Call to Order / Pledge of Allegiance

Charlotte Madar, Chairman of Board of Apportionment and Taxation, called the Budget Hearing meeting to order at approximately 6:00 p.m. All those present recited the Pledge of Allegiance.

Roll Call

Board of Apportionment and Taxation

Charlotte Madar, Chairman- Present
Joe Palmucci, Vice Chairman- Present
John Belden- Present
Joe Knapik- Present
John Zikaras- Present

Board of Aldermen

John Anglace, President- Present
John Papa, Vice President- Present
Jack Finn- Present
Stan Kudej- Present
Lynne Farrell- Present
Eric McPherson – Present
Noreen McGorty- Present
Anthony Simonetti- Present

4100 Board of Education

Department Requested $72,050,033; Mayor recommends $69,345,000

Superintendent Freeman Burr, Finance Director, Dominic Barone and Chairman of the Board of Education, Mark Holden represented the budget for the Shelton Board of Education.
Chairman, Mark Holden, presented an opening statement in regards to the 2015-2015 Board of Education budget:

Mark Holden stated that he wanted to thank the present boards and the Mayor for working with the Board of Education to allow full day kindergarten to happen this year. The program is vibrant and the kids are enjoying themselves, becoming better prepared for the future. When I read to kindergarteners a few weeks ago at Sunnyside School as part of the Read Across the Valley program, I was impressed to see that they were much more alert, engaged and eager to participate when I asked questions about the books that I was reading. This was a smart investment in our future. We will be inviting you to visit the full day kindergarten classrooms in the near future, so you can see how well the program is working. We also would like to thank you for working with us to eliminate Pay to Participate; that was a success too and participation did increase this year.

Education is the largest portion of the City budget, but it is also the most labor intense service that we provide to our residents. For about 9 months of the year, about 12% of the people who live in Shelton are spending around 30 hours per week in our classrooms, where they are educated by people with advanced degrees that are putting as much effort into teaching on a daily basis as I did to prepare to speak with you tonight. In round numbers, it costs about $2.50 for each hour a student who is in school, less when you consider sports and extracurricular activities. In Shelton, we are fortunate to have great teachers and administrators. The most recent rankings of districts based on student performance put us in the top 37% in the state. The culture in Shelton demands value for the hard earned tax dollars, and your Board of Education understands this. While Fairfield County is the most expensive in the state, the latest available statewide figures show 90% of school districts spend more than we do, per pupil basis. I think the fact that we are outperforming most districts while our spending is in the bottom 10% is impressive, and proved positive that we are delivering value for taxpayer dollars.

We included some modest requests for program enhancements this year. NEASC, the accrediting agency, wants another media specialist to help out in our High School library; one just is not enough for 1,500 students. We believe adding math tutors is a very cost effective way to improve our student math skills. Most of the money for that will be funded through grants. The new state-mandated teacher evaluation program requires more administrative help in schools. The new teacher evaluation program is cumbersome, and inefficient use of administrator time but is not optional. If we do not file state mandates, the state could decide to take away our share of the educational cost-sharing grant. That is 4% of the revenue on the income side of the City budget.

We are looking to improve our district’s special education programs so we can
keep more students in-district, where we have better control of costs. It is good for the students, and good for the taxpayers. We have done the best we can to develop a budget request, designed to meet the most critical needs while keeping costs as low as possible. We understand controlling costs is important in Shelton. The Mayor’s budget proposal is not enough for us to maintain for what we are currently doing; it is not even as much as he claimed. Last year as part of the deal for full day kindergarten, the City took line items for textbooks, equipment and auto gas propane in excess of what we have budgeted for on their side. These item have freed up a little over $791,000 in our budget. Thankfully, propane costs came down this year so the actual expense to the City was less but it is still going to be around $650,000 total. As it stands, those expenses for next year are back on our side, so less than $1,000,000 of the $1,500,000 that the Mayor increased our budget by is actually new money, and is available to cover increased costs for labor, benefits, transportation, special education and new mandates.

We will work with you as much as we can, but the facts are ugly: 80% of our budget is in salaries. We have been looking for, and finding ways to reduce costs every year for decades. If we had not, we would never be able to deliver the quality of education that we provide with the funds that we had to work with. The gap that we are looking at to be able to continue to what we have been doing this year is larger than the funding we needed to cover the cost of full day kindergarten and the elimination of Pay to Participate. The Board will not decide what cuts to make until we know what our actual allocation will be but from a board perspective, if we are looking at layoffs we need to consider things like reducing extracurricular activities, sports or bringing back Pay to Participate. These are things that help more of our students to become better rounded when they are applying for college. If our entire budget request was funded, we would probably still be somewhere around the bottom 10%-12% in the state, on per pupil spending because every district in the state is facing the same increased costs that we are.

