1. APPROVED BET Budget Comm. BOE Presentation Minutes

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Ms. Storms called the meeting to order at 7:02 p.m. Ms. Storms then reviewed the times, and changes, for the upcoming meetings of the Budget Committee.

Ms. Storms welcomed Superintendent of Schools, Dr. Larry Leverett, and Board of Education Chairman, Sandy Waters, and called upon them for their budget presentation.

Ms. Waters said that the BOE has deliberated for many hours. She said that the budget that was ultimately approved has the support of most in the educational community. She said that the BOE is asking the Budget Committee to approve their request without adjustment. She said that the ongoing financial management of the District has never been better. She said that the BOE appreciated the Budget Committee’s participation and dialogue as the BOE examined the Superintendent’s requests last autumn. A collaborative relationship between the BOE and BET is best when begun early and when proposals for budget change can be addressed easily. This has the potential to reduce later debate, thereby enhancing staff productivity. Ms. Waters said that she hopes this approach continues in 2005 and beyond. Finally, she thanked the Budget Committee for focusing efforts on larger financial questions and on the development of meaningful formulas for evaluating the reasonableness of the BOE spending requests. This lends a predictable and even handed tone to the BET’s analysis that enables the BOE to respond
appropriately to the BET's needs while reserving to the BOE authority over its educational line item decision-making.

Ms. Waters then turned the presentation over to Dr. Leverett.

Dr. Leverett said that the School District worked on the development of the 2005-2006 budget with a set of assumptions that guided their planning. Many of the people in the room tonight have participated in one of the four public meetings that have been held on the budget.

Dr. Leverett said that the BOE has a concern about enrollment. There has been a period of increasing enrollment and now we are entering an era of moderate decline over the next eight to ten years.

The BOE has provided the Administration with clear strategic directions that frame the development of the budget content. We are very much aware of the guidelines, said Dr. Leverett, which the BOE established for the Administration in terms of the charge to develop a budget that adequately supports the vision and mission of the Greenwich Public Schools. We are also aware of unacceptable means, or approaches, to budgeting that would not be viewed as acceptable to governing bodies such as the BET. We are aware, said Dr. Leverett, of the guidelines promulgated by the BET as well as the limitations set forth by the BOE.

In developing the budget, the Administration worked very hard using two types of creative means to develop a budget that conforms both to BET requirements and to the results required by the BOE.

The two major strategies were:
1) Expense Control
2) Design Change

The BET guideline communicated to the Schools last August is consistent with the BET guideline in the past several years. This guideline inflates the per-pupil cost by 3% based on enrollment projections. The District is in a situation where its contractual obligations alone exceed the 3% guideline. Staff costs represent 82% of the operating budget. The method used for adding or subtracting a student is less than the per-pupil cost of the student. We have increased at a little over $11,000 per additional pupil. Not all of those dollars were used to support that particular child. Over the last four years compliance was achieved without reducing services, using the per-pupil increases to fund also salary agreements. Now, and for the foreseeable future, we have a different situation in that enrollment is declining. A slight enrollment increase is projected for next year, and then begins a steady period of moderate decline in enrollment over the next eight years. This has implications for the funding formula that has been used by the BET. The original enrollment projection for the 2005-2006 Budget of 9,365 students has been revised downward to 9,151 students. Using the funding formula, these 214 fewer students equate
to $2.5 million, which, using a fully adjusted budget guideline, would revise the 2005-2006 budget request of $109,533,000 downward to $107,200,000.

Contractual salaries exceed the 3% guideline. The GEA increase, with steps, is nearly 6% (835.2 staff members). When the Administration looked at staffing patterns and enrollment for the 2005-2006 budget, it estimated that it would be $1,530,000 over the 3% guideline with the originally projected higher enrollment level.

In framing the options for the 2005-2006 budget, the Administration looked at four options, including the “draconian option” of fully implementing the BET guideline, with implications for reduction in staff and services.

The Superintendent’s Recommended Budget – Option B – complies with the BET guideline but uses the inflated enrollment figure. Six criteria were used to evaluate the options in order to view them consistently.

A guideline was established calling for a nearly $1.8 million reduction in the level services budget. The concept of benchmarking the staffing was introduced to establish areas for reduction. Class size was protected and improvements in the instructional program were planned, more specifically the expansion of the elementary foreign language exploratory program as well as math improvements. A number of reductions in existing programs and services were identified in order to provide allocations and resources for emerging priorities.

