

BUDGET NARRATIVE

Board of Education Adopted Budget 2017– 2018

(\$17,890,900 / +3.1%)

REGULAR INSTRUCTION: PROGRAMS 01-17

\$234,260

(+ \$7,837 / +3.5% increase)

Regular Instruction includes all the day-to-day educational materials that support classrooms and programs. These expenditures are primarily consumable teaching materials and supplies in the academic areas, from language arts to the arts, used directly for student learning.

Budgets are prepared at each school site to meet the prioritized needs of the classroom instruction for the coming year. They are zero-based, reflecting real anticipated costs, and therefore may vary considerably from grade-to-grade and year-to-year depending upon that school's program requirements. During the final review process with the Administrative Council, additional revisions are made based on a consideration of the district's K-12 priorities.

This proposed regular instruction budget, which is approximately 1.2% of the total budget, is aimed at improving and/or maintaining the existing core academic programs and enhancing the use of technology throughout the district.

This year there is a request for a digital art studio at the high school to enhance a growing art program at that level. Center School has requested an expansion to their summer reading program by adding writing and math sessions. Additional funds have been requested for the Legacy Program to provide teacher training. Thus, the year-to-year regular instruction budget increased by 3.5%.

SPECIAL EDUCATION: Programs 20-27, 91, 93

\$957,050

(+\$14,185 / 1.5% increase)

Special Education programs include the budgeted items that support students who qualify under the law to receive special education services. We are required by statute to provide services for every student who has been identified with special educational needs from their third birthday until they graduate from high school or, if they fail to graduate, until the end of the school year in which they reach the age of 21. Just as above, these items are the materials and supplies used to provide the daily components of the special education programs.

The largest drivers of the Special Education budget, however, address the needs of our outplaced students and the associated transportation costs. Special Education appropriations make up five percent (5%) of the annual Board of Education budget. Every year this is a difficult number to calculate because any change in the status of a single student could have an impact of more than six figures. It's important to know we budget based on our current students and the program currently known to meet their needs at the time of the budget.

This year there is a decrease in the cost of out of district tuition, but the amount in the Excess Cost Grant funded by the state is decreasing. Transportation costs for those students with out of district placements is increasing as a direct result of the reduction in the Excess Cost Grant

PUPIL SERVICES: PROGRAMS 31-42

\$333,941

(- \$30,283 / -8.3% decrease)

Pupil Services is comprised of those programs that supplement the teaching process for both regular education and special education students. New this year Pupil Services also includes Library/Media Services and Student Activity Support. There is an increase of ~\$18,000 for guidance curriculum improvements connected to unfunded state

mandates. Additionally, there are some decreases in Occupational/Physical Therapy requests, as well as a slight decrease in Career Education and Psychological Services.

The district is embracing a more aggressive approach to addressing students' needs *in-house*, including through the use of new technology and specialized applications in the hopes of reducing out-placed tuitions. The Director of Special Education makes every effort to meet the needs of Litchfield's students within the district's schools as opposed to very costly out-placements. The materials and supplies for these programs reflect this effort.

Learning Resources and Information Technology, also known as the Library Media Services, supplies a comprehensive curriculum aligned with national and state standards. Each Library Media Center provides materials and services to students, teachers, and staff that support classroom teaching and student learning in all of the content areas.

The Media Centers serve as extensions of the classroom, and they play an important role in supporting and integrating educational technology. Media specialists work with classroom and specials teachers in planning and integrating curriculum adhering to the Common Core State Standards (CCSS) and to Scientific Research Based Instruction (SRBI) initiatives.

The Student Activities program includes all the extracurricular activities. The grades 7 - 12 student activities program supports student athletics by providing game officials and timers per the CIAC's fee schedule, tournament entry fees, uniforms, student accident insurance, playing equipment (such as the new, tennis court windscreen), and awards. National Honor Society and other societies' inductions and award programs, as well as special assemblies and activities for all students, are supported with these funds.

