



Ledyard Public Schools Board of Education Budget Report 2018-2019



**Public Hearing
April 10, 2018**

From the Board Chair

On behalf of the Ledyard Board of Education, I am enclosing the 2018-2019 budget approved by the Board of Education February 22, 2018. The development of the 2018-2019 budget was painstaking given the financial climate of the State and our Town. This was only further compounded by the Governor's mid-year funding cuts which resulted in over a million dollars in cuts to our town, resulting in the Board of Education implementing mid-year cuts totaling over \$700,000.

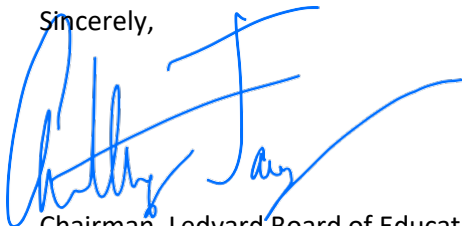
The baseline 2018-2019 budget was \$1,317,000.00 over the 2017-2018 budget - driven by contractual salary obligations, transportation, and special education increases, as well as magnet school tuitions, which are unfortunately not controlled by Ledyard.

As you are aware, special education costs are extremely volatile and are extremely difficult to predict given the high mobility rate of students. Out of district special education costs continue to increase and in combination represent a \$411,242 increase in the 2018-2019 budget.

In addition to special education, student enrollment also increased significantly this school year, totaling close to 100 additional students as of February 2018. This increase resulted in additional per pupil expenditures inclusive of any potential special education costs, all of which the Board of Education had to offset from the 2017-2018 budget. The concentration of the enrollment increases was at the elementary level. It is for this reason, 2018-2019 budget includes the reallocation of two (2.0) teaching positions from Ledyard High School to the elementary level.

Through the focused efforts of the Board of Education, the Superintendent and the Administration, the initial 2018-2019 budget projections as reflected above, was reduced by 58%. The total Board of Education budget request for 2018-2019 is \$31,838,395 which is an increase in \$557,466 (1.7%) from the 2017-2018 budget. It is important to note that while the Board of Education is not responsible for projecting town revenue, when building the 2018-2019 budget, we utilized the Educational Cost Sharing grant funding level to be at the reduced level following the Governor's mid-year cut to Ledyard.

Sincerely,



Chairman, Ledyard Board of Education

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Budget Priorities:

- Deliver a budget that is clear, accurate, and detailed in order to provide the highest level of transparency and confidence in the Board of Education, Town Government, and the Ledyard community;
- Continue important ongoing instructional improvements through high quality professional development, curriculum, and technology required for 21st century learning;
- Maintain high quality school programming in the 4 A's: Academics, Arts, Athletics, and Agri-Science;
- Ensure fiscal responsibility and seek opportunities to reduce overall operating costs and limit any potential increase to future budgets.



