

MINUTES OF THE JOINT CHESHIRE TOWN COUNCIL AND BUDGET COMMITTEE MEETING HELD ON MONDAY, APRIL 3, 2018 AT 7:30 P.M. IN TOWN HALL, ROOM 207-209, 84 SOUTH MAIN STREET, CHESHIRE CT 06410.

Present

Budget Committee Members: Timothy Slocum, Chairman; Sylvia Nichols and Jeffrey Falk. Town Council Members: Chairman, Robert J. Oris, Jr.; Vice-Chairman Paul A. Bowman; Patti Flynn-Harris, Peter Talbot, David Veleber.

Absent: Thomas Ruocco

Staff: Michael A. Milone, Town Manager; James Jaskot, Finance Director; Arnett Talbot, Assistant Town Manager.

Department of Education – Supt. Of Schools Jeff Solan; COO Vincent Masciana; Dodd Middle School Principal Michael Woods.

BOE Members – Ms. Hellreich, Ms. Fabiani, Ms. Harrigan, Ms. Vatti, Mr. Grippo.

1. ROLL CALL

The clerk called the roll and a quorum was determined to be present.

2. PLEDGE OF ALLEGIANCE

The group Pledged Allegiance to the Flag.

3. PROPOSED FY 2018-2019 OPERATING BUDGET

EDUCATION – Pages 54 and 191. Supt. Jeff Solan; COO Vincent Masciana

Mr. Masciana distributed a handout on the BOE 2018-2019 budget for review and discussion.

BOE Handout FY 2018-2019 Budget

The proposed Superintendent's budget was \$72,508,781; BOE reduced this budget by \$400,000 (Medical Benefits Trust Fund) to \$72,108,781; this is an increase of \$1,982,943 or 2.83%.

Enrollment - This budget addresses the projected enrollment situation in the school district. Elementary and high school enrollment has a slight increase; middle school enrollment is decreasing significantly; special education enrollment and needs are increasing.

Additional Staff and/or Staff Hours Needed

The request is net of one teacher over current budget; one Math coaching position is added at middle school; special education teacher to facilitate therapeutic middle school program; elimination of technology coach, CHS science position; and two middle school teaching positions due to declining enrollment.

Medical Benefits – account decreased by \$100,173; Superintendent recommendation was to increase medical benefits by 3%; stop/loss premium going up 15%; BOE has a healthy medical benefits reserve of \$3.5M or 4.85 months of claims; with this information it was safe to decrease medical benefits line item. \$100,000 budgeted less in 2018-2019 medical benefits. 320 BOE

employees (out of 500) in Health Savings Accounts (HSA); all employee groups have same HSA plan...\$2,000 to \$4,000 deductible in all contracts.

Mr. Masciana informed the Council about new interpretation (from Affordable Care Act) on “statin” generic medications now considered preventative, with no cost to the employee, and full cost absorbed by the BOE and the Town. This could result in a cost of up to \$100,000 cost to employer.

Chromebooks – for 9th grade, \$75,000; grades 7-12 will all have Chromebooks.

Special Education Costs – Supt. Solan explained that the enrollment numbers for special education continue to increase; these costs are 25% of the overall BOE budget; it is incredibly expensive to address these services and needs. There are 529 special education students in the district; there is identification of these students and diversity of support provided to these students; special ed prevalence rate is 11.5%. BOE works to provide services and support to these students within the school system; this requires creativity, space and resources; there are many benefits with a higher level of instruction within the community rather than outplacement for these services and support, at a much higher cost. The focus is on how to provide the needed services and support in district. Cheshire has a low percentage of outplacement of students, and in FY 17-18 it is 2.87% of outplacement students. It is well below the 5% to 6% in DRGB, and results in \$3.4M in savings.

Cheshire takes in students outside the town with placement and tuition reimbursement. A transition program was created for special disabilities students ages 18-21 which is a bridge to adulthood. This is done in partnership with Quinnipiac University to support these services. This year there were a few spots available for this program, and other communities have students attending the program and pay tuition, which is direct revenue to the town.

Complex Thinking and Social/Emotional Learning – Bridge Behavior Support Program at middle school. Supt. Solan stated BOE staff does a better job with students than outplacement; students are kept in the community. It is less costly.

Maintenance and Operations – Mr. Masciana talked about the age of school buildings being 66 years old; they require more maintenance and capital investments; and funding of maintenance is through the operating budget and capital budget for things that have to be done. There is a Facilities Master Plan for the school district, but no modernization of facilities is planned at this time.