In prior years there has been a Food Service subsidy included in program 42- Student Activities. New this year, the schools partnered with school districts nearby on a shared-service agreement. This has allowed all three districts to reduce their overall costs associated with the management fees typically associated with a food service management company (FSMC). Consequently we have removed the subsidy from the Student Activity program and moved it into its own program for closer monitoring evaluation. We are pleased to share that we have experienced positive financial results and are well on the way to meeting our goal of eliminating the food service management subsidy, increasing the quality and service of the program, and saving money through economies of scale that are typical within a shared-service agreement. The majority of decrease in Pupil Services is related to the change reporting the food service costs. This is now included in Program 80, under District Wide Services.

A major advantage of partnering with other local school districts for food services is that Litchfield Public Schools will be reaping the kinds of rewards highlighted in regionalization studies. We are very proud to present this partnership to the Board of Education and the Board of Finance as it highlights the efforts we are making to address the changing demographics in our area. The school administration team will continue to look for other areas conducive to shared service agreements which can decrease costs in our own and neighboring communities.

SALARIES/WAGES: PROGRAM 51

\$10,983,065

(+ \$459,191 / +4.4% increase)

As a service organization, the district's single greatest expense is personnel. Salaries, wages, and benefits comprise the largest budgetary line in the school budget, comprising of nearly 58% of the total proposed budget.

Educational success within a community hinges on the quality of its teaching and support staff. Effectively managing the balance between staffing levels and funding, and understanding the ultimate educational impact, is paramount to Litchfield's success. Thus, all staffing decisions are taken seriously. The district works hard to maintain full-time teaching and assistant positions, knowing that reductions resulting in half-time salaries will cause attrition among experienced staff. Part-time teaching positions are very difficult to fill and create a revolving door. Thus, school administrators spend many hours evaluating and adjusting staff to meet the needs of their students and their programs.

In addition, the school system is the largest employer in Litchfield; and, as such, it provides employment for many local residents both through direct payroll services and through related transportation and food service programs.

The proposed general fund budget includes 82.5 regular education classroom teachers, from language arts to elementary school Spanish, from middle school social studies to jazz band, from pre-kindergarten at Center School to AP Physics at the high school. It includes all the content areas (language arts, math, science, social studies, world language, etc.) and all the specials areas (art, music, technology educations, health, physical education, etc.).

The regular education program is supplemented by 12 certified special education teachers, including three pre-K teachers (by law we are required to provide a pre-school program to Litchfield's students aged 3 to 5 years who require special educational services). Last year, we increased the number of preschool students we serviced as well, by offering a program to non-special education community peers. This year we will expand again, hoping that eventually all Litchfield's preschoolers can begin their education at Center School.

In addition in the general fund, there are two (2) speech/language pathologists (articulation, language, and hearing impairment) and 19 special education and regular education instructional assistants. Homebound tutors are assigned on an as needed basis. All Special Education students are serviced by certified professionals based on their Planning & Placement Team (PPT) recommendations. Required annual reviews are conducted by PPT to assure that these plans are modified if necessary and remain appropriate for the students involved. Staffing then accommodates the hours and personnel designated by the PPTs.

We also have two (2) certified school psychologists, one (1) school social worker, five (5) certified guidance counselors, three (3) registered nurses, and one (1) guidance secretary. Services of the school psychologists and social workers are available to support students Pre K - 12. These services include evaluation, consultations with and about individual students, crisis intervention, and collaboration with community practitioners and outside agencies. Some evaluation services are additionally provided to students at the not-for-profit private schools in Litchfield, as required by State Statute.

The K - 6 developmental guidance program places importance on developing a positive self-image and appropriate interactions with other students, adults, and the community as a whole. The 7 - 12 guidance program additionally provides assistance with career exploration and post-secondary planning including, but not limited to, college placement.

In conjunction with providing daily first aid, registered nurses enhance the educational process for students by modifying or removing health-related barriers to learning. In accordance with state statutes, board policies, and administrative procedures, the school nurses also maintain data for required physicals and immunizations, conduct vision, hearing and posture screenings, and administer medication. They work collaboratively with the school staff, parents, and the student's physician to develop health care plans for medically fragile students. This is an area of increased necessity as more students with special needs are include in the regular education program.

There are three (3) certified School Library Media Specialists in the district, as well as one (1) instructional assistant at the high school who manages the library when the Library Media Specialist is teaching. A certified Library Media is assigned to each school and instructs students in both formal library skills and technology skills. They teach the science of identifying, analyzing, applying, and citing relevant, accurate information for classroom research and assignments. They also promote reading for pleasure and lifelong learning.