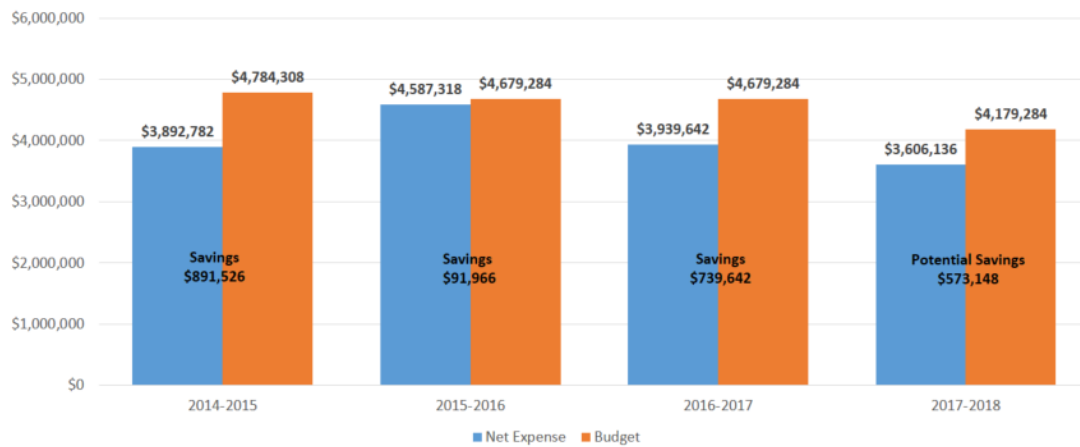
One Ledyard

Health Care Costs

Expenditures related to health care for Board of Education (BoE) employees is allocated in the Town budget. Based upon the most current reporting, recently implemented High Deductible Health Plans Ledyard was \$739,000 under budget in the 2016-2017 fiscal year. While not directly reflected in the BoE budget, due to it being a "town expense," the negotiated health care changes are a positive for the Town of Ledyard.

Net Medical Expense to Town 2014-2018 Budget-Actual Comparison

Source :Munis



Response to Reductions in State Aid

This fall the Town of Ledyard experienced dramatic reductions in state aid. The Board of Education quickly froze spending and hiring, and made significant expenditure cuts. In addition, employees of the Board took two furlough days to help mitigate the impact of this crisis. Overall, the Board of Education responded with over \$734,736 in one-time reductions in response to the State cuts to town aid.



Enrollment and Staffing Trends

Breaking from the trends in southeastern Connecticut, Ledyard experienced an unexpected 2% increase in enrollment during the 2017-2018 school year. Enrollment was forecasted to decrease, but as of January 2018, our enrollment was 99 students over the 2017-2018 budgeted projection. This increase in enrollment resulted in higher than optimal class sizes K-8.

While enrollment projections can be roughly estimated using current enrollments and birthrates, Ledyard experiences additional variability due to expanding magnet and charter school options, as well as mobility associated with the Naval Submarine Base and the Mashantucket Tribal Nation. Enrollment changes are monitored throughout the spring and summer in order to make the most appropriate staffing decisions at the start of each school year. In some cases, staff adjustments due to enrollment changes may require a one-year lag in implementation.