Dr. Leverett said that the Superintendent’s Recommended Budget – Option B – as modified by the BOE is

- responsive to the BOE and BET guidelines
- provides a balance of fiscal responsibility and program support
- allows continued implementation of planned instructional improvements
- challenges us to re-think program design and service delivery
- allows the use of comparative data to inform the conversation regarding staffing adequacy

The approach to developing the staffing plan was essentially zero based.

Dr. Leverett said considerable effort was devoted to getting a clear understanding of how Greenwich staffing patterns compare with districts that are similar, particularly Educational Reference Groups (ERGS) A and B. As an illustration of the effectiveness of this benchmarking, Dr. Leverett used a comparative bar graph to show that Greenwich has 1.8 central office administrators per 1,000 students, which is a higher ratio than is found in similar districts in Connecticut and in the state as a whole. The BOE has, therefore, set a target of reduction from 1.8 to 1.75 central office administrators per 1,000 students to bring Greenwich more in line with comparable districts.
One caution with regard to this benchmarking system based upon CT Department of Education data is that not all Districts count positions, or categories of positions, in the same way. This is most true in the area of Library Media.

Dr. Leverett emphasized that this is a first year effort and that the BOE will sharpen its benchmarking as it goes forward.

Dr. Leverett said that there was a recognition that the School District could not just continue to add as it seeks to introduce instructional improvements. In order to move forward in critical new areas, it was necessary to make reductions, or changes in how the District does its business. Expense controls have been instituted. Dr. Leverett enumerated some of these controls, including $800,000 in staff costs that are recommended for elimination and a reduction of $120,000 in temporary and part time staff. The District will also be making a change in the area of salary savings by exercising fiscal limits on salaries of new hires.

Dr. Leverett said that there was still much work to do in efforts to be more fiscally responsible, recognizing that “managed revenue growth is the reality of our future” and recognizing that “we are now in a pattern of enrollment decrease.” There is a recognition that “we have to do some things differently.”

Dr. Leverett said that the District recognizes that the era of the BET formula based on increasing enrollment is now past and that a new funding guideline is required that demonstrates a close linkage between the enrollment of the District and the staffing required to support that enrollment.

Dr. Leverett said that it is recognized that an additive approach to introducing new programs and services is not going to be appropriate given the BOE guidelines, the limitations imposed on the Superintendent by the BOE, as well as the fiscal climate and fiscal realities within our community.

Dr. Leverett said that the District does not want to be in the position of identifying options during the budget conversation, as was the case this year. They will be in a position for the 2006-2007 Budget where they will have identified areas where they want to impose design changes and want to be working on these design changes. They want to move from a reactive posture (which is pretty much the present reality) to a more proactive stance during the budget conversation. Managing resources more effectively and efficiently is a real challenge, ensuring that those resources align with the BOE’s strategic directions. Refinements are needed in the benchmarking process and the approach to staffing.

Ms. Storms thanked Dr. Leverett for his presentation and for the good work he has done this year. She said that he has been very clear about the work that has been done and that he has also been very clear about the fact that there is still a lot more work to do. She said that the BET would be working with them. Ms. Storms then asked for questions from the members of the Budget Committee.
Mr. Walko had a two-part question dealing with the enrollment projections:

How close do you think we are going to be in the projections for this budget in light of last year’s projection?

With the reduction in enrollment this year, how did the Board utilize the additional monies that make the difference between the projection and the actual enrolments? It doesn’t appear that there were savings that would be commensurate with the decrease in students.

John Curtin responded to the question on enrollment projections. He said that there was a confluence of two things that were very unusual. We had a much lower Kindergarten than expected. We went in one year from the highest number of children in Kindergarten in the last 25 years to the lowest number in the last 10 years. It is difficult to know if the downward trend will continue. Historically, when we have had a low year it has bounced back, but this could also be the start of a decline. John Curtin said that he is pretty sure that we are right on the crest. This makes for a lot more error in the projections. He is using a pretty conservative model. He is pretty sure that any increase next year will be within 1% of the projection, but there is uncertainty in the projections because we are going from a long era of enrollment increases to a time when enrollment will start to decrease.

Dr. Leverett responded to the second part of Mr. Walko’s question, by saying that, at the High School level, the course selection process is well under way by the time that the BOE budget is resolved. Staffing the High School program precedes the closure on the amount of budget available to the School District.

Dr. Leverett said that they were able to hold six positions back at the Elementary School level. Base allocations were adjusted downward to reflect the actual enrollment in all District schools.

