

Town of Colchester, Connecticut

127 Norwich Avenue, Colchester, Connecticut 06415

Board of Finance
BOE - Budget Workshop Minutes
April 9, 2018 – Town Hall – 7:00

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COLCHESTER CT
2018 APR 11 AM 10:14

Members Present: R. Tarlov, R. Lepore, T. Kane, M. Egan, A. Migliaccio and A. Bisbikos
Board of Education Present: B. Bernier, R. Besaw, M. Tomasi and M. Bylone
Others Present: First Selectman A. Shilosky, CFO M. Cosgrove, BOS D. Mizla, Superintendent Conway, Tax Collector M. Wyatt, Citizens who spoke: M. Hayes, L. Dimock, clerk J. Campbell and other citizens

1. Call to Order

R. Tarlov opened the workshop at 7:00 pm.

2. Schools Budget – Review and Discussion

R. Tarlov stated that the increase in mill rate would be 3.65% if budgets are accepted as is. R. Tarlov is trying to justify decide the revenue that will be used to estimate the mill rate. He would like the BOE members to be involved in the discussion. B. Bernier feels that at this point revenue cannot be justified at this point. M. Egan agreed with B. Bernier, we don't know what the State will present for numbers.

Dr. Conway handed out a packet in response to the questions BOF presented to the BOE after their budget presentation.

Beyond the packet, A. Bisbikos asked what the BOE is doing to address security issues. B. Bernier stated that an audit was performed recently. Improvements are being made. Some items are already added into budget and have been in previous budgets as well. Town received a grant to address security issues. R. Tarlov feels that the budget presented by BOE is responsible and responsive. R. Tarlov asked the BOE how you communicate the increase in mill rate to the tax payer. B. Bernier stated that the BOE is maintaining services as responsible as can be. Revenue is still unknown, and we are unsure of what Hartford would do. M. Bylone stated that these are essential services. M. Tomasi stated that the loss of a reading specialist has shown its effects already with low test scores. The hope is that the impact can be reduced once someone is hired with the new budget. B. Bernier stated a committee had been formed to further look into consolidation or town sharing to reduce cost. R. Besaw stated that everyone within the school system is "looking in the couch cushions" to save money any way possible. In addition to the lower test scores is has been said that there is a 1 in 7 chance a child has to catch up if they cannot read by the 3rd grade. School has been innovative on finding ways to save money such as replacing knobs on lockers with old chairs. The 1% reduction in budget is hard for the BOE to face. A. Bisbikos asked the BOE how the speakers/presenters for the in school fieldtrips were funded. Superintendent Conway stated that the PTO does a phenomenal job with supporting the schools. Along with the PTO the schools do utilize volunteers as well.

3. Citizen Comments

L. Dimock asked the BOF to send the budgets as is to vote.

M. Hayes thanks the BOE for reinstating the reading teacher and listening to the concerns of the audience members from a previous BOE meeting. M. Hayes also asked if the Norwich tuition off sets those that are sent out for placement elsewhere. M. Cosgrove explained that the two monies are totally different. Tech schools, only transportation is paid. VO-AG, transportation and tuition. Magnet schools, some tuition is paid and no transportation. R Tarlov added that in the proposed budget the tuition being paid out is slightly higher than the Norwich tuition coming in. A study done last year by R. Besaw estimated the marginal cost for each Norwich student was between 1000 and 1500, but had to make a lot of assumptions. The same is true for the reductions when a student leaves and we pay tuition out of district. He also asked the BOE if there was a plan in place for the \$1000 advertising budget. The BOE stated that there was an overall plan to create informational handouts for when Mr. Peel goes to the regional school fair.

4. Schools Budget –Discussion and Possible Action

R. Tarlov stated that when the budget schedule was created there were additional workshops in the schedule, if needed. At this point he would like to use one of the dates to discuss what we need to go to referendum. For the time being, we will have a workshop Tuesday.