Enrollment projection by grade

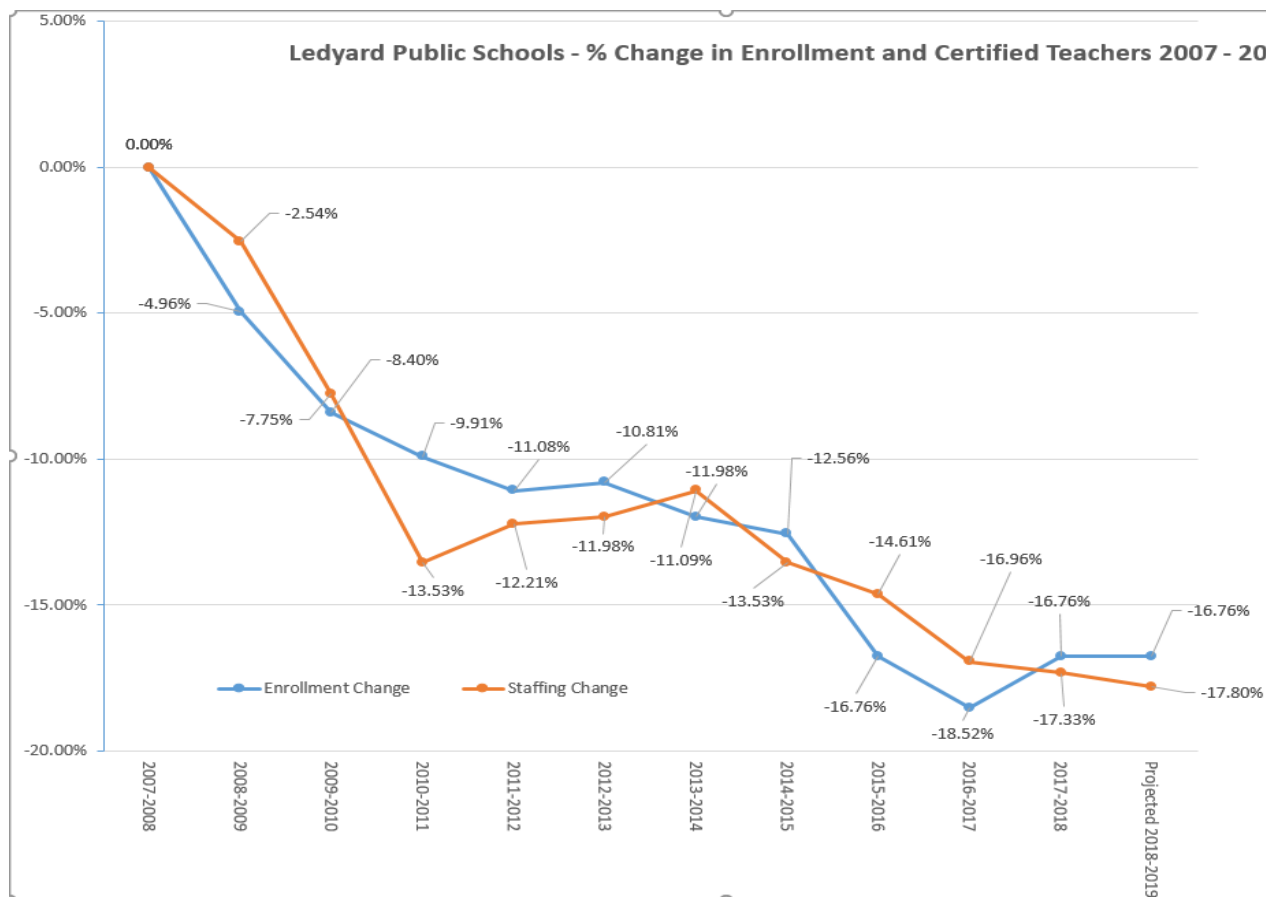
| GRADE | 2015-2016 | 2017-2018 | 2018-2019 (projected) |
|--------------|-----------|-------------------|-----------------------|
| Pre K | 59 | 82 | 81 |
| K | 166 | 180 | 190 |
| 1 | 168 | 158 | 178 |
| 2 | 165 | 169 | 158 |
| 3 | 172 | 164 | 171 |
| 4 | 188 | 180 | 164 |
| 5 | 171 | 176 | 182 |
| 6 | 172 | 190 | 172 |
| 7 | 161 | 183 | 188 |
| 8 | 162 | 187 | 188 |
| 9 | 201 | 177 | 208 |
| 10 | 193 | 198 | 169 |
| 11 | 216 | 198 | 193 |
| 12 | 224 | 187 | 184 |
| TOTAL | 2418 | 2429+7 Transition | 2426+ Transition |

Staffing

Since 2007, Ledyard Public Schools has reduced certified staff in correlation to the decline in enrollment. Ongoing efforts are made to align the staffing needs for the district with enrollment at each grade, program, and building. Staffing reductions are based on current need by department, school recommendations, and grade levels. Despite the reductions, Ledyard continues to offer an exceptional program and has made reductions by making strategic modifications to programing so as to not adversely impact the overall quality of a particular grade level or at a specific school.

During the 2017-2018 school year increased student enrollment, particularly at the k-8 level created significant class size challenges. Due to the State Aid reductions Ledyard Public Schools was unable to allocate additional staffing to meet these enrollment challenges, and even froze some hiring.

Reductions in staffing have been ongoing and therefore will limit the ability for the district to make significant reductions upon consolidation of the schools in the 2019-2020 budget, as it was originally presented in 2013.



Magnet School Enrollment

Magnet school enrollment represents a portion of the recent in-district student enrollment decline but did not grow in 2017-2018. The 170 (February, 2018) students enrolled in magnet, technical, or charter schools are from all six of our schools and span grades K-12. Magnet school enrollment is done by lottery and while Ledyard may see some minor fluctuation in enrollment, it is not predicted to increase dramatically due to the limited expansion of magnet school seats in Southeastern Connecticut. The major risk relates to the ability of the magnet schools to annually set tuition rates and the growth in special education costs for magnet school enrollment, both uncontrolled expenses for Ledyard.