Superintendent Freeman Burr commenced the 2015-16 budget presentation, along with Board of Education Finance Director, Dominic Barone:

Freeman Burr mentioned that the Board of Education has five goals for this meeting. We are going to show you the full $4,200,000 request, even though we understand that it is onerous. We are also going to demonstrate to you that despite a belief in the reduction of enrollment does not equal a reduction in force, nor a reduction in cost. Even though enrollment in general education is going down, special education enrollment is going up. Magnet school students are increasing; we pay for kids who leave our district to go to magnet schools hundreds of thousands of dollars. We are going to show you why we think we need to secure funds to support special education and support service personnel.
for identified students. We are going to demonstrate our Shelton Public School’s academic achievement, and then we are clearly going to show you the $1.753 million dollar gap between the Board of Education rollover cost and the Mayor’s recommended budget.

Last year we adopted a budget of $67,845,000; that was the budget that the Board of Aldermen voted on. Two weeks later in a meeting with President Anglace, Mayor Lauretti and Alderman John Papa, we made a deal to turn over $500,000 of board line items that included textbooks, equipment and replacement equipment. It also included propane costs in excess of $225,000; last year propane did cost us about $500,000. As Mark had mentioned, propane costs have dropped significantly and the City is not going to bear to full weight of the $500,000 cost of propane. At the time that the deal was made, that was what was on the table. We saw our budget last year between what was voted on and the deal made with the City fathers to be $68,636,318. Based on my discussion with Mayor Lauretti in person two weeks ago, this money is not being accepted; it is being put back on the board’s side. So that is roughly $800,000, so if you take the Mayor’s recommended of $1.5 million and subtract $800,000, the actual new money that we will receive is $700,000. Salaries alone are at approximately $1.5 million, benefits are $400,000 and that $400,000 is a risk. We have lowered the increase to benefits to 3%. The insurance agency that works for the City of Shelton, as well as the Board of Education, recommended a 10% increase even though we are self-insured. It is because we are self-insured, we bear all of the risk of the self-insurance so if claims exceed allocation it has to be made up within the budget. Right now the Board of Education has a $211,000 reserve, which we have had for three years. If we were to run in excess of our $9 million of our benefit expenses this year, we would only have a $200,000 window. Even if you look at the $400,000, you consider the $200,000 that is in reserve, that is a $600,000 rainy day fund for any costs that may exceed $9 million.

Transportation is up; not so much regular transportation. Our regular contract is up by $70,000, but we have $75,000 in other costs. Special education is up ($306,557), transportation is up ($145,594), buildings and equipment is up ($229,149), instructional materials/software line item is up ($125,000). We do have savings with heat & utilities at about $75,000; we do have equipment savings to the deal we were able to make out with Mayor Lauretti and Aldermen Papa and Anglace last year, and we do not expect to spend around $185,000 on equipment. If you add all of that up, it comes to $2,462,115 as a rollover. What is rollover? These are just the services that we have this year, so without any new programs for us to run exactly the way we did this year, we need the $791,000 that the City took last year plus the $2,462,115. That is without our program recommended improvements, so the total budget request on the board’s side is a little under 5% and that is a little over $72 million.
Program Improvements

Freeman Burr said that the big-ticket item is developing new special education programming; that comes with a price tag of $425,000. To me, that is the same type of investment as full day kindergarten. You invest in developing programs to service special education students so we do not have to spend the money to send them out of district. The other big-ticket items are an additional teacher for kindergarten, two math teachers at Elizabeth Shelton School at the cost of about $146,000. Mark mentioned the library, media and guidance. We have been well aware that guidance has not been popular over on this end. It does not diminish us from putting this request in because more and more of our kids are coming into our schools with more and more issues. While that is unfortunate, it is the reality of our K-4 schools at this time. We also need additional tech support: a full time tech specialist because as we increase in technology, you need to have people that can go in and service the technology and that is why they are there. The total of those are roughly $950,000. Without the special education that is a little over $500,000 on the regular education side. That includes the teacher that I have mentioned, math tutors, library/media, guidance, teaching interns, technology specialist and a data manager.

On the special education side, this is what the new programming proposal is: two full time special education teachers at Sunnyside and Perry Hill School, an additional full time school psychologist to service the number of special education students we have, additional speech and language pathologists that would be split between Shelton High School and Pre-kindergarten. We are mandated to offer pre-kindergarten for all students identified as special education; that includes three and four year olds and that includes whatever services their IEP requires of them, that is the law. The total of the special education costs are $382,000. Additionally, we tried to take some cost savings in special education. We are reducing three full time tutors to trade off with another special education teacher at Elizabeth Shelton. We are also getting rid of our drug and alcohol contract, and adding in a half time school social worker. The net of those costs are additionally $43,000. If you add that total with the previous page $382,000 that comes to the $425,000 special education request. While there is no guarantee, we believe over the next three years it will create a reduction of $247,000 of special education programming expenses because of programs that we would build inside.

Additionally, we received a request from our elementary schools, for four Assistant Principals. Four Assistant Principals with benefits cost $600,000. We instead, have recommended Teacher Leader(s) at Perry Hill School, Administrative Intern(s) (K-4/K-5) and CES/CAS- Administrative Support Pool (2) with an estimated cost of $60,000. Instead of requesting $600,000 in Assistant Principal and administrative costs we are reducing that figure by $540,000. That
includes teacher leaders at a stipend position, and also per diem support. It would basically mean we could hire people that are retired but are familiar with the new evaluation instrument, and could reduce our span of control from approximately 1 to 16, per administrator. That includes Central Office administrators that are doing evaluations to closer to 1-12. We believe that $60,000 is well worth, and 10% of the cost of Assistant Principals.