The District has carried into this budget year some unanticipated, or unbudgeted items, such as the LIUNA contract settlement of about $120,000. There were several mid-year retirements that were not expected as well as sick day payouts and vacation days.

Mr. Walko had a follow up question:
If enrollment is in a downward trend and we are building the Hamilton Avenue School to double its current capacity, are we building too much if the downward trend continues? Will other schools have less because of Hamilton Avenue’s magnet status?

Dr. Leverett replied that he is not quite sure that we are doubling the capacity of Hamilton Avenue School. He said that we are increasing the capacity of the school somewhat as a response to creating a program that will help us to address some challenges related to racial balance. The consideration is what population and what mix
of students would allow us to end up with a school that is within the guidelines of the Connecticut Department of Education.

Looking down the road we will be 322 to 325 students down from our present elementary enrollment, going ten years out. The reality is that we have a period of decline. This is inescapable. We need to look closely at solutions that would be required to maximize the use of existing capacity and at some point make some hard decisions about school attendance zones, or worse, school closings. Dr. Leverett said that he does not think the construction of the Hamilton Avenue School, as proposed, has a deleterious effect on the ability to make those decisions in the future.

In response to a question from Ms. Storms regarding the size of the enrollment drop which might lead to a school closing, Dr. Leverett said that he is not certain what the “magic number” is, but that it is important to have a guideline for educational funding that is sensitive to enrollment. Dr. Wallerstein added that the parameters for the Glenville School Educational Specifications included a limitation that the project should not increase capacity. Overall District enrollment should be a part of the redesign model to be used.

Mr. Walko expressed his concern that increasing capacity at the Hamilton Avenue School could eventually lead to the closing of the New Lebanon School. If that were the case, he said that he would be opposed to increasing capacity at Hamilton Avenue, saying that the Byram School closing over 20 years ago decimated the community.

Dr. Leverett said that construction decisions should not be made without paying attention to enrollment.

Dr. Wallerstein asked if Mr. Walko’s question was: Will creating a capacity of 480 students at Hamilton Avenue School set the stage for making New Lebanon vulnerable to closing?

Mr. Walko reiterated his concern that, with declining enrollments and excess capacity at Hamilton Avenue, along with geographic location, New Lebanon, as the smallest school, would be the logical place to look for a closing. He said that this would be the wrong decision and should not be an option.

Dr. Leverett’s and John Curtin’s responses to questions from Larry Simon regarding the Staffing Allocation Matrix on pages 7 and 8 of the Schools’ handout resulted in the following information:

- a ‘teacher” is defined as “classroom based”, someone who is assigned a group of students for delivery of the general curriculum
- the staffing matrix shown on page 8 of the handout is for illustration purposes and captures only the Elementary Schools
- the schools have been using ratios for the past five years for classroom teachers (almost 2/3 of the staff)
what is new this year is that the ratio model has been applied to non-classroom teachers
they have started looking at ratios in terms of benchmarking, for example such people as reading specialists, library media people, or administrators
they now have a comprehensive model that covers all certified staff
the staffing matrix shown on page 8 of the handout includes employee classifications that are considered as ‘teachers’, which would include such a classification as ‘psychologist’
the staffing formula uses the total student enrollment and includes the assignment of children who are receiving Special Educational services
there are no self contained Elementary or Middle School Special Education classes – all are included in regular school classrooms
a particular child with a particular set of needs may require a paraprofessional assigned to work with that child in the classroom, thereby impacting the ratio of adults to children in a particular classroom
the student-teacher ratio for the classroom is linear; if the staffing ratio is increased, the number of teachers decreases; however, if, for example, there was a higher staffing ratio than 14.7 for the Middle Schools, Dr. Leverett doubts there will be the ability to deliver the breadth of program that is now provided
the 14.7 ratio for the Middle Schools is a deployment ratio. The target for the past five years in terms of class size is 20 children at the Elementary and Middle School levels, and 21 at the High School level. High School students, unlike Elementary and Middle School students, are not always in a classroom. The ratio produces an average class size that meets the target. Class sizes have been very consistent over time
the District has adopted class size guidelines which vary from class to class: K 16-23; 1-3 18-24; 4-5 19-28; Middle School 12-29; High School 12-29. There is flexibility in a numerical sense. Staffing for the high end is not the most educationally sound approach. A few classes exceed the high end. Some are below the low end. The aim is for a mid-point in the allocation of resources. Sometimes larger classes are needed and sometimes smaller classes, but the average consistently over the last five years is 20 at the Middle School level and 21 at the High School.
The class average is not a Board policy

Referring to the Certified Support Staff Bar Graph on page 8 of the handout, which compares Greenwich, ERG A and B, and Connecticut staffing indices, Ms. Burnett asked if there was a time frame to achieve the target numbers in the bar graph. Dr. Leverett said that the 2005-2006 budget “moves us to our targets.”

