection by ADS for 2018 was 10,272 students
 - In 2010 the projection by MGT for 2018 was 10,756 students
 - In 2014 the projection by MGT for 2018 was 9,957 students
 - In 2016 the projection by Milone and MacBroom for 2018 was 9,939 students

- As of June, 2016 we enrolled 10,098 students.
 - In 2009 the projection by ADS for 2018 was 10,362 students
 - In 2010 the projection by MGT for 2018 was 10,573 students
 - In 2014 the projection by MGT for 2018 was 10,028 students
 - The 2016 projection by Milone and MacBroom for 2018 was 10,121 students

** In general, highly qualified firms have provided projections within 1-2% of actual.

Q 18 – What service or program reductions will have to be considered if the FPS budget is reduced?

Answer: When faced with a possible cost shifting of the state teacher pension costs and other state funding declines, the BOE considered options described in Tier One, Two and Three proposals presented by the Superintendent in Spring, 2017. They remain the prime areas to consider should the proposed 2018–19 budget get reduced.

Q 19 – Please explain the recent reductions in the FPS proposed 18-19 budget and possible 17–18 surplus?

Answer: There are three areas, totaling up to \$ 852,000 reflecting how FPS works closely with the town, including:

- \$ 62,000 reduction due to updated pension costs in 18-19.
- \$ 190,000 savings in transportation costs by using updated information.
- \$ 600,000 in a possible 2017–18 surplus. The BOE is elected to meet the “educational interests of the state” per the CT Constitution. Thus, it is responsible to manage the allocated funds in a responsible manner in the best interests of Fairfield students. We continue to monitor expenses and, excepting for unforeseen circumstances, the FPS may have up to \$600,000 remaining that could be returned to the general fund. This results from the work of staff to implement the new insurance program on short notice. Again, excepting unforeseen circumstances, and after BOE review, up to 60% of the accrued savings could be returned to the town and 40% used to ensure next year's budget request would remain at the original Superintendent's proposal of 3.1%.

Q 20 – How much is your estimated savings due to aggressive work on solar panels?

Answer: \$183,911 in cost avoidance has been achieved by aggressive use of Solar panels installed at both high schools, at Fairfield Woods MS and Dwight, Mill Hill, Riverfield elementary schools. The combined estimated savings is 2,840 Kwh/year.

Connecticut Association of
Boards of Education

Teacher Settlement Data
2017-18

DATE REPORTED	DISTRICT	PROCESS	RAT (Y/N)	WITHOUT INCREMENT				WITH INCREMENT				
				2018-19	2019-20	2020-21	2021-22	2018-19	2019-20	2020-21	2021-22	
08/17/17	NEW BRITAIN	MBD	Y	0.00%				0.00%	2.60%	2.75%		I
	Distribution to be worked out by the parties; PCS for HDHP plan incr from 18% to 19% in yr 2 & 20% in year 3.											
08/24/17	WEST HAVEN	NEG	Y	2.49%				3.15%	reopen	reopen		H
	1% at max plus step; HDHP made sole plan eff 7/1/17, PCS 18% in 17-18 incr to 19% in 18-19, 20% in 19-21, Deduct \$2000/4000, BOE funds HSA at 50%, RX \$5/25/40.											
09/26/17	MANSFIELD	NEG	Y	0.00%	2.00%	2.50%		0.69%	2.93%	3.46%		C
	HDHP becomes core plan w/buy up PPO, PCS for HDHP incr from 15% to 16% in yr 1, 17% in yr 2 & 18% in yr 3.											
09/29/17	WILLINGTON	NEG	Y					2.14%				E
10/02/17	EASTFORD	MBD	Y	0.00%	2.50%	2.00%		1.37%	2.50%	3.38%		E
	PCS for PPO incr from 18.5% to 19.5% in yr 2, 20.5% in yr 3.											
10/05/17	WESTON	MED	Y					2.35%	2.42%			A
	Step plus 1% at max each year.											
10/16/17	BLOOMFIELD	MBD	Y	1.80%	1.70%	1.70%		1.80%	3.08%	3.06%		G
	PCS for HDHP incr from 10% to 11% in yr 1, 12% in yr 2 & 13% in yr 3; PCS for PPO incr from 18% to 19% in yr 2 & 20% in yr 3.											
10/16/17	REDDING	NEG	Y					3.19%	2.80%	3.00%		A
	HDHP will be only medical plan option. Salary grid increased from 12 to 16 steps. Schedule restructured in yr 1, step in each year, incr at max 2.0% in yr 1, 2.5% in yr 2 & 2.94% in yr 3; Eliminated PPO, HSA 70% BOE funded in yr 1, 50% in yr 2 & 3, PCS 19.5% in yr 1, 20% in yr 2 & 20.5% in yr 3.											
10/16/17	STAMFORD	MED	Y					2.99%				H
	Yr 1: Step plus 1.24% at max, Yr 2: reopener; Eff 1/1/18 CT State Partnership Plan 2.0 will be sole plan at 18% PCS.											
10/16/17	BRANFORD	MED	Y					2.35%	2.70%	2.80%		D
	Yr 1: No step, 3% below, 2% max; Yr 2: step, 0% below, 1.2% max; Yr 3: step, 1.28% at max; PCS for HDHP incr from 16.5% to 17.5% in yr 2 & 18% in yr 3, added post deduct RX of \$10/25/40.											
10/16/17	SHARED SERVICES	MED	Y					2.50%				
10/18/17	WOODSTOCK	MED	Y	1.50%				1.50%	2.90%	3.10%		E
	No step in Yr 1; Yr 2: step & 2% at max; Yr 3: step & 2.27% at max.											