Enrollment Projection 2015-16

Here is a list of our schools noted if there was an increase or decrease. The abbreviation “NC” means no change. When we get 15 or more students, we can reduce but we need to also add. Even though we would be down by 60 students, we would only be able to reduce 2 full time teacher equivalents.

Booth Hill School-decrease of 11 students, with no change in staffing.

Elizabeth Shelton School-decrease of 16 students, with a decrease of one staff member.

Long Hill School- increase of 9 students, with no change in staffing.

Mohegan School- decrease of 4 students, with no change in staffing.

Sunnyside School- decrease of 15 students, with a decrease of one staff member.

Perry Hill School- decrease of 40 students, with a decrease of two staff members.

Shelton Intermediate School- decrease of 23 students, with no change to staffing.

Shelton High School- increase of 40 students, with an increase of 2 staff members.

The next page of the presentation demonstrates the numbers of special education for the last four years, and the increase in special education personnel to service those increases. We always use October 1st data because that is what the state files on; that is when the City receives its ECS funding.

On October 1, 2011, our special education population was at 10.9%. One year later, we had 606 special education students, which is an increase of 35 students. That year we had to add two special education teachers to service those kids. October 1, 2013, our numbers went up by 45 special education
students. Again, that required us to increase our special education teachers by 2. This year, the numbers went up to 15 students, so we had to add another special education teacher this year. Next year, we are projecting from anywhere between 15 to 32 special education students. This means we would add 1 to 2 special education teachers. If we remain at zero, which I do not think will be the case we would not need to hire any additional full time special education teachers. Our problem is that our numbers do not reflect that pattern.

Also, we currently have 171 students attending magnet schools. All but 43 of those kids attend half-day programs. Half-day programs are Education Center for the Arts in Hamden, Aquaculture in Bridgeport, Regional Center for Performing Arts, etc. Our students who attend those programs right now number at around 130 that attend those part time programs. We pay out of the budget; Shelton taxpayers pay by law, $150,000 for those students to attend part time programs. We are also mandated to send students to magnet schools if they are accepted. Currently we have 14 students at the 6 to 6 program in Bridgeport, and we have 30 kids who are attending the Trumbull Agro Science Program. For those students we pay $292,000, so even though we have 100+ kids attending our school part time and another 43 students attending other schools full time, out of our budget comes $444,036 to pay for those students to attend those schools and the state subsidizes the rest for the magnets but we pay out of our budget.

Special Education Support Services

As of July 1, 2014 until we opened school this year, 23 new students were enrolled in special education in Shelton. We now have to educate special education students until the age of 21; at age 21 they age out. We did not predict that these 23 new students would be moving in. If we take our age out, we are still in double digits. Seven of those students were in out of district placements. When a family moves in to a new community, they are already placed out of district and that new school district must pick up that responsibility. That responsibility this year cost us $350,000 that was not in our budget request last year. We have to find that money in our budget, and that is the way that special education works. One year ago, certain members of this committee said before you ask for full day kindergarten go get your special education house in order. There is no thing as getting your special education house in order. If you can predict that we are going to get 23 people in town move in that will require special education services, then you are a far better person than I am. The only thing we can ask our realtors to check to see if the families that are moving in, have kids with special needs and suggest that they find someplace else to move in, which would obviously be discriminatory and open us up for other issues. We only had to provide transportation to one of those seven kids, otherwise transportation costs can be anywhere from $30,000 to $80,000 per student. We
only had to pay for one student so the cost of transportation was negligible, but
the cost to educate those new students was not.

I think this talks about maintaining our special education costs since I have been
here, and that is the reorganization. In 2008-09, we are at about $3.2 million,
and over the last five years at $3.7 million (2009-10), $3.6 million (2010-11),
$3.7 million (2011-12), $3.6 million (2012-13) and $3.6 million (2013-14). I
would ask anyone of you to check with other school districts in the surrounding
towns to see if anyone else has been able to do that. That has also been with
our efforts to create new programming within the district, through our Special
Education Department to help keep kids in service. If $3.6 million is our baseline
this year, we already know the number of kids that we have received that were
out of district we are going to be at a minimum of $4 million next year. We can
have kids moving into district between now and June, who do require out of
district placement. While we will not pick up the full cost, we will pick up the
pro-rated cost for those students. The cost only gets prorated if the child comes
into district after the first day of school.

Dominic Barone mentioned there can be another student in town that we might
not find out from another month or two, based on how it happens. That is why
this is so hard to predict.