5. Citizen Comments

None

6. Adjournment

R. Tarlov closed the workshop at 9:20 pm.

Respectfully Submitted,

Joanie Campbell, Clerk

Attachments: BOF Mill Rate Chart & BOE Responses

Starting Points (33.55 and 32.39) are based on the budgets as presented on 4/3/2018

Governor's Budget				Legislature's 2nd Year of Biennial Budget (appropriation committees currently negotiating a change)				
Expenditure Decrease and/or Revenue Increase	Amount to Change 0.25%	Mill Rate (assuming 98.6% collection rate)	Tax Increase	Revenue Decrease From Legislatures Budget	Expense Decrease to Arrive at 0% Increase	Amount to Change 0.25%	Mill Rate (assuming 98.6% collection rate)	Tax Increase
							32.39	0.05%
		33.55	3.65%		(20,000)		32.37	0.00%
(60,000)		33.50	3.50%	(78,133)		(78,133)	32.45	0.25%
(158,133)	(98,133)	33.42	3.25%	(176,266)		(98,133)	32.53	0.50%
(256,266)	(98,133)	33.34	3.00%	(274,399)		(98,133)	32.61	0.75%
(354,399)	(98,133)	33.26	2.75%	(372,532)		(98,133)	32.69	1.00%
(452,532)	(98,133)	33.18	2.50%	(470,665)		(98,133)	32.77	1.25%
(550,665)	(98,133)	33.10	2.25%	(568,798)		(98,133)	32.86	1.50%
(648,798)	(98,133)	33.02	2.00%	(666,931)		(98,133)	32.94	1.75%
(746,931)	(98,133)	32.94	1.75%	(765,064)		(98,133)	33.02	2.00%
(845,064)	(98,133)	32.86	1.50%	(863,197)		(98,133)	33.10	2.25%
(943,197)	(98,133)	32.78	1.25%	(961,330)		(98,133)	33.18	2.50%
(1,041,330)	(98,133)	32.69	1.00%	(1,059,463)		(98,133)	33.26	2.75%
(1,139,463)	(98,133)	32.61	0.75%	(1,157,596)		(98,133)	33.34	3.00%
(1,237,596)	(98,133)	32.53	0.50%	(1,255,729)		(98,133)	33.42	3.25%
(1,335,729)	(98,133)	32.45	0.25%	(1,353,862)		(98,133)	33.50	3.50%
(1,433,862)	(98,133)	32.37	0.00%	(1,413,862)		(60,000)	33.55	3.65%

Governor's Budget

		2017/2018 Adopted Budget	2017/2018 Projected Results	2018/2019 Legislature's Year 2, Biennial Budget			2018/2019 Governor's Changes in Year 2, Biennial Budget		
		Revenue	Revenue	Revenue	vs Adopted Budget	vs Projected Results	Revenue	vs Adopted Budget	vs Projected Results
STATE REVENUE	Town	175,177	525,873	408,815	233,638	(117,058)	327,828	152,651	(198,045)
	Education	13,953,310	12,438,383	13,174,396	(778,914)	736,013	11,841,086	(2,112,224)	(597,297)
	TOTAL	14,128,487	12,964,256	13,583,211	(545,276)	618,955	12,168,914	(1,959,573)	(795,342)
CHARGES FOR SERVICES		512,750	534,600	534,600	21,850	-	534,600	21,850	-
INTEREST EARNINGS		60,000	204,395	144,000	84,000	(60,395)	144,000	84,000	(60,395)
LICENSES/PERMITS/FEES		747,490	754,825	688,090	(59,400)	(66,735)	688,090	(59,400)	(66,735)
NORWICH TUITION		367,900	309,642	451,200	83,300	141,558	451,200	83,300	141,558
SPECIAL ED TUITION			29,291		-	(29,291)		-	(29,291)
OTHER REVENUE		59,300	97,233	50,150	(9,150)	(47,083)	50,150	(9,150)	(47,083)
GRANDLIST GROWTH				486,883			504,343		
TOTAL REVENUE		15,875,927	14,894,242	15,938,134	62,207	1,043,892	14,541,297	(1,334,630)	(352,945)
MILL RATE WITH BUDGETS PRESENTED ON APRIL 3				32.39			33.55		
2017/2018 MILL RATE				32.37			32.37		
				0.02			1.18		
				0.06%			3.65%		

Chart produced by Board of Finance, not reviewed by the Town's CFO

Board of Finance
Education Budget Workshop
April 9, 2018
Questions/Responses

QUESTION #1: *Attachment A*

Please provide the salary tuition increase breakdown by:

- Contractual
- New positions
- Other (please explain if any)

What is the change in FTE's:

- "Traditional" Certified
- "Traditional" Classified
- Special Ed Support Certified
- Special Ed Support Classified

RESPONSE #1:

There is a combination of reductions, additions, and re-allocation of funding source which affect the increase in the Salaries line item. Please see *Attachment A*.