The proposed BOE budget request is for \$75,000 more for maintenance and operating costs to keep buildings in good shape, without too many improvements. Additional school security improvements are needed and will be in the proposed budget.

Mr. Slocum talked about the Charter changes and BOE presentation of its budget, and asked if this impacted the way the BOE budget was developed. He thought the Council would see how each school was budgeted with a level of detail for Council review.

This is a state initiative and Mr. Masciana said there is a “Uniform Charge of Accounts”. The ultimate determination was for an in-house system. Next year the state will have an EFS (Electronic Finance System) on-line which will provide an additional level of detail which is not in

place today. Reports will be in a certain format for all school districts in the state. Mr. Masciana can extract some of this level of detail, line items by school, and submit to the Council.

Supt. Solan said staffing and big ticket items can be identified with generic numbers by building. The purchases at the district level (i.e. ceiling tiles) are disseminated to the schools.

Per Pupil Expenditures for DRG-B - Supt. Solan identified Cheshire's expenditure at \$15,593; this is on the low end for DRG-B. Blue is local contribution; green is state contribution through ECS funding.

Relative Staffing Level – 4,413 students; 275.1 certified staff; students per teacher 16.04; Cheshire ranks #20 out of 21 school districts in DRG-B.

Return on Investment – combined SAT score is 1136 (return on investment); Cheshire ranks #17 in Connecticut for ROI; dollars spent per SAT - \$13.73.

Supt. Solan stated Cheshire is cost conscious, is spending money in the right ways to impact student learning and provide students with a great learning and life experience.

In putting together the BOE budget, Supt. Solan stated that staff and BOE looked at the goals and complex thinking and social/emotional learning. Last year there was identification of a deficit with resources around social/emotional learning, and focused on providing that support. This year there were two points looked at – class sizes and where we are now with this budget. There are 1.2 positions over the current budgeted number; 4 positions were reduced due to the state's financial situation; these positions have not been restored; class sizes next year will be 17.9 average (vs. 18 average last year).

Medical benefits were discussed, and BOE reduced this line item by \$400,000, which is not a risky number. There are many fiscal benefits due to HSA membership.

Mr. Talbot asked about per pupil expenditures in DRG-B, and whether in-kind services are part of the apples to apples comparison, i.e. lawn maintenance paid by other towns, when the town pays for BOE maintenance. He questioned if these numbers are skewed when these expenses are not paid by Cheshire BOE, and other town BOE pay for these expenses.

According to Supt. Solan the biggest driver is the staffing levels...with Cheshire at the bottom of the ratio. Maintenance and in-kind services would have a limited budget impact, and it is unknown what in-kind services other school systems in DRG-B might have. Supt. Solan noted that every school district calculates per pupil expenditures with completion of the ED001 form that is submitted to the state. The in-kind services provided through local tax revenue are stated in this report.

Mr. Bowman cited the School Resource Officer, Fire Department monthly fire drills at schools, Human Services Department services to BOE, and other town services...and if these numbers are included. If not...why not. The per pupil cost is only for staffing; there are other services performed by the town which should be recognized, and could increase per pupil expenditures.

The Council was told by Supt. Solan that the state has a uniform way of calculating per pupil spending and this information must be part of the ED001 form.

In that regard, Mr. Bowman stated the town residents should know what additional funding the town provides to the BOE for services, as this is an important number for money spent on students as a community.

Supt. Solan would have to work with all town departments to calculate those numbers.

Mr. Jaskot said he has a listing of all the people in departments and services. The ED001 report computes SRO/Fire Marshal/Public Works/Building Department...and this is captured in the per pupil comparisons. He cited the Finance Department having eight (8) people spending a percentage of time on BOE activities and this is calculated for the report.

Mr. Milone noted the Fire Department (Fire Marshal, Fire Chief, Deputy Chiefs), several Cheshire Police Officers...and town staff...for a total of about 30 people. The percentage estimate of time spent on BOE matters is given to Mr. Jaskot for completion of the ED001 form.

The Human Services Department and Director Piccerillo provide counseling at the high school (rather than town hall offices) and this is not an eligible expense. Mr. Masciana reported there is about \$365,000 worth of salary and benefits from Town support staff captured in the ED001 report form, with detailed backup information.

Mr. Talbot talked about World Language being cost neutral this year, and asked if there is an incremental cost going forward or increase in future budgets for staffing needs.

This is not staffing, and Supt. Solan said it is resources, with an offset of library time.

Regarding the \$400,000 medical benefits, Mr. Talbot asked if the BOE discussed taking another \$1.1M or \$1.2M off this line item.