Freeman Burr added that special education costs are volatile; we have expressed
that to the Board of A & T and to the Board of Aldermen in the past. However, I
believe we are at the tipping point this year. The cuts that we will make will
affect all of our regular education students. That will be class sizes, as well as
students tutoring in regular education. We will not be able to say no to any of
the special education costs. Two special education teachers will be hired if our
numbers increase from 15 to 30 special education students next year. I don’t
have confidence that we are going to need two teachers, but I do not have
confidence that we are going to remain at flat number and not need any new
special education teachers, based on the trend.

Shelton Public School Student Achievement Date 2013-14

Our student achievement data includes SAT scores, which across the board are
over 500 on average this year. We also have one of the highest percentages of
students taking the SATs, so Shelton High School is working hard to close the
gap. This is data that is from 2013 because the state is now administering a
new assessment that will determine the accountability ratings for all of our
schools. As you know, we had major problems at Sunnyside School a few years
ago which forced us to make a change in leadership. Based on the district wide
data, Sunnyside School is on the up swing and I expect that to continue as the
assessments are taken. Oxford has four schools; I want everyone to see that a
score of a 90 is a benchmark for excelling. I do want people to see that our Intermediate School is at the score of 89.1, Perry Hill scored 88; Mohegan School scored 89.0 and Elizabeth Shelton with the highest special education population and in the district is 87.9. While we do have some schools that are progressing, we have schools that are performing at the near excelling level and that is something that we should be extremely pleased and proud of. The Stratford district does not have any excelling schools according to the data; they are mostly transitioning and one school under review. The Trumbull district has some excelling schools but not that far ahead of us though when you look point by point. Milford has one progressing school, and the rest are in a transition level.

Affordability of SBOE Request

Dominic Barone said I went to take an analysis on the historical budget, since 2005-06. The Shelton Board of Education budget has not kept pace with our neighbors, and has not kept pace with other Connecticut Board of Eds and has not even kept pace with City government. If you take a look at our budget increases versus the City, the City’s budget has increased about $14.8 million since 2006, or 40.67%. The BOE budget has only increased about $13.6 million, or 24%. We are obviously the largest department and requests are going to be bigger because we are very labor intensive, but if you look at how our budget has increased it really is not keeping pace.

The next portion shows our competing towns, and we laid out the different towns, their BOE budget, Town/City budget and the percentage. Shelton’s budget is 57.16% of the entire budget. Every other town that we looked at is a little bit, or a lot higher from 58.2% to 64.8%. The last piece of information is a rating, which is a student achievement rating based on the state.

The next one is displaying it by per pupil cost. Shelton’s per pupil cost is $12,940. The ability column is the wealth rating based on our grand list, with the lower number indicating the wealthier number. The rank column is our spending versus other BOE in the competing towns. Our ability to pay is 57, yet we are 156 out of the other 169 communities in Connecticut. The disparity column is the difference between our ability and our ranking. The average of our peer group is $14,254 per student. We spend $12,940 per student, and this is the latest data from the state in the 13/14 fiscal year. The discrepancy is about $1,314 per student, or $6.47 million (multiplied by 4,925 students). To fully fund our request, it is $3.03 per day, per student. To fully fund our rollover, it comes out to $1.97 per day, per student.

This slide shows increases in our requests since 2009-10. We have probably requested around $14 million, and have received around $4 million. In 2010-11,
we have received a .15% increase, .95% increase in 2011-12, .06% increase in 2012-13, 2013-14 we received a 2.92% increase, and in 2014-15 we received a 3.42% increase. In the meantime the fund balances increased around $9.2 million over the same timeframe.

The education cost sharing is grant money that the state gives us. The percentage of the increase in 2009-10, 2010-11 and in 2011-12 was flat. In 2012-13, the education cost sharing grant increased to 3.4%, an increase in 2013-14 to 2.5% and another increase of 2.8% for 2014-15. The grant money coming in for education that is going to the City is increasing. In most years it is starting to outpace some of our increases to the budget.

BOE Cost Saving Initiatives

Dominic Barone said we are trying to keep costs under control is; it is quite a challenge but we have some of these things that we have worked on. My predecessor wanted to go out to bid for the insurance broker; I believe that was done with the City so we use the same broker. Some of the other things that we wanted to do was the solar/photovoltaic; that did not work for whatever reason. We did implement a high deductible health plan to help keep that plan cost in line. It is a consumer-driven plan, and it allows the consumers to think about how they will be spending those insurance dollars and it helps to keep those dollars in line. We brought payroll in house; we used to pay ADP $60,000-$70,000 per year so we brought payroll in house and we did not add any FTE’s for that.

The employee insurance contributions; all of our employees contribute to the health insurance and the percentage has gone up. Some of the employees are contributing as much as 18% to 19% towards the deductible. There was a mitigation that we did several years ago when the Board of Education employees worked 1.5 days without pay to help ease the budget. For the electrical rates, we locked those rates in try to keep that budget level. We are also working with Solar City to reduce electrical costs for four of the elementary schools so we hope to have that in place; hopefully for next year. That is going to provide $40,000 a year for savings for four of the elementary schools.

Freeman Burr added we have to do roofs that are either new or replaced, so Elizabeth Shelton, Long Hill and Perry Hill School all have roofs that are under 10 years of age and under guarantee and warranty. Solar City would be doing the installation; they are responsible for any liability, etc. The roof at Sunnyside School should be completed by this summer, and by next fall Solar City will begin to install the solar panels on the roof for that.