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2017-18

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				2018-19	2019-20	2020-21	2021-22	2018-19	2019-20	2020-21	2021-22	
10/23/17	REGION 9	NEG	Y					2.95%	2.98%	2.91%		A
	Step & 1.1% below max & 1.6% at max each year; HDHP will be only option for new hires & for all in yr 2.											
10/24/17	CORNWALL	MED	Y	2.60%	0.78%			2.60%	2.60%			C
	Moved to State of CT Partnership Plan 2.0 health insurance. Added 1 day to teacher work year (185 to 186 days)											
10/25/17	SALISBURY	MED	Y					2.51%	2.78%	2.91%		E
10/30/17	BETHANY	MED	Y					2.59%	2.53%	2.57%		C
	Schedule restructured in yr 1; yr 2 and 3 step & 0.5% at max; after school mtgs incr from 2/mo. for 1 hr to 3/mo for 50 min; PCS for HDHP incr from 22% to 23% in yr 2, 24% in yr 3, BOE funding of HSA in 2 installments.											
10/30/17	MONTVILLE	MED	Y	2.00%	1.39%	1.42%		2.00%	3.04%	2.65%		F
	Years 2 & 3: 1.0% below max, 1.50% at max plus step; HDHP will be base plan with buy-up to PPO; PCS for HDHP incr from 18.5% to 20% in yr 3.											
11/13/17	GRANBY	NEG	Y	0.00%	0.00%	0.48%		3.62%	3.73%	0.475%		B
	Curricular, athletic and extra-curricular stipends increased by 1.3% for each of the 3 years. Retired teachers and their spouses who are eligible for medical, dental and vision insurance through the Teacher's Retirement Board will be required to move to the Teacher's Retirement Board plan, or another plan of their choice, for these insurances.											
11/13/17	EASTON	NEG	Y					2.52%	2.47%	2.77%		A
	2018-19 and 2019-20, 1% to max step only; 2020-21, 0.29% all steps below max step and 1.31% to max step. Teachers not at max step advance one step in each of the three years. HDHP optional in yr 1, and the only plan in years 2 and onward. Current PPO available year one only at full buy up cost.											
	WINDHAM CNTY							1.50%	2.90%	2.95%		I
	Distribution to be negotiated by the parties; HDHP is the base plan option, teachers hired after 7/1/13 not currently in PCS plan must choose HDHP; PCS for HDHP incr from 15.75% to 16.5% in yr 1, 17.5% in yr 2 & 18% in yr 3; Yr 2: post deduct RX: \$5/25/40, BOE reduces funds HSA 61.25% to 50%.											
	TOLLAND CNTY			1.90%				1.90%	2.86%	2.96%		C
	Yr 1: no step; Yr 2: step & 1.7% at max; Yr 3: step & 1.50% at max; HDHP plan added RX copy after deduct \$5/25/40.											
	FAIRFIELD CNTY							2.30%				B
	Yr 1: 1.04% at max only & Step; PCS for HDHP will be 18.5%; parties will discuss State Partnership Plan.											
	WINHAM CNTY							2.50%	2.50%	2.75%		H
	Keep \$2000/4000 HDHP (existing) at 20%, 20%, 21% premium cost share. HSA Funding at 50% all 3 yrs.											

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2017-18

DATE REPORTED	DISTRICT	PROCESS	RAT (Y/N)	WITHOUT INCREMENT				WITH INCREMENT			
				2018-19	2019-20	2020-21	2021-22	2018-19	2019-20	2020-21	2021-22
AVERAGE				2018-19	2019-20	2020-21	2021-22	2018-19	2019-20	2020-21	2021-22
				1.37%	1.40%	1.62%	####	2.32%	2.81%	2.78%	####