There is (1) Information Technology Assistant assigned to the elementary building to maximize the use of the computer labs, to assist students and staff, and to ensure that hardware and software are maintained and used efficiently and appropriately throughout the buildings. There is (1) Information Technology Assistant assigned to the Middle/High School to assist students with 600 school supported one-to-one devices. There is one (1) Power School Specialist district-wide who is responsible for the school information data systems, including Alert Solutions, report cards, attendance, and

other state required student and family information. There are three (3) Network Specialists supporting all computer hardware, software, phone systems, and network infrastructure system wide. Two of the three (3) Network Specialists also have responsibilities supporting Teacher and Staff needs at the Intermediate, Middle, and High School Buildings.

The School Administrators direct and manage the operations of the individual schools in accordance with system-wide policies and standards. They oversee curriculum and instruction, as well as all other academic and extracurricular programming and activities; they hire, assign, and evaluate staff members; they conduct meetings, set goals, analyze data; they maintain offices, communicate with stakeholders, and keep educational records. Staff assigned to this program include one (1) Superintendent of Schools, one (1) Administrative Assistant to the Superintendent, four (4) Principals, one (1) Dean of Students, and six and a half (6.5) school secretaries.

The Special Education Administration program provides support for the coordination of all PPT meetings and the implementation of all students' individual programs developed as a result of those meetings. The Director coordinates all services for eligible students whether in attendance in our schools or in alternative facilities. He or she communicates and implements all State and Federal regulations regarding Special Education, 504 accommodations, equal rights and opportunities, and civil rights. Staff assigned to this program includes one (1) Director of Special Services and one (1) Special Services Secretary.

The Fiscal Services Operations program provides the following services: development of annual budget; management of all accounting operations; preparation, analysis and reporting on the conditions of funds through financial statements and state reports; works with independent audit firm; management and budget activities for the Health Insurance Fund; management of employee benefits; purchasing, authorization and payment of invoices; payroll preparation and processing; employee attendance; supports and oversees the transportation function and supports the operation of the school plant. The Fiscal Services program also supports and manages financial accounting software and duplication services. Staff assigned to this program include one (1) Director of Business Operations and two and a half (2.5) Payroll/Accounting/Clerical Assistants.

BENEFITS: PROGRAM 61

\$3,035,295

(+ \$229,292 / +8.2% increase)

While salaries are the primary budget driver, employee benefits are another significant area of expense. It includes budgeting for mandated benefits (worker's compensation, unemployment compensation, social security, and Medicare); retirement benefits (i.e. the town pension for qualified personnel and past early retirement incentives for certified personnel); medical benefits (health, dental, life, and disability insurance); other negotiated benefits, and the administrative costs associated with the management of our Section 125 Benefit program.

The Board of Education participates in a self-insurance program. Thus, health and medical costs are directly related to the number of claims made. While guidance was given that the run rate could increase as much as 20 - 22% from the health care provider alternative guidance was given that the rates would increase between 10-12%, the proposed budget uses the prior three-month run rate and forecasts expenses out for the following year, we are currently estimating next year's rate at 15%. The estimated rate change equals approximately two-thirds (2/3) of the overall change in Employee Benefits. Also included in the health insurance cost is an actuarial calculation related to other post-employment benefits (OPEB). OPEB is simply the recommended amount that should be set aside to fund future post-employment benefits in today's dollars. An allocation of \$55,106 is budgeted in the Health Insurance account for post-retirement benefits.

Factoring in changes in health insurance, early retirement, OPEB, and pension costs, the net impact of wages and benefits is proposed at an 8.2% increase. Together, the salaries/wages account (57.5%) and the employee benefits account (16 %) make up **73.5%** of this year's budget.

DISTRICT WIDE SERVICES: PROGRAMS 71-78**\$326,199****(+ \$28,645/ +9.6 % increase)**

These programs provide leadership, direction, development, training, and support in planning, coordinating, and evaluating the accomplishments and needs of the Litchfield Public Schools. The Board of Education's role is that of establishing and administering policy and developing a budget for the operation of the school system. Included in these activities are negotiations, legal and auditing services, staff professional development, and staff and community relations. This program includes funds for all postage and advertising (personnel, bids, legal) for the entire system. It also includes the Board's membership in its professional organization, the Connecticut Association of School Boards (CABE).