Special Education

The Special education budget is particularly volatile due to the high costs that can be associated with a single placement or new student moving into district. Ledyard is also responsible for costs associated with a Ledyard student being placed by the Department of Children and Families (DCF) and at Magnet Schools. Students with disabilities represent over 18% of the district's population, and while some only receive minor accommodations or modification, some have significant needs. Special education services follow both Federal and State requirements and guidelines.

This past year we established several new programs to provide a higher quality, local option for our students with special needs. Each of these programs allow our students to stay in Ledyard and continue their education as part of our community. The following services were added in 2017-2018: Program serving medically fragile students; Emotional/Mental Health program for high school students; and the Ledyard Transition Academy for students needing life skills through age 21.

Capital Building Projects

The Town of Ledyard is embarking on a significant building upgrade that will result in expanded and newly renovated facilities for Gallup Hill School (GHS) and Ledyard Middle School (LMS). The expansion of Gallup Hill will allow Ledyard Center School to be closed, with students being reassigned to Gallup Hill. This consolidation from three (3) to two (2) elementary schools will allow for increased faculty and staff collaboration in a state of the art educational environment. The renovation and expansion of LMS will allow for the creation of a six through eight (6-8) middle school - creating a more efficient, robust, and age appropriate educational experience for our middle school students.

The majority of building repairs are addressed through the normal operating budget. Projects or items that are larger in scale are funded through capital requests. The Ledyard BoE has filed a comprehensive Capital Plan with the Town of Ledyard and posted it on the BoE website. The plan includes major projects that will need to be addressed over the next several years. This fiscal year, the BoE intends to address any capital needs through the use of the Capital Non-Reoccurring account, rather than seeking additional funds from the town through appropriation.

Revenue Related to the Educational Program

The Town of Ledyard is forecasted to receive \$11.68 million in Federal and State funding to support our educational programing. In an unprecedented budget cycle, the State Legislature failed to pass the biennial budget until mid-October. The budget passed by the Legislature reduced funding to the Town by \$600,000. In November, the Governor further reduced education funding by \$1 million. The stability of State funding is a major concern and it is recommended that the Town forecast a flat revenue projection in State funding. Due to continued efforts by the Ledyard Public Schools staff to better account for eligible students, Federal Impact Aid payments for 2017-2018 exceeded revenue projections by \$220,000.

Tuition based revenues are paid to the Town of Ledyard for students from neighboring communities attending Ledyard High School. These revenues are forecasted to increase slightly based on applications. The communities of Norwich and Preston are authorized to send traditional high school students to LHS. The non-resident tuition rates established by the Board do not include transportation (provided by their sending town), or special education, which is billed separately and in addition based on actual services required.

AgriScience - This program serves 161 students from around the region, as well as 66 Ledyard students. The program is supported through an enrollment-based grant projected to be \$570,736 from the State, and sending town tuition payments of \$989,335.

| State/Federal Revenues | | | | |
|--------------------------|---------------------|---------------------|----------------------|---------------------|
| Revenues | Actual 2015-16 | Actual 2016-17 | Estimated 2017-18 | Proposed 2018-19 |
| FPL 503 | \$520,450 | \$494,025 | \$700,000 | \$700,000 |
| Transportation - Public | \$134,249 | \$0 | \$0 | \$0 |
| AgriScience Operating | \$709,151 | \$620,868 | \$638,309 | \$570,736 |
| Education Cost Sharing | \$12,163,750 | \$11,970,235 | \$10,381,223 | \$10,418,444 |
| Total | \$13,527,600 | \$13,085,128 | \$11,719,532 | \$11,689,180 |
| Tuition Based Revenues | | | | |
| Revenues | Actual 2015-16 | Actual 2016-17 | Estimated 2017-18 | Proposed 2018-19 |
| Non-Resident Tuition | \$51,712 | \$0 | \$189,933 | \$199,815 |
| Non-Resident Tuition(\$) | \$135,496 | \$120,687 | \$48,475 | \$50,000 |
| AgriScience Tuition | \$1,105,326 | \$1,137,471 | \$955,220 | \$989,335 |
| Total | \$1,292,534 | \$1,248,975 | \$1,193,628 | \$1,239,150 |

