

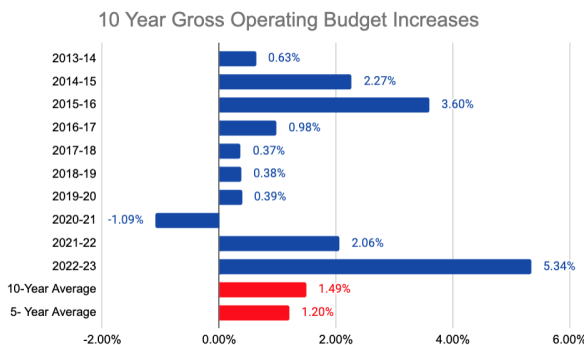
## The Time has Come: Invest in our Children, Faculty and Schools

On May 3, 2022, the RSD 17 Board of Education 2022/23 School Gross Budget of \$45,030,679.25 will be brought to the towns of Haddam and Killingworth for a referendum. After revenue, grants and fund balances, the towns will be assessed approximately \$41,502,868.41, \$25,391,151.74 for Haddam and \$16,111,716.67 for Killingworth. Voting will take place at regular, local polling places.

The Board of Education's proposed gross budget represents an increase of 5.34%. Budgets for the last 10 years have consistently remained conservative with five and ten year average increases at less than 1.5%. The Annual Town Assessments represent an increase of \$823,162.64\*\* for Haddam or 3.3% and \$126,207.03\*\* for Killingworth or 0.08%.

When taxpayers vote at referendum, it is on the Gross Budget number. When the budget is approved, that Gross budget is used by the Superintendent to manage all aspects of the district as needs develop, such as changes in personnel or additional supplies.

*\*\*Note this is an estimated Audited Fund Balance. Audit is still being completed.*



The Board of Education's goals in this year's budget are to:

- Secure supplementary resources to support student learning and social emotional development impacted by COVID-19 interruptions to regular school practices, and
- To make much needed investments in Infrastructure and Operations, a
- Produce a budget that includes priorities and feedback from our communities, and
- Provide the on-going resources needed to fulfill the District's Mission, Strategic Plan and the Vision of the Graduate

## Investing in People ,Operations & Facilities

For the last 7 years (noted in the above chart), the theme of District RSD #17 budget has been to pursue reductions in the annual budget carefully and strategically as not to impact student programming and needs. Though the board will always need to focus on finding savings, it has reached a point where creating these efficiencies are impacting student programs. ***It is now time to invest in our district to impact student achievement, improve aging facilities, and create efficient and compliant operations.***

The budget is categorically very similar year-to-year:

- 69% being composed of salaries and benefits;
- 7.5% for Pupil Services (including Special Education);
- 8.4% for Building Maintenance/Operation;

- 7.8% for transportation;
- 3.3% for Debt/Debt Service;
- 1.1% Technology and
- 2.3% for Learning Programs, Supplies, and Tools.

As a result, contractual salary increases and benefits paired with other categories pushes the budget up approximately 3%, each year due to student need or inflationary impact. It is the job of the Superintendent in partnership with the Board of Education to be fiscally responsible, redeploy assets, and use fund balances in order to improve student achievement while keeping town assessments as low as possible. This year there is an estimated \$1,747,292.52 one-time refund to the Towns from the dormant Self-Insurance Medical Fund.

### **2022-2023 Budget Drivers**

#### **Salary and Health Benefits:**

The 2022/2023 budget is reflecting a rebalancing of staff that has had great fluctuation in the last three years. Between the immediate needs for our students due to Covid, the addition of Covid grants, new ways of learning, and declining enrollment, the district is at a point where we need to focus on long term solutions for our students, staff and processes.

**Salary Reductions/Additions:** We have reduced 4.4 positions, or \$228,095, due to declining enrollment, and added 6.6 , \$537,654 positions to support student, staff and district needs. The net budget effect is an increase of personnel by 2.2 positions and an increase of \$165,523.

#### **Salary Additions explained:**

**Educators:** With COVID-related grant money diminishing, and additional student learning support still needed, 4.5 of the 5.5 Interventionist and Counselor positions that were previously covered by a federal COVID relief grant will be funded through the 2022/23 School Budget for the Elementary and Intermediate schools.

**Middle School, District Administrator and staff positions:** The budget includes a proposed re-investment of an Assistant Principal at the Middle School, which was eliminated three years ago, and an Assistant Superintendent for Human Resources that was eliminated two years ago. The Assistant Principal at the Middle School will allow improvements in instruction, student achievement and school climate. The Assistant Superintendent for Human Resources will have the primary role of leading the Human Resource Management for the District's \$31 million annual investment in over 300 employees. This person will also be a needed backup to the Superintendent. In addition, the district will add three staff positions in central office operations needed to fill holes in our operational functioning.

**Health Insurance Benefits:** The District's health insurance, CT State Partnership II Plan, will raise rates by approximately 8% this year or add \$427,170 to the budget over last year's Health Insurance costs.

**Utilities:** The District is seeing a large increase in Utilities as a result of the inflationary rise in fuel prices. Not only does this affect our heating oil and diesel, but also maintenance to our buildings and grounds.

**Pupil Services:** At just over 13% of the proposed gross budget, Pupil Services varies year-to-year depending on student special education needs. In 2019, the District hired Effective School Solutions (ESS) to provide support for students with identified special education needs, and in some cases prevent expensive outplacements. Since engaging with ESS,

several out-placed students have returned to attend HK schools, saving the District tuition and transportation costs. For the first time in several years the Pupil Services budget will be decreasing.