QUESTION #2:

What was the driver in the reduction of special ed tuition?

RESPONSE #2:

Special education costs are always determined by taking a "snapshot in time" when the budget is developed in January of each year. Changes +/- could be from a student with identified needs moving in/out of town as well as a change in placement and/or services.

QUESTION #3:

Please follow up with more information on the Transportation costs

- Please follow up from last year on how it worked out eliminating a bus (what is the longest time kids were on the bus and how that differed from prior years)
- Please give an update on the new contract
- Please explain the increase cost this year

RESPONSE #3:

- The bus that was reduced for the 2017/18 budget was empty four of five days per week in 2016/17. Buses are running on time.
- The new contract is in negotiations according to the established Purchasing Procedure.
- Increase in the transportation line include an anticipated 3% contractual increase as well as increased services for homeless students under the McKinney-Vento Act.

QUESTION #4: *Attachment B*

Several Board members attended a workshop where Mr. Peel expressed concerns about sufficient staff to recruit and retain Norwich students and where Mrs O'Meara was concerned that she was reaching a point where should the number of special needs students increase over projections, it might require an additional classroom. Does the current budget provide for these concerns?

RESPONSE #4:

The Board of Education is satisfied that the concerns expressed have been met with the Board's proposed 2018/19 budget. Please see *Attachment B*.

QUESTION #5: *Attachment C*

Breakdown on last year's 825K

- How much was from positions that needed to remain in the 2018/2019 budget
- How much was deferred expenses to 2018/2019 (or future budgets)
- How much was an annual expense that the purchases intended to be incurred in 2017/2018, but were skipped with no plan to catch-up
- How much was not needed to be brought forward (like the language lab)
- Other that the above may not have included.

RESPONSE #5:

Please see *Attachment C*.

QUESTION #6:

Any estimate of the additional marginal cost for each Norwich student?

RESPONSE #6:

Cost varies with the number of additional students. The tuition charged is equal to the Colchester per pupil expenditure.

QUESTION #7: *Attachment D*

Please explain the Minimum Budget Requirement. Also, the difference between a reduction of ECS and a holdback of ECS and the impact of each on MBR.

RESPONSE #7:

Please see *Attachment D*.

QUESTION #8:

Does BOE have a contingency if we again experience a mid year reduction in revenue? Is Board of Ed committed to react to a mid year reduction in ECS revenue.

RESPONSE #8:

The Board of Education has not discussed the possibility of a "mid year reduction."

QUESTION #9:

- What is the current balance in Schools Capital Reserve.
- What is the balance of committed funds from unexpended funds that have yet to be transferred to Schools Capital Reserve.

RESPONSE #9:

- The "current balance in the Schools Capital Reserve" is \$104,297 (approximately half of which is specifically dedicated).
- The "balance of committed funds from unexpended funds that have yet to be transferred to Schools Capital Reserve" is \$462,527 according to the 6/30/2017 audit.

QUESTION #10:

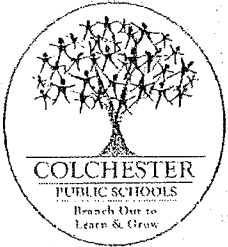
Board of Finance Members have already seen Dr. Conway's original 1%. Please provide a listing of what a 0.5% and an updated 1% reduction would look like for the overall budget.

RESPONSE #10:

The Board of Education has not discussed the possibility of a 0.5% reduction would look like.

The change in the Board of Education request for an administration proposed reduction of 1% has been changed by the removal of the reduction to Insurance:

Property/Liability/Workers' compensation of \$35,490.



**Colchester Public Schools
2018-2019
Increases/(Decreases)**

Salaries: + \$426,117 +1.70%

- Contractual Obligations
- Re-allocation of 1.15 certified and 2.0 classified salaries from Title I Grant and Medicaid funding

