



Board of Finance Questions 2019-2020 Budget

1	<p>Overall salaries (Object 1000) are up 3.8% which is a large increase given a declining enrollment. What are you planning to do to reduce, not increase, headcount as enrollment continues to decline?</p>	<p>The majority of the increase on this line is related to contracted increases. The WEA and WASA contracts expire 6/30/20. We will commence negotiations for successor agreements next year.</p> <p>WEA & Admin Contracts both expire 6/30/20 (w/o contract in place we use 3% for estimated increase</p> <p>Approximately \$590,000 of the increase is for proposed new staffing. Within the proposed new positions is a Kindergarten position - classroom positions will continue to expand or contract based on enrollment changes. The other positions (alternative school and community steps) are programs that have much potential for cost avoidance. So while we may be adding to salary and benefits we can reasonably expect cost avoidance because we are keeping students in district for approximately half the cost of outplacement.</p>
2	<p>The main reduction from last year was in Object 2000 which is a decline in health costs and Pension/OPEB contributions. For this object line, actual expense was \$13.6 million over the past three years, the last year being budget for FY19 (not yet complete). In the FY20 budget, the amount is lower by about \$1.1 million, recognizing "healthy staff" as you called it. How can you be sure this is a permanent reduction in health care cost and won't jump back to the \$13.6 million level of recent experience?</p>	<p>We monitor health care costs monthly. As we have in the past, if claim trends reverse and we see cost increases that are unexpected, we would consider re-bidding health insurance.</p> <p>Currently, we are working through our broker to form a coalition that would enable us to negotiate a better rate for administrative fees.</p>

3	<p>Given that the significant FY10 reduction in Object 2000 might not be more than a one year favorable experience, wouldn't it be prudent to hold off hiring over +7.5 FTE until this lower health cost pattern can be assured? If health care costs return back to the three-year average, would you reduce staff by similar amount to keep your budget in line?</p>	<p>Staffing for the alternative school and community steps present opportunities for cost avoidance.</p>
4	<p>What cost reduction programs do you see in the current budget that can be implemented over the next three years?</p>	<p>We have a range of energy conservation programs in place including new solar arrays at two schools. The community steps and alternative school programs both represent cost avoidance opportunities.</p> <p>As IEPs roll forward from Miller-Driscoll we may not require the same level of staffing in special services.</p> <p>4-5 years out we may be in a position to reduce classroom staff at MB and WHS.</p>
5	<p>Combined Question: Professional Services (Object 3000) has gone up 50% over the past three years -- \$4.0 million to \$5.95 million. What has caused this substantial increase? How can it be contained in future years?</p> <p>\$550k more in Professional Services? Please explain drivers.</p>	<p>The majority of this is due to an increase in Technology main drivers are</p> <p>Novus - \$840,000 (reduction in classified salaries & benefits) 18-19 budget was \$586,000 this is a \$254,000 increase</p> <p>Power School - \$52,000 Power School Talent Ed - \$14,500 Power School Consulting - \$19,000</p> <p>SPED up \$86,000 main driver here IEE Safe School Climate – Kids in Crisis initially had financial support from a Grant that is ending Attendance Intervention - \$20,000</p>