Dominic Barone said something that we are looking to do in the future is
implement employee wellness; to reward the employees from living healthier, which would benefit our insurance costs because that is a big chunk of our budget. Some of the other things are the benefit dependent audit to make sure we are insuring the appropriate individuals. Another item would be an actuarial review of insurance cost and energy performance contract. That is where there are companies that will come in to design a plan to upgrade items within the buildings to save on energy, paid for through the energy savings that you achieve. We would also like to do a bus ridership survey to make sure we have efficiency on the school buses. Last item would be administrative support. We talked instead of hiring 4 assistant principals, we are looking to bring in part time, per diem support to help address some of the administrative needs that we have. That item is proposed in the current budget improvements.

Alderman Papa asked would you get that from the current employees that you have?

Freeman Burr replied the curriculum leaders are staff members, so essentially we are able to put a teaching intern with an administrative intern and that would free up someone for 40 days. The other ones are retired, certified administrators that on a per diem basis can come in and assist principals.

Alderman Finn asked about the request of $600,000?

Freeman Burr replied yes that is correct, the request was for $600,000 but we are recommending the options under 1, 2 and 3, which would come to a total of $60,000. We believe that lessens the request that would have been made by $540,000. Even though there is $1 million in program improvements, I will tell you that the board paired that down. You have $540,000 in administrator costs that were not shown, and there was another $500,000 that was not shown in other requests that were not shown from the other schools.

SBOE Recommended Budget

Freeman Burr mentioned the last part that I would like to discuss is the SBOE budget request of $72,050,033. The City recommendation at this time is $69,345,000, which leaves a current gap of $2,705,033. We determined that gap by adding the responsibilities that the City took last year when we made the deal for full day kindergarten, the elimination for pay to participate and for the City to take excess propane above $225,000. Our rollover costs is around $2.4 million, improvements are around $950,000, and currently we have a recommendation of about $1.5 million. I understand that the request is onerous, and even if the Boards of A&T and Aldermen did not want our improvements request, we still have a gap of $1.75 million. That gap will not be made up on the 20% of our budget that does not include salary or benefits. There is now a
$1.7 million savings in transportation, benefits etc. The increase for benefits is $400,000, which I consider a risk with only another $200,000 in reserve to back that up. Realistically, if we were at a number of $1.5 million and the $791,000 is added in there because that has come back on our side. At this point there is no agreement with the City for the City to take anything. I can make a suggestion of what they might want to take, but there is nothing on the table. At $1.75 million, 80% of that would have to be made up in salary and in benefits. That is the only way to close the gap. Eighty percent of salary and benefits, and other cost saving measures the Board of Ed may recommend are going to put a heavy impact on the district. We are at a tipping point in special education and regular education. The other thing that the tipping point does is it will put parents of regular education students and parents of special education students against each other. If we are not funded for the rollover costs, we still have to provide for the special education students even if we do not put the new programs in Elizabeth Shelton or anywhere else.

Alderman Papa asked is much of the rollover cost from special education?

Freeman Burr replied it only includes what we anticipate in the increase. It does not include the recommended programs that we think would save money in the long run.

Alderman Finn said the mentioned the current gap was $2.7 million, and without the improvements is $1.7 million. The Mayor presented an unbalanced budget to us; we have to make up $105,000. He made changes to the budget the first night when we were $105,000 in the hole on the budget. The Fire Department needs $33,000 just for them to meet their pension requirements, as well as other departments that need additional monies. Are you indicating that the Board of Education would be acceptable to them without improvements as $1.7 million?

Freeman Burr replied in order to maintain the service that we have now, that is what we would need.

Dominic Barone added that we would need the $1.7 million plus what the Mayor has already offered.

Freeman Burr indicated that he would like to close out the presentation, however there are three additional pages outside of the budget that we would like to be considered, such as the furniture fixtures and equipment. Money that was unfortunately, never spent at Perry Hill School and we are still trying to get furniture in there. We also have limited furniture fixtures and equipment that was put into Shelton High School in order to make up that gap. We also have an opportunity for a technology grant that we have applied for. We have not received word that it is going to be funded, but we do have a page where we
would like the Aldermen to consider bonding for furniture, fixtures, equipment and technology. In which, we believe we would deliver $170,000 subsidy back from the state; that is outside the budget so we can discuss this at a later time. I thank you for giving us this time to present our Board of Education budget.

Charlotte Madar asked, back in 2005 you had 5,777 and now there are 4,925 students, which is almost 900 students less. Has the number of teachers been decreased at all? The budget has gone up $1-$2 million every year.

Freeman Burr replied I was not around then. I can only speak of going back to 2008-09. After the year of laying off 100 staff members, which was 60 regular education teachers and not counting retirements. We are not back at that level.

Charlotte Madar added that you have 25-30 students per class; that is around 35 classes and 900 students not traveling on buses.