2018-2019 Budget

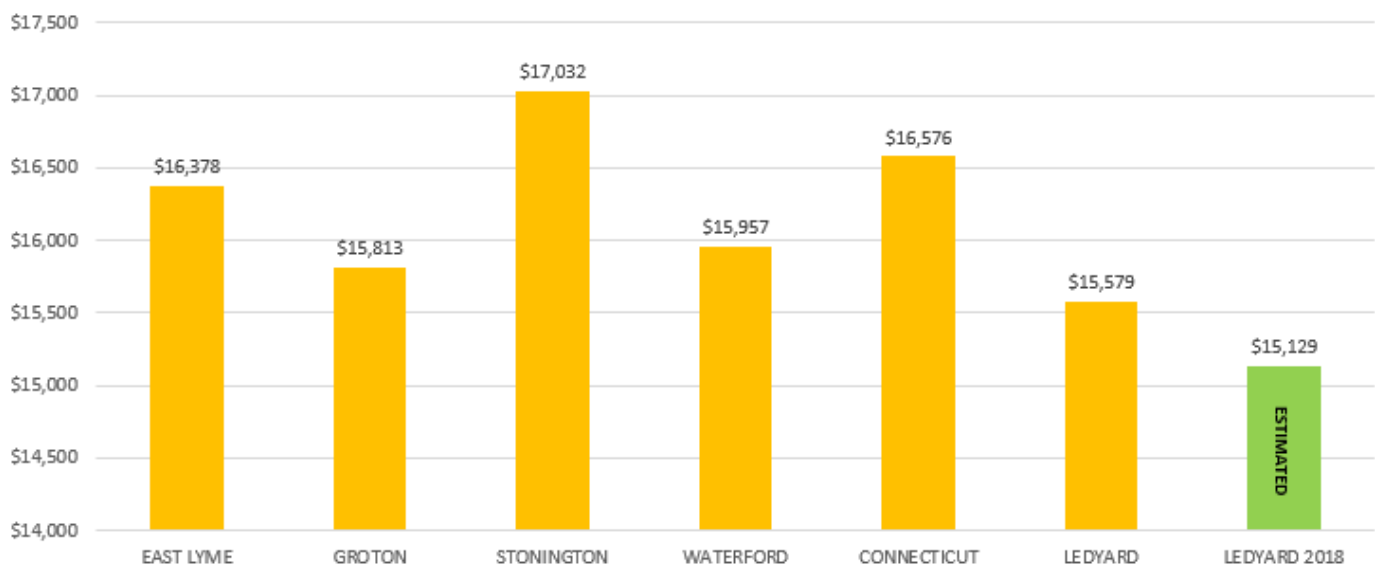
This current budget year was a challenge due to the constant upheaval at the State level. While the Board was working to address the revenue challenges brought on by the State Budget and the Governor's holdbacks, there was also an unpredicted increase in student enrollment. As we planned for this next budget year, we have to factor the continued volatility at the State level with the increasing enrollment and subsequent class size issues in our K-8 classrooms.

The initial estimates for contractual obligations from collective bargaining agreements alone were over \$680,000 (labor). Ongoing and frequent discussions through BoE/Town Council Joint Finance Meetings allowed for continued collaboration as our community faced significant revenue shortfalls. The BoE is committed to maintaining and improving student achievement while also minimizing the impact on the overall tax burden.