		<p>Teen Talk Counselor - \$20,000 Ruler training and Anchor roll out for students - \$15,000 New Climate Survey for the District - \$16,000</p>
<p>6</p>	<p>Combined Question: What is the <i>incremental</i> cost of the Alternative High School proposal? What is the <i>incremental</i> savings? Are other DRG schools implementing Alternative High School type programs? Explain.</p> <p>The proposed Alternative High School appears to be adding some real structural costs which the BOE is likely to refer to as fixed. What are the total incremental costs for the Alternative High School (fully loaded including facilities, equipment, salaries and benefits? (3.0 FTEs)?</p> <p>A. Has the financial modeling showing all costs and projected savings been shared with the Board of Ed.?</p> <p>B. As Dr. Kevin Smith mentioned that WPS saved \$300k by insourcing vs. outplacement at the January BOE, what specific outplacement savings are modeled for the Alternative High School and when are they expected?</p> <p>C. Do they appear in next year's projected budget?</p> <p>D. What other towns have or are planning alternative high schools</p> <p>E. Has any coordination of such alternative high school programs been explored with other towns within our DRG?</p>	<p>The cost of a private school for this type of student is approximately \$110,000 per year (70,000 tuition+10,000 ESY+30,000 transportation. The cost of this program when fully subscribed would be less than ½ that per student. The tuition and transportation costs rise at approximately 3-5% per year. An additional concern is that with the increasing need for these students the private schools accepting fewer students. Therefore some will need to be placed residentially due to lack of available places in day school options. The costs of residential placement is far greater and can increase the tuition rate by an additional 70-80,000 per year. Often these schools are located far from Wilton (Utah, South Carolina, Montana) and include monthly airfare for parents to participate in family work. The costs of travel (airfare, hotel, etc)are born by the school district.</p> <p>D. & E. We have communicated with our neighboring districts. Each of the districts is currently in the first year of a leadership transition as were not able to take this on at this time. There is, however significant interest in partnering in the future that will lead to decreased costs and opportunities for shared resources. Research on the practices of other schools in our DRG revealed the following practices currently in force:</p> <ul style="list-style-type: none"> • New Canaan launched an alternative program this year with approximately 10 students.

		<ul style="list-style-type: none"> • Darien's alternative program called <i>Fitch Academy</i> is capped at 24 students. • Ridgefield has a long-standing alternative program called the <i>A school</i>, with 13 students currently enrolled. • Easton-Redding, Weston, and Westport currently do not have programs. Westport had a tuition agreement with Wilton's evening program that was discontinued several years ago and may be interested in sharing a program again.
7	<p>As originally intended, the Peers in Pre-K would be paying tuition to attend. In the past year, how many Peers have been enrolled? What was the tuition collected for these students? What is the budgeted amount of revenue from Peers in the FY20 budget?</p>	<p>In 17-18 there were approx. 31 Peers and tuition collected was \$190,600</p> <p>In 18-19 we currently have approx. 34 Peers and expect to collect \$233,000 of which we've already collected \$181,200</p> <p>The expected revenue in 2020 is \$250,000 Increase in tuition (was 7,000 Mon-Fri will be 7500) 34 x 7500 = 255,000</p>
8	<p>How are the projections for FY21 and FY22 developed? They seem to be the exact number of FTE's in the FY20 budget. Won't the staffing continue to decline along with enrollment?</p>	<p>We tune FTE annually based on class size averages and program needs.</p>
9	<p>The FY21 projection is \$86,236,134, an increase of 3.9% over today. And the FY22 projection is another 2.97% over FY21. Are they realistic given there hasn't been a BOE budget increase over 3% in the last six years – and especially while we are in a declining enrollment environment?</p>	<p>Projections are based on conservative budget estimates and is far from a perfect science. With a completed five year maintenance plan, we've also budgeted substantial increases in our operating capital lines.</p>

10 In the December 2018 Enrollment report (below), the projected decline of students from NESDEC was a decline of 61 students. The actual decline in students for the same period was a decline of 124 students, more than twice the NESDEC projection. Given such a wide discrepancy, is relying on NESDEC a good thing when doing planning? Is there a better or more reliable projection, maybe going back to Ellen Essman?

Total Net Enrollment December 1, 2018 (does not include out-of-district or pre-school students)	K-2	3-5	6-8	9-12	TOTAL
	728	858	1001	1265	3852

Comparison Current Month vs. Projected

In-House Net Enrollment - December 1, 2018	728	858	1001	1265	3852
Projection for 2018-2019	703	896	1009	1305	3913
Variation from 2018-2019 Projections	25	-38	-8	-40	-61

Comparison December 2018 to December 2017

Net Enrollment - December 1, 2018	728	858	1001	1265	3852
Net Enrollment - December 1, 2017	724	909	1006	1337	3976
Variation of Net Present Enrollment From December 2017	4	-51	-5	-72	-124
Total Net K-12 Enrollment - December 1, 2018					3852

In some instances the projections by both NESDEC and Milone & Macbroom were off. The NESDEC numbers this past year were most substantially off in grade 5. This was because they over-accounted for the unanticipated spike in grade four from the previous year.