BOE member Grippo said his proposal was from January before discussions about security. He reviewed the information using his cell phone, citing a total reduction of \$1.696M, which would be a proposed BOE budget increase of .98%. The reduction in medical trust fund would be to the minimum level of three months -- \$1.31M(from \$4.8M).

Mr. Masciana clarified that the contribution would be reduced out of the operating budget, and pull down the reserve. With a bad claim year the reserve goes from \$1M+ to \$200,000, and it is best to be judicious on using the reserve at any given time.

Mr. Grippo cited his further reductions – no staff funding; \$80,000 math consultant; \$66,000 part-time assistant principal at Norton School; eliminate three elementary teachers at \$240,000; these cuts could be funded through other existing revenues, i.e. middle school staff reduction could fund elementary schools; and possibly reduce medical reserve to 3.5 months or \$946,000 reduction. The total BOE budget increase would be 1.5%.

Mr. Masciana advised that the medical trust fund balance is \$3.5M with 4.5 months of claims as of February 28th. The recommended requirement is 3.5 months of claims.

Staffing – Mr. Oris stated over the next five years there is an estimated pupil reduction of 219 students; this year there are 36 fewer students and one net staff increase; three teachers were lost due to enrollment; but five teachers are being added. Bridge Program expansion with another teacher; one district math intervention coach; 3+ teachers to smooth out class sizes at the elementary schools.

BOE member Ms. Hellreich stated the three elementary school teachers were in the budget this year but never existed.

Enrollment is decreasing, and Mr. Oris said staff is being added. He questioned why this is happening...with lower enrollment there should be opportunity to reduce staff. He asked about the Bridges Program, and the Math Coach...and if there are problems in the Math Department.

Supt. Solan explained that the Bridges Program is a middle school behavioral program, and the program was added to Doolittle School. It is designed as internal support for students with behavioral needs beyond what is provided in the general education classroom. These students would be out-placed, but the BOE prefers to keep the students in district, and the Bridges Program provides high quality support in-house, has been effective, and saves money from out-placement on the elementary level. These students matriculate through the school system, and need services/support throughout their education levels. Services must be provided to these children in district or through out-sourcing.

Math performance has been down across the state, and Supt. Solan looked at the middle school performance, which does not have someone providing interventions. This position at the elementary level has not been filled. There are concerns about math performance trends, and it was felt a Math Coach position was needed at the elementary and middle school levels. CHS has a math intervention program.

The focus in the budget was on complex thinking, supporting students when they first start to struggle. There are literacy coaches at the elementary and middle school levels. The enrollment piece is unique; the district is down 273 students and 12 FTE staff positions; staffing has been reduced as student enrollment declines. Elementary and CHS enrollment goes up; middle school is going down; as numbers continue to reach lower levels, staffing will continue to decrease.

Non-certified Staff/IAs – Mr. Oris noted this staffing continues to increase, and another 11 will be hired next year...and he asked if this is mandated staffing.

Supt. Solan explained that 10 IAs were hired over the course of this school year due to many special education students coming into the school district. These students have IEPs which require IA support. Funding was rearranged in the budget to meet these special ed plans and next year's staffing needs with another IA for the Bridges Program.

Mr. Oris reiterated the fact that these are state mandated issues, and the numbers will continue to go up because of requirements.

Supt. Solan advised the IA positions are in the special education budget. He informed the Council that DRG-B school district staff met to review strategies to provide student support

where IA staff may not be necessary. He noted that IA staff person is also in the kindergarten classrooms.

Retirements – at this time, Supt. Solan has notification of only one retirement. He commented on the younger age demographic of school district staff.

Chairman Oris talked about the difficult financial environment and the town government and BOE trying to hold down costs. On the non-curriculum items, he asked about BOE consolidation and provision of similar services (maintenance, transportation etc.), and reducing costs. Mr. Oris hopes the BOE is working in these areas.

Mr. Masciana reported this has been done for many years. A few maintenance positions were cut in the last few years; a few secretarial positions were eliminated; library assistant position hours were reduced; everything is looked at to the extent of staff or work hour reductions. There is continued procurement, looking at reduced costs, Amazon purchases with free shipping, one school bus reduced this year, good electricity rates for the next four years. As enrollment decreases the school bus budget decreases. Each bus route is \$50,000 a year; there must be an aide on the special education buses, and this enrollment is increasing. Extra curriculum participation fees will not be increased this year...it was increased last year.

Ms. Flynn-Harris referred to the BOE budget book, restoration of four unfilled elementary positions for 5th and 6th grade. She questioned the book saying “three” positions being filled.