A Staff Development program supports the evaluation and maintenance of the curriculum, delivery of instruction and assessment, and provides professional development to faculty members to keep the philosophies and practices of the system in line with current research. An increased cost in legal services related to disputes with the Town as well as the prorated share of the annual audit.

This year there is \$17,380 designated for continued professional development provided by a staff developer from *Columbia Teachers College* at both Center School and the Intermediate School.

This budget category is also used to purchase those supplies and expenses which are not associated with a particular school or program. Included in this category are paper, stationary, forms, printing, the Emergency Operations flip charts, notebooks, handbooks, etc. In addition, it includes the copiers housed in the teachers' rooms and offices which are used on a daily basis.

Additionally, this budget category now includes Food Services which was previously budgeted under Pupil Services which is responsible for **57% (\$16,000)** of the District Wide Services increase year-over-year. The remaining increase can attributed to the increase in legal expenses.

OPERATION OF PLANT: PROGRAMS 82-85**\$645,407****(+ \$70,291 / +12.2% increase)**

The Plant Operations accounts keep the physical plant open, comfortable, and safe for use. The utilities are a significant driver in this category, and a dedicated effort continues to reduce energy consumption and costs. The schools actively participate in a Green Energy Committee created by the Town of Litchfield to study the facilities and reduce energy consumption over time. During the past year, this committee engaged in a detailed energy audit, found the Intermediate School to be the least energy efficient of our facilities, and recommended a proposed plan of action. In addition, the committee is actively seeing energy grants that offset upgrades to the lighting systems. Typically these projects have a zero impact over the first few years with long-term savings down the line.

In addition, the faculty and staff have worked to reduce electricity use in their classrooms and the common areas. The district achieved a competitive electricity generation rate and retro-fitted several high-usage areas in the schools. Complementing those efforts, the district continues to re-invest in cost-neutral energy solutions further solidifying our conservative budget figures.

Finally, the fuel oil consortium established by the Litchfield Public Schools to include Regional School District No. 6, the Connecticut Junior Republic, and Oliver Wolcott Library has locked-in next year's fuel cost at \$1.90 per gallon. This is an increase of 18% from the prior year's adopted operating budget.

In summary, because of the increase in oil prices, and the removal of building furniture and the cost of the auditorium microphone system from the Town's Capital Budget, we are proposing a 12.2% increase in the costs associated with plant operations.

TECHNOLOGY: PROGRAMS 44 & 86**\$336,004****(-\$153,515 / -31.4% Decrease)**

Over the past few years, technology has played a larger and larger role in Litchfield's education. Classroom have embraced technology such as one-to-one devices, *Google Classroom*, and *SmartBoards*. Network infrastructure including email, websites, school information systems, communication, and documentation continues to evolve. The Litchfield School system currently has ~ 1,100 devices and 30 software applications. The Board of Education has embraced a one-to-one device program for all the students in the middle and high schools. Increasingly, user devices and applications are becoming more important at the lower grade levels as well as in meeting our special education students' unique needs.

Integrating technology into education and funding the rapid transition poses challenges as well. The number of devices the Tech Department supports and the complexity of hardware and software integration has been increasing. Another challenge our district faces is the relatively short lifespan of student devices, anywhere from 4 - 6 years depending upon the device and its use (for example, word processing results in little wear-and-tear; art and music programs demand a great deal more from the device).

As the schools continue to expand both technology-based instruction and the number of devices, the costs of maintaining those programs and devices obligates us into the future. For the 2017-2018 budget, the principals requested an additional 66 devices, primarily Chromebooks at the Center and Intermediate Schools. The District is proposing to also replacing 117 teacher devices that are past the useful life expectancy and 44 student Chromebook. While the requests for additional devices are valid and warranted we are striving to adhere to the five (5) year capital improvement plan. Each year we take particular care to review and update our plan. This created a competitive push-and-pull for our limited budget support.