.10 School Social Worker – CES

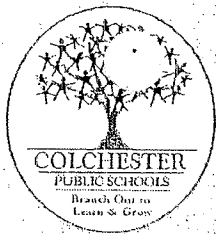
1.0 Math SRBI paraprofessional - WJJMS

.35 Reading Specialist – JJIS

1.0 Math SRBI paraprofessional - BA

.60 School Social Worker - JJIS

.10 School Social Worker – WJJMS



**Colchester Public Schools
2018-2019
Salaries - Certified**

Reductions			Additions		
CES	PE/Health	.20	CES	Special Education	1.0
CES	Speech/Language	.60	WJJMS	Special Education	1.0
WJJMS	Spanish	.50	Pupil Services	Special Education	.60
WJJMS	PE/Health	.75	Pupil Services	School Social Worker	.20
			Pupil Services	Occupational Therapist	1.0
TOTAL FTE: 2.05			TOTAL FTE: 3.80		

Colchester Public Schools						
2018-2019 Projected Class Size vs. Current Class Size						
Grade	2017-2018 Current Year Enrollment	2018-2019 Projected Enrollment	Difference	Current Class Size 2017- 2018	Projected Class Size 2018-2019	# of Teachers 2017-18 vs. 2018-19
PK	92	92	0			
K	155	128	(27)	20	18	(1)
1	144	158	14	21	20	1
2	152	148	(4)	22	22	0
CES Totals	543	526	(17)			
3	174	158	(16)	22	20	0
4	170	173	3	22	22	0
5	169	174	5	22	22	0
JJIS Totals	513	505	(8)			
6	165	164	(1)	21	21	0
7	193	167	(26)	25	21	0
8	212	191	(21)	27	23	0
WJJMS Totals	570	522	(48)			
*9	204	213	9	Course		Current Class Size
*10	184	193	9			
11 *Proj. Only	191	181	(10)	US History Gr. 11 Level II		26
12	223	205	(18)	US History Gr. 11 Level III		24
Alt Ed.	15	15	0	Integrated Science Gr. 9		24
BA Totals	817	807	(10)	English Gr. 10 Level II		18
Grand Total	2443	2360	(83)	English Gr. 10 Level III		27

*Norwich students are included in these numbers

Grade	# Students
9	10
10	10
11	10

School/	Item	Amount	Explan	Summary	Impact of Reductions
	UNFILLED POSITIONS				Overall impact on staff- stress, frustration, doing more with less
	Certified Salary	249,948	3 full-time teachers, 4 part-time teachers Part-time Interim Superintendent for 1 year		Only 56% of lowest CES readers receiving addt. invention (98/176) Larger classes in World Lang, Science, FCS at BA (at/above limit) Less course options for BA students (7 less FCS, 2 less science) Sign. changes to BA student schedules right before start of school Elimination of Bobcat Preschool Program run by FCS students No BA Library Specialist to support research/innovation projects CES & JJIS Math and Literacy specialists unable to train teachers Budgeted student activities cancelled or started 5 months late BA Principal serving as Director of Guidance
	Classified Salary	69,145	3 full-time positions (2 elem. intervention paras + 1 custodian) Held off hiring 2 IT Dept staff (50% of team)		Less students receiving small group support in reading at JJIS 27 fewer students receiving small group in math at CES Inability to solve most IT issues throughout district in a timely manner, resulting in limited tech access by many staff & students
	STAFFING CHANGES (TRANSFERS/NEW HIRES)				
	Certified Salary	204,693	Staff replaced before freeze @ lower salaries		
	Classified Salary	39,027	Staff transferred or replaced @ lower salaries		
	OTHER PAYROLL ADJUSTMENTS				
	Salary	(38,690)			
	Total Payroll	524,123			

NON-PAYROLL ITEMS

Curriculum	45,066	Library books, Professional Dues, Curriculum	No funding this year for new library books at any school No participation in Regional Professional Development No materials for new curricula in art, tech ed, 6-8 world lang.
CES	33,553	Instructional Supplies, Texts, Printing, Training	IMPACT FOR ALL SCHOOLS (PreK-Grade 12): Teachers/staff, parents, PTOs purchasing necessary supplies Severe limitations on use of consumables, paper
JJIS	28,800	Instructional Supplies, Texts, Printing, Training	Significant reductions in supplies for all courses/grade levels Enrichment programs and materials not purchased
WJJMS	16,000	Instructional Supplies, Texts, Printing, Training	PreK-12 Teachers can't attend high quality prof. development Reduced funding for personalized learning projects Memberships in required Professional Organizations only
BACON	32,554	Instructional Supplies, Chromebooks	Inability to move forward with purchase of Chromebook carts (internet access) for BA 9-12 social studies and English classes
BACON	97,000	World Language lab funded by Revenue Generated from Norwich tuition students at Bacon Academy	No Impact on WL Lab: Purchased with previous tuition funds
SPED	1,500	Training, Dues & Fees	Limited ability to access professional training/expertise
Facilities	44,654	Building Repairs, Planned Capital Projects	Delay by 1 year BA capital projects for painting, carpeting
Superintendent	1,750	Professional Development	No attendance at paid workshops by Interim Superintendents
	Total Non-Payroll	300,877	
	Total District Spending Reductions	825,000	