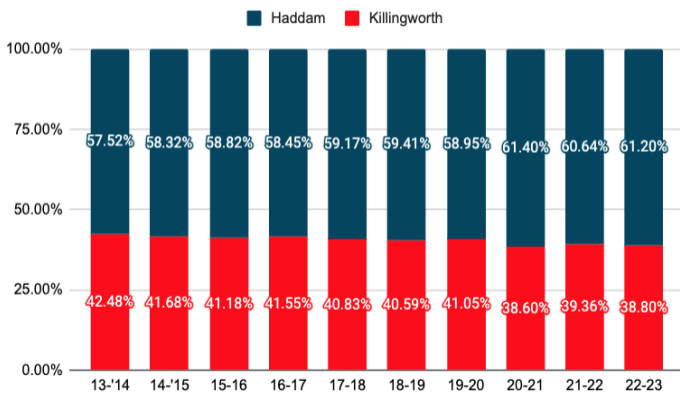
**Capital Fund and Debt Service:** In Connecticut, Regional School Districts own and maintain the school buildings as opposed to municipal or local school districts, which include building costs in their town budgets. This year, state statute has increased allowable allocations to the Capital Fund from 1% to 2% to cover planned maintenance. We have funded at 2% for an increase of \$854,980.98.

**When were the schools built?**  
 Killingworth Elementary- 1948  
*additions added in 1968 & 1989*  
 Central Office- 1954  
 Burr Elementary-1973  
 High School - 1974  
 Middle/Intermediate School- 2007

The State offers school districts reimbursement for specific capital projects, such as the 2018 High School Energy Project and the 2020 Field House renovation. However delays at the state level have left the District without expected reimbursements diminishing the Capital Fund to \$751,592. This year's Capital Projects includes investments such as water filtration at KES and Cafeteria replacement at HKHS and are expected to cost approximately \$900,000.

For large building projects, the Board must secure town approval to bond for funds to make necessary improvements or repairs. The District has two outstanding bonds for a total debt of \$8,160,175. The balance of \$1,177,175 for building HKMS will be paid off in 2024, and the balance is \$6,983,000 for the HKHS Energy Project which will be paid off in 2030.

Percent of the Budget Paid By Haddam and Killingworth



Killingworth's share is 38.8% based on 696 students.

**Town Assessment and Refund**

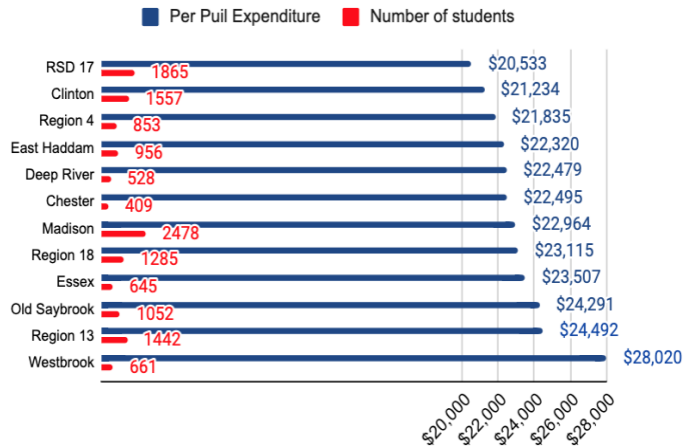
**Assessment:** Haddam and Killingworth pay a share of the budget based on the number of students enrolled from each town on October 1st of the prior year. This "Average Daily Membership (ADM)" is driven by how many students from each town graduate, enroll in pre-K/Kindergarten, choose to attend school out of the district or homeschool, and students who move in or out of the district. This year's budget assessment represents a similar share for each town compared to 2021/22 due to a steady decline in student enrollment from the previous school years. Haddam's share of the 2022/23 assessment is 61.2% based on 1,097 students enrolled in October of 2022, and

**Refund:** At the end of every fiscal year, the district typically ends the year with a positive balance remaining in the budget. The unspent Audited Fund Balance is then credited to the following year's town gross budget obligation. The 2020/21 estimated Audited Fund Balance of \$600,000\*\* will be credited to Haddam and Killingworth. We will apply the balance of the self-insurance fund of \$1,747,292\*\*, therefore lowering the budget and assessment for each town.

\*\*Note this is an estimated Audited Fund Balance. Audit is still being completed.

**It's all about Long Term Sustainability.....**

**2020-21 Per Pupil Expenditure Comparison**



The 2022/23 budget continues to represent a commitment to our students and our towns. With 67.31% of the budget made up of fixed costs, the district has managed to keep increases to a minimum through reallocating resources, strategic planning and thoughtful spending. Through careful budget planning, RSD 17 continues to remain below most neighboring towns in per pupil expenditure and less than the state average of \$20,740. School continues to be more critical than ever to Haddam and Killingworth children. The investments we make now in our students will pay dividends by creating compassionate, critical thinkers who will contribute to improving our society.

**Haddam BoE Representatives** -Brenda Buzzi, Jen Favalora, Shawna Goldfarb, Hamish MacPhail, Corey Roberts, Peter Sonski

**Killingworth BoE Representatives** - Lisa Connelly, Joel D'Angelo, Nelson Rivera, Suzanne Sack, Kathy Zandi