The IT Department and Business Office have put together a 5-year budget projection that maintains the existing technology infrastructure. Like any long-term capital plan, planned technology funding that is put-off simply pushes that expense into future years and compounds the impact of those replacement costs over time. All technology requests now flow through the IT department with a focus on long-term standardization. This provides a more holistic view of the districts needs and expenses and implements the multi-year plan, which is included in the proposed budget book detail by program.

Forward-looking planning indicates that the Board of Education should allocate approximately of \$100,000 for software and \$250,000 for hardware annually for the next five years. This will help mitigate significant future spikes in funding requests and to keep current with the useful life of the existing technology. This funding will maintain the existing hardware and software infrastructure that was approved in prior years. Failure to do so would simply increase future budgets at the risk of impacting the current level of service, infrastructure, and programming.

TRANSPORTATION: PROGRAMS 92, 94, 96**\$944,178****(- \$9126 / -1.0% decrease)**

Pupil Transportation services includes conveying students to and from school as provided by State and Federal law. This includes trips between home and school and for away athletic competitions. We presently have eleven (11) regular buses, one (1) Oliver Wolcott bus, and one (1) Special Education/Pre-Kindergarten bus. We also operate one (1) van route with our own driver to accommodate the most costly livery routes. All-Star Transportation provides maintenance for all district-owned vehicles. Through contract negotiations and outsourcing we were able to eliminate two in-house routes and consolidate them down to one, reducing the overall cost of transportation 1%. We will continue to look for efficiencies in transportation services each and every year.

Thirty-one Litchfield students attend Oliver Wolcott Technical School. Litchfield does not pay tuition for these students, however we do fund their daily transportation, which is included in this category.

Included in these accounts are the costs of crossing guards, a staff driver for special routes and wheelchairs, or other contracted transportation on an 'as needed' basis. In addition, costs related to the transportation of Litchfield Montessori School students residing in Litchfield (CGS Sec. 10-281) are included.

We are members of the EdAdvance adult education consortium, which provides mandated courses in citizenship, English for those with limited proficiency, and those courses leading to a graduate equivalency diploma (GED). This program is partially funded by a state grant, and we are required to fund the balance out of our appropriated budget.

OUTSIDE TUITION: PROGRAMS 95, 97, 98 **\$95,500** **(- \$65,618/ -40.7% decrease)**

In program 95, 1 student (a reduction of 1 student) is budgeted to attend a magnet school, which is a state-mandated opportunity for students residing in the Litchfield community. In Program 97, 12 students (a reduction of 9 students) have been budgeted to attend Wamogo Vo-Ag Program at a cost of \$6,875 per student or a total program cost of \$82,500, based on our current year actuals. We are attributing this substantial decline in part to the redesign of a Middle School program two years ago. In Program 98, we contract adult education services through EdAdvance, our regional partner. A partial state grant offsets some of the funding for that program.

We have no control over the tuition increases inherent in these offerings. However, large program changes, such as the redesign of the Middle School, and smaller changes, such as the opportunity to shadow high school students, are aimed at keeping our 8th graders home in Litchfield.

CUSTODIAL SERVICES: PROGRAM 81 **\$1,100,000** **(Transfer from the Town of Litchfield)**

In 2012, the district turned over the custodial maintenance of the buildings, grounds, playing fields, and equipment in Programs 81 & 82, and the Refuse Disposal, a portion of Program 84, to the Town of Litchfield in conjunction with a decrease in the Board of Education appropriation.

In the years following the MOU, there has been concern that some projects which the Board of Education and the school administration have prioritized have been delayed due to the budgetary limitations of the Town. In November of 2016 the Board of Education, after unsuccessfully attempting to renegotiate and add clarity to the existing MOU, terminated the agreement. The BOE gave the required (180) day notice to the Town of Litchfield on November 7th, 2016. Custodial Services and funding are slated to return to the control of the BOE on May 7th, 2017. While the administration is confident and optimistic for a smooth transition of personnel, equipment, and funding we are also prepared to move forward through legal means if contested.

The custodial services were budgeted in line with previously approved Town appropriations. This is similar to funding levels as seen in 2012. We are anticipating an increased level of service at a similar cost after the transfer. This budgetary transfer will have no impact to the Taxpayers of Litchfield because it is simply moving funds from one Town budget to another. The Town's custodial services budget should decrease by the same amount as the BOE's budget increases.