STATE OF CONNECTICUT DEPARTMENT OF EDUCATION



February 2, 2018

Dear Superintendents of Schools:

I want to take the opportunity to provide some guidance on the implementation of the Minimum Budget Requirement (MBR) for this school year. In Public Act 17-2 of the June Special Session (PA 17-2 JSS), the legislature reauthorized the MBR for fiscal years 2017-18 (FY2018) and 2018-19 (FY2019). In addition, the legislature authorized new budget adjustment flexibility for municipalities that adopted their FY2018 budgets prior to the adoption of the state budget and received a lower amount of state aid than what they had projected in their adopted budget. Outlined below are the adjustments provided for in the legislation as interpreted by the Department of Education. Please note that while statute currently continues these adjustments into FY2019, changes could be made during the 2018 legislative session.

Alliance Districts:

- The MBR remains in place.
- MBR reductions are not applicable to Alliance Districts.

Non-Alliance Districts:

- The MBR remains in place for FY2018 and operates with the same rules and exceptions as for fiscal year 2016-17 (FY2017). Please refer to Section 10-262j(a) of the Connecticut General Statutes (C.G.S.).
- C.G.S. Section 10-262j provides that, subject to the limits prescribed in law, reductions to the MBR may be taken for the following reasons:
 - A decline in enrollment subject to caps based on the number of students eligible for free and/or reduced price lunch.
 - New and documentable savings through increased efficiencies or regional collaboration.
 - The termination of operations and closure of a school or schools due to declining enrollment.
 - Towns may reduce the district's appropriated budget in an amount equal to the "aid reduction," which for FY2018 works out to 5 percent of the Education Cost Sharing (ECS) grant a town was entitled by law to receive for FY2017 minus reductions during FY2017 based on lapses as recommended by the Secretary of the Office of Policy and Management. See C.G.S. Sections 10-262i(d), 10-262h(a) and 10-262f(48).
 - Districts in the top 10 percent of school districts based on the accountability index are exempt from the MBR.

Non-Alliance Districts – Special Circumstance:

- If a town adopted its FY2018 budget (or levied taxes based on its FY2018 budget or made adjustments or transfers to such budget) prior to the adoption of the state budget **and** received a lower amount of state aid than projected in its adopted or adjusted budget, the town may:
 - Reduce its FY2018 **education** budget (in the same manner as it was originally adopted) by no more than the amount of the difference between its FY2018 ECS entitlement specified in PA 17-2 JSS and the amount of ECS projected in its previously adopted FY2018 budget.
 - Make transfers between accounts without having to follow the same budget adoption process. However, the department interprets this provision as prohibiting any transfers that would reduce the FY2018 budget by more than the difference between the district's FY2018 ECS entitlement and the amount of ECS projected in the previously adopted FY2018 budget.

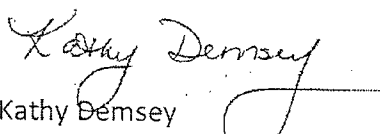
- If an eligible town makes reductions to its FY2018 education budget within the authorized limits, the penalties for falling below the MBR and transferring education aid for other purposes do not apply. Note, however, that under Section 265(b) of PA 17-2 JSS, any amount removed from the FY2018 budget using these options – whether by budget amendment or through a transfer – would be included in the town's MBR for FY2019.

For All Districts – Executive Branch Holdbacks:

The department's position is that holdbacks ordered by the Executive Branch in FY2018 **do not count** as state "aid reductions" for purposes of MBR, and thus, towns are not permitted to reduce education appropriations by holdback amounts.

If you have any questions on the implementation of the MBR for this fiscal year, please do not hesitate to contact me at 860-713-6464.

Sincerely,


Kathy Demsey
Chief Financial Officer

KD:kk

cc: Dianna R. Wentzell, Commissioner of Education
Peter Haberlandt, Legal Director
Chief Municipal Officers
School Business Officials