Mark Holden said the problem that we run into is if the students are spread throughout the school district if there is one less student in a class, then you cannot get rid of the teacher. The savings would come in if you had enough kids to fill a classroom in one school, in one grade. That is when you can reduce the number of teachers. It has averaged less than one kid per class, per year so that is why there has not been a significant drop off in the number of teachers. From the drop off in teachers from Freeman’s first year, I think we are still down around 25 less teachers.

Freeman Burr added that contract costs also do go up.

Charlotte Madar said it jumped from $55 million-

Freeman Burr mentioned that was going back from 2005, so that was 11 years. 900 divided by 11 years is going to be 90 students district wide on average, per year.

Charlotte Madar said right at this point you have 900 less students, and the budget back then was $55 million. Now you are requesting $72 million.

Freeman Burr said this year we are down 40, and next year my projections have us down 60. So that is 100 over two years, and I showed on that slide how the math works. So unless you are talking about 15 or more students in a particular school we are probably not reducing a teacher. While we can reduce teachers on the regular education side, we still have to increase in order to give special education services so it is a wash.

Charlotte Madar asked were any investigations done for these special education
students to have the insurance companies to foot some of their special needs because it is getting to a point where it is a burden on the taxpayers.

Freeman Burr replied these are unfunded mandates from the federal government, and unfunded mandates from the State of Connecticut. The IDEA grant, which is a subsidy that used to be fully funded at 100%. That subsidy goes to the City, and we are able to get certain eligible costs in there to help offset out of district placements but that grant has been capped at 79%. Starting four years ago, the State of Connecticut reduced that subsidy by 21%. I also believe it reduced the special education transportation subsidy, so there is no transportation subsidy. These are decisions that are made at the state. We can say no to anything the state wants on special education, but what the state will do is instead of the City getting $5.3 million in their ECS grant, the state will remove money from the grant.

John Belden asked if the BOE was anticipating any retirements this year? I believe there were five that were on the books?

Freeman Burr replied that we pretty much exhausted retirements. We were hoping to get ten retirements this year. Our HR director met with the Teachers Union last week. Last year, we did get a lot of retirements but after we rehired everybody to fill the positions, there were some positions that we did not have to fill. The net savings after rehiring was $125,000. Part of the problem with that is if we are rehiring an elementary or social studies teacher, we literally have our pick of the litter because there are so many. The problem when we have to hire special education teachers, which we did this year and replacement teachers for science, math, English and world language you are not hiring those teachers at first step. First of all there is a shortage and we really are in a competitive environment there, so when we are hiring those hard to fill areas when we are done with benefits, we are going to pay around $96,000 per teacher.

Mark Holden added that Arlene Liscinsky gave me something showing our figures and staff. We are currently showing 33 teachers less than we had in the 2004-05 year.

Charlotte Madar said that is good to know because when you drop 900 students, and you drop millions of dollars higher it is like where is it going?

Freeman Burr added when you consider that the contractual obligations; those go up and I think that Shelton has done a great job with respect with dealing with the insurance as best as we can. The high deductible savings account, while it is mutually funded to get the teachers and administrators to accept it 3 years out, there will be no board investment in that because the savings plan will have been built up and the teachers and administrators will fully fund it at that
point. It acts as a health savings for individuals, so unused money builds up.

John Zikaras pointed out the Mayor has stated that full day kindergarten has cost less to implement than the board has originally estimated. If this is in fact the case, how much less was it?

Freeman Burr replied I would have to disagree with that. One year ago when the original budget was adopted, before we made the deal, it was also stated that there would be $200,000 for furniture, fixtures, equipment and technology for full day kindergarten. Only $55,000 for the furniture was actually bonded, and the technology money came out of the $500,000 that the board turned over to the City. If you are looking at it in the full context, the proposed $200,000 for the furniture, fixtures, equipment and technology versus what was spent, the answer would be yes but that came out of the $500,000 of the deal that we brokered.

Mark Holden added that money would have been used for other students at higher grades, for technology.

John Zikaras mentioned that his second question was while looking at your six-year capital outlay, I have noticed that we have asterisks placed on several items in 2015-16. It is specifically the Shelton High School code compliance? You did mention that the roof at Sunnyside School was going to get replaced. These are going to get carried over?

Freeman Burr replied I believe the Sunnyside roof is scheduled to be done this summer. Dean Petrucelli is the architect; he has done the plans and I believe the Aldermen have acted to vote roughly $65,000 for architectural planning. My understanding is that Dean Petrucelli has those plans just about done and going out to bid. We would expect that the Sunnyside roof would be done this summer; I believe the Aldermen acted on under $1 million to sprinkle the building, which will eliminate around 93% of the code compliance issues. A lot of the openings above the ceiling, and things like that considered violations go away when the building is sprinkled. Joe DeSanti has developed the bid specifications, along with Joe Piers for the proposal for what has to be done. It has been submitted to the State Facilities Unit; it will be a reimbursable project. Also the Sunnyside roof is a reimbursable project; I believe that reimbursement for building renovation will be 39.6% so if it were $1 million it would be roughly $360,000 to come back to the City as a subsidy. The way the reimbursables go is that if you do it in phasing, you can submit to the SFU costs for phasing and get reimbursed at the 39.6% or so.