We will have Milone & MacBroom perform another deep enrollment analysis in 2020.

11 For the past 3 years school staff benefits have been running \$13.6 MM per year. Next year's budget set at \$12.5 MM and longer term budgets assume that that medical costs will stay significantly lower than prior years, and that other retirement benefits also decrease well into the future. Those "savings" and lower contributions were generated by one time savings and the the run up in the stock market, which will not continue indefinitely. It is not unreasonable to assume that this costs could easily be at least \$1.1 mm higher in future periods, adding 1.3% to the budget growth

Anne Kelly-Lenz

12	<p>As we discussed last year, the number of students continues to decline while the proposed budget requires increases in staff. From 2017 to 2021, enrollment as presented goes from 4,083 down to a projected 3898, or down 4.5%, continuing the trend discussed last year, while staff during the same period moves from 579.1 to 576.4, or down 0.5%. While each addition can be justified, how do we justify the continuation of flat staff (growing for next year) vs continuing student population decrease absent an offsetting benefit for insourcing work and cost?</p>	<p>We are expecting a fairly modest decline year over year (approximately 35 students). While we adjust classroom staffing in accordance with our class size guidelines, the non-classroom staff is not closely coupled to yearly enrollment changes.</p> <p>As we have discussed in previous years, our staffing additions over the last five years have been in support of curriculum and programming priorities (eg instructional coaches, library media specialists, reading/mathematics interventionists). In this budget and in the previous budget we have proposed new programs for the purpose of providing higher quality specialized programming and reducing the number of students who are outplaced. For community steps and the alternative school, we suggest that the cost for running these programs locally is half the cost of outplacement.</p>
13	<p>If the \$1.1M in benefits costs were not to be saved in FY20, which were driven by favorable medical claims history and the increase in OPEB and pension funding, the increase would have been around 2.7%, well in excess of guidance. As these are most likely non-recurring savings, how will you next year achieve similar results if required as the current projected budget is up 3.9% over this year's and the following year which is up 3.1%, well in excess of any increase in the past 4 years?</p>	<p>Every year, we make prioritized programming decisions about what to include, exclude and/or defer in our operating budget. Those decisions are guided by a number of factors (see budget goals and assumptions document).</p>
14	<p>Are you exploring any other shared services which may result in potential savings?</p>	<p>We continue to participate in ride sharing programs with neighboring districts.</p>