Ms. Burnett asked who determined the targets and how they were determined. Dr. Leverett said that the District Administration determined the targets and that the targets were determined based upon the Administration’s judgment about how Greenwich
compared to ERG A and ERG B. The intent of the judgment was to align staffing ratios to one that is more comparable with ERG A and ERG B.

Ms. Burnett asked if the difference between current Greenwich support staff in the various categories and the target numbers could be quantified. What would this represent in terms of positions. Dr. Leverett gave a listing of the positions to be eliminated as a result of movement toward the targets:

- School Based Administration – 1.8 administrators
- District Administration - .25 FTE
- Reading Specialists – 2.7 FTE
- Library Media – 2.25 FTE
- Pupil Personnel Services – 1.8 FTE
- Custodial Maintenance Staff – 3.5 FTE

Ms. Storms asked if the District would continue to adjust these targets downward. Dr. Leverett replied that going into the 2006-2007 budget planning “we must refine our benchmarking process.” All Districts do not count staff members in the same way. There are some flaws in the benchmarking data used this year.

Ms. Burnett said that, totaling the FTE position numbers listed by Dr. Leverett for elimination, she came to 12 or 13 positions. She asked if these positions are budgeted in the 2005-2006 submission. Dr. Leverett said that they are not included in the budget. As of July 1, 2005 these positions will be eliminated.

Mr. Walko asked how many categories of Certified Support Staff the state reports on. The answer was that there are 40 to 50 areas of certification. The town must report to the state on these areas as a yearly exercise. Dr. Leverett agreed with Mr. Walko’s observation that, if some positions are being categorized differently, the differences will eventually be reconciled through this process of laying out all the categories.

Dr. Leverett said that the District has gone from zero benchmarking to at least a basis for comparison and that now “we need to refine that process.” Mr. Walko said that he thought it was a good analysis. Mr. Walko asked if there would be any layoffs as a result of these reductions, or would the positions be eliminated through attrition.

Dr. Leverett said that this is still being worked out, but it is hoped to be through attrition.

Ms. Storms observed that no price tag has been put on the closing of the achievement gap, although this is one of the District’s most important goals. She asked if the District plans to figure out the true cost of this, and if the $50,000 in the 2005-2006 budget for the Challenge and Innovation Fund will help to begin the process of figuring out what some of the costs will be.

Dr. Leverett said that adding value for all of the District’s students and closing the gaps where they do exist is the goal. The $50,000 will be used to spur school level approaches to change through a competitive process. The challenge of closing gaps calls for use of
the available resources in a more effective way. As the strategy for closing gaps is worked out, "we will be looking at funding that presently is within the system to generate resources for that particular purpose." There is a limit to what can be done within the current revenue stream. High quality pre-school programming for every child, which is a strategy for closing gaps, cannot be provided. The cost of closing the gap is not within the $50,000 range. The District will be looking at how to better utilize its existing resources to make progress.

Ms. Storms asked when the District might do a re-evaluation of the current Administrative Service Delivery model. Dr. Leverett said this is underway at present.

Ms. Storms asked how close to completion the District is for the Special Education Program Review. Dr. Leverett replied that the RFP has been issued and several vendors have been identified. A report, according to the RFP, should be available by late May, or early June, in time to inform the thinking for the 2006-2007 budget.

Ms. Burnett asked if there is any data providing a working comparison of Special Education services and costs that would allow us to know where we are in relation to the Educational Reference Groups. Mary Forde replied that there is a strategic school profile just for Special Education students that allows for such comparisons and includes numbers of children, services, costs and the kinds of children being served. Looking at these numbers, we see that we are slightly different from ERG A and ERG B. Our numbers are higher but declining at a faster rate. Our costs are slightly higher.

Dr. Leverett said that they could provide the Budget Committee with those profiles. Ms. Burnett said that it would be interesting to have this information. Ms. Forde said that this information is also on state web sites. Dr. Leverett said that the report that should be available by the end of the school year will include financial data comparing Greenwich to other similar Districts.

Ms. Storms thanked Dr. Leverett for his presentation, saying that it has been very helpful.

The meeting ended at 8:30 p.m.

Respectfully submitted,

Alma Rutgers, Recording Secretary

Valeria P. Storms, Chairman

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