The Superintendent and the administrative team compiled a budget that balanced the fiscal and programmatic expectations. The total budget increase request has been reduced significantly to \$557,466 or a 1.7% increase of our current operating costs. While this request manages contract obligations, there continue to be risks related to special education and class sizes due to enrollment.

Total Per Pupil Expenditures by District – 2016-2017

Source: Connecticut State Department of Education/MUNIS



Changes of Note in the 2018 – 2019 BoE Budget

- Reduction of one point five (1.5) full time certified positions
- Five (5) retirements, four (4) which will be replaced with a new hire or appropriately certified teacher who has been subject of a reduction in force, and one (1) which will not be replaced
- Increase special education expenditures due to cost increases, enrollment, and severity of disabilities
- Programs to reduce the need for outplacement of students resulting in mitigating of costs including Ledyard Transition Academy (Ledyard High School), Effective School Solutions (Ledyard High School), and the hiring of a BCBA (Elementary)
- Maintenance of current programming
- Continue efforts for instructional and organizational improvements
- Building level discretionary budget reductions of 8.0% or more

51010 – District administrator salaries includes a 1.5% placeholder for wage increases related to district staff.

21020 – Administrator salaries increase 1.75% in accordance with the Ledyard Administrators Association (LAA) contract.

21030-51050- Teacher salaries have a contractual wage increase of 1.68% plus step. These increases are offset by reducing one and a half positions and planning for five retirements. The five anticipated retirements have been budgeted with savings of (\$226,414). This savings anticipates the hiring of replacement staff at a lower salary step. Ledyard High School will decrease one and a half positions and two others will be reallocated to address elementary class sizes.

The AFSCME Secretary contract reflects a 1.5% gross wage increase (GWI) and Custodial contract reflects a 2% GWI plus step.

Increases are budgeted for the non-union Human Resources Specialist, non-union Payroll Specialist, and non-union Assistant to the Superintendent.

51140 – Paraeducator salaries have been budgeted for a \$0.25 increase or step. This group did not receive step increases in 2016-2017.

55100 – Transportation is budgeted for a 3.5% contractual increase. State reimbursement for magnet school transportation is actual cost, or \$1,300 per student, whichever is less and is estimated at (\$167K).

55110 – Special education transportation continues to be a challenging area due to out-of-district placements or other specialized transports. This was budgeted based on current and anticipated placements and expected vendor increases.

55600/55700 – Special Education Tuition Public and Non-Public is forecast to increase \$411,242. Public tuition is comprised mainly of billing from magnet schools, for services provided to students. Non-Public Special Education placements are for highly-specialized placements based on documented need. These placements range from \$45,000 to \$180,000 per student, depending on the type of program. The budget includes current placements, as well those who are are projected to be placed.

Excess Cost for Special Education placements has been estimated based on a 72% reimbursement from the State.

55660 – Magnet School Tuition was over budget in the 2017-2018 school year and was further cut to address State reductions. This budget maintains current enrollment levels as well as a 3.5% tuition rate increase. Ledyard is billed in October for enrollment and the rate is set by the magnet schools.

Non-Contractual changes

Supplies (object codes 56110-56900) – (\$58,474) or 3.12% decrease

Textbooks (56400) increase \$8,306, reflecting consumable textbook replacement cycles and the new standards and curriculum in social studies and science. Technology Supplies (56890) are down in aggregate (\$17,264), reflecting anticipated investments in equipment through building projects.

Instructional Supplies (56110), Books (56420), Periodicals (56410) and Non-Instructional Supplies are down in aggregate (\$32,571).

Utilities decrease by \$98,015, including Electricity (56220) and Natural Gas (56210). Electricity (56220), Natural Gas (56210), Gasoline (56260), and Heating Oil (56200) are set to be bid this spring as the current markets are not favorable.

Equipment (object codes 57300-57350) – (\$28,252) or 11.46% decrease

New Equipment (57300) and Replacement Equipment (57310) have reductions predicated on the maintenance of adequate supply account budgets. District Software (57350) increases slightly to account for funding IEP Direct and hosting of the district student information system PowerSchool.