Charlotte Madar asked if we keep the budget at the Mayor’s request of plus $1,500,000, what would you have to get rid of in order to meet his budget?
Freeman Burr replied that 80% of those costs would come from salary and benefits.

Charlotte Madar asked from teachers?

Freeman Burr replied from teachers, administrators, tutors. It would be everything but anybody that services special education students. I believe $1.75 million times .8 is ballpark is about $1.2 million. Obviously any savings that the board might find with reduction to other programs would come off of that. If we are trying to make up $1.75 million, most of that is going to have to be done with salaries because 80% of our budget is salary and benefits.

Charlotte Madar asked do you have an estimate of how many teachers $1.75 million would entail?

Freeman Burr replied our average tutor cost is $25,000. Our average teacher cost is $76,000 in salary. Hopefully it will not be like it was six years ago when we had to pay unemployment but any elementary people we would lay off. Ten teachers at $76,000 would be $760,000.

Joseph Knapik asked what would be the comparison of this rollover of this $1.753 million to the disastrous year of 2009?

Freeman Burr replied it would not be to the extent that it was that year. Based on where we are right now and the way that we are performing, I think it would be pretty significant because with the layoffs going back six years ago we reduced some special education staff at that time. That would not happen at this point. To service kids by their individual education program, that is a legal document so you need to have the staff to give them the services. You cannot just say that we are not going to do that. On the special education side, there would not be an impact. On the regular education side, class sizes at the schools you saw that have reductions would be significant. It is too early to speculate a number. I am going back to meet with Mayor Lauretti in a couple of weeks, and I hope to get to a better common ground then where we are right now, but I think everyone needs to understand the reality of where we are at right now. If we entered into a deal with the City like one year ago, where the City would take some things. For example, the City owns the buses and they own the propane contract; in my mind the City should assume those costs because they have the contract. Also, we have dual fuel at all of our elementary schools. It is dual with both liquid propane and gas, so I believe that is around $500,000 if the City were to assume that. It would significantly reduce the gap for just rollover at about $1.2-$1.3 million. We are open to work with the City to get towards a better place. I understand that the new improvements are onerous, particularly with our high rollover but we are going to have to address accreditation issues like in
the library. If we do not address that in this year’s budget, then we will have to address it next year’s budget. Sooner or later we will need to add a guidance counselor at the elementary school, so while there are things that could be saved for a better budget year the rollover costs are our reality, unfortunately. We do not know what the final number is going to be, and when I do know what the final number will be I will have to inform my administration of what we would have to expect. I believe Dominic and I will be meeting with the Mayor the week after next, and Mark has always been open to meet so hopefully we will be able to meet more common ground.

Mark Holden added that the Board would not go through the exercise of determining where the cuts would be made at this stage of the game because it is still a moving target. There are still efforts that are being made to get towards a place that can work better for everyone.

Joseph Knapik asked if you present these statistics year after year, then why does the Board of A & T and Board of Aldermen go through this same exercise, and possibly face the same dire consequences? Do you have an answer for why this reoccurs again and again?

Freeman Burr replied I could say that there has been at least for the last three years, to sit down with President Anglace, Aldermen Papa and the Mayor to try to get towards a better place.

Alderman Finn posed a question that related to the High School fire. I always had a concern with Shelton High School before the fire, and now we authorized you to apply for the paperwork to the State of Connecticut.

Freeman Burr commented the paperwork for the code compliance has gone to the State Facilities Unit.

Alderman Finn said it is the same thing that you do when you have school construction for improvements. You have indicated that we were going to get back $300,000.

Freeman Burr said when you consider the roof at Sunnyside, plus the roofing contractor for Sunnyside and the sprinkler it is going to be more than $1 million, and the City would get about one-third of that back.

Alderman Finn asked the one-third that is going to get returned back to the City, can the Board of Education use that to continue to address safety concerns?

Freeman Burr replied no, when it comes towards school construction money the Board is just a pass-through so the City can get the subsidy. The Board of
Education does not do the outlay for school construction; the City does. The Board must do the application, submit the specifications, and get everything approved so the City can obtain their reimbursement.

Alderman Finn asked once the paperwork is approved and the City can start this, when are we going to start it? I know you cannot do it when the students are in school.

Freeman Burr added that some of the code compliance can probably be done while the students are there. The ideal thing depending on the area is to do it when students are not in the building. With $1 million in sprinkling, it is going to need to be a phased project.

Alderman Finn asked would it take 1 or 2 years to complete the task?

Freeman Burr replied I am not sure if it will be 2 or 3 phases, but I think it will be safe to say that trying to do it all will require the building to be empty for a good amount of time.

Alderman Finn mentioned the $1.75 million gap. We are in the hole when the Mayor presented his budget. We have other areas that need to get filled; I am supporting your request of $1.75 million gap, or just a little higher.

Alderman McPherson said Mark, in your opening statement you alluded to something about the state mandating a position to do evaluations.