It is four unfilled positions and Supt. Solan said 4 classroom positions were reduced last summer. Norton School 2nd grade enrollment increased; another person had to be hired.

Mr. Masciana cited facts about enrollment (BOE budget book). 6th grade is staffed with 14 teachers/goes to 17 next year/class size will be 19.1 next year (from 22.1); 5th grade goes to 15 teachers next year/class sizes of 24.5 to 18.9; enrollment decrease is spread across K-12 grade levels.

With regard to the IA staffing of 10, Ms. Flynn-Harris commented on special education numbers not changing this year, and asked if all 10 IA staff were hired this year for the 529 special education students.

Mr. Veleber asked if more IA staff will be hired this year, and if projections could be 10 or 20.

The projection is one more IA for the Bridges Program, and Supt. Solan said he does not predict the same situation next year.

Workers Compensation – Mr. Bowman asked about the total budget for this line item, and if rates will drop significantly.

The BOE budget for Workers Comp next year is \$3.9M, and this is before the audit and final rates from CIRMA. Last year it decreased by \$20,000 and experience has been good the last few years.

Mr. Bowman asked about the number of out-of-district students coming to Cheshire.

There are 30 Project Choice students coming to Cheshire from New Haven CT with state reimbursement of \$3,000 per student, and any related special ed costs. Supt. Solan said these students are spread throughout the district; they add great value to the school system; they come at grades K-2, and can stay in district through high school graduation. At the high school level, some kids do fall off. Next year there will not be K-2 seats open for Project Choice.

For this program, Mr. Oris asked for state requirements for this program, if state funding is lost if Cheshire does not take these students, and the \$3,000 tuition paid. He noted it costs Cheshire more than \$3,000 to educate these students.

Supt. Solan explained that Cheshire does not have to take these 30 students, and this number is swayed by staffing. He does not believe state funding is lost without taking these students.

Mr. Oris commented on the per pupil spending in Cheshire at about \$16,000, and the town getting \$3,000 per Project Choice student. There is a cost to the town to educate these students, and there must be a tipping point where it becomes a financial burden.

This is regulated internally, and Supt. Solan said that in the next school year there may not be open space. The home school district holds a school lottery to determine which students will come to Cheshire.

BOE member Ms. Hellreich explained that the school system makes a commitment to the child in grades K-2 that they will go through the school system and graduate. Some students have graduated from CHS.

Regarding the Bridges Program, Mr. Slocum asked if this is part of the 529 special education student number.

Supt. Solan said this is inclusive in the special education numbers.

The math shows 25% of the budget total associated with special education, and Mr. Slocum said this is 12.5% of the total school population. In doing the math he said this works out to \$34,000 per pupil, and asked if this amount is reduced by some grant.

There is the excess cost reimbursement and Supt. Solan said the state looks at the average per pupil expenditure for the state, and multiplies it by 4.5 times.

Mr. Masciana explained that when the BOE reaches the \$70,000 threshold there is state reimbursement for money beyond the \$70,000. He cited an example of spending \$120,000, less the \$70,000, with reimbursement on a percentage. The state is continually changing the percentage, i.e. funding 38% of the excess cost.

Mr. Slocum commented on the town's substantial investment in special education, and this makes the school system attractive for people to move to the town.

This is a universal issue, and Supt. Solan said it is not unique to Cheshire, as all communities are facing these challenges. There will be another summit held to discuss and find some helpful spending.

BOE Summary Page – Mr. Masciana noted the BOE expenditure reduction of \$484,215 as requested by the Town Council. This has been enabled by reduced positions, 60% of expenditures frozen, and other things, with a tight two years of budget for the BOE.

In his introduction in the budget book, Mr. Milone did acknowledge the BOE net budget increase of 3.4%.

BOE member Ms. Fabiani said the budget is lots of money, was respectfully developed, there is no waste or excess to work with, and cutting expenses and retaining costs is ongoing. The BOE knows what the town is facing, does not want to add to the fiscal burden, and she is comfortable with the budget presented to the Council.

Ms. Hellreich expressed her agreement with Ms. Fabiani' statement, stating the BOE must be careful with the medical reserve fund, and does not want to take more out of the reserves. Any future reduction to this budget will affect students in the classrooms.

4. ADJOURNMENT

MOTION by Mr. Talbot; seconded by Ms. Nichols.

MOVED to adjourn the meeting at 9:00 p.m.

VOTE The motion passed unanimously by those present.

Attest:

Marilyn W. Milton, Clerk