<p>15</p>	<p>Why do administrator salaries increase by 3.4% which is well in excess of any inflation measure and higher than the teachers' current increase?</p> <p><i>Inflation Measures</i></p> <table border="0"> <tr> <td>2019 COLA</td> <td>2.8%</td> <td>(2018 was 2.0%)</td> <td>PCE</td> <td>2.4%</td> <td>(a/o 11/18)</td> </tr> <tr> <td>CPI-U</td> <td>2.2%</td> <td>(a/o 11/18)</td> <td>PCE (Core)</td> <td>2.0%</td> <td>(a/o 11/18)</td> </tr> <tr> <td>CPI-W</td> <td>1.9%</td> <td>(a/o 11/18)</td> <td>PPI</td> <td>2.5%</td> <td>(a/o 11/18)</td> </tr> </table>	2019 COLA	2.8%	(2018 was 2.0%)	PCE	2.4%	(a/o 11/18)	CPI-U	2.2%	(a/o 11/18)	PCE (Core)	2.0%	(a/o 11/18)	CPI-W	1.9%	(a/o 11/18)	PPI	2.5%	(a/o 11/18)	<p>The disparity among administrative increases can best be explained by referencing the Collective Bargaining Agreement between and the Wilton Administrators & Supervisors Association and the Wilton Board of Education of the Town of Wilton.</p> <p>Salaries: Article 4.B (attached) Appendix B (attached)</p> <p>The salaries of existing administrators will increase proportionally over a four year period such that there is no difference between their current salary and the annual "Maximum" salary as stated in Appendix A (attached) by the start of the 2019-2020 fiscal year.</p>																																																																																												
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<p>16</p>	<p>How many students have left WPS for private schools over the past five years, what is the trend, what are the projections and how does that impact your projected enrollment for the next three years?</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td>2012-13</td> <td>51</td> </tr> <tr> <td>2013-14</td> <td>44</td> </tr> <tr> <td>2014-15</td> <td>80</td> </tr> <tr> <td>2015-16</td> <td>64</td> </tr> <tr> <td>2016-17</td> <td>49</td> </tr> <tr> <td>2017-18</td> <td>84</td> </tr> </table>	2012-13	51	2013-14	44	2014-15	80	2015-16	64	2016-17	49	2017-18	84	<table border="1" style="width: 100%; text-align: center;"> <tr> <td></td> <td>K</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> <td>8</td> <td>9</td> <td>10</td> <td>11</td> <td>12</td> </tr> <tr> <td>13</td> <td>1</td> <td>2</td> <td>1</td> <td>2</td> <td>1</td> <td>1</td> <td>5</td> <td>1</td> <td>20</td> <td>7</td> <td>2</td> <td>6</td> <td>2</td> </tr> <tr> <td>14</td> <td>1</td> <td>0</td> <td>4</td> <td>2</td> <td>0</td> <td>2</td> <td>2</td> <td>2</td> <td>16</td> <td>7</td> <td>3</td> <td>3</td> <td>2</td> </tr> <tr> <td>15</td> <td>3</td> <td>3</td> <td>8</td> <td>0</td> <td>5</td> <td>6</td> <td>4</td> <td>3</td> <td>23</td> <td>7</td> <td>9</td> <td>8</td> <td>1</td> </tr> <tr> <td>16</td> <td>1</td> <td>2</td> <td>6</td> <td>0</td> <td>3</td> <td>6</td> <td>5</td> <td>4</td> <td>14</td> <td>12</td> <td>6</td> <td>2</td> <td>3</td> </tr> <tr> <td>17</td> <td>1</td> <td>1</td> <td>2</td> <td>1</td> <td>0</td> <td>2</td> <td>3</td> <td>2</td> <td>9</td> <td>9</td> <td>6</td> <td>7</td> <td>6</td> </tr> <tr> <td>18</td> <td>1</td> <td>3</td> <td>1</td> <td>3</td> <td>8</td> <td>5</td> <td>3</td> <td>7</td> <td>23</td> <td>14</td> <td>8</td> <td>6</td> <td>2</td> </tr> </table>		K	1	2	3	4	5	6	7	8	9	10	11	12	13	1	2	1	2	1	1	5	1	20	7	2	6	2	14	1	0	4	2	0	2	2	2	16	7	3	3	2	15	3	3	8	0	5	6	4	3	23	7	9	8	1	16	1	2	6	0	3	6	5	4	14	12	6	2	3	17	1	1	2	1	0	2	3	2	9	9	6	7	6	18	1	3	1	3	8	5	3	7	23	14	8	6	2
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<p>17</p>	<p>Athletic participation and student parking fees – have they all</p>	<p>Yes. All parking fees and 100% of fees for fall and winter</p>																																																																																																														

	<p>been collected as per last year's budget?</p>	<p>sports have been collected. (combined total will net to approximately \$111k).</p>
<p>18</p>	<ul style="list-style-type: none"> ● Wilton's Town (BOS) is on the New World accounting system which permits significantly greater cost accounting and financial analysis than the BOE's current accounting system. For an enterprise of \$83MM, this is an important tool to maximize annual BOE dollars in a resource-constrained environment. <ul style="list-style-type: none"> ○ What is the scheduled date by which New World will be installed for the BOE? ○ Will the BOE give the requisite additional resources needed to insure this deadline is met should the project fall behind in schedule? 	