Mark Holden replied the new teacher evaluation system that the state has come with requires much more classroom observation in the system, than what has been used previously. To me, it seems like they are trying to use a cookie cutter approach and if you know a teacher that is getting the job done and their students are always doing a good job, why should you need to spend as much time on that teacher as to perhaps with someone new and you do not know as well? Essentially, they are not allowing our administrators to use their personal knowledge with the people they are working with for an extended period of time, to take a little bit of a shortcut. Currently, each administrator including the Central Office staff, are evaluating 16.5 certified staff and that is a high span of control. That is to consider when you have 8 informal observations, and 3 observations for new teachers. I think our proposal for adding additional teacher administrative interns and adding additional part time people is to basically reduce that to a more manageable number. If we can get that span of control down from 1-12 or 1-13, it is still onerous with the number but we would be in a better place. It does not really mandate a position, but otherwise you would have to keep the burden on your existing administrators.
Alderman McPherson asked is the state mandating how many administrators each school system has?

Mark Holden replied, no. When you look at the time it takes to do these evaluations, the building administrators have other jobs they need to do as well.

Freeman Burr added just to give you an idea; my Assistant Superintendent evaluates four schools and four principals. I evaluate four schools and four principals; per write-up it around 2.5 hours to complete.

Alderman McPherson asked about the education budgets in the competing towns. I am looking at the rankings where we are listed as 59th, and Milford as 106th and Stratford as 107th. I would think we are outperforming them. Also, you did a very good job on the presentation. I also see that we are also ranked with our ability to pay with what we budget as far as the towns go. Would you know what our ranking as opposed to salaries and benefits?

Freeman Burr replied I do not have that but I can certainly check that out.

Carole Pannozzo replied in terms of our reference group, which is based on the demographics of our City with other cities that are like us, our salaries are high.

Alderman Papa noted that you have temporary certified, and it increased to 77%. You were talking earlier about teaching interns; is that why it is inflated?

Freeman Burr replied that we were running a deficit.

Alderman McPherson commented that we were over in the electrical account; we had a deficit there. Where are we now in the tech department?

Mark Holden replied we were able to negotiate a pretty good contract. We locked in for 2 years, as the City went for one year. Our advisors told us there were going to be a couple of power plants going offline, so they felt that electricity was going to up for the next several years.

Alderman Anglace mentioned I would like to say since Freeman came here, I think you have done a good job not only with the budgets but also with everything that you are doing. It has always been a pleasure to work with you, and you have never been afraid to sit down and talk about things. That is what must take place. I have several ideas in the back of my head that are going to require some thinking; some talking about and they are thoughts outside of the box. Our role is to hear from you tonight, hear what your needs are and what you have to say, not for you to hear from us. When we sat down incidentally last year we did not make a deal, just for the record. What we did was sit down
in private session, and explained to you where the money was in the budget that the Mayor was alluding to. We agreed that was the way to go, so nevertheless we came to an understanding and hopefully it worked out. Given that, we are not closing the door on anything; everything is open and discussions are open. I have some thoughts, ideas and observations that we have to chat about. We need to think out of the box, and I think there may be some ways that we can save some money in some areas. Throughout these hearings, everyone has been asked how much money they returned to the City; I did not hear that tonight. You did return $200,000.

Freeman Burr added $200,000 from the Health Savings Account.

Alderman Anglace said that is an area that we have already reached out to create the reserve account, to take the pressure off some of the areas that you talk about with propane, and so forth. We need to talk them out; we need to work these things out. Tonight I think you did a good job of putting everything on the table. After sitting here for 24 years, we know what happens if you do not get what you want but that is not where we are. We made a decision last year, and then we sat down afterwards because we had to make sure it was fully understood where that money was coming from, and it worked out. I think this side of the table has a great deal of respect for your side of the table for what you are doing, what you have done. I think we need to be pulled in a little more to what you are doing in order to find ways around the fiscal constraints. There are ways of doing that.

Freeman Burr added when Dominic and I met with the Mayor, that is what we did talk about.

Alderman Anglace said that is positive thinking. We have three elementary schools that are at average 50% capacity. If those were manufacturing firms they would be bankrupt; they would be closed.

Freeman Burr interjected, we have one school.

Alderman Anglace added according to one of your reports that I have, there are three schools: two at 48% and one at 56%.

Freeman Burr said I do not believe that is accurate. There is one school right that we have space is Mohegan, so next year we are moving our pre-kindergarten program out of Long Hill School because there is no room in Long Hill School.

Alderman Anglace pointed out your utilization report did not say Long Hill School.
Freeman Burr asked who did the utilization report?

Alderman Anglace said I will get it and we will talk about it. I think we need to look for ways to work together to come out the best that we can come out for everybody. As long as we can keep a positive approach, we can achieve that.

**Adjournment**

Chairman Madar MOVED to adjourn the April 6, 2015 Budget Hearing meeting; seconded by Joe Palmucci. A voice vote was taken; motion passed unanimously.

The meeting adjourned approximately 7:40pm.

Respectfully submitted,
Brittany Gannon, Clerk